AGENDA/KAUPAPA

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

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

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz, Deputy Mayor Aubrey Ria, Colin Alder, Alexandra Boros, Larry Foster, Samuel Gibson, Debbie Gregory, Anne Huriwai, Jeremy Muir, Rawinia Parata, Rob Telfer, Daniel Thompson, Rhonda Tibble and Nick Tupara

COUNCIL/TE KAUNIHERA

DATE: Wednesday 21 October 2026

TIME: 10:00AM

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

AGENDA – OPEN SECTION

1. Apologies....4
2. Declarations of Interest....4
3. Confirmation of non-confidential Minutes....5
   3.1. Confirmation of non-confidential Minutes 27 August 2026....5
   3.2. Governance Work Plan....17
4. Leave of Absence....20
5. Acknowledgements and Tributes....20
6. Public Input and Petitions....20
7. Extraordinary Business....20
8. Notices of Motion....20
9. Adjourned Business....20
10. Committee Recommendations to Council....21
    10.1. **26-237** Committee Recommendations to Council - 17 September 2026....21
11. Reports of the Chief Executive and Staff for DECISION....23
    11.1. **26-244** 2025/26 Annual Report and Summary....23
    11.2. **26-238** Request to Waive Development Contributions for Toitū Tairāwhiti Hospital Housing Development....312
    11.3. **26-242** Board Appointments and Remuneration Policy Update for Adoption....327

12. Reports of the Chief Executive and Staff for INFORMATION 351
12.1. **26-222** Update on Planning Legislation and Spatial Planning Progress 351
13. Public Excluded Business.....368

Council

Chairperson:	Mayor Rehette Stoltz
Deputy Chairperson:	Deputy Mayor Aubrey Ria
Membership:	Mayor and all Councillors
Quorum:	Half of the members when the number is even and a majority when the number is uneven
Meeting Frequency:	Six weekly (or as required)

Terms of Reference:

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

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

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

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

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

3.1. Confirmation of non-confidential Minutes 27 August 2026

MINUTES

Draft & Unconfirmed

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MINUTES of the GISBORNE DISTRICT COUNCIL/TE KAUNIHERA

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Thursday 27 August 2026 at 10:00AM.

PRESENT:

Her Worship the Mayor Rehette Stoltz, Colin Alder, Alexandra Boros, Larry Foster, Debbie Gregory, Jeremy Muir, Rawinia Parata, Aubrey Ria, Rob Telfer, Daniel Thompson, Rhonda Tibble, Nick Tupara.

IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Lifelines Tim Barry, Director Internal Partnerships & Protection James Baty, Director Liveable Communities Michele Frey, Director Engagement & Maori Partnerships Anita Reedy-Holthausen, Chief Financial Officer Pauline Foreman, Acting Director Sustainable Futures Awhina White, Principal Community Assets and Partnerships Advisor Chris Visser, Senior Governance Advisor Teremoana Kingi and Committee Secretary Jill Simpson.

Secretarial Note: Director Lifelines Tim Barry and Principal Community Assets and Partnerships Advisor Chris Visser attended the meeting via audio visual link.

The meeting commenced with a prayer/karakia.

1. Apologies

MOVED by Her Worship the Mayor Rehette Stoltz, seconded by Cr Foster

That the apologies from Cr Parata (for lateness) Cr Gibson and Cr Huriwai, be accepted. **CARRIED**

2. Declarations of Interest

Cr Thompson declared an interest in Report 26-181 Campervan Caravan Effluent Dump Station as he is a member of the New Zealand Motor Caravan Association.

3. Confirmation of non-confidential Minutes

3.1 Confirmation of non-confidential Minutes 25 June 202

MOVED by Cr Ria, seconded by Cr Gregory

That the Minutes of 25 June 2026 be accepted. **CARRIED**

3.2 Governance Work Plan

Noted.

4. Leave of Absence

There were no leaves of absence.

5. Acknowledgements and Tributes

- Acknowledgement of Kimiora Poi who began her netball career at Tikitiki School. Kimiora went on to represent New Zealand as part of the Silver Ferns team that won a gold medal at the Commonwealth Games. She also secured a contract with the Brisbane Firebirds for the upcoming netball season, further highlighting her outstanding sporting achievements.
- Acknowledgement of Willie Apiata who visited Gisborne as part of the Rural Support Trust and sharing a very personal story of his own to raise awareness for mental health especially in our rural zones.
- Acknowledgement of all our waka ama paddlers currently in Singapore competing in the 2026 IVF World Sprint Championships.

6. Public Input and Petitions

Willie Te Aho (on-line), Pene Brown and Annette Wehi attended and spoke on Turanga Tangata Rite Housing Development (next to Gisborne Hospital) and the Development Contributions.

Points outlined:

- Requesting the development contributions be treated in a different manner for three main reasons:
  - Supported Council in March 2023 to seek resourcing for the upgrade of this site.
  - Turanga Tangata Rite Housing Development have put over $3m into new roading to be vested into Council.
  - The development is for affordable rentals. With the subsidy provided by the Government the rent for this area will be up to $640 per week which is effectively a 20% discount relative to rentals in Lytton West.
- If the $11k per site development contributions are required, the total cost would exceed $1.5 billion threshold. These additional costs would need to be passed onto tenants, resulting in rents that are no longer affordable and instead align with market rental rates.
- Options include objection, seeking remittance, or seek a grant from Council.
- Consider an approach where a not-for-profit provider of affordable rental housing receives a remission or grant to offset the cost of development contributions.

- Used the analogy of small coins used in villages, where grandparents gather individual coins together, demonstrating how combining small contributions can create a more significant and impactful collective resource.
- This supports the goal to deliver 5,000 homes by 2050, while engaging 48 local companies and contractors through the Turanga Tangata Rite programme.

Questions of clarification included:

- Following discussions with Minister Chris Bishop, it was indicated that this issue is not currently a government priority. Advocacy continues with the principle that not-for-profit organisations delivering affordable housing should be eligible for development contribution remissions or grants to offset these costs. The deadline for lodging an objection to the development contributions process is 1 September 2026.
- For Tōitu Tairāwhiti Housing Limited, the financial impact is significant. Development contributions of $174,000 have already been paid for the first 15 homes, and a further $1.3 million will need to be borrowed to meet development contribution requirements for the remaining homes. Ultimately, these costs will need to be recovered through rental income, placing an additional burden on tenants and undermining the objective of providing affordable rental housing.
- A further 35 homes will be ready for occupancy in September however with the development contributions not being paid, Triple C Housing will not be granted, and tenants will be unable to move in.
- At the time the development was planned, the requirement to pay development contributions was not known.
- A staggered payment schedule was not offered, and the reality is that the money will need to be borrowed from the bank to be able to meet the costs.
- The cost per dwelling for development contributions ranges from $9k - $11k.
- The Central Government contribution comprised a grant of approximately $50m ($45m plus GST), supported by a $30m loan and the contribution of 10 hectares of Treaty Settlement land.

7. Extraordinary Business

There was no extraordinary business.

8. Notices of Motion

There were no notices of motion.

9. Adjourned Business

There was no adjourned business.

10. Reports of the Chief Executive and Staff for DECISION

10.1 26-180 2027-2037 Long Term Plan Strategic Framework

Chief Financial Officer Pauline Foreman attended.

In adopting the strategic framework wording, Councillors acknowledged and thanked staff for the significant mahi undertaken behind the scenes in preparation for the workshops. It was noted as a proud milestone moment that Iwi partners were invited to join Councillors at the table and participate directly in the workshop process, a collaborative approach, the first time ever at Gisborne District Council, and believed to be the first of its kind in New Zealand. Special recognition was also given to Chris Mene and the Project team for facilitating the workshops.

It was acknowledged that this was a fair and correct reflection of what came of out the workshops but it was noted that the way strategic relationships with iwi, hapū, and communities are framed is critically important and is not currently reflected in the one-page design attachment as an overarching foundation across the framework. This could be revised to better strengthen and articulate these relationships where required.

It was noted that the Project team will look to see how this can be reflected and adjusted in the interim design and in the final 2027-2037 Long Term Plan branded design.

MOVED by Cr Ria, seconded by Cr Gregory

That the Council/Te Kaunihera:

1. Adopts the draft 2027–2037 Long Term Plan Strategic Framework, comprising the vision, purpose, mission, strategic priorities and community outcomes, as set out in Attachment 1.
2. Notes that the strategic framework has been developed through a three-workshop process involving elected members and iwi representatives. See Attachment 2 for the Facilitation Report for the three workshops.
3. Notes that feedback received on the community outcomes, as set out in Attachment 1, will be considered as part of the development of the future Regional Spatial Plan.
4. Notes that the adopted Strategic Framework will provide the strategic direction for the development of the 2027–2037 Long Term Plan.
5. Notes that the Strategic Framework will inform subsequent work, including prioritisation and investment decisions, infrastructure and asset planning, levels of service, Financial Strategy development, affordability considerations and community engagement, and Council's preparation for and contribution to the future Regional Spatial Plan.

CARRIED

10.2 26-173 Changes to the Significance and Engagement Policy to Meet Local Government (Water Services Act) 2025 Requirements

Principal Advisor Integrated Strategy Tessa Buchanan attended.

Questions of clarification included:

- The sewage collection, treatment and disposal system has been reframed as wastewater collection treatment.

MOVED by Cr Boros, seconded by Cr Telfer

That the Council/Te Kaunihera:

1. Determines that, after considering section 76AA(5) of the Local Government Act 2002, it has sufficient information about community interests and preferences so public consultation is not required on the proposed amendments to the Significance and Engagement Policy to meet the requirements of the Local Government (Water Services) Act 2025.
2. Adopts the amended Significance and Engagement Policy (Attachment 1).

CARRIED

10.3 26-197 Electoral Decision

Director Engagement & Maori Partnerships Anita Reedy-Holthausen and Manager Democracy & Support Services Donna Shaw attended.

Questions of clarification included:

- Legislation provides Councils with the ability to determine the electoral system they wish to adopt.

Secretarial Note: Cr Parata arrived at 10.40am.

- The primary cost associated with deciding on an electoral system will be the public education and communication programme required to inform the community.

MOVED by Cr Alder, seconded by Cr Gregory

That the Council/Te Kaunihera:

1. Pursuant to section 27 of the Local Electoral Act 2001, resolves for the 2028 Gisborne District Council triennial elections:
   a. Change to the First Past the Post electoral system.
2. Gives public notice by 19 September 2026 of the decision and of the right of electors to demand a poll on the electoral system to be used.

Divisional Vote

For	Against
Cr Alder	Mayor Stoltz
	Cr Muir
	Cr Ria
	Cr Tupara
	Cr Boros
	Cr Foster
	Cr Tibble
	Cr Telfer
	Cr Thompson
	Cr Parata
	Cr Gregory

LOST

Secretarial Note: Cr Gregory advised that she no longer supported the initial resolution.

MOVED by Her Worship the Mayor Rehette Stoltz, seconded by Cr Ria

That the Council/Te Kaunihera:

1. Pursuant to section 27 of the Local Electoral Act 2001, resolves for the 2028 Gisborne District Council triennial elections:
   a. Retain the Single Transferrable Vote electoral system; or
2. Gives public notice by 19 September 2026 of the decision and of the right of electors to demand a poll on the electoral system to be used.

Divisional Vote

For	Against
Mayor Stoltz	Cr Alder
Cr Muir	
Cr Ria	
Cr Tupara	
Cr Boros	
Cr Foster	
Cr Tibble	
Cr Telfer	
Cr Thompson	
Cr Parata	
Cr Gregory	

CARRIED

10.4 26-201 Gisborne Holdings Limited Annual General Meeting and Appointment of Shareholder Proxy

MOVED by Cr Foster, seconded by Cr Telfer

That the Council/Te Kaunihera:

1. Appoints the Mayor as proxy for the Annual General Meeting of Gisborne Holdings Limited to be held Tuesday 29 September 2026 at the Conference Room Waikanae Beach Top Ten Holiday Park.
2. Instructs the Proxy to vote as follows:
   i) To receive, consider and adopt the Annual Report, including the Financial Statements and the Audit Report thereon, for the year ended 30 June 2026.
   ii) To approve the dividend recommended by the Directors.
   iii) To confirm the appointment of Ernst & Young as agents for the Office of the Auditor General to act as the Company's auditor for the ensuing year in accordance with section 70 of the Local Government Act 2002, and to authorise the Directors to fix their remuneration.
   iv) To approve the Directors recommendation for the Directors fee pool to remain at $285,200 for the ensuing year.
   v) To deal with any other business that may properly be brought before the meeting.

CARRIED

10.5 26-198 Mana Whakahono ā Rohe: Government Decision and Council Position

Chief Advisor Maori Partnerships Gene Takurua attended and outlined the process.

Discussion Points:

- The courage shown by Gisborne District Council in determining the way forward was acknowledged. It was also noted that, for the benefit of the public, not all Councils are taking steps to foster and strengthen engagement partnerships.
- Council's Long Term Plan workshop process provided value and many positives of having iwi in the room.
- The work of staff was acknowledged, along with Council's courage in taking this position. The decision reflects the unique values and identity of Tairāwhiti and distinguishes the region from other rohe.
- Mana Whakahono ā Rohe provided a stronger framework for regional environmental stewardship, and its removal has weakened that level of environmental protection.
- As a Council, we have demonstrated the commitment and leadership needed to build strong relationships with our iwi partners, enabling us to achieve outcomes that reflect the strength of our partnerships with Maori and iwi. These positive relationships are founded on mutual understanding and a shared commitment to working effectively within the parameters of the legislative framework,

Questions of clarification included:

- A unique feature of Mana Whakahono ā Rohe is that it is established under the statutory provisions of the Resource Management Act and has no equivalent mechanism elsewhere. It provides formal legal recognition of Council's obligations, while also setting clear expectations and parameters for how Council and iwi partner on resource management matters.

MOVED by Cr Parata, seconded by Cr Gregory

That the Council/Te Kaunihera:

1. Adopts the Council position set out in paragraphs 14-16 of this report.
2. Agrees to continue bilateral work with affected iwi and hapū while the new framework is developed.
3. Authorises the Mayor and Chief Executive to communicate Council's position to affected hapū and iwi groupings.

CARRIED

10.6 26-194 Ngāti Porou Rural Growth Partnership Proposal

Principal Advisor Integrated Strategy Tessa Buchanan attended and acknowledged the presence of a representative of Te Runanganui o Ngati Porou in Council Chambers today.

Responses to questions of clarification included:

- Once established, the Spatial Plan Committee will operate as a governance committee and will include Council elected members. Further information on establishment of the Spatial Plan Committee will be bought to a future Council meeting.
- A new Regional Spatial Plan will be required to be developed under the new planning legislation that will replace the Resource Management Act.
- Staff are working through the details of the proposal. Weekly meetings are held with staff from Ministry for Cities, Environment, Regions and Transport (MCERT) and Te Runanganui o Ngati Porou (TRONPnui) and Council will also be hosting a full day workshop.

MOVED by Cr Tibble, seconded by Cr Parata

That the Council/Te Kaunihera:

1. Agrees staff will continue to collaborate with Te Rūnanganui o Ngāti Porou and the Ministry for Cities, Environment, Regions and Transport on the development of the Ngati Porou Rural Growth Partnership proposal.
2. Directs staff to report to Council seeking approval for the final proposal in December 2026 at the latest, but earlier if possible, alongside a full proposed model for the spatial plan committee and secretariat and draft regional process agreement.

CARRIED

10.7 26-181 Campervan Caravan Effluent Dump Station

Director of Liveable Communities Michele Frey and Principal Community Assets and Partnerships Advisor Chris Visser attended (online).

Secretarial Note: Cr Thompson declared an interest as a member of the New Zealand Motor Caravan Association and refrained from voting.

Questions of clarification included:

- The disposal pods are large plastic pods delivered to all freedom camping sites during the summer period and are emptied by Recreational Services.
- The Waitomo site on Wainui Road has been investigated; however, the roading improvements required within the legal road corridor present significant challenges and are not a straightforward to implement. In addition, the site is not located on Council administered land.
- The provision of an additional campervan caravan effluent dump station would be connected directly into Council's sewerage system.
- The cost of operating the pod system over the summer months is influenced by how quickly the pods reach capacity. Each servicing trip costs approximately $1,500. Across all freedom camping sites, the annual cost of servicing the disposal pods is around $10,000. These costs are partially offset by the koha received from visitors using the freedom camping facilities.

Councillors acknowledged the outstanding service Brian Hall and Hallrites has provided to the motor-homing community over the past 16 years.

MOVED by Cr Gregory, seconded by Her Worship the Mayor Rehette Stoltz

That the Council/Te Kaunihera:

2. Option B - Additional Dump Station is a Priority

   2.1 Decides that the establishment of an additional campervan caravan effluent dump station is a Council priority at this time.

   2.2. Requests staff to include funding requirements for the project, including capital and ongoing operational costs, for Council consideration through the next Long Term Plan process.

   2.3 Requests staff to continue discussions with the New Zealand Motor Caravan Association regarding delivery of the consented Innes Street/Stanley Road dump station proposal and any potential third-party contributions.

CARRIED

10.8 26-169 Waste Management and Minimisation Plan (WMMP)

Director Liveable Communities Michele Frey and Waste Minimisation Lead Charlotte Phelps attended. Michele noted that on page 181 of the Attachment to the Report under the heading of 'Funding Option' in Action 8, it should read - 'Rates and User Fees'.

MOVED by Cr Ria, seconded by Cr Telfer

That the Council/Te Kaunihera:

1. Adopts the Waste Management and Minimisation Plan 2026 – 2032.
2. Notes that the Waste Management and Minimisation Plan 2026 - 2032 replaces the Waste Management and Minimisation Plan 2018 – 2024.

CARRIED

11. Reports of the Chief Executive and Staff for INFORMATION

11.1 26-188 Indoor Multipurpose Centre (IMC) Update

Director Liveable Communities Michele Frey attended. Project Manager Stefan Pishief, Consultant Steven Bramley (SGL Funding NZ Ltd) and Architect Murali Bhaskar (BOON Limited) - presented on Indoor Multipurpose Centre Project.

Points raised:

- Two precincts in Gisborne remain viable - the Kiwa Precinct and from a sport and leisure perspective the Childers Road Victoria Domain precinct.
- By partnering with YGisborne both as a capital funding partner and operating partner, the net operating costs can be minimised for Council.
- Four site options were explored across the Childers Road/Victoria Domain precinct. Two were ruled out, with two at Childers Road undergoing further analysis:
  - Option 1 is building the Indoor Multipurpose Centre at the bottom of the second football field, but it has the complication of a sewerage pipe running under the field that will cost circa $1 million to mitigate.
  - Option 2 builds over much of the existing YGisborne site and makes efficient and effective use of space. However, its implementation will result in the temporary loss of one basketball court during construction, which is expected to last approximately 15 months.
  - Following further analysis, a comparison will be made between the Kiwa Pools site and any preferred Childers Road option so that a final decision can be sought on the Indoor Multipurpose Centre location.
- Greater certainty and confidence regarding the annual economic benefits to the region from visitor expenditure will be available by November 2026. These projections will be informed by the Indoor Multipurpose Centre's capacity to hose a range of tournaments, events, and activities, as well as attract more inter-regional events from neighbouring provinces. While major events are important, it is the smaller, more frequent events that provide a consistent stimulus to the local economy.
- The Indoor Multipurpose Centre will generate a significant social return on investment, with $10.60 estimated to be returned for every $1 invested.

Questions of clarification included:

- Under Option 2, the existing YGisborne fitness centre will remain operational throughout the project, however, one basketball court will be unavailable during construction.
- Council is currently working through budget considerations as part of the Long Term Plan process, and a prioritisation exercise will be required to determine the allocation of available resources. Consideration will also need to be given to other significant projects, including the Central Business District Upgrade.
- Site analysis has been undertaken over several years, with a range of potential locations assessed. The Childers Road area is a well-established and highly utilised precinct, located near several of the region's largest schools. A key consideration is ensuring that the facility's ongoing operational costs do not place undue burden on Council. When assessed over the life of the facility, this site offers potential long-term benefits and efficiencies that may not be available at other locations.
- The recent closure of Columbine Industry has created a significant area of land that could potentially be repurposed for this project. While the site was considered during the assessment process, the potential cost of acquiring the land would increase the overall capital investment required.
- Focus on the work stream over the next coming months will include consideration of the need for a civil defence evacuation zone and its integration into future planning.

MOVED by Cr Ria, seconded by Cr Foster

That the Council/Te Kaunihera:

1. Notes the contents of this report.
    a. Notes that no decision on the Indoor Multipurpose Centre regarding preferred site, and ownership/operating models, is sought through this report.
    b. Notes that Childers Road locations 1A and 2A remain under investigation alongside the previously preferred Kiwa Pools site.
    c. Notes that full comparisons between the Childers Road locations and the Kiwa Pools site has not been completed yet.
    d. Notes that Trust Tairāwhiti paused its operational involvement and funding commitments for the Indoor Multipurpose Centre project on 24 June 2026.
    e. Notes that staff will return in November 2026 with:
        i. An updated business case and investment proposal.
        ii. A recommendation for the final Indoor Multipurpose Centre location following completion of a comparative analysis between the Childers Road and Kiwa site.

CARRIED

12. Public Excluded Business

Secretarial Note: These Minutes include a public excluded section. They have been separated for receipt in Section 12 Public Excluded Business of Council.

13. READMITTANCE OF THE PUBLIC

MOVED by Her Worship the Mayor Rehette Stoltz, seconded by Cr Muir

That the Council/Te Kaunihera

1. Re-admits the public.

CARRIED

14. Close of Meeting

There being no further business the meeting concluded at 2.27pm.

Rehette Stoltz
MAYOR

3.2. Governance Work Plan

2026 COUNCIL - From 10AM						Meeting Dates						
HUB	**Activity**	**Name of agenda item**	**Purpose**	**Report type**	**Owner**	**29-Jan**	**12-Mar**	**7-May**	**25-Jun**	**27-Aug**	**21-Oct**	**10-Dec**
Finance & Affordability	Performance	Chief Executive Activity Report	Provide elected members with an update on Council activities for the covered period.	Information (I)	Torepe Taumaunu							
Finance & Affordability	Financial Services	Local Government Funding Agency AGM		Decision (D)	Lucy Gibson							
Finance & Affordability	Performance	2024/25 Annual Report	To provide the 2025/26 Annual Report for adoption.	Decision (D)	Pauline Foreman							
Finance & Affordability	Risk & Performance	Updated Council Risk Appetite	The purpose of this report is to adopt the updated Council Risk Appetite Categories and Statements	Decision (D)	Daniel Haverty							
Finance & Affordability	Risk & Performance	Updated Strategic Risk Framework	The purpose of this report is to adopt the updated Strategic Risk Framework	Decision (D)	Daniel Haverty							
Engagement and Māori Partnerships	Democracy Support Services	Council Chambers Safety & Security Procedures	To inform Councillors of the new procedures around dealing with threats to their safety while in meetings in Council Chambers.	Workshop	Donna Shaw/ Phil Nickerson							

2026 COUNCIL - From 10AM						Meeting Dates						
HUB	**Activity**	**Name of agenda item**	**Purpose**	**Report type**	**Owner**	**29-Jan**	**12-Mar**	**7-May**	**25-Jun**	**27-Aug**	**21-Oct**	**10-Dec**
Sustainable Futures	Strategic Planning	26-173 Changes to the Significance and Engagement Policy - Water Services Act 2025 Requirements	To seek Council's approval to adopt targeted amendments to the Significance and Engagement Policy (SEP), without public consultation, to meet the requirements of the Local Government (Water Services) Act 2025. The amendments ensure the SEP includes the statutory criteria required to assess the significance of water services contracts, reducing legal and process risk and ensuring compliance with the Act.	Decision (D)	Carrie White							
Sustainable Futures	Strategic Planning	Draft Infrastructure Strategy		Decision (D)	Tessa Buchanan							

2026 COUNCIL - From 10AM						Meeting Dates						
HUB	**Activity**	**Name of agenda item**	**Purpose**	**Report type**	**Owner**	**29-Jan**	**12-Mar**	**7-May**	**25-Jun**	**27-Aug**	**21-Oct**	**10-Dec**
Sustainable Futures	Strategic Planning	26-222 Update on planning legislation and spatial planning progress	The purpose of this report is to update elected members on the new resource management framework, progress with regional spatial planning, and the work required next.	Information (I)	Kelsey Goldsmith							
Sustainable Futures	Strategic Planning	26-238 Request to Waive Development Contributions for Toitū Tairāwhiti Hospital Housing Development	For Councillors to decide if development contributions should be waived for the Toitū Tairāwhiti Housing development	Decision (D)	Tessa Buchanan							
Engagement and Māori Partnerships	Democracy Support Services	26-237 Committee Recommendations to Council - 17 September 2026	The purpose of this report is to approve the recommendations arising from the Sustainable Tairawhiti Committee on 17 September 2026.	Decision (D)	Jill Simpson							
Sustainable Futures	Strategic Planning	Approval of the draft RLTP/RPTP and consultation material		Decision (D)	Elise Miller							

2026 COUNCIL - From 10AM						Meeting Dates						
HUB	**Activity**	**Name of agenda item**	**Purpose**	**Report type**	**Owner**	**29-Jan**	**12-Mar**	**7-May**	**25-Jun**	**27-Aug**	**21-Oct**	**10-Dec**
Office of the Chief Executive	Democracy Support Services	Board Appointments and Remuneration Policy Update for Adoption	The purpose of this report is to adopt an updated Board Appointments and Remuneration Policy (Policy) to align it with Gisborne District Council's (Council) current governance arrangements	Decision (D)	Julian Rangihuna-Tuumuli							
Sustainable Futures	Strategic Planning	Establishment of spatial plan committee and draft process agreement for spatial planning		Decision (D)	Tessa Buchanan							

10. Committee Recommendations to Council

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

26-237

Title:	**26-237 Committee Recommendations to Council - 17 September 2026**
Section:	Democracy & Support Services
Prepared by:	Donna Shaw - Manager Democracy & Support Services
Meeting Date:	Wednesday 21 October 2026

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

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to approve the recommendations arising from the Sustainable Tairāwhiti Committee.

SUMMARY - HE WHAKARĀPOPOTOTANGA

Sustainable Tairāwhiti Committee 17 September 2026

26-189 Gambling Venue Policy Review

1. Recommends that Council:
    a. Determines having considered the review findings and early engagement feedback, that the evidence does not support substantive amendment or replacement of the current policy settings in the Gambling Venue Policy 2022;
    b. Notes that, because substantive amendment to or replacement of the Gambling Venue Policy 2022 are not proposed, the special consultative procedure under section 83 of the Local Government Act 2002 is not required;
    c. Confirms the Gambling Venue Policy 2022; and
    d. Authorises the Chief Executive to:
        i. approve minor administrative and readability corrections to the Gambling Venue Policy 2022 as shown in Attachment 3, limited to numbering, typographical errors, formatting, minor wording improvements, and obsolete or redundant references, provided those corrections do not alter the meaning, scope, application, criteria or effect of the policy; and
        ii. republish the confirmed Gambling Venue Policy 2022 on Council's website with those administrative and readability corrections.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. **Adopts the recommendation from the Sustainable Tairāwhiti Committee:**

    a. **Determines having considered the review findings and early engagement feedback, that the evidence does not support substantive amendment or replacement of the current policy settings in the Gambling Venue Policy 2022;**

    b. **Notes that, because substantive amendment to or replacement of the Gambling Venue Policy 2022 are not proposed, the special consultative procedure under section 83 of the Local Government Act 2002 is not required;**

    c. **Confirms the Gambling Venue Policy 2022; and**

    d. **Authorises the Chief Executive to:**

        i. **approve minor administrative and readability corrections to the Gambling Venue Policy 2022 as shown in Attachment 3, limited to numbering, typographical errors, formatting, minor wording improvements, and obsolete or redundant references, provided those corrections do not alter the meaning, scope, application, criteria or effect of the policy; and**

        ii. **republish the confirmed Gambling Venue Policy 2022 on Council's website with those administrative and readability corrections.**

Authorised by:

Anita Reedy-Holthausen - Director Engagement & Maori Partnerships

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Keywords: committee recommendations to council, sustainable Tairawhiti committee, gambling venue policy review

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

26-244

Title:	**26-244 2025/26 Annual Report and Summary**
Section:	Finance & Affordability
Prepared by:	Melanie Hartung - Finance & Performance Manager
Meeting Date:	Wednesday 21 October 2026

Legal: Yes	Financial: Yes	Significance: **Low**

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to present Gisborne District Council's (Council) 2025/26 Annual Report and Annual Report Summary for adoption.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The Local Government Act 2002 and the Public Audit Act 2001 require Council's Annual Report to be audited each year. Ernst & Young (EY) are appointed by the Auditor-General to carry out the audit of Council's Annual Report. The Closing Report for the Annual Report 2025/26 was presented to the Audit and Risk Committee on 30 September 2026 **[Report 26-227].**

The audited Annual Report and Annual Report Summary need to be completed and adopted by Council within four months of the end of the financial year (30 June 2026).

The audited Annual Reports, reports against Year 2 of the 2024 – 2027 Three-Year Plan (3YP). This Annual Report is the third full year of recovery, post the challenges posed by Cyclones Hale and Gabrielle.

Our financial performance remains stable, particularly in the areas of debt management and our overall financial performance. Our overall result was an operating surplus of $61.8m with a budgeted surplus of $94.8m. Revenue and expenditure were well managed and were predominately as planned, but capital grant revenue from our recovery projects was lower than expected. This was mostly to do with the timing of roading projects and where the spending will occur in future years. Our external debt is $237.8m, within overall debt cap limits.

Auditors Ernst & Young on completion of their audit and upon adoption of the Annual Report will issue their audit opinion. At that time, their audit opinion will be inserted into the final documents.

At the time of compiling this report, the audit is still in progress but will be completed by the date of this Council meeting. Any changes arising from EY's final review process to the Annual Report will be tabled on the day. The full 2025/26 Annual Report is attached in **Attachment 1**. The Annual Report Summary is attached in **Attachment 2.**

The Chief Executive and Directors will present highlights of our Activities and Levels of Service for the past financial year to the Council.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. **Adopts the Annual Report and Annual Report Summary for the year ended 30 June 2026 in accordance with Section 98 of the Local Government Act 2002; subject to minor changes, including final audit changes, formatting, grammatical and typing errors.**
2. **Signs the Statement of Compliance and Responsibility once adopted.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: 2025/26 Annual Report, Annual Report Summary, Section 98, Local Government Act 2002, Statement of Compliance and Responsibility

BACKGROUND - HE WHAKAMĀRAMA

1. Sections 98(2)(a) and (b) of the Local Government Act 2002 (the Act) specifies the purpose of an Annual Report is:

    a. To compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the Long-Term Plan (LTP) and the Annual Plan (AP); and

    b. To promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.

2. Section 99(1)(a) to (d) and (2)(n) in addition to the information Part 3 of Schedule 10, the Annual Report must contain:

    a. The financial statements.

    b. The statement about budgeted and actual capital expenditure.

    c. The Funding Impact Statement.

    d. A statement that all statutory requirements in relation to the Annual Report has been complied with.

    e. Include a summary report of Annual Report, including the Auditor-General's report on whether the summary represents, fairly and consistently, the information regarding the major matters dealt with in the Annual Report.

3. The Annual Report is Council's key accountability document. It sets out what we have achieved in the last year, explains how we spent rates and the value the community received in return. It compares our achievements and progress to what was planned to be achieved, in this case year two of the 2024-2027 Three-Year Plan.

4. Attached are:

    a. **Attachment 1** 2025/26 Annual Report.

    b. **Attachment 2** Annual Report Summary.

5. It should be noted that Attachment 2, the Annual Report Summary is by and large the same for the Full 2025/26 Annual Report; where the first sections are duplicated. It excludes "Our Activities" and "Our Finances" Sections. However, instead of "Our Finances", new financial tables are inserted as a summary of all the financial statements, as set out within the last section of the Summary.

6. The Summary Report while mostly a duplication of the full report, must be presented and adopted in its own right.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Being Accountable to our Community

7. The Annual Report is the story of our performance over the last financial year from 1 July 2025 to 30 June 2026. It is an important way of informing our community about how we spent their rates. It also highlights what we did, the areas we performed well in, the areas we need to improve and provides context for where we need to head in the future.
8. The emphasis in the front section of the Annual Report is on informing the community of our progress made with our major projects, cyclone recovery and the district highlights.
9. It is then followed by our challenges and response to explain how we will manage these over the next year when deciding on the work we need to do, what we should spend, and when we will deliver. This connects our 2024-2027 Three-Year Plan and where we are heading within the next period.

Financial Performance Overview

10. Council continues to perform well financially strong, both in terms of its debt and overall financial performance. Council met all its Financial Prudence Benchmarks except for the Operations Benchmark. This benchmark was not met due to the timing of capital grants. The Benchmarks measure Council's planned performance compared against actual results. They are used to illustrate that we prudently manage our revenue, expenses, assets, debt, and our general financial dealings.
11. One significant measure of our performance is what percentage rates make of our total revenue. This year rates represented 38% of our total revenue, which is much lower than the previous Long Term Plan average of 60%. This shows that significant external funds have been used to support our emergency and recovery efforts. While Council is not fundamentally better off after receiving the grants, this support from Central Government and from our insurance proceeds results in a significantly reduced burden on our ratepayers.
12. In 2025/26 we received total revenue of $254m, where a significant portion of our revenue were from subsidies relating to roading reinstatement works and commercial silt and woody debris removal. Revenue was lower than expected in our Annual Plan, mostly to do with timing of capital grants for roading capital reinstatement programme.
13. Council ended the year with a net surplus of $61.8m, $33m less than what was expected in the Annual Plan. The less than expected net surplus are mostly due to the timing of capital grants. Capital grants are paid with the delivery of projects. Most of the grants relate to the recovery programme and include the roading recovery projects, flood protection and FOSAL Category 2 house lifting and voluntary property buyouts.
14. The accounting of capital grants contributes to the recording of a surplus. Capital grants and subsidies are recorded as income, even though they do not fund operational costs directly. This surplus goes towards our capital projects, reducing Council's need to borrow funds.
15. Total expenditure was $193m, $22.6m more than was in the Annual Plan. A total of $69.8m was spent towards emergency reinstatement works and woody debris removal costs, and $3.5m for write downs of properties purchased under the voluntary property buyouts. Most of the higher-than-expected costs relate to FOSAL relocation and Category 2P grants, extraction of woody debris, roading maintenance and emergency reinstatement. Most of these additional costs were covered by grants.

16. There were also higher costs relating to rubbish disposal, kerbside and transfer station costs and illegal dumping.

17. The total capital investment programme was $117.3m, while below the Annual Plan of $163.2m, it does represent the highest level of capital investment in any one year.

18. Capital expenditure is less than the Annual Plan budget, mostly due to the phasing of the recovery roading programme. While there are variances of the recovery programme to the Annual Plan, the delivery of the recovery programme is still on track and expected to be completed within the 3-4 years aligning to the overall project schedule.

19. This year's capital investment, $117.3m (or 95%)was spent on critical infrastructure and FOSAL Category 3 Voluntary Property buyouts. Key highlights include:
    - Total of $10.9m for wastewater, water supply and stormwater.
    - Total of $75.4m for reinstatement of bridges and roads and on road network renewals.
    - $13.2m on the flood resilience programme.
    - $12m primarily relating to FOSAL Category 3 Voluntary property buyouts.

Table 1 Finances at a Glance

	Budget 2025/26 $000s	Actual 2025/26 $000s	Variance Favourable/ (Adverse) $000s
Revenue from Rates	96,952	97,762	810
Grants and Subsidies - Operational	33,115	44,465	11,350
Grants, Donations, Subsidies and Contributions - Capital	115,342	84,253	(31,089)
Revenue from Operating Activities	18,796	20,823	2,027
Interest received	0	474	474
Other finance income	0	6,705	6,705
Other Gains/(Losses)	850	(183)	(1,033)
Total Operating Income	**265,054**	**254,299**	**(10,755)**
Employee Benefit Expenses	38,370	36,817	(1,553)
Depreciation and Amortisation	32,857	32,194	(663)
Operating Activities	90,873	111,172	20,299
Financing costs	8,078	9,035	957
Loss FOSAL category 3 buyback	0	3,573	3,573
Total Operating Expenditure	**170,178**	**192,791**	**22,613**
Net surplus/(deficit) before taxation	**94,876**	**61,507**	**(33,368)**
Subvention Income	350	350	-
Income Tax Expense (Benefit)	0	0	0
Net Surplus/(Deficit) after Tax	**95,226**	**61,857**	**(33,368)**
Gains/(Losses) on Asset Revaluation	68,751	2,360	(66,392)
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	**163,977**	**64,217**	**(99,760)**

20. Council recorded a total surplus of $64.2m after revaluation of assets.

21. Council holds long term assets of $3 billion, including operational and infrastructure assets. When investing in infrastructure, we borrow funds so repayments can be spread across the generations that benefit from these investments.

22. Depreciation and amortisation costs are $32m (16.7% of our total costs) and repairs and maintenance (excluding roading emergency works) was $16.9m (or 8% of our total costs).

23. At year end, our total long-term debt is $237.8m, or 164% of debt to revenue. Overall net debt is $226m, on par with the Annual Plan budget of $227m. Overall net debt is made up of external debt, short term bank facilities offset by borrower notes and the gain on fair value adjustment for concessionary loans.

24. Other variances from the Annual Plan, both favourable and unfavourable, arose during the year. A more detailed analysis of all Council's activities is included within the "Our Activities" section of the Annual Plan.

Non-Financial Performance

25. Council measures and monitors the quality and effectiveness of its services to ensure we are delivering on our commitments and identifying opportunities for improvement.

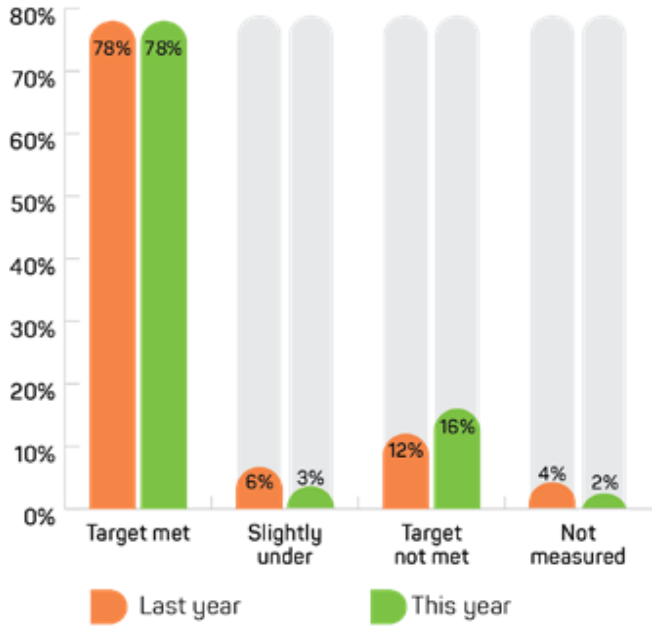
26. Council maintained solid performance during 2025/26 despite the ongoing demands of recovery, meeting 78% of its 93 performance measures, consistent with the previous year. Strong results were recorded across regulatory services, water services, consenting, community facilities and commercial operations.

27. Council tracks 93 performance measures in total:
    - 33 mandatory measures set by Central Government
    - 16 measures derived from the Resident Satisfaction Survey
    - 44 measures developed through the 2024–2027 Three Year Plan.

28. Overall, 78% of performance measures met their targets. A further 3% were slightly under target, 16% did not meet target, and 2% were not measured. Seven recovery programme measures are reported separately as their completion dates fall in future years, and they are therefore not included in these totals.

29. The graph below shows Council's overall performance against the targets set for 2025/26.

Graph 1: Overall Performance Metrics



Mandatory measures

30. A total of 33 performance measures are mandated by Central Government, covering water services, land, rivers and coastal areas, and the provision of local roads and footpaths. These measures are consistent across councils and allow the public to compare service levels nationally.

31. In 2025/26, Council achieved 27 of the 33 mandatory measures, or 82%. Three measures were slightly under target and three did not meet target.

32. Strong mandatory measure performance included:

    - flood protection, with the required proportion of the stopbank network inspected and the required level of protection maintained
    - roading customer response times, road smoothness and footpath condition
    - wastewater overflow response and compliance
    - water supply response times, water loss and drinking water complaints
    - all stormwater performance targets.

Targets not met

33. **Road safety:** The road safety target was not met. Four fatalities and nine serious injury crashes were recorded in 2025/26, compared with one fatality and 10 serious injury crashes in the previous year.

34. **Wastewater:** Wastewater complaints remained above target at 16.49 complaints per 1,000 connections. Performance continued to improve, down from 18.5 complaints per 1,000 connections in the previous year.

35. **Water supply:** Whakatūtū completed 11 of the 12 required annual surveillance samples under the distribution system rule, resulting in 91.7% compliance. All samples that were completed met the required water quality standards.

Slightly under target

36. **Roading:** Council resurface 4% of the sealed local road network against a target of 5%. While this fell short of the goal, it marks an improvement from the 3% achieved in the previous year.

37. **Water supply:** Two drinking water compliance measures were slightly below target. Bacterial and protozoal compliance for Te Karaka and Whakatūtū ranged from 99.3% to 99.5% after a lightning storm interrupted the transmission of monitoring data required to demonstrate compliance. Water treatment continued to meet the required standards, and the water supplied remained safe throughout the reporting period, with no adverse impacts on the communities served.

Performance highlights

38. Council identified several areas of strong service performance during 2025/26. Highlights included:

    - **Enforcement and compliance:** all targets were met across animal control, licensing, noise control and maritime safety.
    - **Water services callouts:** urgent and routine callouts were attended and resolved within target timeframes across water supply, wastewater and stormwater.
    - **Cultural facilities:** HB Williams Memorial Library recorded 99,447 onsite visitors and achieved four times its target for online visits. The museum and theatres also met their resident satisfaction targets.
    - **Consenting compliance:** building and resource consent processing both exceeded the 95% statutory timeframe target, reaching 99% and 97% respectively.
    - **Commercial performance:** investment returns increased to 4.1% of Council revenue and satisfaction with Council accommodation and services reached 98%.

Areas for improvement

39. Performance measures also identified areas where further improvement is required:

    - **Public transport patronage:** patronage declined following major service changes, although use returned to pre-change levels after six months. Planned live tracking and real-time information are intended to support future growth.
    - **Waste reduction and recycling:** waste to landfill remains high, with education and behaviour-change programmes planned through the 2026–2032 Waste Management and Minimisation Plan.
    - **Solid waste services:** collection satisfaction and response times remain areas for improvement, with continued focus required on service reliability and customer response.
    - **Road safety:** fatal and serious injury crashes remain an important area of focus across the local road network.
    - **Public facility cleanliness:** satisfaction improved slightly but remained below target, requiring continued work and investment.

40. More detailed results, including explanations for individual performance measures and service-level results, are provided in the Our Performance and Our Activities sections of the Annual Report.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Low** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **Low** Significance
This Report: **Low** Significance

The level or history of public interest in the matter or issue
Overall Process: **Low** Significance
This Report: **Low** Significance

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

TREATY COMPASS ANALYSIS

Kāwanatanga

42. This Annual Report is retrospective and did not involve direct tangata whenua engagement during its compilation. However, the activities reported reflect workstreams where significant engagement with mana whenua occurred, particularly within the development of the 2024–2027 Three Year Plan. That Plan, which forms the foundation of this report, involved robust engagement with Māori communities, ensuring their voices shaped Council direction. Inclusion of Māori ward councillors and their active participation in decision-making throughout the year has strengthened Council's ability to give effect to its Treaty responsibilities and embed a Māori worldview in governance decisions.

Rangatiratanga

43. Council's work in 2025/26 placed greater emphasis on recognising and supporting the authority of iwi and hapū to lead in shaping the region's future. The development of the Local Leadership Body marked an important step toward shared regional governance, enabling iwi and Council to set priorities together and respond collectively to challenges. Operationally, Council worked alongside iwi across recovery programmes, environmental management, and infrastructure access, embedding iwi perspectives despite sector-wide capacity pressures. Significant initiatives such as the Tairāwhiti Resource Management Plan review and iwi-led resilience planning further demonstrated how tangata whenua are exercising rangatiratanga in decision-making and future-focused strategy. These partnerships highlight a shift from consultation to collaboration, where iwi leadership and mātauranga guide outcomes that are more durable, equitable, and grounded in place.

Oritetanga

44. Equity has been a guiding principle of recovery and service delivery. Council secured substantial external funding, including Crown recovery support and Waka Kotahi subsidies, which reduced the burden on ratepayers while enabling critical reinstatement for isolated and high-need communities. Voluntary Category 3 property buy-outs and targeted community grants addressed uneven cyclone impacts on Māori landowners and rural settlements. Reinstatement of roading and lifeline infrastructure was prioritised to restore safe access for vulnerable communities, ensuring resources were directed where needs were most acute.

Whakapono

45. Council's work in 2025/26 focused on building trust and integrity in relationships with tangata whenua by honouring commitments and embedding tikanga Māori in practice. Major programmes such as the Waipaoa Flood Control resilience works and storm and wastewater upgrades reflected Māori environmental values, while iwi-involved initiatives including the Tairāwhiti Resource Management Plan review, iwi resilience planning and catchment restoration programmes demonstrated how mātauranga is being integrated into infrastructure and environmental decision-making.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

46. As the Annual Report is a retrospective account of the previous year, tangata whenua were not directly consulted in its preparation. However, the programmes and activities it reports on were guided by Treaty principles and shaped through earlier engagement with iwi and hapū. Many of these initiatives involved direct collaboration with iwi partners.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

47. Council is not required to consult on its Annual Report; however, we are required to make the Annual Report and the Annual Report Summary document available to the public within one month of its adoption (in this case, before 19 November 2026).

48. The Annual Report Summary will be primarily published online this year, with links distributed through our eNews.

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

49. While the preparation of this report itself does not create direct climate impacts, the Annual Report records significant progress in Council's climate response. In 2025/26, major investment went into recovery and resilience projects such as the Waipaoa Flood Control scheme, roading reinstatement, and lifelines protection, which directly strengthen the district's ability to withstand future climate events. The Three-Year Plan programmes also advanced work on emissions reduction, waste minimisation and catchment management, and supported community-led adaptation initiatives.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

50. Refer to the Financial Performance Section, as outlined above.

Legal

51. The content and recommendations in this report are consistent with the requirements of the Local Government Act 2002.

52. The audited Annual Report needs to be completed and adopted by Council within four months of the end of the financial year (30 June 2026).

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

53. This Annual Report confirms that Council progressed as planned within the 2024-2027 Three-Year Plan.

RISKS - NGĀ TŪRARU

54. There are no major risks associated with the decisions within this report.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
21 October 2026	Annual Report & Summary to be adopted at Council meeting	Auditors will issue an audit opinion upon completion of their audit and on the adoption of the Annual Report.
November 2026	Annual Report and Summary to be made available on Council's website	Hard copies will be made available at Council offices and the library
November 2026	Copies of the Annual Report and Summary sent to the Secretary; Auditor General and Parliament Library	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Annual Report 2025/26 - Draft for Adoption [**26-244.1** - 218 pages]
2. Annual Report 2025/26 Summary - Draft for Adoption [**26-244.2** - 60 pages]

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

HEALING
OUR REGION
FOR OUR FUTURE

TE WHAKARAUORATANGA
O TŌ TĀTAU ROHE
MŌ ĀPŌPŌ

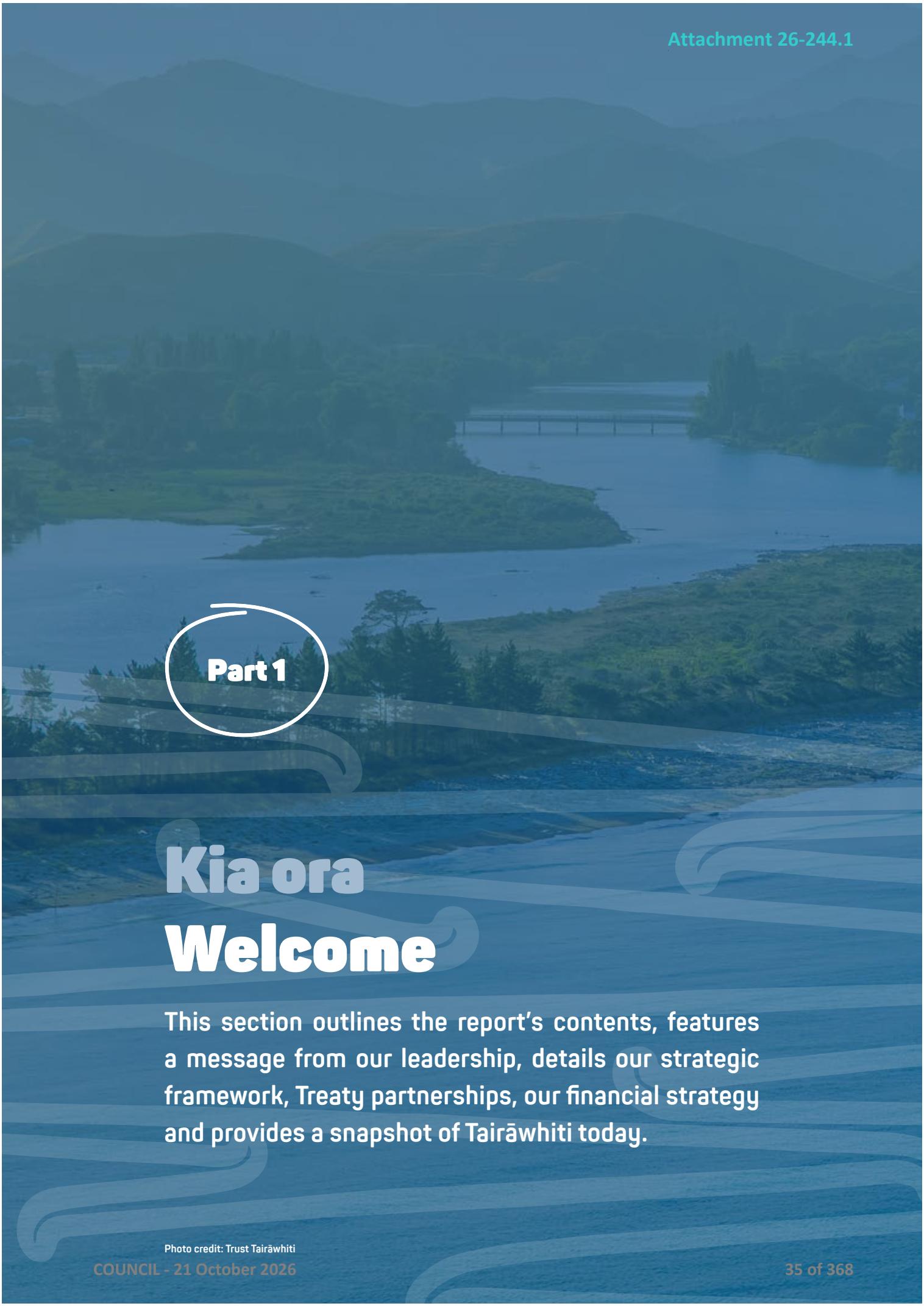
2025/26 ANNUAL REPORT

2025/26 PŪRONGO Ā-TAU

Te Kaunihera o Te Tairāwhiti
Gisborne District Council

Adopted by Council on 21 October 2026

ISSN 1171-4573 (Print) ISSN 2624-1498 (Online)



Part 1

Kia ora
Welcome

This section outlines the report's contents, features a message from our leadership, details our strategic framework, Treaty partnerships, our financial strategy and provides a snapshot of Tairāwhiti today.

Photo credit: Trust Tairāwhiti

Contents

A message from our Mayor and Chief Executive....4
Welcome to our Annual Report 2025/26 12
Being accountable to our community 13
Our community outcomes and wellbeings....15
Our strategic framework 16
Treaty relationships and partnerships....17
Financial strategy 18
Our region 20

Facing the future together 22

Our performance 58

Our activities 70

Our finances 140

Additional information 212

He kupu whakataki nā te Kahika me te Manahautū
A message from our Mayor and Chief Executive



E ōku nui, e ōku rahi, e ōku whakatairanga kei te whenua e whakatutuki ana i ngā mahi huhua mō te painga o te iwi, tēnā koutou katoa. Tēnā koutou, tēnā tātau me o tātau tini mate, rātau kua riro i te ia o te mātoru o te pō e kore a muri e hokia, haere, haere, oti atu rā. Tēnei māua e mihi atu nei me ngā mahi huhua kua oti i waenga i a tāutau. Ko ngā mahi taumaha, ūaua tonu nei, engari mo te painga o te hapori me nga tūmatanui o te rohe o Te Tairāwhiti. Me kī, kei whea mai te miharo, ā, kei a koutou tonu. E kore ngā mihi e mimiti, ā, e āhua kitea nei ngā hua, engari taihoa ake te wā e hauhaketia. Kāti, ākina, whakamahia kia ū, kia hui e, tāiki e!

Nau mai ki te pūrongo mō te haerenga o tēnei tau
Welcome to our 2025/26 Annual Report.

This report marks the end of the second year of our 2024–2027 Three Year Plan, developed following the severe weather events of 2023. Two years into the Plan, the immediate response to Cyclone Gabrielle has given way to the longer work of rebuilding infrastructure, reducing risk and strengthening resilience. Some recovery programmes are nearing completion, while roading, flood resilience and land recovery work will continue for several years.

The year also reinforced how exposed Te Tairāwhiti remains to severe weather. In January 2026, another event caused disruption across the Coast, particularly around Te Araroa, Onepoto and Wharekahika. Communities were cut off, homes and infrastructure were damaged, and parts of the roading network were severely constrained. The event caused approximately $14m of damage and added pressure to the recovery programme.

A focus throughout the year was reducing the risk posed by large woody debris. More than 615,000 cubic metres of debris has now been treated since 2023, including more than 66,000 cubic metres during 2025/26. River works have been completed across several major catchments, with remaining work moving further upstream and increasingly focused on reducing risk at its source.

Our approach has become more targeted, using aerial imagery, artificial intelligence, drone technology and risk assessment to focus intervention. This work received national recognition in 2026, with the Turning the Tide large woody debris project receiving the Taituarā Excellence in Digital Local Government Award and the Members' Choice Award.

Roading recovery has moved into delivery. Repairs to 251 non-complex slips and dropouts were completed during the year. Work on the 93 most complex sites is progressing, with around a quarter completed and a further quarter under construction by year end.

Construction of the $45m Tiniroto Bypass also progressed, with enabling works complete and work underway on the northern bridge approach. These projects are restoring access and strengthening critical routes.

Flood resilience remains another major area of investment. A further 7km of the Waipaoa River stopbanks was upgraded during the year, bringing the total upgraded length to 62.4km. A small amount of stopbank earthworks remains, with further resilience works continuing into 2026/27.

Planning and consenting advanced for the wider flood resilience programme, including the Te Karaka stopbank upgrade and investigations across Te Arai, Taruheru, Mangapapa, Whataupoko, Uawa, Tokomaru, Makarika and Tikitiki. This work will help target future investment where it provides the greatest protection.

There has also been progress for property owners affected by the 2023 events. All 58 property owners participating in the Category 3 voluntary buyout programme had settled by year end. Forty-nine sites had been made safe, including 40 demolitions and nine houses relocated.

For Category 2P properties, mitigation continued through house lifting, drainage and land stability interventions. By 30 June 2026, 42 of the 157 properties in the programme had completed the required mitigation and were able to be removed from the Category 2P classification.

Recovery has continued alongside the everyday work our communities rely on. Council met 78% of its 93 performance measures during 2025/26, maintaining last year's overall result through a demanding operating environment. Strong performance was recorded across regulatory services, water supply, consenting and community facilities, while other areas require further improvement.

Across our environmental programme, the Waingake Transformation Programme received the 2026 Growing Native Forests Champions Award for Large-Scale Restoration. Delivered with Maraetaha Incorporated and Ngāi Tāmanuhiri, Waingake is progressively transforming 1,600 hectares of plantation pine within our water supply catchment back to indigenous ngahere, supporting biodiversity, cultural restoration and water supply resilience.

We have delivered this work during a period of significant national reform. Under Local Water Done Well, Council completed its Water Services Delivery Plan and received Government approval to retain drinking water, wastewater and stormwater services within Council through a financially ring-fenced Water Services Business Unit. An Interim Water Management Committee has been established, with work progressing on the Water Services Strategy and the investment and financial arrangements required.

At the same time, resource management, emergency management and wider local government reform are reshaping how councils operate. As a unitary authority, these changes affect environmental management, infrastructure, consenting, emergency management and strategic planning.

Affordability has remained central to our decisions. Recovery and resilience work is being delivered at a scale our local rating base could not reasonably fund alone. Central government grants, NZTA funding and other external support remain critical to restoring damaged infrastructure and reducing future risk.

Council's external debt increased to $237.8m at 30 June 2026 as major recovery and infrastructure programmes moved into delivery. After excluding non-recurring income, debt was 164% of revenue, within the 175% limit set through our financial strategy. We continue to balance essential investment with debt, rates and long-term affordability.

None of this work is delivered by Council alone. We acknowledge the contribution of iwi and hapū, communities, government agencies, emergency services, contractors, landowners, funding partners, volunteers and Council staff. Their knowledge and commitment continue to shape recovery and delivery across Te Tairāwhiti.

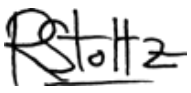
Our relationships with tangata whenua remain fundamental. Over the year, partnerships continued across governance, recovery, infrastructure, environmental programmes and strategic planning. We also strengthened the tools and approaches used within Council to embed Te Tiriti responsibilities and Māori outcomes more consistently into planning and decision-making.

We have made significant progress, but there is still a lot to do. As we enter the third and final year of the Three Year Plan, recovery continues, ageing infrastructure requires sustained investment, severe weather continues to test our resilience, and national reforms are reshaping local government.

We are also beginning to make the longer-term choices that will shape the 2027–2037 Long Term Plan. The work completed during 2025/26 gives us stronger foundations for those decisions.

This Annual Report reflects both the progress made and the work ahead. Our focus remains on reliable services, resilient communities and infrastructure, protecting our environment, and supporting a strong future for Te Tairāwhiti

Ngā mihi nui ki a koutou.



Mayor
Rehette Stoltz



Chief Executive
Nedine Thatcher Swann

AUDIT REPORT PAGE 1

AUDIT REPORT PAGE 2

AUDIT REPORT PAGE 3

AUDIT REPORT PAGE 4

AUDIT REPORT PAGES X 5

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He mihi ki tā mātau Pūrongo ā Tau 2025/26
Welcome to our Annual Report 2025/26

Welcome to our 2025-2026 Annual Report which outlines the activities and services, what we had planned to deliver during the 2025/26 financial year, the challenges we faced, and how we responded.
Every year, we produce an Annual Report to give our community, leadership and staff a clear summary of the work we've completed. We've assessed our progress set out for Year 2 of the 2024–27 Three-Year Plan (1 July 2025 – 30 June 2026).

This report covers six parts.

Part 1 Welcome to our Annual Report

This section outlines the report's contents, features a message from our leadership, details our strategic framework, Treaty partnerships, our financial strategy and provides a snapshot of Tairāwhiti today.

Part 2 Facing the future together

This section presents our district highlights, major projects, recovery projects, other initiatives, project budgets and our challenges and responses.

Part 3 Our performance

This section reviews our overall performance, highlights successes and areas for improvement and presents an overview of our finances.

Part 4 Our activities

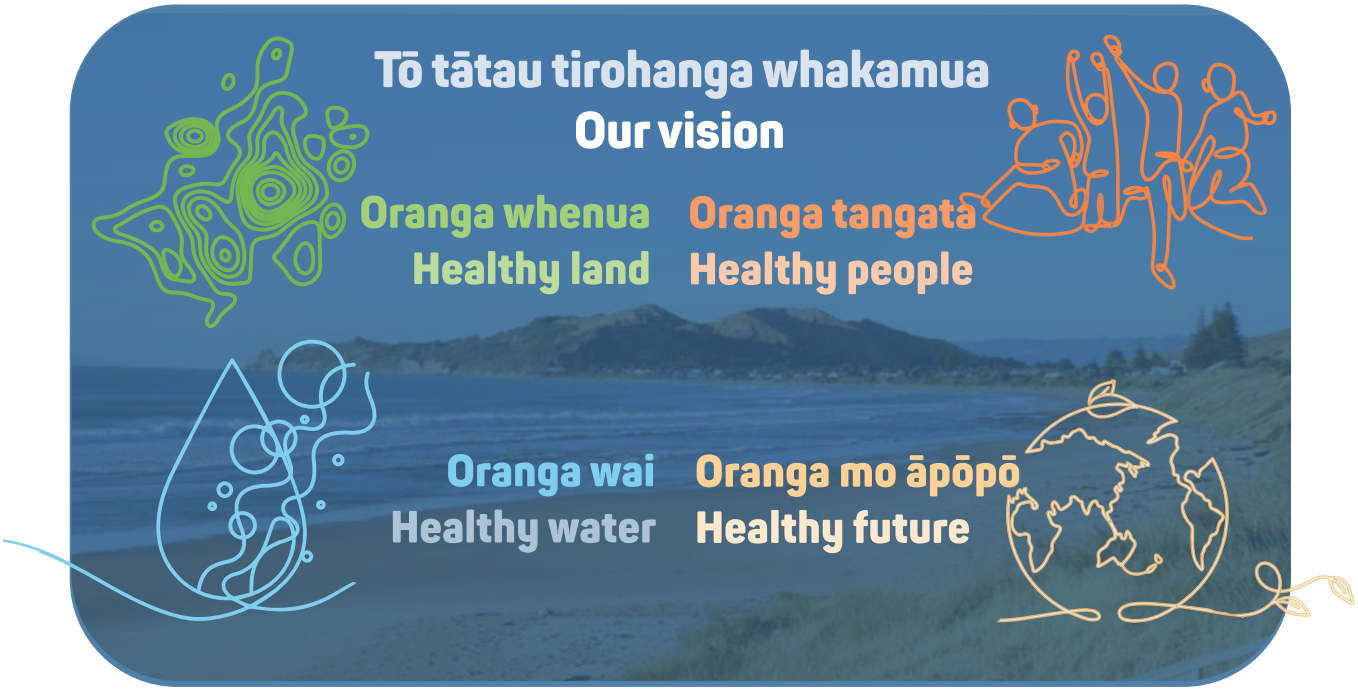
This section showcases performance highlights, presents our measures and levels-of-service results and identifies areas for improvement and actions taken.

Part 5 Our finances

This section contains our audited financial statements, analysis of key variances and commentary on revenue, expenditure and net position.

Part 6 Additional information

This section includes Council leadership, organisational structure, glossary terms, statutory disclosures, supporting data tables and other supplementary material.



E whakapono ana ki to tātau hapori
Being accountable to our community

Our planning and reporting framework ensures we stay accountable and deliver on our commitments. It connects our strategic direction with day-to-day delivery and helps track progress over time.
The Three Year Plan (3YP) sits at the heart of our planning framework, setting out our priorities, funding approach and performance measures. It is supported by the Annual Plan, the Six Month Report and the Annual Report, each demonstrating how we are delivering on the commitments we have made.



2024-27 Three Year Plan (3YP)

The 2024–2027 Three Year Plan replaced the usual 10-year Long Term Plan under a special Order in Council issued after the severe weather events of 2023. This recovery-focused plan recognises the uncertainty created by cyclone damage and sets out Council's commitments for the next three years. It includes:

Recovery-led priorities – the key services, infrastructure, and projects we'll deliver to support regional recovery and long-term resilience.

Funding approach – how this work will be funded, and the projected impact on rates and debt.

Performance framework – our levels of service and performance measures to track delivery and hold ourselves accountable.

Annual Plan

The Annual Plan outlines the work Council intends to carry out over the next financial year. It sets the direction for delivering on our Three-Year Plan and includes:

Yearly budget – detailing how much we plan to spend, where the money will go, and how it will be funded.

Work programme – a breakdown of key projects, services, and initiatives we're prioritising for the year ahead.

Updates and changes – highlights any significant changes from the Three-Year Plan, including new priorities, cost adjustments, or project deferrals with commentary.

Annual Report

The Annual Report is our key accountability document that Council is required to produce each year. It details:

Our performance results – show our cumulative performance against all key performance measures for the full financial year, including the percentage of targets met, those slightly under-target and those not met, with narrative explaining drivers of performance, highlights of major achievements, and planned responses where measures fell short.

3YP Progress updates – outline the progress of our three-year plan initiatives, summarises milestones achieved, and provides commentary on areas needing further focus.

A financial summary – outlines our financial position, tracks year-to-date spending against budgets, and includes commentary explaining significant variances and corrective actions to keep us on track.



Photo credit: Trust Tairāwhiti

O tātau tukunga hapori me te oranga
Our community outcomes and wellbeings

Our Strategic Framework sets out the strategic priorities that determine what is important to focus on, invest in, and deliver to achieve our community outcomes.

See our 2024-2027 3YP on our website www.gdc.govt.nz

Our community outcomes

A driven and enabled community
Our whole community works together to achieve our dreams and aspirations.

Resilient communities
Our economy, infrastructure and communities spring back from difficult situations. We care for and plan for future generations and act in partnership with our community.

Vibrant city and townships
We live balanced and happy lives. Our city and townships are vibrant. We attract visitors from across Aotearoa and the world. Our rural townships have sustainable infrastructure and services, and we all have bright futures.

Connected and safe communities
Our communities and businesses prosper. We have a safe, efficient and integrated transport network. We invest in supplying safe walking, cycling and public transport, and we use new technologies to our advantage.

We take sustainability seriously
We change the way we live and work in response to climate change. We work to lower carbon emissions and to improve our ecological footprint. We are more resilient, we end waste and we use our natural resources wisely.

We celebrate our heritage
We are proud of and celebrate our Māori identity, culture, historic and natural heritage. We are all kaitiaki of our natural taonga which we protect for future generations.

A diverse economy
We have world class facilities and services. Our people are in high value jobs and have a great standard of living. We have a strong economy which encourages entrepreneurship, innovation and we use emerging technologies.

Delivering for and with Māori
Iwi are significant partners in Council's decision-making. Māori communities and economies are booming, supported by affordable housing, quality infrastructure and fulfilling employment opportunities.

Our four wellbeings

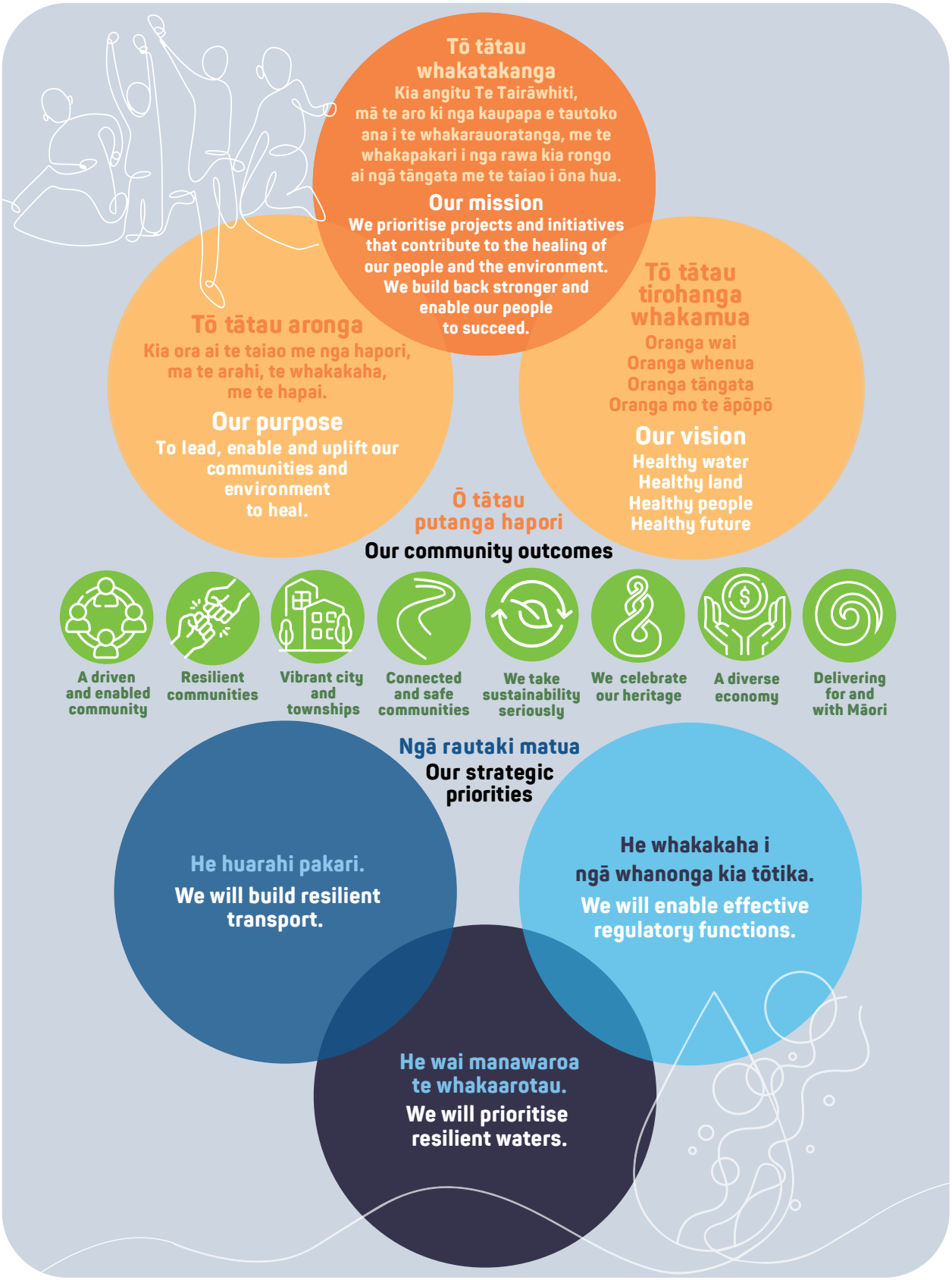
Environmental wellbeing
We maintain the health of our soils, air, fresh water and coastal environments. Our region's biodiversity is restored and protected. We improve land uses to ensure they are environmentally sustainable.

Economic wellbeing
Our communities are financially secure and contribute to a growing regional economy. Infrastructure is provided to enable businesses to establish, thrive and create new employment opportunities. Our rural townships benefit directly from ongoing economic investment.

Social wellbeing
Our communities have a deep sense of place and belonging. We are socially connected, recognise the importance of whakapapa and are committed to improving the education, health and safety outcomes of our people. Our communities are more resilient. Our townships have access to a network of fit-for purpose community facilities that reflect community need. We support affordable housing options and the sustainable management of urban growth.

Cultural wellbeing
Communities and individuals experience vitality through kaitiakitanga, expressing their arts, heritage, history, identity and traditions. We work together to achieve common goals. Cultural activities are enabled by the activation of community spaces, our marae and place making.

Tō tātau aronga rautaki
Our strategic framework



Ngā hononga tiriti
Treaty relationships and partnerships

Focus remains on moving beyond compliance toward genuine collaboration, reflecting the aspirations of tangata whenua and the importance of mātauranga Māori to the identity of Te Tairāwhiti. Through partnership, respect, and shared purpose, we're deepening connections, embedding Te Tiriti o Waitangi into our practices, and strengthening the foundations for a thriving region.

Reflection on 2025/26

We continue to advance our role as a Te Tiriti partner, building on the progress made in recent years and taking important steps to integrate Treaty partnership more consistently across planning, decision-making and service delivery.

Relationships with iwi and hapū remained central to this work, with a focus on shared priorities, long-term planning and collaborative problem-solving. This reflects a growing recognition that enduring outcomes are achieved through sustained partnership and meaningful engagement over time.

Across governance and operational settings, we supported existing partnership arrangements while progressing new opportunities for collaboration. This included enhancing regional forums, advancing discussions on Mana Whakahono ā Rohe and expanding partnership approaches across environmental management, infrastructure and planning.

We continued to build organisational capability by embedding Te Tiriti Compass and Te Matapihi as key frameworks. These help staff and elected members understand their Treaty responsibilities and take a more coordinated approach to engagement and decision-making.

A significant area of progress was developing a Strategic Māori Outcomes approach to better align iwi and hapū aspirations with Council's planning, investment and service delivery. This work lays the foundation for Māori outcomes to be considered more systematically across organisational planning and performance, rather than through stand-alone initiatives.

These developments support more consistent Treaty practice across Council, helping translate partnership commitments into meaningful action and outcomes for Te Tairāwhiti.

Looking ahead

We recognise that strengthening Treaty partnership is an ongoing journey that requires commitment, trust and shared leadership. Over the coming year, we will focus on embedding the progress made to date through stronger partnership approaches, more consistent consideration of Māori outcomes and greater integration of Te Tiriti principles across organisational planning and decision-making.

Activity Management Planning and preparation for the 2027-2037 Long Term Plan will provide important opportunities to ensure Māori aspirations are reflected in service priorities, investment decisions and measures of success. We will continue to strengthen organisational capability through practical tools, guidance and learning opportunities that support staff and elected members to confidently fulfil their responsibilities as a Te Tiriti partner.

Through these efforts, we will continue to support enduring partnerships with iwi and hapū, improve outcomes for whānau and communities, and contribute to the environmental, cultural, social and economic wellbeing of Te Tairāwhiti.



Rautaki ahumoni
Financial strategy

The 2025/26 financial year was guided by the Financial Strategy set out in the 2024–2027 Three Year Plan. The strategy balances recovery following Cyclone Gabrielle with maintaining core services, protecting our environment and assets, and planning for a financially sustainable future.

The priorities set out in the Three Year Plan remain:

- Resilient and healthy waters
- Safe and healthy people
- Building back our damaged roading network in a staged approach
- Effective regulatory functions

In 2025/26, key capital investment included:

- **Roads** – $75.4m of capital investment. Recovery work continued across the network, with 40% of emergency projects completed and the 2025/26 resurfacing and rehabilitation programme substantially completed.
- **Waipaoa Flood Control** – $13.3m of capital investment across flood resilience projects, including $9.7m for the Waipaoa Flood Control Scheme. During the year, a further 7km of western stopbanks were upgraded and all stopbank pipe renewals were completed.
- **Three Waters** – $10.9m of capital investment across wastewater, water supply and stormwater.
- **Solid Waste** – $1.3m of capital investment.

We also progressed key foundations for future planning and investment

- **Tairāwhiti Resource Management Plan** – Following Plan Stop legislation, Council closed the broader TRMP review in February 2026. Work transitioned into Plan Change Exemption Delivery and Te Ara Hou, Planning for Readiness, preserving the evidence, mātauranga Māori and engagement developed through the review.
- **Tairāwhiti Future Development Strategy** – Urban Plan Change 6 received a Ministerial exemption in February 2026 and was notified. The proposed changes support housing and urban growth in safe, well-serviced locations and give effect to the Future Development Strategy.
- **Climate Change Response** – Council completed the corporate and regional greenhouse gas inventories, approved the organisational Emissions Reduction Plan for implementation, and completed a Climate Change Scenarios policy note. The Tairāwhiti Community Climate Risk and Vulnerability Assessment is underway.
- **Strategic Roading Network Resilience** – The Programme Business Case was endorsed by Council and the NZTA Board and moved into early implementation. Its principles have been incorporated into the 2027–2037 Asset Management Plan and are informing the Regional Land Transport Plan

.

Our six key directions:

Key direction 1. Keep rates as affordable as practicable
"Keep rates as affordable as practicable while recognising the need to fund critical activities and infrastructure, and keep the region functioning well."

How are we doing?

The Financial Strategy limits annual rates increases to no more than 11.4% plus growth in rateable properties during the 2024–2027 Three Year Plan. This maximum limit comprises a 7.9% increase for our normal business and 3.5% for addressing recovery needs. Council sought to balance rates affordability with funding day-to-day core services and significant recovery costs.

The graph in the benchmark section, Note 37 on page 197 shows in detail how we have aligned with our targets. This year, the overall rates increase was 10.3% plus growth

Key direction 2. Focus on critical activities and infrastructure
"Focus on critical activities and infrastructure which meet the community's needs and respond to climate change during the three year plan period and beyond."

How are we doing?

Council invested $117.3m in capital works during 2025/26. Around $99.5m, or 85%, was directed to critical infrastructure, principally roads, flood protection and Three Waters.

Capital expenditure was below the $163.2m annual plan budget, mainly because the timing of recovery and other infrastructure projects shifted into future years.

Key direction 3. Manage debt prudently
"Increase maximum debt levels still within prudent levels, to smooth the costs of delivering key infrastructure projects over years one to three of the long term plan, in line with our financial policies."

How are we doing?

The 2024-2027 Three Year Plan debt limit is set at 175% of revenue.

At 30 June 2026, external debt was $237.8m. The accounting carrying amount was $226.5m, compared with the annual plan budget of $227.1m. The difference mainly reflects the accounting treatment of the interest-free concessionary loan.

Council remained within its debt limit. Debt was 94% of total revenue, or 164% after excluding non-recurring income. The $30m concessionary loan, granted by the Crown at 0% interest as part of the overall recovery funding package, was fully drawn at year end.

Key direction 4. Increase alternative revenue streams
"Increase and optimise the use of alternative revenue streams through partnerships, targeted contributions and investment income."

How are we doing?

Over the 2024–2027 Three Year Plan period, average revenue was forecast to comprise 37% rates, 53% grants and 10% from other sources, such as dividends and fees and charges.

In 2025/26, we recorded total revenue of $254.2m. Rates represented approximately 38%, grants and subsidies 51%, and other sources 11%.

Operating and capital grants totalled $128.7m and supported recovery, reinstatement and resilience work that would otherwise have required additional rates or debt funding.

Gisborne Holdings Limited is Council's principal commercial investment and provides an alternative source of income through dividends and subvention payments.

In 2025/26, GHL provided Council with a $972k dividend and a $350k subvention payment, a total return of $1.322m.

This return reduced the amount that would otherwise need to be funded from rates or debt.

Key direction 5. Ensure beneficiaries of services pay the costs
"Council aims to ensure that those who benefit from Council activities and infrastructure pay for them. This includes mechanisms such as user levies, targeted rates and development contributions."

How are we doing?

The tools we use to support this direction include financial management policies such as the Revenue and Financing Policy, Fees and Charges Policy, and Development Contributions Policy.

We review fees and charges annually to ensure legislative requirements are met and costs are appropriately recovered.

Key direction 6. Grow and enable our rating base
"Council will look to grow our rating base by supporting economic activity without the need to trigger additional costly capital works projects or grow Council's infrastructure footprint without care."

How are we doing?

We continued initiatives that support economic activity, investment and sustainable growth across Te Tairāwhiti.
Supporting a vibrant city centre and visitor economy

- City-centre revitalisation continued through public art across eight vacant shopfronts, heritage facade grants, the CBD Custodian Programme, street music activations and lighting upgrades.
- More than 20 engagement opportunities were held across three design options to inform a 10-year Action and Investment Plan, expected to be completed in October 2026.
- The remaining Navigate Tairāwhiti projects were completed, including the Te Ikaroa a Rauru walkway bridge and storyboard, the Te Maro viewing platform, and Hawaiki Tūranga soil remediation and installation.

Enabling business investment and growth

- Council's Key Accounts and Commercial Operations functions continued to support investment and development opportunities across the region. This included working with businesses, Council-controlled organisations, funding partners and other key organisations to identify opportunities, build partnerships and help progress projects with economic and community benefits.
- This work also supports a more coordinated approach to significant proposals and investment opportunities, helping connect organisations with the right Council services and external partners and identify practical pathways for delivery.

Investing in infrastructure and facilities that support growth

- The Indoor Multipurpose Centre project progressed during the year. Following a partnership proposal from The Y Gisborne, Council began reassessing the preferred location, with further site analysis underway to inform a final recommendation and future Long Term Plan consultation.
- Township improvements progressed across the region, supporting the long-term liveability and resilience of rural communities and helping provide the infrastructure and facilities needed to support local activity and future growth.

Partnering to support nature-based employment and investment

- The Waingake Transformation Programme continued indigenous forest regeneration, targeted planting, wilding pine and weed control, while supporting local training and employment. Actual expenditure was $1.3m, including $0.4m of external funding.

Tō tatou rohe
Our region

Community facilities

13	cemeteries
53	public toilets
40	playgrounds
35	sports parks
2,500m²	gardens
4,700	street trees
1	library
1	Kiwa Pools
2	theatres
9	boat ramps
9	rural transfer stations



Source: STATS NZ

Our population by location

51,135	people (+7.6% since 2018 census)
73%	urban living in Gisborne
27%	rural and townships in Tairāwhiti
1%	national population of New Zealand
3%	national land area of New Zealand

Source: STATS NZ

Our population by age

22%	under 15 years old
19%	15–29 years old
42%	30–64 years old
17%	over 65 years old
36.7	average age
39%	under 25's (highest proportion in New Zealand)

Our tangata whenua

6	regional iwi (Ngāti Porou, Rongowhakaata Te Aitanga a Māhaki, Ngāi Tāmanuhiri Te Whānau a Kai, Ngā Ariki Kaipūtahi)
71	operational marae
56%	of total population (population +10.4% since 2018 census)
28,656	population of Māori descent
16%	te reo Māori speakers (40% of the national percentage of te reo Māori speakers)

Source: STATS NZ

Our ethnicities

56.5%	European
56%	Māori
5.6%	Pacific peoples
3.8%	Asian
1.6%	Other ethnicities

People may identify with more than one ethnicity, so totals can exceed 100%

Services

- 43 parking meters
- 544 litter bins
- 14,975 houses on kerbside collection

Regulatory

- 1,199 building and resource consents
- 315 LIMs processed
- 7,112 registered dogs

Drinking water

- 4 water treatment plants (Waingake, Waipaoa, Te Karaka, Whatatutu)
- 8 water reservoirs
- 302km water pipes

Roads and footpaths

- 1,893km roads
- 413 bridges
- 3726 streetlights
- 247km footpaths
- 18.5km cycleway shared paths
- 21 roundabouts

Stormwater

- 172km stormwater pipes and drains
- 6,390 sumps
- 32km channels and swales

Wastewater

- 328km wastewater pipes
- 3007 wastewater manholes
- 46 pump stations
- 2 wastewater networks

Flood protection

- 280.3km rural land drains
- 297.9km rivers and streams
- 78.1km stopbanks

Part 2

Te anga piritahi ki mua

Facing the future together

This section presents our district highlights, major projects, recovery projects, other initiatives, project budgets and our challenges and responses.

Contents

Our district highlights 24
Award Achievements 28
Our major projects 30
Our recovery 38
Other projects 48
Our challenges and responses 52

Our performance 58

Our activities 70

Our finances 140

Additional information 212

Ngā mahi whakahirahira i te rohe
Our district highlights

Our community's aspirations for our region's future are shaped by a combination of social, cultural, environmental, and economic factors.

During 2025/26 Council carried out and supported many initiatives around Te Tairāwhiti that contributed to improving our community's wellbeing. Some of our achievements are highlighted here.

Community wellbeings

- Social
- Cultural
- Environmental
- Economic



Walk the 35 Builds Health, Connection and Community

"Walk the 35" emerged from the annual Swim the Distance campaign by Kiwa Pools and Whiti Ora Tairāwhiti. Instead of the 45.5 km challenge, a group of kaumātua aged 49 to 85 walked the learn-to-swim pool width each morning. It grew from a wellbeing activity into a close-knit whānau, boosting health, social connection, and community belonging while demonstrating the power of community spaces to bring people together.



Restoration of the Tauihu carving

Restoration of the Tauihu carving 'Tūranga Whakamana' at Heipipi Endeavour Park was completed after beginning in December 2025. Gifted to Gisborne in 1990 and designed by Te Aturangi Nepia-Clamp and Tā Derek Lardelli, the restoration was led by original designer and carver Te Aturangi Nepia-Clamp to preserve the landmark, which symbolises the ancestral Pacific voyaging journeys of Māori and Polynesian peoples.



The people behind the trees

A Council-funded community Christmas tree project, coordinated by Ken Huberts for 12 years, sees schools, local businesses and Department of Corrections clients prepare, decorate and display wooden trees across Gisborne's CBD, with a new fully recyclable design enabling 480 panels to be reused each year while supporting community pride, skills development and festive spirit for tamariki and whānau.



Mātāwai playground and waharoa

The Mātāwai township's new whānau play space and waharoa officially opened, with Mātāwai School students leading the celebration. Delivered through Council's Rural Township Upgrade Programme, the project was developed in collaboration with the school, whānau, hapū, community groups and local contractors to create a shared space for tamariki and whānau.



Boosting flood intelligence with new tools

Council completed a $1.45 million upgrade to its flood intelligence systems, including a new Jeremy Benn Pacific flood forecasting platform that integrates weather forecasts and data from 59 monitoring sites, improving real-time storm tracking and decision-making for Civil Defence while strengthening regional resilience following Cyclone Gabrielle.



Wainui Beach students launch community toy library

A free community toy library was created by Room 2 students from Wainui Beach School as part of their 2025 Enviroschools project. The initiative, supported by whānau, Kōkā Terri Hokianga and Council's Liveable Spaces team, will be maintained by the school as kaitiaki for families and tamariki to enjoy.



New Grays Bridge construction

Construction of the new Grays Bridge near Te Karaka is underway, marking another Cyclone Gabrielle recovery milestone. The 45-metre single-lane bridge, expected to take around one year to complete, is designed to improve resilience to future storm events and support community reconnection, alongside other bridge rebuilds in Tiniroto and near Tokomaru Bay.



Major milestone for Taruheru River Pathway

Council has confirmed the route and delivery approach for the Taruheru River Pathway and is seeking partner funding to progress this long-planned project, which will create a safe, accessible active transport connection linking communities, improving wellbeing, and delivering strong social, environmental and economic benefits for the region.



Councillor workshops

Councillors attended workshops on flood resilience, communications and engagement, and city centre revitalisation. The revitalisation session, led with consultants Athfield, explored early ideas and gathered feedback to help shape options for the Long Term Plan.



Art in the City

Our Art in the City initiative brought fresh life to the city centre, with Te Wharau School's youngest students transforming a shopfront into a vibrant display of Picasso-inspired self-portraits. The momentum continues, with Manutūkē School preparing a new display inspired by Rongowhakaata pūrākau.



Enviroschools Mahi Across Tairāwhiti

Tamariki across Tairāwhiti Enviroschools have been strengthening their kaitiaki role through composting, planting, trapping and wai health learning. Activities included compost mentoring at Wainui Beach School, a whole-school planting and trapping initiative at St Mary's, and hands-on learning at Waihīrere with community and iwi partners.



Kiwa Pools teams up with The Sauna Project Tairāwhiti

Kiwa Pools partnered with The Sauna Project Tairāwhiti to offer a wood-fired mobile sauna experience throughout winter. Operating on-site from late May to 27 June, the initiative provides swimmers with a warm recovery option after their sessions. The partnership promotes health, wellbeing, and social connection while encouraging people to stay active through winter and prepare for Swim the Distance in August.



Heritage Facade Fund Refreshes City Centre Landmark

Painting of the old National Bank building facade on Gladstone Road has been completed as the first project supported through the Heritage Facade Incentive Fund. Co-funded by Trust Tairāwhiti, the fund helps restore and repaint street-facing heritage facades as part of the wider City Centre Revitalisation Programme.



Live bus tracking launched

GizzyBus and Waka Kura passengers can now track buses live through Council's website. The feature provides real-time locations and arrival estimates, making travel easier for students and whānau, who account for around 70% of local bus users.

He Tohu Whiwhinga
Award Achievements

In this section, we highlight the awards and recognition received during 2025/26, reflecting the impact of our work, partnerships, and engagement with the Tairāwhiti community.

Double win for Tairāwhiti innovation at national ALGIM awards

Council won two national ALGIM Awards for innovations developed after Cyclone Gabrielle. These included AI-assisted aerial mapping to identify and prioritise more than 600,000m³ of woody debris, saving more than $1 million, and reverse-osmosis water treatment units that can supply safe drinking water during emergencies. The larger Garrison urban units can support up to 12,000 people per day, while the portable Troop units currently located in communities can support around 600 people per day.



Photo: Ben Green and Naomi Whitewood (centre) with data and Insights Project of the Year Award sponsors Eagle Technologies



Photo: Kerry Hudson

2025 NZARM Honorary Membership Award

Kerry Hudson was awarded Honorary Membership by the New Zealand Association of Resource Management (NZARM) in recognition of more than 40 years of service to soil conservation, land management, and community stewardship. The award recognises his enduring commitment to sustainable land management and his lasting contribution to the resource management profession.

ILANZ Double Awards Recognition

Council's Legal team won the 2026 ILANZ Greenwood Roche Public Sector In-house Team of the Year Award, recognising their exceptional support during the January 2026 state of emergency. Embedded in the Emergency Coordination Centre for 26 consecutive days, they provided real-time legal advice to support critical decision-making. Jacinta Bowe also received an individual ILANZ award, recognising her outstanding contribution to the legal profession.



Photo: (From left) Jessica Easton, James Baty, Grace Sharp, Monique Ciochetto, Jacinta Bowe, Frieda Winstanley & Nicola Luxton

Ministry for Primary Industries
Manatū Ahu Matua

2026 Growing Native Forests Champions Award – Large-scale Restoration Project

The Waingake Transformation Programme won the Large-Scale Restoration Project Award at the Growing Native Forests Champions Awards 2026, recognising it as a leading example of native forest restoration in Aotearoa. The award acknowledged the collaborative partnership between Gisborne District Council, Maraetaha Incorporated, and Ngāi Tāmanuhiri in delivering a long-term restoration programme that protects the region's water supply, enhances biodiversity, and creates lasting environmental and community benefits for future generations.



Photo: Back row L-R: Daiminn Kemp, Scott Sharp, Leon Tarsau, Haykim Smith Front row L-R: Cr Sam Gibson, Beth Tupara-Katene, James Brown, Minister McLeay, Michele Frey, Amy England, Bella Hawkins

THE WORTHIES

Double 2025 Worthies Awards - Silver for Best Social Media Campaign & Silver for Best Creative Use of Humour

The 2025 Local Elections Campaign received two Silver Awards at the Worthies Awards for Best Social Media Campaign and Best Creative Use of Humour. The *Tō Reo, Tō Mana, Your Voice, Your Power* campaign used authentic local storytelling, humour, and community partnerships to make voting more accessible and relevant to Tairāwhiti communities. The campaign generated approximately 2.8 million views, 75,000 engagements, 3,000 comments, and 1,400 shares. Candidate nominations and voter turnout also increased compared with the previous election.



Photo: (From left) Te Aorere Pēwhairangi, Jade Lister-Baty, Ruihi Moeau, Anita Reedy-Holthausen, Chief Executive Nedine Thatcher-Swann & Kalinda Walsh.

Taituarā

2026 Taituarā Awards & National Recognition

We received national recognition across innovation, leadership, and organisational excellence in 2026. The Turning the Tide: Large Woody Debris AI-assisted Removal Project won both the Taituarā Excellence in Digital Local Government Award and the Members' Choice Award for its innovative use of AI and mapping technology in Cyclone Gabrielle recovery efforts. Anita Reedy-Holthausen received the Taituarā Overseas Manager Exchange Award, while Council's Management Challenge team were named National Runner-up in the Australasian Management Challenge, recognising outstanding leadership and problem-solving capability.





Top photo: (From left) Daniel Haverty, Tim Muir, Mayor Rehette Stoltz & Chief Executive Nedine Thatcher-Swann.
Bottom photo: (From left) Anita Reedy-Holthausen, Chief Executive Nedine Thatcher-Swann & Mayor Rehette Stoltz

Ngā mahi matua
Our major projects

Major projects are projects identified in our Three Year Plan that involve significant capital investment, provide substantial benefits, and have a major impact on our communities.

Legend

Community wellbeing icons

For detailed descriptions please see page 15

- Social
- Cultural
- Environmental
- Economic

Community outcome icons

For detailed descriptions please see page 15

- A driven and enabled community
- We take sustainability seriously
- Resilient communities
- We celebrate our heritage
- Vibrant city and townships
- A diverse economy
- Connected and safe communities
- Delivering for and with Māori



DrainWise

DrainWise is an ongoing programme that supports property owners to help prevent wastewater overflows during heavy rain.

We check gully traps and downpipes to make sure they are connected correctly. We are also renewing old public pipes to reduce groundwater entering the wastewater network.

3YP initiatives

Public drains on private property

Identifying and constructing public infrastructure across private property to drain problem flooding areas.
Drainage projects were completed in Kelvin Road and Huxley Road. Investigations of potential Public Drains on Private Property (PDPP) sites in Whataupoko and Mangapapa have been completed, with design underway for the 2026/27 programme.

Graham/De Lautour roads

Upgrading of stormwater infrastructure to ensure appropriate levels of service in Graham/De Lautour Roads.
The project has been delivered in three stages. Stages 1 and 2 are complete, with Stage 3 on track for completion this year.

Wastewater pipeline renewals

Renewing pipes past their useful life or in very poor condition.
Lined 5.47 km of main pipelines, lined 309 lateral junctions and refurbished 80 access holes.

Stormwater pipeline renewals

Renewing pipes past their useful life or in very poor condition.
Renewed stormwater drains on Gladstone Road and Herbert Road.

Improving stormwater management in Whataupoko and reduce localised flooding.
Construction commenced in June 2026, with completion planned for December 2026.

Private property inspections

Working together with property owners to help fix problems with wastewater and stormwater drains.
This year we inspected 3,835 properties, repaired 155 wastewater gully traps and removed 55 downpipes.

Project status

Start date: July 2015
This project is ongoing

Dollars and cents

2025/26 budget **$6.5m** | 2025/26 actual **$5.1m**

3YP budget **$14.1m**

The project is fully Council-funded and is tracking below budget due to construction delays in Whataupoko, where work began in June 2026.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Drainwise | Gisborne District Council



Enviroschools programme - Solid waste staff show Wainui Beach School students how to compost their food scraps

Waste minimisation

We're working to minimise waste, reduce environmental harm, and support businesses and communities to prevent waste.

Council adopted the Waste Management and Minimisation Plan 2026–2032 in August 2026. The new plan focuses on reducing waste at its source, improving reuse and recovery, and supporting community-led solutions across Tairāwhiti.

Our current focus is Phase 2 of the Resource Recovery Centre (RRC), which involves reviewing how we recover and recycle materials, with the long-term goal of transitioning Gisborne towards a zero-waste future.

3YP initiatives

Resource Recovery Centre (RRC)

Planning for Phase Two of the RRC Master Plan is underway, including exploring options, developing designs, estimating costs and preparing for procurement.
This project is the first step in developing a regional resource recovery centre for Tairāwhiti. This year, work focused on site identification, planning and design.

Council is progressing master planning and concept design through Phases One and Two, with each phase endorsed by Council through formal decision-making processes.

This work is helping shape local resource recovery solutions by reducing waste to landfill, increasing recycling and reuse, and reducing reliance on transporting waste outside the region.

Project status

Start date: October 2025

This project is ongoing

Dollars and cents

2025/26 budget **$5.3m** | 2025/26 actual **$434k**

3YP budget **$13m**

The resource recovery centre project is delayed, with design work still underway and construction expected to begin in the 2026/27 financial year or later. The Waste Resilience Project, funded through Better Off Funding, is expected to be completed by June 2027.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Waste minimisation | Gisborne District Council



Waingake Transformation

This transformational programme, delivered in partnership with Maraetaha Incorporated, is restoring the Waingake catchment to indigenous forest. We've planted thousands of natives, stabilised erosion-prone areas, removed wilding pines, and controlled pests to protect biodiversity and the region's main water supply.

Ongoing monitoring of bats, birds, reptiles, and freshwater species ensures we're achieving ecological outcomes, while also providing local training and employment. This work continues to regenerate natural infrastructure that safeguards Tairāwhiti's clean water and protects the taonga species of Waingake.

3YP initiatives

Waingake Restoration (Pamoa)

Foster a strong, collaborative relationship with tangata whenua Maraetaha Incorporated, for the protection, enhancement and redevelopment of Waingake and Pamoa.

The partnership between Council and Maraetaha Incorporated continued to mature during the year, with the Joint Steering Group providing governance and strategic direction for the programme. This collaborative approach contributed to significant restoration progress and national recognition through the programme's success at the 2026 Growing Native Forests Champions Awards.

Continue the transition from pine to indigenous ngahere at Waingake through a mix of natural regeneration and planting, supported by wilding pine and weed control.

Widespread natural regeneration continues across the landscape, supported by targeted planting and ongoing pest and weed control. Sustained management remains critical to protecting restoration gains and ensuring the long-term success of the programme.

Deliver natural infrastructure to protect, filter and supply clean water to Tairāwhiti, helping to provide water security, resilience and adaptation to climate change for the region.

Significant progress was made in restoring the Waingake catchment through ongoing native forest regeneration, targeted planting and catchment protection initiatives. Together, these actions are intended to improve water quality, reduce erosion and sedimentation risks, and strengthen drinking-water supply resilience.

Protect and enhance biodiversity and water quality through sustained control and monitoring.
Pest animal control remained a key focus during the year, particularly within the QEII Covenant where browsing pressure continues to challenge restoration outcomes. The installation of a network of fully automated self-resetting traps has strengthened control efforts, helping to protect biodiversity, and safeguard ongoing forest recovery.

Manage participation and ensure compliance with the Emissions Trading Scheme. Work with neighbouring landowners to repair fence lines and maintain access tracks.
Strong relationships with neighbouring landowners helped maintain access across the catchment. Priority access tracks were kept in good condition, making it easier to carry out restoration, monitoring, and pest control work safely and efficiently.

Collaborate with Enviroschools, tangata whenua and other Council teams to provide educational opportunities to Tairāwhiti schools.
Waingake hosted visits from Muriwai Kura, the Joint Steering Group and Councillors, providing opportunities to highlight restoration progress, strengthen partnerships and promote the environmental and cultural values of the catchment.

Project status

Start date: October 2019
This project is ongoing

Dollars and cents

2025/26 budget **$2m** | 2025/26 actual **$1.3m**

3YP budget **$5.8m**

As of 30 June 2026, spending totalled $1.3m, including $0.4m in external funding. Work scheduled for the financial year was completed $0.7m under budget, mainly due to reduced release spraying following a late start to planting and weather conditions.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Waingake Transformation | Gisborne District Council



Waipaoa River Flood Resilience Project

The Waipaoa Flood Control Scheme is a critical infrastructure project that protects approximately 10,000 hectares of highly productive land across the Poverty Bay flats and urban Gisborne. Originally constructed between 1953 and 1967, the scheme includes 64km of stopbanks and various control structures designed to manage flood risk from the Waipaoa River.

The current upgrade aims to raise the level of protection to a 1-in-100-year flood event standard, with climate change impacts factored in through to 2090. The city-side stopbank upgrades have now been completed. However, the final 300m section of the western stopbank near Waituhi could not be constructed to its full design height due to saturated ground conditions caused by wet weather. While this section has been raised by approximately 1m above the original stopbank crest level, it remains approximately 0.5m below its final design level. Completion of the remaining 300m is scheduled for October 2026. Once this work is complete, all stopbank earthworks associated with the upgrade will have been finished, marking a significant project milestone.

Rock armouring works are being planned for the 2026/27 summer construction to improve erosion protection and make the scheme more robust and resilient to future flood events.

3YP initiatives

Waipaoa River Flood Resilience Improvement Project

Raise and widen the remaining 28 km of stopbanks along the western bank of the Waipaoa River.
Upgraded 7 km of stopbanks on the western side of the Waipaoa River completing works between Waituhi and Waipaoa (1053 Lavenham Rd to 1913 Mātāwai Rd) to strengthen flood protection.

Renew all pipes under the stopbank and supporting infrastructure.
All stopbank pipe renewals have now been completed, including the replacement of the Whakaahu Stream double culvert with one new 2.5 m diameter culvert and the extension of the existing 1.8 m diameter 'triple culverts' under State Highway near McMillans Road.

Installation of a flood barrier system (side-hinged flood door) across the KiwiRail corridor near Karaua Road has been completed, comprising a swing gate structure that maintains rail access while providing continuity of flood protection during high river events.

The Whatatuna Floodgate near Manutūkē has also been upgraded by raising the existing floodgate structure to match the heights of the upgraded stopbank crest.

Progress planning, investigations, geotechnical assessments, and detailed designs for subsequent stages.
Detailed design and tendering planned for rock protection works along Whakaahu Stream and Waipaoa River. Civil works planned for 2026/2027 construction season, weather permitting.

Project status

Start date: 2019
May 2027 (original completion date was 2030)

Dollars and cents

2025/26 budget **$16.9m** | 2025/26 actual **$13.3m**

3YP budget **$66.3m**

Of the $66.3m 3YP budget, $50.6m is funded by National Infrastructure Funding and Financing (NIFF). See the Recovery section for further details on the Waipaoa stopbank works.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Waipaoa Flood Control | Gisborne District Council



Walking and cycling

Council's walking and cycling network includes footpaths, shared paths, footbridges, bike lanes, boardwalks, mountain bike tracks, and urban cycleways. The programme brings together several strategies, projects, and initiatives deliver a connected, safe, and accessible transport system that supports walking and cycling as real alternatives to car travel.

We're working on Te Ara o Taruheru as a staged shared path along the Taruheru River. The pathway will support safer walking, cycling and wheeling connections between neighbourhoods, schools, parks, open spaces and the city centre.

3YP initiatives

Taruheru River Shared Pathway

Progress Te Ara o Taruheru as a staged shared walking, cycling and wheeling connection along the Taruheru River, supporting safer everyday travel between neighbourhoods, schools, parks, open spaces and the city centre.
A project steering group with Council, Tapuwae Tairāwhiti Trails Trust and mana whenua representation is guiding the next stages of the pathway. Following a revised business case, Council endorsed the 'Partial River Pathway' route and a flexible, staged approach to its delivery.

The steering group has identified the western stage of the pathway between Campion Road and Dalrymple Road, with a connection via Grundy Street to the Oak Street bridge, as the next stage to be built.

Throughout 2026 and early 2027, design, consultation and consenting processes will prepare this section of the pathway for construction across late 2027 and early 2028.

Project status

Start date: July 2021
This project is ongoing

Dollars and cents

2025/26 budget **$850k** | 2025/26 actual **$45k**

3YP budget **$3.3m**

Council allocated $850k to the project, including anticipated co-funding of $195k from NZTA. Changes to project timelines resulted in minimal spending in 2025/26.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Walking and cycling projects | Gisborne District Council



Kiwa Pools - Stage Two

Kiwa Pools is a modern, year-round aquatic centre developed in partnership with Ngāi Tāwhiri hapū.

The second stage of the outdoor complex is underway, expanding the facility to potentially include water and risk based play areas, basketball courts, and more social spaces to create a vibrant, inclusive space for the whole whānau to enjoy.

3YP initiatives

Outdoor play space

Collaborate with key partners to develop and improve the outdoor play space.

The redevelopment of the Kiwa Pools outdoor facilities continues to progress, with community feedback helping shape the proposed Stage Two redevelopment.

The draft Operational Review and Future Aquatic Facility Development Options Feasibility Study preliminary report is nearing completion. The Kiwa Pools outdoor master plan is being finalised and will guide the scope and prioritisation of work to be delivered within the $3 million funding allocation.

External funding will be sought once all project elements have been costed and approved.

The proposed redevelopment includes replacing the existing toddler pool with a new splash pad and a uniquely Tairāwhiti river play feature. Other improvements include a half basketball court, additional picnic tables, social spaces, play equipment, landscaping, planting and wayfinding signage.

The redevelopment will complement the existing indoor aquatic facilities, with a focus on affordability, attracting more visitors, enhancing the user experience and reflecting local stories through landscaping and uniquely Tairāwhiti design features.

Fundraising and capital construction are planned to begin during the 2026/27 financial year.

Project status

Start date: October 2024
Completion date: 2027/28

Dollars and cents

2025/26 budget **$3m** | 2025/26 actual **$223k**

3YP budget **$6.5m**

Of the 3YP budget, $3.5m is grant-funded. The $0.2m spent this financial year was fully Council-funded.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Kiwa Pools | Gisborne District Council



Photo credit: Trust Tairāwhiti

Te whakaoranga
Our recovery

Our recovery plan prioritises repairing infrastructure and building back stronger to prepare for future events. Significant investment will be required over several years, supported by government funding for specific recovery projects across the region. Levels of service and performance measures will help us monitor progress in delivering these projects.



Flood protection

Flood protection networks across the region have been under extreme pressure from persistent heavy rainfall and two cyclones. The build-up of silt in channels has reduced drainage capacity, leaving many residents more exposed to future flooding. Strengthening and upgrading our flood protection systems has therefore been a central focus of recovery.

Construction work continued on the Waipaoa River Flood Resilience Project, which has now successfully upgraded 62.4 km of stopbanks to withstand a 5,625 cumec flood event and protect the Poverty Bay floodplains and Gisborne city. Since construction began in 2019, 62.4 km of stopbanks (of 62.7 total) have already been upgraded, including 7 km completed in 2025/26. There are only approximately 300m of Waipaoa stopbank upgrade remaining which is planned to be completed in October 2026. The programme has been accelerated through additional Crown funding from both Kānoa ($7.5m) and from the National Infrastructure Funding and Financing ($20.46m), bringing forward the target completion date from 2030/31 to June 2027.

Alongside physical upgrades, Council has also invested in new monitoring and forecasting technology to support smarter flood management and flood forecasting. In 2024/25, $1.45m was allocated to improve monitoring technology and enhance flood forecasting. The work was completed in 2025/26 and will provide earlier warnings, more accurate river modelling, and better decision-making during severe weather events, complementing the large-scale infrastructure upgrades underway.

Hydraulic modelling and community workshops were completed for the Te Arai catchment, Whataupoko, Mangapapa, and the Waimatā/Taruheru rivers, including analysis of infrastructure blockages and bridge constraints. On the East Coast, flood resilience planning is underway for Ūawa, Tokomaru, Makarika, and Tikitiki, with recent community meetings confirming shortlists of mitigation options. Together, these projects are building a pipeline of works to strengthen flood resilience across the rohe.

3YP initiatives

Te Karaka Flood Resilience Project Taruheru River Shared Pathway

The Te Karaka Stopbank upgrade initiative aims to increase the flood protection of the township to match that of the recently upgraded Waipaoa scheme. This is a significant increase in level of service for the township which was flooded during Cyclone Gabrielle. The project includes raising the state highway in two locations as well as raising a local road. It also involves significant land acquisition and compensation.

The resource consent has been submitted and is currently under public notification until 7 August 2026. Detailed design is nearing completion and procurement documentation for construction has been prepared. Land access and acquisition negotiations are underway, with construction anticipated to commence in early 2027.

Tairāwhiti Flood Resilience Investigation Programme

Central Government has committed to providing Council with a pre-allocation of $64m for Category 2 risk mitigation investments.

Final preferred options have been identified for each project area through a detailed optioneering process. Elected members approved progression of each project to the design and consent stage, subject to final approval from National Infrastructure, Funding & Finance (NIFF).

Project status

Start date: March 2023

This project is ongoing

Dollars and cents

2025/26 budget **$16.9m** | 2025/26 actual **$13.3m**

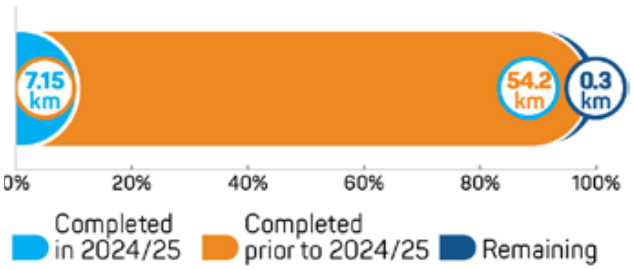
3YP budget **$66.3m**

The majority of work planned for the financial year on the Waipaoa Flood Scheme has been completed, with $9.7m spent, of which $7.6m was externally funded by NIFF. A completion of the final 300m of stopbank is expected in spring of the 2027 financial year. Te Karaka Resilience works are awaiting an approval of resource consent. Meanwhile, other flood resilience projects are currently in the investigation and planning stages.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Waipaoa stopbank upgrade progress







Roads to recovery

Our roads are our lifelines and without building in long-term resilience, our community's economic and social wellbeing will be significantly affected.

Our rural network was closed during Cyclones Hale and Gabrielle. Some communities were cut off for weeks with eight bridges destroyed, 54 suffering major damage and significant slips and dropouts, leaving a repair bill stretching into the hundreds of millions of dollars.

Our roading network in particular suffered significant damage, with over 3000 faults registered on our local roads, along with over 200 major dropouts. We still have a number of roads closed, including the Tiniroto Road and the Tiniroto Bluffs.

The total damage to our roading network has been assessed as $465m to get it back to where we were, but to build back stronger we need $725m. The Support Package from Central Government is $240.7m, with an additional $85m for initial emergency response costs.

This leaves us with a significant shortfall, where we will be needing to work in partnership with Central Government to address our damaged roading network. Alternatively, our recovery will take much longer, with reinstatement works focused on the greatest risks and the highest priorities in terms of people's safety.

3YP initiatives

Destroyed bridges

Construction is progressing well on three bridge rebuilds. St Leger Bridge in Tiniroto is 60% complete, Gray's Bridge near Te Karaka is 10% complete and Mata Bridge is 20% complete.

Damaged bridges

Repairs continue to progress across the bridge recovery programme. Of the 65 bridges requiring major repairs, 60 have been completed and a further five are under construction. Procurement is nearing completion, with 64 of the 65 bridges now contracted.

Minor works on bridges

The minor bridge repair programme is nearing completion, with 31 of the 35 bridges completed. Work is underway on the $9.9 million Bridge Resilience Programme, which will strengthen key bridges to improve their resilience to future severe weather events.

Tiniroto Road

Construction of the $45 million Tiniroto Bypass continues to progress well. Enabling works have been completed and construction of the northern bridge approach is now underway.

Slips and dropouts

Fix major slips and dropouts.
The non-complex dropout repair programme was completed in late 2025, restoring all 251 sites across the network.

The complex dropout programme is focused on repairing the region's 93 most significant and technically challenging dropouts. The programme is now 25% complete, with a further 26% of sites currently under construction. The remaining five construction packages will be released over the next six months.

Resilience partnership projects with iwi

Working in partnership with iwi on projects to provide greater resilience to communities.
The first two stages of the non-complex drainage programme have been completed, delivering repairs to more than 500 sites. Works included culvert upgrades, water tabling and extensive drainage improvements across more than 15 local roads. The community-led resilience planting project at Anaura Bay has also been completed, with more than 40,000 native plants across 10 species established to improve stormwater management and help protect surrounding infrastructure.

Planning continues on several major resilience projects. Complex works at the Tokomaru Bay seawall, Coates Corner and Tapuaeroa Road are progressing through the consenting process, with full construction expected to begin in October 2026.



Project status

Start date: March 2023
This project is ongoing

Dollars and cents

2025/26 budget **$76m** | 2025/26 actual **$52.5m**

3YP budget **$85m**

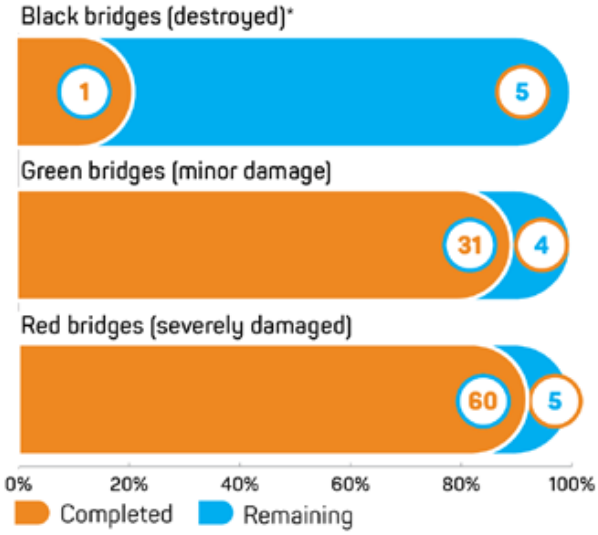
We had planned to complete more recovery work during 2025/26. However, the timing and scale of the programme means this work will continue to progress over the next 3–5 years.

All roading recovery projects are primarily externally funded, with funding from a mix of NIFF and NZTA, funded at different rates.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Bridge repair and rebuild progress





Waimatā Valley Road - Te Pahi Bridge - forest with multiple significant debris accumulations

Large woody debris (LWD)

Cyclone Gabrielle caused widespread damage to Tairāwhiti lands, waterways and infrastructure, resulting in an estimated 1.4 million tonnes of large woody debris littering our catchments. A substantial portion was addressed (over 500,000 tonnes in our high-risk catchments) through Government funding of $80m. This investment, showcased the significance of this woody debris programme and the scale, urgency and innovation applied to making a material difference to reducing the regions risk and contribute to the regions resilience going forward.

Key focus areas

A prioritisation framework, complemented with award winning AI assisted aerial imagery analysis, was able to prioritise targeted works in sub catchments to prioritise interventions where they would deliver the greatest risk reduction and community benefit. This ensured accurate debris detection, reliable cost estimation, and targeted interventions aligned with council priorities.

Moving forward, the LWD programme continues with the support of Ministry for Primary Industries (MPI) with the focus extending to establish and implement ways to work with forestry (owners, managers and companies) to treat sources of debris within forest gates and transitioning the highest risk sites into effective tree cover.

3YP initiatives

Protection of infrastructure and risk to property and life

Plan for the staged removal of woody debris in the immediate, medium, and long term.
Catchments successfully closed out and river works completed in Te Arai, Upper Waimatā, Hangaroa, Pakarae and Hikuwai. Sustainable delivery model for city beach clean ups was established and the Ūawa Domain was remediated.

Final remaining river projects are in the final stages in Waingaromia, Waihora, Waihoku, Waihuka and lower Waimatā.

Map catchment areas to support the development of a longer-term woody debris strategy.
We implemented a risk-based approach to identifying and prioritising large woody debris by combining AI-assisted aerial imagery, drone technology, advanced mapping and a bespoke risk assessment framework.

This approach supported the removal of more than 600,000 cubic metres of debris across seven major catchments and was recognised nationally through the 2026 Taituarā Local Government Excellence Awards.

Scope and define a longer-term strategy.
The next phase of the woody debris programme is targeting high-priority sub-catchments. Council, in collaboration with the Tairāwhiti Forestry Action Group (TFA Group) and the forestry sector, is addressing debris at its source, including beyond the forest gate, to reduce future impacts and build long-term resilience.

Project status

Start date: May 2023
This project is ongoing

Dollars and cents

2025/26 budget **$5.4m** | 2025/26 actual **$13.7m**

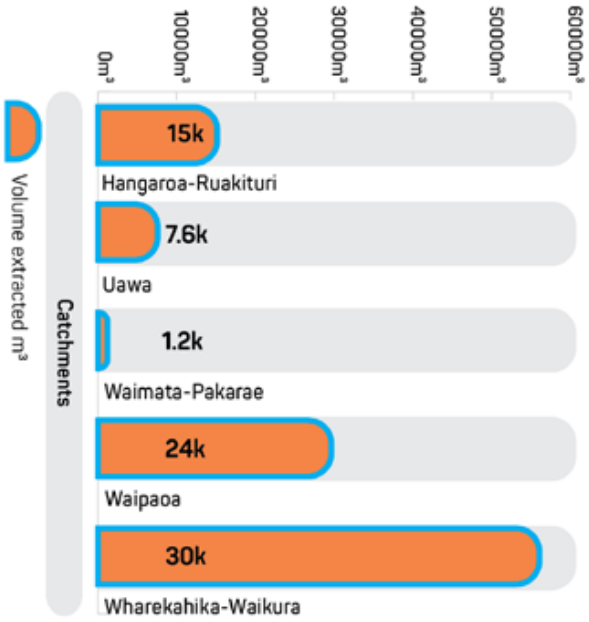
3YP budget **$21.7m**

The DIA-funded part of the project is complete. Further funding has been secured from the Ministry for Primary Industries (MPI), with work starting during the year and continuing into the next financial year.

Community wellbeings and outcomes

This major project contributes to the following community

Large woody debris extraction





Post storm large woody debris at Waikanae Beach



Safer communities

Nearly 2,000 properties across the region have been severely impacted by flooding, silt, and land erosion. To address this, Central Government introduced the Future of Severely Affected Land (FOSAL) framework, a targeted system to prioritise actions for at-risk properties.

- **Category 2:** These properties face manageable risks where targeted interventions like house lifting, drainage improvements, or stopbank upgrades can provide protection.
- **Category 3:** These are the highest-risk properties, deemed unsafe for habitation due to ongoing threats such as flooding or landslides. Owners are supported through voluntary buyouts because the sites were assessed as having unacceptable risk for residential use under the programme.

Government funding has enabled critical buyouts and mitigation projects, but additional costs, such as demolition and maintenance, will rely on rates funding. The house-lifting initiative aims to future-proof homes by raising them above flood levels, reducing the risk of damage in severe weather events.

3YP initiatives

Future of Severely Affected Land (FOSAL)

Completion of the FOSAL programme while providing support to affected communities, categorisation, buy-out negotiations, demolition, site remediation, and house lifting. The voluntary nature of the Category 3 buy-out process, together with the property-specific delivery of Category 2P mitigation works, requires a significant focus on homeowner engagement, communication, and practical support.

Key deliverables include progressing Category 3 property acquisitions and demolition or relocation works; administering the Category 2P mitigation fund for eligible works such as house lifting and retaining walls; implementing the Special Circumstances (Additional Funding) process for eligible homeowners experiencing genuine financial hardship in completing mitigation works; and overseeing programme completion and close-out activities.

Complete all voluntary buyouts of Category 3 properties

The Category 3 Buy-out Policy has been completed following a Council resolution. As at the end of June 2026, 58 of the 59 Category 3 properties had completed the voluntary buy-out process. The remaining property is subject to a dispute and is no longer eligible for the buy-out scheme.

Of the 58 completed buy-outs, 49 sites have been made safe, including 40 demolitions and the relocation of 9 properties to other sites.

To date, $32.6 million has been invested in buyouts, with a further $2.9 million spent on demolition and site remediation.

Lift all identified eligible Category 2 homes

To safeguard them against future flooding risks. Category 2 properties are divided into two groups:

- **Category 2P (property-level interventions)** - For properties affected by land instability or inundation. As at June 2026, mitigation works had been completed on 42 of 157 properties, enabling their removal from this category. Work on the remaining properties is ongoing.
- **Category 2C (community-level interventions)** - Involves wider-scale flood resilience solutions such as drainage upgrades and stopbank improvements. Engagement and planning for these interventions is ongoing.

Project status

Start date: March 2023
This project is ongoing

Dollars and cents

2025/26 budget **$1.3m** | 2025/26 actual **$14.7m**

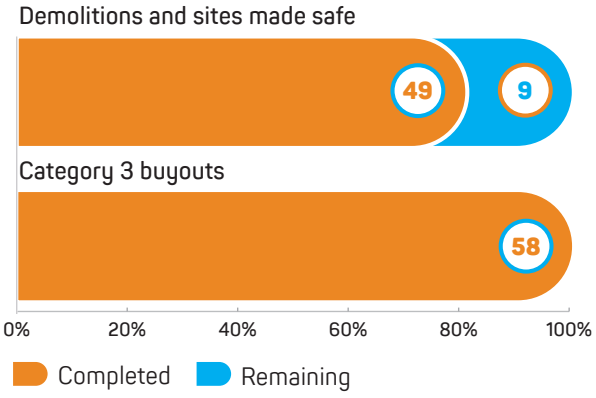
3YP budget **$21.8m**

Funding for Category 3 voluntary buyouts was originally $30m, shared equally between NIFF and Council. Demolition of Category 3 properties is fully Council-funded. In December 2025, central government approved an additional $1.3m, which Council matched to maintain the 50/50 cost-sharing arrangement. Additional properties increased spending in 2025/26, and work is now complete.

The Category 2P programme is fully externally funded.

Community wellbeings and outcomes

Category 3 buyouts and site remediations





Above and opposite: Category 2 house lift, Ūawa.



Community-led plans

We are actively supporting communities across our region to develop community plans that identify and prioritise recovery needs. These plans are crafted to reflect the unique aspirations of each community, ensuring that our recovery efforts are aligned with their specific expectations and requirements.

3YP initiatives

Recovery plan

Develop, prioritise, and share a recovery plan with key findings to guide recovery work and support coordinated action.

The community-led recovery planning framework has strengthened the alignment of recovery efforts across Council, iwi, government agencies and community partners, ensuring community priorities remain at the centre of decision-making. Twenty of the 23 community-led recovery plans have now been developed and are guiding recovery actions as living documents, with the remaining three plans progressing toward completion.

Meaningful community connections

Implement a new process to foster meaningful connections with communities.

Community partnerships continued to guide township planning and inform recovery initiatives, with engagement focused on ensuring projects reflect local priorities. This collaborative approach strengthened connections across Council, supporting coordinated project delivery and aligning recovery outcomes with community aspirations.

Recovery Office

Coordinate regional recovery planning and prioritisation, and facilitate engagement with iwi, community leaders, central government, agencies, and community groups to support recovery delivery.

Through its regional coordination and advocacy role, the Recovery Office continued to support recovery delivery across Tairāwhiti by working closely with iwi, hapū, government agencies and community organisations. Collaboration with mana whenua helped advance community-led recovery planning in Ngāti Porou communities, while partnerships across the region contributed to progressing the Roadside Drainage Supporting Iwi Communities programme and securing funding for the Te Karaka Flood Resilience project.

Townships

Rural township upgrades – Better Off Funding

Build new footpaths in Mātāwai, Ruatōria, Te Karaka, and Wharekahika, and install safety crossings in Ruatōria, Tikitiki, Te Araroa, Wharekahika, and Mātāwai.

The Cliff Road footpath in Te Karaka was completed, improving pedestrian access and safety for the community. Planning and delivery of new footpaths and safer crossings continued in Wharekahika, Te Araroa, Tikitiki and Rangitukia, while investigations into future improvements in Waiomatatini and Mātāwai progressed, subject to funding for proposed footbridge solutions.

Rural township upgrades

Partner with two rural communities annually for township upgrades, supporting them to develop and implement township plans with a focus on infrastructure priorities.

Communities in Pātūtahi, Te Puia Springs and Tokomaru Bay continued to progress locally identified priorities, including playgrounds, bus shelters, resilience and water security initiatives, memorial enhancements, and projects that celebrate local history and culture.

Project status

Start date: July 2021
This project is ongoing

Dollars and cents

2025/26 budget **$1.7m** | 2025/26 actual **$0.4m**

3YP budget **$4.3m**

As at 30 June 2026, spending on community-led projects totalled $0.4m, mostly funded by Council. Contracts have been awarded for Better Off Funding (BOF) works, which began in July 2026.

The underspend reflects weather-related delays, time required for community engagement and delays in progressing some planned crossing works. Delivery of this work will continue into 2026/27.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Our recovery levels of service and performance measures

We report on six measures within the recovery programme. These are multi-year targets running through to 2027 and 2031. The results shown here capture the second year's progress, giving a clear view of how recovery is advancing across flood protection, FOSAL, woody debris removal and road rebuilding.

Flood protection

Measure	Target	Result	Commentary
Implement flood mitigation strategies effectively to protect communities and infrastructure from future flood risks.			
Completion rate of flood mitigation projects, such as the Waipaoa Stopbank upgrades	100% completion by June 2031.	**38%**	7 km of the Waipaoa Stopbank upgraded this year. Construction on hold over winter. 38% result based on percentage spend of $79.9million flood resilience approved budget.

Safer communities (FOSAL)

Measure	Target	Result	Commentary
Reduce risk to life and where possible restore and enhance housing to support safe, resilient, and connected communities in the aftermath of cyclone events.			
All Category 3 properties settled and legally compliant	100% of those who choose to participate in buy back process	**100%**	**Completed** 58 of 58 properties settled.
Demolition of houses and residential improvements and sites made safe	100% (over 3 years) of those who choose to participate in buy back process	**84%**	**In progress** 49 of 58 sites made safe.
Property owners are satisfied with process, engagement and communication	Targeted Survey 80% overall satisfied	**82%**	**Target met**

Large woody debris

Measure	Target	Result	Commentary
Efficiently manage and clear woody debris from affected areas to restore environmental health and support community recovery efforts.			
Volume of woody debris extracted and treated from affected areas annually	Demonstrate progress in the volume of debris removed	**66,222m³ in 2025/2026**	**In progress** 618,324.6m³ treated since 2023

Roads to recovery

Measure	Target	Result	Commentary
Repair and rebuild transport infrastructure in line with recovery programme.			
Percentage of road repair and rebuild projects completed against the plan schedule	85% completion	**50%**	**In progress** Staged programme over multiple years.



Ētahi atu whakatakanga
Other projects

Tairāwhiti Resource Management Plan (TRMP) review

The purpose of the TRMP review was to ensure the plan continued to meet the needs of our communities and support the sustainable management of land, water and natural resources.

As Council's combined regional and district plan under the Resource Management Act 1991, the TRMP guides how development is managed, the environment is protected and community wellbeing is supported across Tairāwhiti.

Following the introduction of Plan Stop legislation in August 2025, Council closed the broader TRMP review and transitioned the work into successor programmes focused on delivering priority exempted plan changes and preparing Te Tairāwhiti for the new national planning system.

3YP initiatives

TRMP review

Progress the TRMP review and respond to changes in national resource management legislation
Council progressed priority planning and evidence work during 2025/26.

Following the introduction of Plan Stop legislation in late 2025, the broader TRMP review concluded in early 2026 and transitioned into two successor programmes:

- Plan Change Exemption Delivery
- Te Ara Hou - Planning for Readiness.

TRMP evidence base

Strengthen the scientific evidence base to support the TRMP
The TRMP evidence base was strengthened through technical assessments, research, modelling, environmental monitoring, expert input and engagement. This work provides a robust foundation for future planning, policy development and decision-making under the new resource management system.

Freshwater management and catchment planning

Develop the Regional Freshwater Plan and seven catchment plans in line with national requirements
Strong progress was made on the freshwater planning package, supported by technical research and engagement with Treaty partners, stakeholders and communities. Work included updated water-quality benchmarks, hydrological and groundwater modelling, ecological assessments, erosion-risk mapping and research into sediment, forestry and land-use impacts. Freshwater planning work was also affected by the Plan Stop legislation.



Regional Policy Statement (RPS)

Develop updated policy direction and supporting evidence across key regional resource management topic

Draft inputs and assessment criteria were completed and peer reviewed across key Regional Policy Statement topics. The work was developed with technical experts, mana whenua and stakeholders, providing a locally grounded evidence base that incorporates mātauranga Māori and can be adapted as national direction becomes clearer. Work on the RPS was also concluded due to the Plan Stop legislation.

Urban Plan Change 6

Update planning provisions for the Gisborne urban area to support housing and urban growth

Council received a Plan Stop exemption for Urban Plan Change 6 in February 2026. The plan change was subsequently notified, allowing the statutory submissions and hearings process to progress.

Sustainable Land Use Plan Change 7

Strengthen the management of forestry and earthworks on highly erodible land

Council completed the scope of Sustainable Land Use Plan Change 7 and submitted a Plan Stop exemption application. Work continued on the supporting evidence, mapping and proposed provisions while awaiting the Ministerial decision. Following the end of the reporting period, on 31 July 2026, the exemption application was declined by the Minister meaning Plan Change 7 will not progress under the current legislation.

Transition to the new planning system

Preserve the value of completed TRMP work and prepare Council for national resource management reform.

Te Ara Hou – Planning for Readiness was established to carry forward relevant evidence, technical work, mātauranga Māori and engagement insights from the TRMP review, while preparing Te Tairāwhiti for the proposed Planning Act and Natural Environment Act.

Project status

Start date: July 2021

Completion date: August 2028 (revised to February 2026 following the closure of the TRMP Review programme and its transition to Te Ara Hou – Planning for Readiness, alongside delivery of the Plan Change 6 exemption).

Dollars and cents

2025/26 budget **$2.4m** | 2025/26 actual **$1.4m**

3YP budget **$7.7m**

This project is 100% Council funded.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:



Photo credit: Benoit Deschasaux on Unsplash

Indoor multipurpose centre

The Community Facilities Strategy identified a multipurpose indoor facility as a key regional priority, a need further reinforced through the 2021 Business Case submitted to Central Government. The proposed facility will support a range of community, sporting, and cultural activities while meeting the growing demand for shared indoor space across Tairāwhiti. It will also create economic opportunities for the region by attracting tournaments and events.

3YP initiatives

Indoor multipurpose centre

Undertake feasibility, design and planning work to progress the Indoor Multipurpose Centre Project to an investment ready point.

During 2025/26, Council began reassessing the preferred location for the Indoor Multipurpose Centre following consideration of alternative partnership opportunities.

Potential sites are being evaluated against cost, operational and partnership benefits. A final decision on the preferred site will be made before December 2026, with community consultation on the proposed capital contribution to take place through the Long-Term Plan process, subject to feasibility.

Project status

Start date: 2024

Dollars and cents

2025/26 budget **$500k** | 2025/26 actual **$0**

3YP budget **$2.5m**

This project is 100% Council funded.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:



Option 1 visual for Lowe Street Shared Space proposal

City centre revitalisation

We are working alongside Trust Tairāwhiti to explore opportunities to revitalise Gisborne's City Centre. This project will identify what's needed to support a vibrant, resilient city centre, and will undergo extensive community engagement to understand what people want improved to make the city centre a more appealing place to live, work and play.

3YP initiatives

Revitalisation of the city centre

Refresh and invigorate our city centre through a mixture of temporary and permanent initiatives such as streetscaping and planting.

During 2025/26, Council continued working with Trust Tairāwhiti, Rongowhakaata Iwi Trust and partners to build on the shared vision established through the City Centre Catalyst Initiatives and progress the revitalisation of Gisborne's city centre. Early-win initiatives included public art installations across eight vacant shopfronts, heritage façade grants, the CBD Custodian Programme and Downtown Lounge street music activations involving local rangatahi.

We began development of a 10-year Action and Investment Plan with key partners to guide the revitalisation of Gisborne's city centre. More than 20 community engagement opportunities were undertaken across three design options to help inform the revitalisation of the City Centre. The final Action and Investment Plan is expected to be completed in October 2026.

City centre cleaning and maintenance services were enhanced through the introduction of the CBD custodian role, while street lighting upgrades improved safety and the appeal of the city centre.

Project status

Start date: 2024

Dollars and cents

2025/26 budget **$2.2m** | 2025/26 actual **$0.5m**

3YP budget **$3m**

This project is partly funded by NZTA contribution. City revitalisation planning has begun and additional work is planned to continue into the following financial year.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Ō tātau tauwhāinga, o tātau whakautu
Our challenges and responses

Council is making long-term decisions in a period of significant change. National reform, changing environmental risks and increasing financial pressures are reshaping the context in which Council plans, invests and delivers services. These pressures are closely connected and increasingly require choices about risk, affordability, levels of service and where limited resources will provide the greatest long-term benefit. This section outlines three enduring challenges shaping those decisions and the work underway in response.

Building resilience in a region exposed to continuing hazards

Challenge:

Te Tairāwhiti remains highly exposed to severe weather, flooding, erosion, coastal hazards and land instability. Recovery from Cyclone Gabrielle and other 2023 events continued throughout 2025/26, while further weather events caused new damage, disrupted access and placed additional pressure on communities, infrastructure and emergency response arrangements.

The remaining recovery programme includes some of the most complex and costly work, including major road and bridge repairs, flood protection, property mitigation, land-use transition and support for affected communities. This work must continue alongside everyday services and preparation for future events.

Climate change is expected to increase the frequency and severity of some hazards, adding pressure to ageing infrastructure and areas already vulnerable to repeated damage. In some locations, maintaining existing infrastructure, access or land uses may become increasingly difficult and expensive.

These pressures increasingly require choices about where risk can be reduced, where it must be managed, and where infrastructure, land use or levels of service may need to adapt over time.

Response:

During 2025/26, recovery and resilience work remained focused on restoring roads and bridges, strengthening flood protection, progressing property mitigation, managing sediment and large woody debris, and supporting communities affected by the 2023 severe weather events.

Strengthening flood resilience

Council progressed the $79.9m regional flood resilience programme, supported by $71.9m from central government and $7.99m from Council. Work included further upgrades to the Waipaoa flood control scheme, planning and consenting for improved protection at Te Karaka and investigations into flood resilience options for specific communities and waterways across the region (Te Arai, City, Tolaga Bay, Tokomaru Bay, Makarika and Tikitiki).

Flood modelling, river surveys, technical evidence, mātauranga and local knowledge are being used to identify and prioritise options that reduce risk to life and property, protect critical infrastructure and support the continued insurability of homes. These projects will reduce flood risk, although they cannot remove it entirely. Community preparedness, evacuation planning, land-use controls and other non-structural measures will therefore remain important.

Improving emergency readiness

The review of the Tairāwhiti Civil Defence Emergency Management Group Plan continued during the year, supported by an updated regional hazard and risk assessment. This work will help identify regional priorities and guide how risks are managed across reduction, readiness, response and recovery.

Operational readiness also continued to strengthen through community relationships and coordination with iwi, emergency services, government agencies and other partners. This work is occurring alongside national emergency management reform, which is expected to change roles, standards and local arrangements as new legislation is finalised and implemented.

Planning for climate adaptation

Work continued to build a stronger evidence base for long-term climate adaptation. This included developing a Climate Scenario Policy, progressing a community climate risk and vulnerability assessment, and working with Ngāti Oneone to incorporate cultural values into the Wainui Coastal Adaptation Plan.

Early engagement also began to inform wider regional and local adaptation planning. Internally, guidance is being developed to embed climate considerations into activity and asset management planning, procurement, investment decisions and project delivery. This will support more consistent decisions about future development, infrastructure and community resilience

Building more resilient lifeline infrastructure

Road and bridge recovery continued alongside planning for the longer-term resilience and affordability of the transport network. The Strategic Roading Network Resilience Programme Business Case provides a 30-year framework for directing limited funding towards routes that provide the greatest social, cultural and economic benefit.

The approach places greater emphasis on proactive drainage, bridge maintenance, lifeline access and targeted resilience improvements. It also recognises that different service levels, staged investment or alternative work continued to build a stronger evidence base for long-term climate adaptation. This included developing a Climate Scenario Policy, progressing a community climate risk and vulnerability assessment, and working with Ngāti Oneone to incorporate cultural values into the Wainui Coastal Adaptation Plan.

Early engagement also began to inform wider regional and local adaptation planning. Internally, guidance is being developed to embed climate considerations into activity and asset management planning, procurement, investment decisions and project delivery. This will support more consistent decisions about future development, infrastructure and community resilienceolutions may be required for some lower-use roads where repeated reinstatement is becoming increasingly difficult to sustain.

Together, this work is shifting Council from repeated repair towards more coordinated risk reduction and clearer long-term choices about where resilience investment will provide the greatest benefit.



Balancing affordability, service levels and long-term investment

Challenge:

Council faces increasingly difficult choices about how much to invest, where to invest it and what levels of service can be sustainably maintained over time. A large and geographically dispersed network of roads, bridges, water systems, flood protection assets and community facilities must be maintained and renewed while Council also responds to recovery needs, natural hazards, regulatory requirements and future growth.

Ageing assets, higher construction costs, constrained delivery capacity and increasing regulatory expectations are adding to the cost of providing services. At the same time, the ability of households and businesses to absorb ongoing increases is limited, and external funding cannot be assumed for every future investment.

Available funding will therefore need to be increasingly targeted towards the assets and services that provide the greatest long-term benefit and manage the most significant risks. This will require choices about the timing and scale of investment, which assets are prioritised, and whether existing levels of service remain affordable across every network and community.

These decisions must balance reliability, safety and resilience with affordability, debt capacity and fairness between current and future ratepayers.

Response

During 2025/26, Council continued to prioritise the infrastructure and services communities rely on every day. Investment remained focused on roads and bridges, drinking water, wastewater, stormwater, flood protection, solid waste and essential community facilities.

Recovery work continued to compete with asset renewals, regulatory requirements and long-term resilience needs. Council used its Infrastructure Strategy, Financial Strategy and activity and asset management planning to identify the most important work, sequence delivery and keep investment within available financial and organisational capacity.

Establishing sustainable water services

A major milestone during the year was the adoption and government approval of Tō Tātau Wai, Tō Tātau Mana - Our Water, Our Way, Council's Water Services Delivery Plan. The plan confirms that drinking water, wastewater and stormwater services will remain within Council through a financially ring-fenced Water Services Business Unit from 1 July 2027.

The plan provided for an estimated $214m of water infrastructure investment over 10 years, including renewal of nearly 50 kilometres of underground mains. The investment is intended to support the renewal of ageing assets, compliance with drinking water and environmental standards, greater network resilience and capacity for future urban growth, while supporting the long-term financial sustainability of water services.

Council established an Interim Water Management Committee and appointed a project manager to oversee the implementation of the new delivery model. Work also began on the Water Services Strategy, Strategic Asset Management Plan, activity management plans, investment and delivery planning, and separate financial reporting arrangements. These workstreams are being developed alongside the 2027–2037 Long Term Plan to ensure that future service levels, affordability, charges and investment priorities are considered as part of an integrated long-term approach to water services

Resetting how we invest in the roading network

Council approved the Strategic Roading Network Resilience Programme Business Case in August 2025. The business case provides a 30-year framework for making evidence-based decisions about maintenance, renewals and resilience investment across the 1,893km local road network.

The preferred Balanced Reach approach directs funding towards routes that provide the greatest social, cultural and economic benefit, including roads that connect communities with schools, health services, marae and economic centres. It also recognises that historical levels of service may no longer be affordable or practical across the entire network. Some lower-volume roads may require different maintenance approaches, reduced service levels, seal reversions, seasonal restrictions or other long-term solutions.

Implementation work began during the year, including reviewing technical standards and policies, strengthening programme governance and incorporating the new approach into asset management planning. Further decisions about road priorities and levels of service will be developed through the Regional Land Transport Plan and 2027–2037 Long Term Plan, supported by engagement with tangata whenua, communities, industry and Waka Kotahi NZ Transport Agency.

Renewing networks and improving service reliability

Council continued to renew and improve critical three waters infrastructure during 2025/26, strengthening network reliability, resilience and performance. Wastewater renewals delivered 5.47 kilometres of pipeline lining, refurbishment of 80 access holes and installation of 309 lateral junctions, while stormwater renewals and the Public Drains on Private Property programme continued to reduce inflow, infiltration and localised flood risk.

Drinking water renewals were also completed across priority areas, including full renewal of the Te Karaka reticulation network, improving network performance, reducing leakage and increasing operational efficiency. These programmes, alongside DrainWise investigations and targeted network improvements, are helping extend asset life, reduce the risk of service failures and progressively address ageing infrastructure across the district.

The Water Services Strategy (WSS) will continue to support Council's established approach to long-term renewal and investment planning across drinking water, wastewater and stormwater. Ongoing improvements in asset information, condition assessment and investment planning will continue to inform renewal priorities, target funding to areas of greatest need, and proactively manage the risk of asset failure and service disruption.

Prioritising and staging major investment

Staged delivery, business cases and external partnerships continued to be used for major projects that cannot be funded through rates alone.

The Resource Recovery Centre progressed to its next design phase, with work focused on making greater use of existing infrastructure, delivering priority services early and allowing later stages to proceed as funding becomes available. This provides flexibility while project scope, procurement options and funding pathways are developed.

For the proposed Indoor Multipurpose Centre, work continued on site, delivery, operating and partnership options. The project requires substantial external capital, and further decisions will be considered through the Long Term Plan. Discussions with Trust Tairāwhiti, community organisations and potential operating partners are intended to reduce the amount that would need to be funded directly by Council and ratepayers.

Strengthening asset and investment planning

Activity and asset management planning progressed across Council during the year in preparation for the 2027–2037 Long Term Plan and its 30-year Infrastructure Strategy. This work brings together information about asset condition, renewal needs, growth, regulatory requirements, climate risk, service performance and future operating costs.

The plans will help identify the consequences of different funding levels and support clearer decisions about service levels, project timing and risk. They will also provide the basis for prioritising investment across activities, rather than considering major projects and asset classes in isolation.

The work completed during 2025/26 is strengthening the evidence Council will use through the 2027–2037 Long Term Plan to make choices about investment priorities, service levels and affordability.



Planning and delivering through national reform and uncertainty

Challenge:

Council is operating through a period of major national legislative and policy change. Reform programmes covering resource management, water services, emergency management and the wider local government system are changing Council responsibilities, governance arrangements, funding settings and the way services are planned and delivered.

Resource management reform will have particularly wide-ranging effects for Te Tairāwhiti. The current Tairāwhiti Resource Management Plan will eventually transition to a new planning framework, affecting spatial planning, land use, freshwater, coastal management, natural hazards, environmental protection, growth and infrastructure sequencing.

Council must continue to make decisions and provide regulatory services under the existing system while preparing for requirements that are still developing. This creates risks of duplicated work, changing priorities, additional costs and pressure on specialist staff and partner capacity.

The transition must also preserve the technical evidence, mātauranga Māori and engagement already developed through local planning processes. Council needs enough flexibility to respond to national decisions while maintaining effective services, meeting current statutory obligations and ensuring the needs, rights and interests of Te Tairāwhiti communities and tangata whenua continue to shape local implementation.

Response:

During 2025/26, Council actively monitored national reform and advocated for arrangements that reflect the circumstances of Te Tairāwhiti.

Council approved its submission on the proposed Planning Bill and Natural Environment Bill and agreed key messages for submissions on the Emergency Management Bill, development levies, simplifying local government and rates capping. Council also considered the implications of proposed changes to public works legislation. This provided a formal way to bring the perspective of a geographically isolated unitary authority, with substantial environmental, infrastructure and Treaty responsibilities, into national decision-making

Preparing for the new planning system

The Government's Plan Stop legislation, introduced in August 2025, prevents councils from notifying most plan reviews and plan changes until 31 December 2027 unless an exemption is granted. It also restricts the notification of freshwater planning instruments, including Council's catchment plans and Regional Freshwater Plan.

In response, Council reshaped the Tairāwhiti Resource Management Plan (TRMP) review into two linked programmes. Plan Stop Exemption Delivery focuses on urgent plan changes that Council considers should continue under the current system. Te Ara Hou, Planning for Readiness, is preparing Te Tairāwhiti for the new national planning framework.

Te Ara Hou has preserved and consolidated the technical evidence, mātauranga Māori and engagement insights already developed through the TRMP review. This will allow relevant information to be adapted and reused once the structure and requirements of the new system become clearer, reducing the risk that previous investment and local knowledge are lost.

Progressing urgent local planning priorities

Council sought exemptions from Plan Stop for two priority areas, Urban Plan Change 6 and the Sustainable Land Use Plan Change.

An exemption for Urban Plan Change 6 was granted in February 2026. Council then formally notified the proposed changes and received public submissions between March and May. The plan change updates urban zoning rules to enable a wider range of housing in safe, well-serviced locations, support city centre revitalisation and give effect to the Future Development Strategy.

Council also applied in December 2025 for an exemption to continue developing the Sustainable Land Use Plan Change. This work focuses on land with the highest erosion and slope-failure risk and is intended to support the long-term transition of the most vulnerable land to more sustainable cover. The exemption had not been determined by the end of the reporting period, but was declined on 31 July 2026.

Maintaining current planning and regulatory services

The existing TRMP remains operative during the transition. Council continued to process resource consent applications, monitor environmental effects, undertake compliance and enforcement work, and provide planning advice under the current legislation.

Some longer-term planning work was paused or rescheduled to avoid unnecessary duplication. Freshwater planning was paused while greater clarity about the replacement system was awaited. Supporting technical work continued where it could provide enduring value, including environmental monitoring, evidence development and technical guidance for matters such as sustainable gravel management.

Responding to wider reform

Reform is also changing the way other core Council functions are governed and delivered. During the year, Council moved into implementation of its new water services arrangements under Local Water Done Well, while preparing for proposed changes to emergency management and wider local government settings.

As a unitary authority, Gisborne District Council already carries out both regional council and territorial authority functions. Council continued to assess what wider reform could mean for local representation, regional coordination, shared services, environmental responsibilities and relationships with iwi and hapū.

Strengthening strategic alignment and reform readiness

Council completed a stocktake of its strategies, plans, policies and bylaws to support development of the 2027–2037 Long Term Plan. The review identified duplication, unclear relationships between documents, legacy strategies developed under earlier assumptions, gaps in integrated climate and resilience planning, and risks arising from national reform.

The findings will be used to sequence future policy and strategy reviews, clarify which documents provide enduring direction, and improve alignment between strategy, funding and delivery. Council has also developed a 10-year Strategic Planning Work Programme so reviews can be timed around legislative change, affordability and organisational capacity.

This approach is intended to preserve valuable local work, avoid unnecessary duplication and give Council enough flexibility to respond as national requirements become clearer.

Preparing for local government reform

During 2025/26, Council monitored the Government's local government reform programme and considered what proposed structural changes could mean for Te Tairāwhiti.

In May 2026, the Government announced the Head Start pathway, allowing councils to develop voluntary reorganisation proposals ahead of wider Government-led reform. Gisborne District Council did not submit a Head Start proposal and, as at the date of this Annual Report, was not included in one.

As an existing unitary authority, Council already carries out both regional council and territorial authority functions. However, wider reform could still affect regional coordination, shared services, environmental responsibilities, infrastructure planning, local representation and relationships with iwi and hapū.

The Government has indicated that Head Start proposals will be considered during 2027, with wider structural changes expected to follow after the 2028 local government elections. The outcome, scope and timing of the reforms remain uncertain, and Council will continue to monitor developments and retain flexibility in its planning as further direction becomes available.



Part 3

Ā mātau whakatutukinga mahi

Our performance

This section reviews our overall performance, highlights successes and areas for improvement and presents an overview of our finances.



Contents

Our performance 60
Finances at a glance 64

Our activities 70

Our finances 140

Additional information 212

Ā mātau whakatutukinga mahi
Our performance

How did Council do this year?

Council measures and monitors the quality and effectiveness of our services to ensure we are delivering on our commitments and continuously seeking opportunities to improve. As part of this process, performance measures were established during the adoption of our 2024–2027 Three Year Plan to track the delivery, efficiency, and effectiveness of our services.

Our year in performance

Council maintained solid performance despite the ongoing demands of recovery, meeting 78% of its 93 performance measures and matching last year's result. Strong results were recorded across regulatory services, water supply, consenting, community facilities and commercial operations. All enforcement and compliance targets were met, water loss reduced, consent processing improved, community facility use remained high, and investment returns increased.

Opportunities for improvement remain in waste reduction and recycling, solid waste service delivery, road safety, public facility cleanliness and public transport patronage. These results provide a clear focus for strengthening service reliability, community confidence and future performance.

Recovery programme measures

Council also tracks six performance measures within our recovery programme. These targets are due for completion between 2027 and 2031. In this 2025/26 Annual Report we have recorded progress updates against each measure, but they are not included in the overall performance totals and cannot be recorded as complete at this point. They provide a snapshot of progress in areas such as flood protection, property buy-outs and demolitions, woody debris removal and road rebuilding. See page 28 for full results.

Mandatory measures

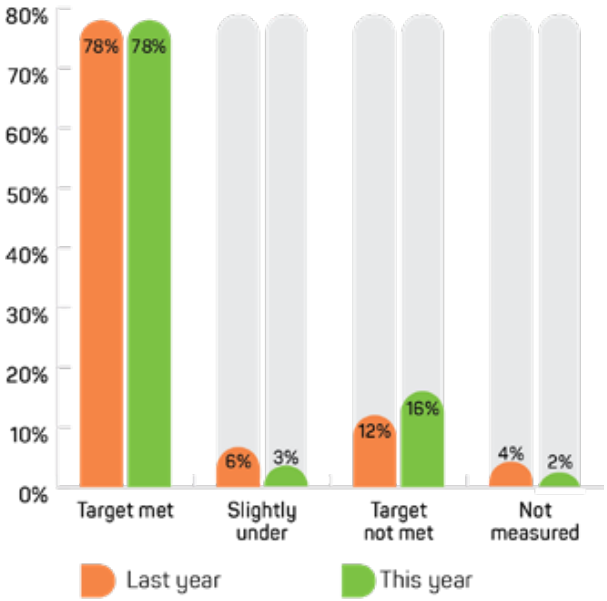
A total of 33 performance measures are mandated by Central Government, covering our three waters (stormwater, wastewater, and water supply), land, rivers, coastal areas, and the provision of local roads and footpaths. These measures are consistent across all councils, enabling the public to compare service levels nationwide. In 2025/26, Council achieved 27 of the 33 mandatory measures (82%). Three measures were slightly under target, and three were not met. The following information outlines the results for each mandatory performance area.

Overall performance metrics

We track a total of **93** measures, consisting of:

- **33** mandatory measures set by Central Government
- **16** measures derived from our Annual Survey
- **44** measures developed by Council for the 2024-2027 Three Year Plan

Overall, 78% of our performance measures met their targets, matching last year's result. The proportion of targets not met increased from 12% to 16%, while measures rated slightly under decreased from 6% to 3%.



Targets met

Land, Rivers, Coastal

Council achieved its flood protection target in 2025/26, inspecting more than 25 percent of the stopbank network and maintaining the required 1-in-100-year level of protection.

Roading

Roading performance was strong with customer service response times exceeding target at 87 percent against a target of 80 percent. The quality of ride on sealed local roads also exceeded target, with 89 percent of the network meeting the required smooth travel standard. Footpath condition remained high, with 97 percent of footpaths meeting the service standard set out in the Engineering Code of Practice.

Wastewater

Council met most wastewater performance targets. There were no compliance enforcement actions, and response times for wastewater overflows remained within target for both attendance and resolution. Sewage discharges to rivers and streams remained within the allowable annual limit.

Water Supply

Council met the microbiological monitoring requirements for Gisborne and Te Karaka. All response time targets for water supply faults were achieved, with urgent and non-urgent callouts attended to and resolved within the required timeframes. The water loss target was met at 11.5 percent, below the 15 percent threshold. Council also met the drinking water complaints target, recording 8.20 complaints per 1,000 connections, and average daily drinking water consumption remained within target at 223 litres per person per day.

Stormwater

Stormwater services performed strongly, with all performance targets achieved. There were no recorded flooding events affecting habitable floors and no compliance or enforcement action relating to stormwater discharge consents. Response times remained within target, and the number of complaints about stormwater system performance remained below the required threshold.

Targets not met (3 measures)

Roading

The road safety target was not met, with four fatalities and nine serious injury crashes recorded in 2025/26, compared with one fatality and 10 serious injury crashes in the previous year.

Wastewater

Whilst the target was not met, performance improved from the previous year. The number of complaints about odour, system faults, blockages and Council's response to wastewater issues was 16.49 complaints per 1,000 connections, down from 18.5 in the previous year. This continues the downward trend in wastewater complaints following the impacts of Cyclone Gabrielle.

Water supply

The target for the distribution system rule was not met. Whatatutu completed 11 of the 12 required annual surveillance samples, resulting in compliance being evaluated at 91.7%. All completed samples met the required water quality standards.

Slightly under target (3 measures)

Roading

The resurfacing measure was slightly under target, with 4 percent of the sealed local road network resurfaced against a target of 5 percent. This improved from 3 percent in the previous year, while roading resources continued to balance recovery and resilience priorities alongside planned network maintenance.

Water supply

Two drinking water compliance measures were below target. Bacterial and protozoal compliance for Te Karaka and Whatatutu was almost met, with results ranging from 99.3 to 99.5 percent following data loss caused by a lightning strike.

Responding to community views

We carry out independent resident satisfaction surveys to understand how well our resources, facilities, and services are meeting community expectations, always looking for opportunities to improve. The survey process includes quarterly online surveys, quarterly reports, and an annual analysis that feeds into this Annual Report.

Just over 400 residents across the Gisborne District participated, representing a range of ages, ethnicities, areas, and genders. We acknowledge, however, that the survey's sample size and the nature of online data collection mean results may not fully represent our 51,135 residents. Online surveys can be less accessible to some groups, which may lead to underrepresentation.

To address this, we use additional surveys and consultation feedback to check the pulse of our services. Where the sample size from the Resident Satisfaction Survey is not statistically significant, these sources are used to supplement overall performance results.

Online and service-user surveys

Online and service-user surveys are conducted at key sites, including the Library and Kiwa Pools. These are accessible through onsite kiosks or QR codes and provide valuable insights into customer experience and service delivery.

Kiwa Pools

Customer feedback for Kiwa Pools was positive throughout the year. Council received 100 survey contributions from 80 customers between November 2025 and June 2026, providing additional insight into the experience of people using the facility.

87% rated Kiwa Pools as welcoming and inclusive, 84% rated opening hours and safety and supervision positively, and 82% rated staff friendliness and professionalism positively. 80% said they were likely to recommend Kiwa Pools to others.

These results complement Council's wider resident satisfaction survey, where satisfaction with swimming pools increased from 77% to 82%, exceeding the 80% target.

Feedback also highlighted opportunities to continue improving value for money, amenities for older children and teenagers, and locker, shower and changing facilities.





Performance highlights and areas for improvement

Performance highlights

1 Enforcement and compliance

All targets were met across animal control, licensing, noise control, and maritime safety, ensuring community safety and compliance.

2 Water services callouts

Urgent and routine callouts were attended and resolved within target timeframes across water supply, wastewater, and stormwater services.

3 Cultural facilities

Cultural facilities performed strongly. HB Williams Memorial Library recorded four times its target for online visits and 99,447 onsite visitors. The museum and theatres also met their resident satisfaction targets.

4 Consenting compliance

Building and resource consent processing both exceeded 95% compliance with the statutory timeframe of 20 working days. Building consent performance reached 99%, while resource consent performance reached 97%.

5 Commercial performance

Investment returns increased to 4.1% of Council revenue, reaching the top of the target range. Satisfaction with Council accommodation and services increased to 98%, exceeding the 95% target.

Areas for improvement

1 Public transport patronage

Bus patronage declined following major service changes but returned to pre-change levels after six months. Live tracking and real-time information will support future growth.

2 Waste reduction and recycling

While waste to landfill remains high, education and behaviour-change programmes under the 2026–2032 Waste Management and Minimisation Plan provide a clear pathway towards reducing waste and increasing recycling.

3 Solid waste services

While collection satisfaction and response times have room to improve, a continued focus on collection reliability and timely customer service will help strengthen confidence in solid waste services.

4 Road safety

Four fatalities and nine serious injury crashes were recorded during the year. Road safety remains an important area of focus, with ongoing initiatives supporting safer travel across the local road network.

5 Public facility cleanliness

Satisfaction with public facility cleanliness improved slightly but remains below target. This progress provides a positive foundation, recognising that sustained work and investment are needed to achieve further improvement.

Ngā āhuatanga pūtea
Finances at a glance

This section provides an overview of Council's financial results for 2025/26.

For further detailed information on the Council and the Group's financial results, refer to the full financial statements in the ''Our Finances" section.

Details of Council's Statement of Involvement in Council Controlled Organisations (CCOs) and other companies are also included in the "Our Finances" section.

Council's financial reporting complies with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Tier 1 PBE Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These requirements prescribe the way we recognise and disclose all financial transactions in our financial accounts.

Council's financial position remains healthy, with debt remaining within Council's borrowing limits.

Financial Prudence Benchmarks are shown in Note 37: Disclosure Statement under the "Our Finances" section of the report. These benchmarks compare Council's actual financial performance with planned limits and measures. They help assess whether Council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

Performance was largely on track, with all benchmarks met and within planned measures, except for the operations control benchmark. This was not achieved due to the timing of capital grants and when costs were incurred. For information refer to "note 37".

Financial position overview

Council holds long-term assets of $3.0b, including operational and infrastructure assets. When investing in infrastructure, we borrow funds so repayments can be spread across the generations who benefit from these assets.

At the end of this financial year our financial position remains healthy. Debt remains within our overall borrowing capacity and planned recovery projections.

At year end our total external debt was $237.8m or 164% of debt to revenue, within overall debt limits of 175%.

Central Government awarded Council an initial $204m "recovery package" for roads and flood protection following Cyclones Hale and Gabrielle. Delivery of this programme continued during 2025/26 and will carry on as the remaining recovery projects are completed. Following adoption of the 2024–2027 Three Year Plan, Council secured further government funding, including funding for Future of Severely Affected Land (FOSAL) Category 2P house lifting and property resilience, an additional $127m from the New Zealand Transport Agency Waka Kotahi for the roading recovery programme, and $27m for large woody debris removal.

During 2025/26, Council recognised $128.6m of grants and subsidies. This included $75m from NZTA Waka Kotahi and $53.7m from other Central Government sources. Of the total, $84.3m related to capital projects, primarily roading recovery, flood resilience and FOSAL property initiatives.

Financial performance

Our 2025/26 Annual Report covers Year 2 of the 2024–2027 Three Year Plan. Our Three Year Plan was heavily focused on recovery while still delivering business as usual.

We recorded a net surplus after taxation of $61.8m, compared with a budgeted surplus of $95.2m. The $33.4m difference was primarily due to the timing and delivery of externally funded roading recovery, flood resilience and other recovery projects.

When the Three Year Plan was prepared in December 2023, many severely damaged roads remained closed or inaccessible. Without final engineering assessments, the scale and timing of the recovery and capital reinstatement programme were necessarily estimated at a high level.

Since then, the roading programme has been assessed, refined and phased to align with practical delivery timeframes, contractor capacity and the sequencing of complex and non-complex works. While expenditure differs from the Annual Plan, the recovery programme remains aligned with the overall project schedule.

The lower-than-planned surplus does not mean the associated government funding has been lost. Revenue from conditional grants is recognised as project conditions are met and the underlying work is completed.

This timing variance does not indicate that the associated grant funding has been lost. Funding will be recognised as the relevant conditions are met and the recovery programme is delivered.

The overall net surplus after taxation was $61.8m. This represents the difference between income received and expenses incurred during the year. Capital grants and subsidies are recorded as revenue even though they are used to fund capital projects rather than day-to-day operating activities. These net surplus funds contribute towards the cost of capital investment and reduce Council's need to borrow.

Total revenue was $254m, $10.8m less than the Annual Plan. Capital grants and subsidies were $31.1m below plan, mainly reflecting the timing and phasing of the roading recovery programme. This was partly offset by higher operational grants, a $6.3m accounting gain arising from the fair-value recognition of the government's interest-free concessionary loan, and additional dividends and other revenue.

Total expenditure was $193m, $22.6m above the Annual Plan. This was mainly due to higher operating costs relating to the grant-funded recovery work, including FOSAL Category 2 house lifting, large woody debris removal, roading maintenance and reinstatement. Some of these higher costs were partially offset by lower than planned Employee benefit costs and depreciation costs.

A further $3.6m expense was recognised for losses on recovery property buyouts and the disposal or write-off of

assets. This primarily reflects the difference between the purchase price paid for FOSAL Category 3 properties and their written-down value following cyclone damage.

Total capital expenditure of $117.3m, spent mostly on critical infrastructure and Category 3 Voluntary Property Buy Outs. The capital works completed this year is the highest level of investment Council has completed in any one year.

Other favourable and unfavourable variances from the Annual Plan arose during the year. More detailed analysis of Council's activities is included in the "Our Activities" section of this report.

Recovery cost summary	Actual 2025 $000s	Actual 2026 $000s
Funding received		
New Zealand Transport Agency (Waka Kotahi)	10,726	1,046
Other grants	30,081	20,496
NEMA proceeds	98	-
	40,905	**21,543**
Recovery works incurred		
Roading - Reinstatement	12,831	3,159
Recovery	783	1,442
Large Woody Debris and Silt Removal	24,612	13,105
Commercial Sediment and Debris	146	-
FOSAL category 3 buyouts	8,220	5,028
Loss FOSAL category 3 buyback	7,847	3,724
Three waters + flood control	164	230
	54,602	**26,687**
Total surplus/(deficit)	**(13,696)**	**(5,144)**
Capital Expenditure		-
Roading - Reinstatement	31,290	53,689
Recovery FOSAL category 3 buyouts	11,548	4,322
Three waters + flood control	664	13,449
	43,502	**71,459**
Funded by		-
New Zealand Transport Agency (Waka Kotahi)	21,736	37,461
NEMA	399	-
Other grants	15,169	30,224
Council Contribution	6,199	3,774
	43,502	**71,459**

Financial relief and remedies

Our recovery efforts have been greatly assisted by the overwhelming support our community has received through the Mayoral Relief Fund and the Disaster Relief Trust. These funds, which consist mainly of public donations, have been used to assist those whose homes were red or yellow stickered, and who experienced substantial damage to their properties or possessions due to Cyclones Gabrielle and Hale, and other adverse weather events. We made paid grants totaling $322k in the past year, mostly assisting those facing loss arising from significant weather event that occurred in late January. There was widespread disruption across parts of the Coast, particularly around Te Araroa, Onepoto and Wharekahika.



	Budget 2025/26 $000s	Actual 2025/26 $000s	Variance Favourable/ (Adverse) $000s
Revenue from Rates	96,952	97,762	810
Grants and Subsidies - Operational	33,115	44,465	11,350
Grants, Donations, Subsidies and Contributions - Capital	115,342	84,253	(31,089)
Revenue from Operating Activities	18,796	20,823	2,027
Interest received	-	474	474
Other finance income	-	6,705	6,705
Other Gains/(Losses)	850	(183)	(1,033)
Total Operating Income	**265,054**	**254,299**	**(10,755)**
Employee Benefit Expenses	38,370	36,817	(1,553)
Depreciation and Amortisation	32,857	32,194	(663)
Operating Activities	90,873	111,172	20,299
Financing costs	8,078	9,035	957
Loss FOSAL category 3 buyback	-	3,573	3,573
Total Operating Expenditure	**170,178**	**192,791**	**22,613**
Net surplus/(deficit) before taxation	**94,876**	**61,507**	**(33,368)**
Subvention Income	350	350	-
Income Tax Expense (Benefit)	-	-	-
Net Surplus/(Deficit) after Tax	**95,226**	**61,857**	**(33,368)**
Gains/(Losses) on Asset Revaluation	68,751	2,360	(66,392)
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	**163,977**	**64,217**	**(99,760)**

Significant changes contributing to the underlying variance compared to the 2025/26 Budget

	$000s
Higher finance and interest income	7,179
Lower employee benefit expenditure	1,553
Lower depreciation expenses	663
Lower revenue from operating activities	2,027
Lower revenue from Rates	810
Total Positive Variances	**12,233**
Less	
Lower revenue from grants and subsidies	(19,739)
Higher operating expenditure	(20,299)
Higher Finance costs	(957)
Higher loss from infrastructure assets valuations	(66,392)
Higher Losses from FOSAL category 3 buyback	(3,573)
Lower revenue from Other gains / (losses)	(1,033)
Total Negative Variances	**(111,993)**
TOTAL FACTORS CONTRIBUTION TO THE UNDERLYING VARIANCE	**(99,760)**

The variance in asset revaluation movements reflects a change in the timing of revaluations. While the LTP budget assumed revaluations would occur every three years in June, the revaluation timing was revised to match the actual revaluation date, resulting in the variance to budget.

Asset revaluation

The table below outlines the total movement in assets from impairment and revaluation, which has a recorded gain of $2.4m.

Roading assets were externally revalued during 2025/26, while an internal CGPI uplift was applied to the other relevant infrastructural asset classes. This resulted in an $8.0m increase in water infrastructure values, partly offset by a $5.6m decrease in roading values, primarily due to lower land values.

Significant changes in gains/(losses) on revaluations

	$000s
Higher values from	
Revaluation on Water Infrastructure	8,009
Lower values from	
Roading Revaluation	(5,649)
Overall net revaluation	**2,360**

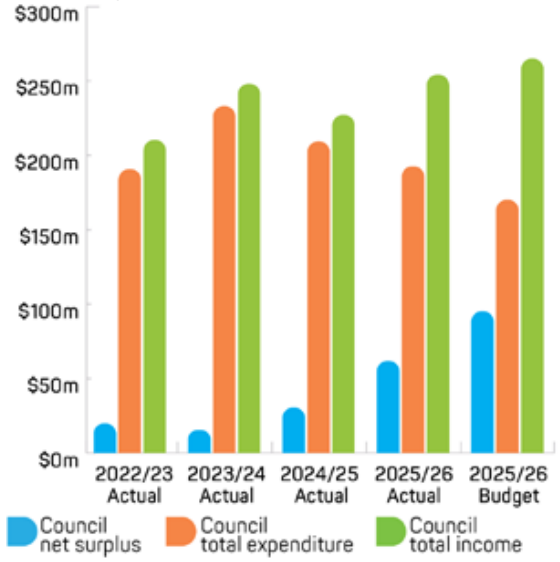
Council's budgeted and actual net surplus for 2025/26 is shown below.

Council sets its operating income at a level sufficient to meet each year's operating expenditure. In some cases, this may not be practical or prudent because of the long-term nature of an activity, such as wastewater, forestry and soil conservation nurseries, or where grants and subsidies are received to fund capital projects, such as the NZTA Waka Kotahi contribution towards replacing roading assets

The net surplus for 2025/26 was $61.8m. The overall net surplus is lower than the Annual Plan, mainly due to the timing of capital grants received when recovery work is completed. The average net surplus over the last four years is $32m.

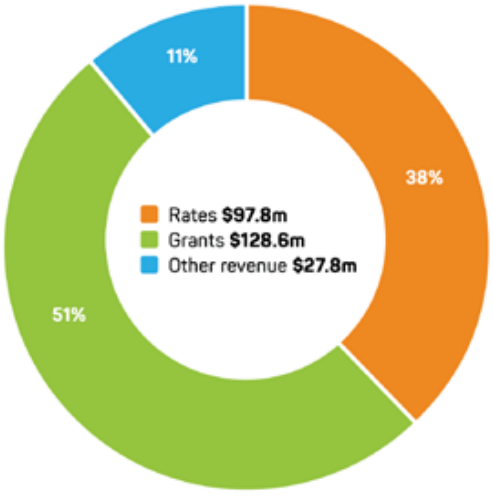
Our surplus is mostly due to the receiving of capital grants and capital subsidies. We record the capital grants as income, even though these funds are not used to fund operational costs. This surplus goes towards capital projects and reduces the need to borrow.

Total net surplus 2025/26



Council income

In 2025/26, Council recognised revenue of $254m, compared with the Annual Plan of $265m. Most of the $10.8m variance relates to the timing of recovery roading capital projects. Grant revenue is recognised as the associated work is completed, with the remaining funding recognised as these projects progress.



In 2025/26, rates income represented 38% of Council's total revenue, while grants and subsidies accounted for 51%.

Across the 2024–2027 Three Year Plan, total revenue is forecast to comprise an average of 37% rates income, 10% other revenue and 53% grant income. Before Cyclone Gabrielle and the adoption of the Three Year Plan, rates income represented approximately 60% of Council's total revenue.

The lower proportion of rates funding during the Three Year Plan reflects the significant external funding received to support emergency response, recovery and infrastructure reinstatement. While these grants do not leave Council fundamentally better off (as they are largely being used to restore damaged assets), they significantly reduce the recovery costs that would otherwise fall on ratepayers.

A key direction of Council's financial strategy is to reduce reliance on rates income. The 2025/26 result remains consistent with the Three Year Plan Financial Strategy, although the current revenue mix primarily reflects temporary government recovery funding.

Council expenditure

Council expenditure includes the day-to-day costs necessary to run the organisation. These costs support the maintenance, management and delivery of a diverse range of services and facilities across the district.

The cost of Council's day-to-day activities is influenced by several factors, including inflation, debt and interest rates, employee costs, the number and value of assets Council must maintain, and changes in the level of services provided to the community.

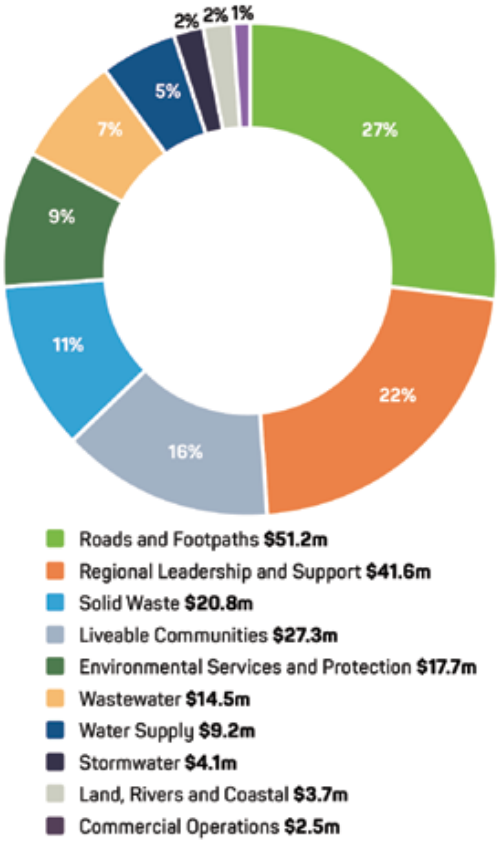
As shown in the graph, Journeys, Four Waters, Solid Waste and Environmental Services accounted for approximately 61% of Council's total expenditure. Journeys was the largest individual activity, accounting for 27%, or $51.2m, of total expenditure.

Regional Leadership and Support accounted for 22%, or $41.6m, of total expenditure. This includes recovery-related expenditure associated with FOSAL Category 2 house lifting and Category 3 voluntary property buyouts, including a $3m accounting loss arising from the write-down of properties purchased through the buyout programme. It also includes costs relating to interest, rates remissions, Civil Defence, democracy, tourism and economic development.

Council has approximately $3.0b invested in assets. These assets are mainly used to provide essential services to our communities, including roads, water supply, stormwater, wastewater, flood protection, parks, open spaces and community facilities. Council must maintain and replace these assets when necessary so the services they provide can continue now and into the future.

Maintaining and replacing Council's assets represents a significant cost. In 2025/26, depreciation and amortisation totalled $32.2m, representing approximately 17% of Council's total expenditure.

The total cost of Council services in 2025/26 was $192.8m



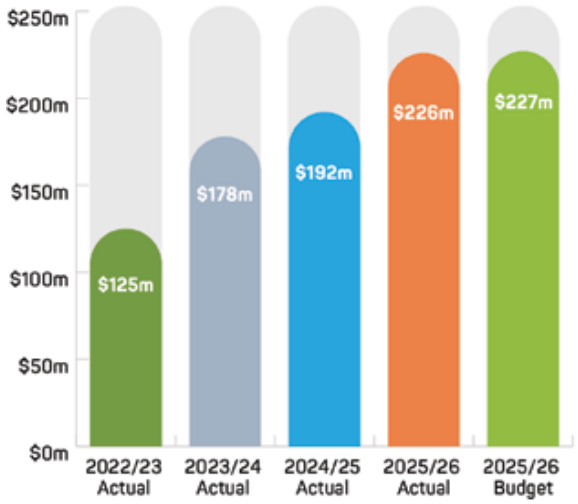
Council debt

At year end, Council's borrowings had a carrying value of $226.5m, compared with an Annual Plan budget of $227.1m. Total external debt at face value was $237.8m. The difference primarily reflects the $11.3m unamortised fair-value discount on Council's interest-free concessionary loan.

Council received a $30m concessionary loan from Central Government as part of the $204m recovery package. The loan is interest-free for 10 years and is being applied towards Council's share of the FOSAL Category 3 Voluntary Property Buyouts, flood protection works and roading recovery costs. At 30 June 2026, the full $30m facility had been drawn.

For accounting purposes, the concessionary loan has a carrying value of $18.7m, reflecting its $30m face value less an unamortised fair-value discount of $11.3m.

Refer to Note 22 in the "Our Finances" section.



Council capital expenditure

During the year, Council invested $117.3m in existing and new assets, compared with the Annual Plan budget of $163.2m.

Capital expenditure was below budget primarily because of the timing and phasing of the recovery programme, including roading reinstatement, flood resilience projects and FOSAL Category 3 Voluntary Property Buyouts, The recovery programme is on track to deliver within the overall 3-5 years recovery programme timeframe.

Of the $117.3m capital programme, approximately $111.5m, or 95%, was invested in critical infrastructure and FOSAL Category 3 Voluntary Property Buyouts.

Key areas of investment included:

- $10.9m on three waters infrastructure, including wastewater, water supply and stormwater.
- $75.4m on roads and footpaths, including the reinstatement of damaged roads and bridges and the renewal of existing assets.
- $13.3m on the flood resilience programme.
- $12.0m primarily relating to FOSAL Category 3 Voluntary Property Buyouts.

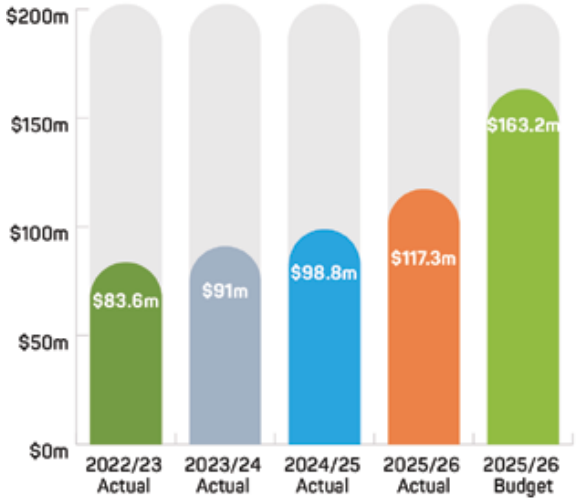
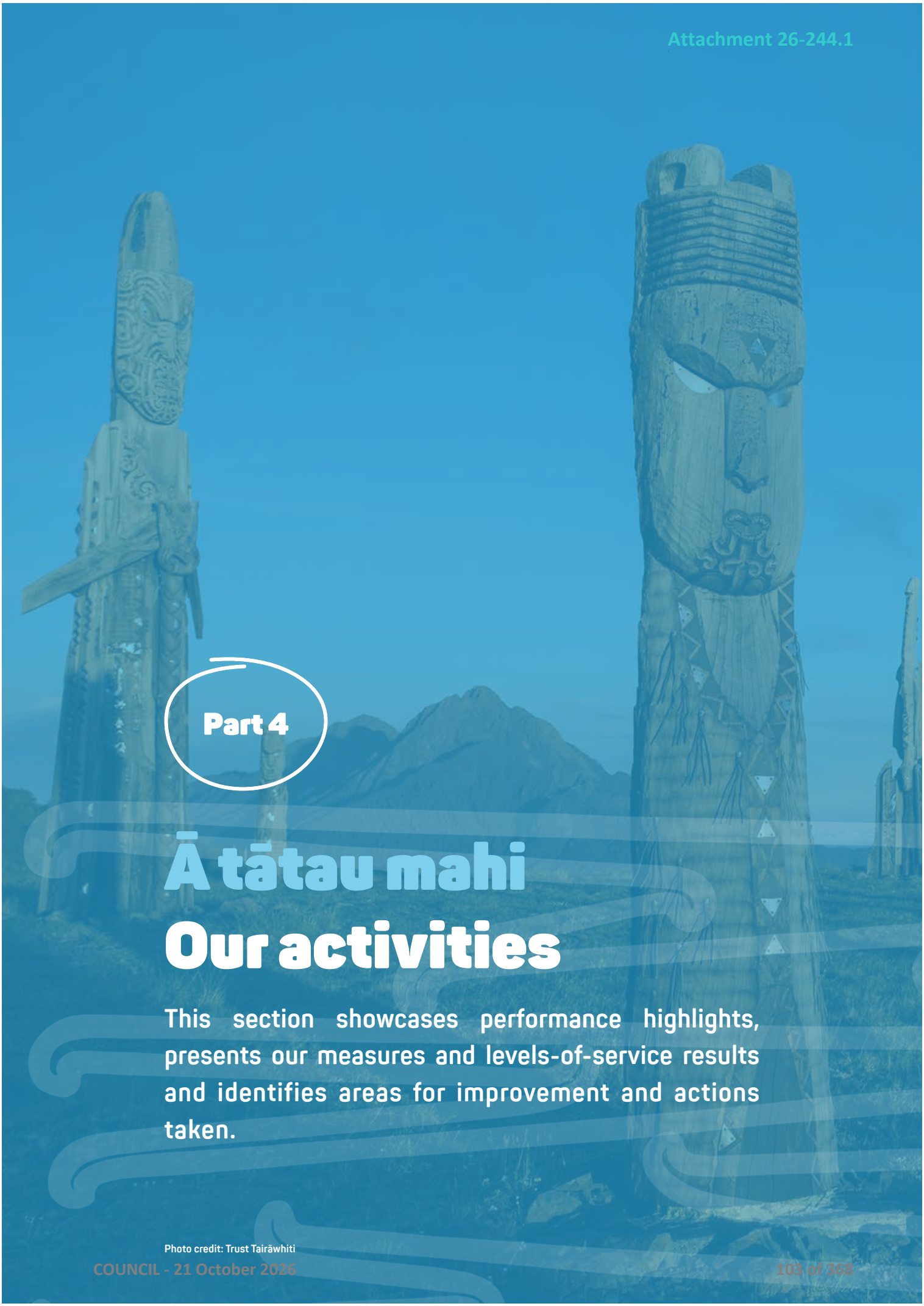




Photo credit: Trust Tairāwhiti



Part 4

Ā tātau mahi
Our activities

This section showcases performance highlights, presents our measures and levels-of-service results and identifies areas for improvement and actions taken.

Photo credit: Trust Tairāwhiti

Contents

How to read this section....73
Environmental Services and Protection....74
Land, Rivers and Coastal....84
Roads and Footpaths....86
Solid Waste....90
Wastewater....94
Water Supply....98
Urban Stormwater....103
Liveable Communities....106
Regional Leadership and Support Services....118
Commercial Operations....137

Our finances....140

Additional information....212



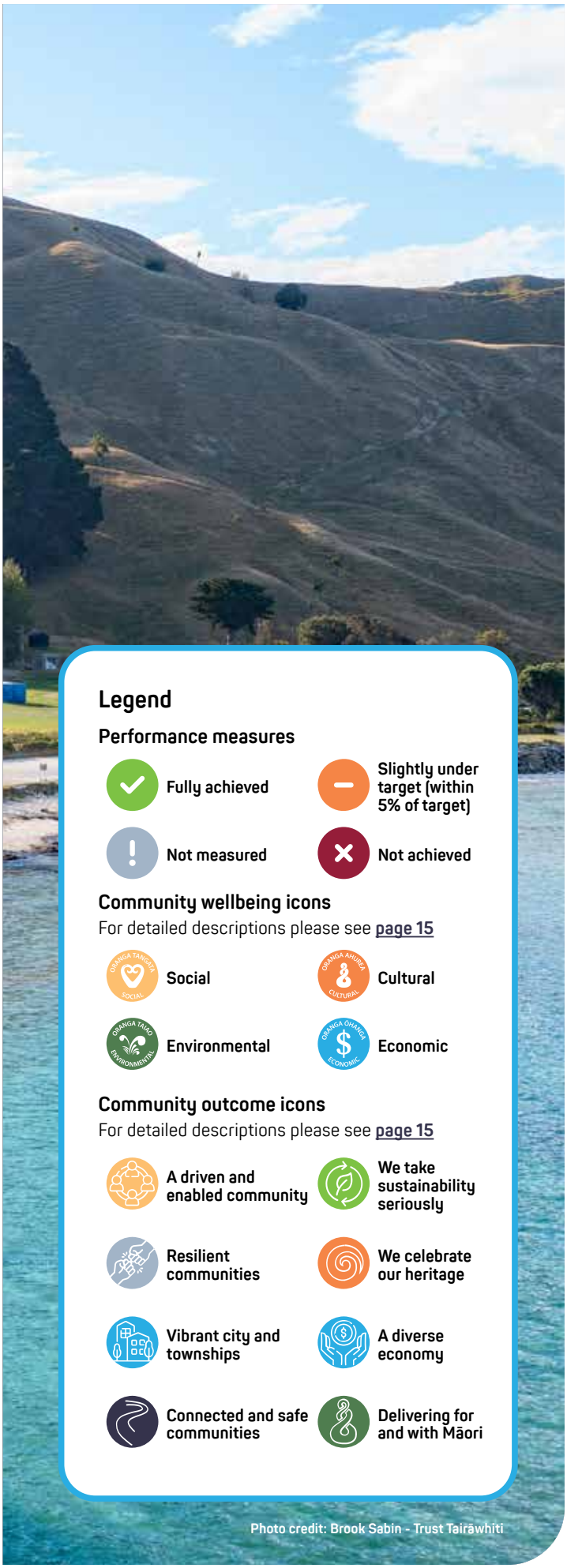


Photo credit: Brook Sabin - Trust Tairāwhiti

Legend

Performance measures

- Fully achieved
- Slightly under target (within 5% of target)
- Not measured
- Not achieved

Community wellbeing icons

For detailed descriptions please see page 15

- Social
- Cultural
- Environmental
- Economic

Community outcome icons

For detailed descriptions please see page 15

- A driven and enabled community
- We take sustainability seriously
- Resilient communities
- We celebrate our heritage
- Vibrant city and townships
- A diverse economy
- Connected and safe communities
- Delivering for and with Māori

Me pēhea te pānui i tēnei wāhanga
How to read this section

This section outlines Council's activities and performance for 2025/26. Each activity summary includes:

What we do

An overview of the work we do, outlining the key services, functions, and responsibilities we provide for the community.

Progress on Three Year Plan

An overview of each activity's Three Year Plan initiatives, summarising project progress and what we've achieved so far.

Highlights of 2025/26

Showcases standout achievements from the past year, each paired with a short description of what went well.

Snapshot of services

Provides an at-a-glance summary of core service volumes, giving a clear picture of how we're delivering on key functions.

Our levels of service and how we measure progress

Details each activity's levels of service and performance results from the past three years, with commentary where targets were slightly under or not met.

Significant effects of delivering this activity

Notes potential downsides of delivering this activity, explains the steps we're taking to manage risks, and highlights what has changed since the last Three Year Plan.

Recovery and resilience

Briefly outlines any cyclone recovery work or long-term resilience efforts still underway that continue to influence this activity.

What it cost

Sets out each activity's finances, comparing budgeted and actual spend and revenue. Highlights key variances, outlines funding sources, and explains any deviations from the original budget.

What was different from the budget

This section provides rationale for any changes to the cost of the activity compared to the budget.



Te Rōpū Ratonga Taiao me te Haumaru
Environmental Services and Protection

What we do

This group supports the sustainable management of our district's natural and built environments, while also contributing to the wellbeing of our communities. It includes activities that guide how we use land and resources, ensure buildings are safe, and uphold environmental and public safety standards. The group covers:

- Building Consents
- Enforcement and Compliance
- Resource Consents



Building Consents

What we do

We help ensure that buildings in our district are safe, durable, and built to code. Our work includes processing building consents and compliance certificates, inspecting swimming pools, and supporting property decisions through LIMs and building information. We also respond to service requests, monitor building safety, and assess buildings after natural disasters to help keep people and places protected.

Highlights

IANZ Audit November 2025

The Building Team achieved a low-risk outcome from its November 2025 IANZ audit, returning the Building Consent Authority to a two-year audit cycle with the next audit scheduled for 2027.

Building Consent and CCC timeframes

Building consent performance has remained above the 95% target for the past two years, while CCC processing within 20 working days improved from 94% to 98% in 2025/26.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year



Inspections	3909
Building consents	717
Code Compliance Certificates (CCS)	812
Land Information Memoranda (LIM)	315



Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Digital inspection records	Move to fully digital inspection records to remove the current requirement for a two-step process. Select mobile devices that have both handwriting and voice recognition to smooth the input pathways.	From 1 January 2026, all new building consents have moved to digital inspection records and file management. Physical inspection cards remain only for pre-2026 consents and will reduce over time as CCCs are issued.
	Earthquake prone building strengthening	Complete the earthquake prone building strengthening project so that there are no buildings that are earthquake prone as defined by the Building Act 2004 in the city area. Use the provisions of the Building Act 2004 to enforce strengthening where the building owner has not met their legal requirements.	Building strengthening continues at owners' initiative while legislative changes and extended timeframes are progressed by Government. Many buildings currently on the Earthquake Prone Building Register are expected to no longer be classified as earthquake-prone following legislative changes.
	Elevating Tairāwhiti	Assist with raising houses to directly mitigate flood-related risks, thereby reducing the risk to life and potential future damage to property.	Applications for the house lifting programme have now closed, while the Government has extended the timeframe for completion. Several properties are yet to complete the process, with delays and documentation issues potentially placing funding support at risk.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We will deliver a customer-focused building consents and compliance monitoring service that meets statutory requirements.					
The percentage of building consents issued within 20 business days.	**95%**	86.7%	98.2%	99%	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it	Changes since 24-27 3YP
Strengthening requirements for earthquake-prone buildings can lead to the demolition of older buildings, which may impact the heritage character of the CBD.	Proposed demolition of heritage-listed buildings continues to require resource consent, with applications assessed against structural safety, heritage values, and building legislation. Legislative changes are expected to reduce pressure for demolition as fewer buildings remain on the Earthquake Prone Building register.	Many businesses and building owners continue to strengthen commercial properties, despite the government's pause on final deadlines for earthquake-prone building compliance.

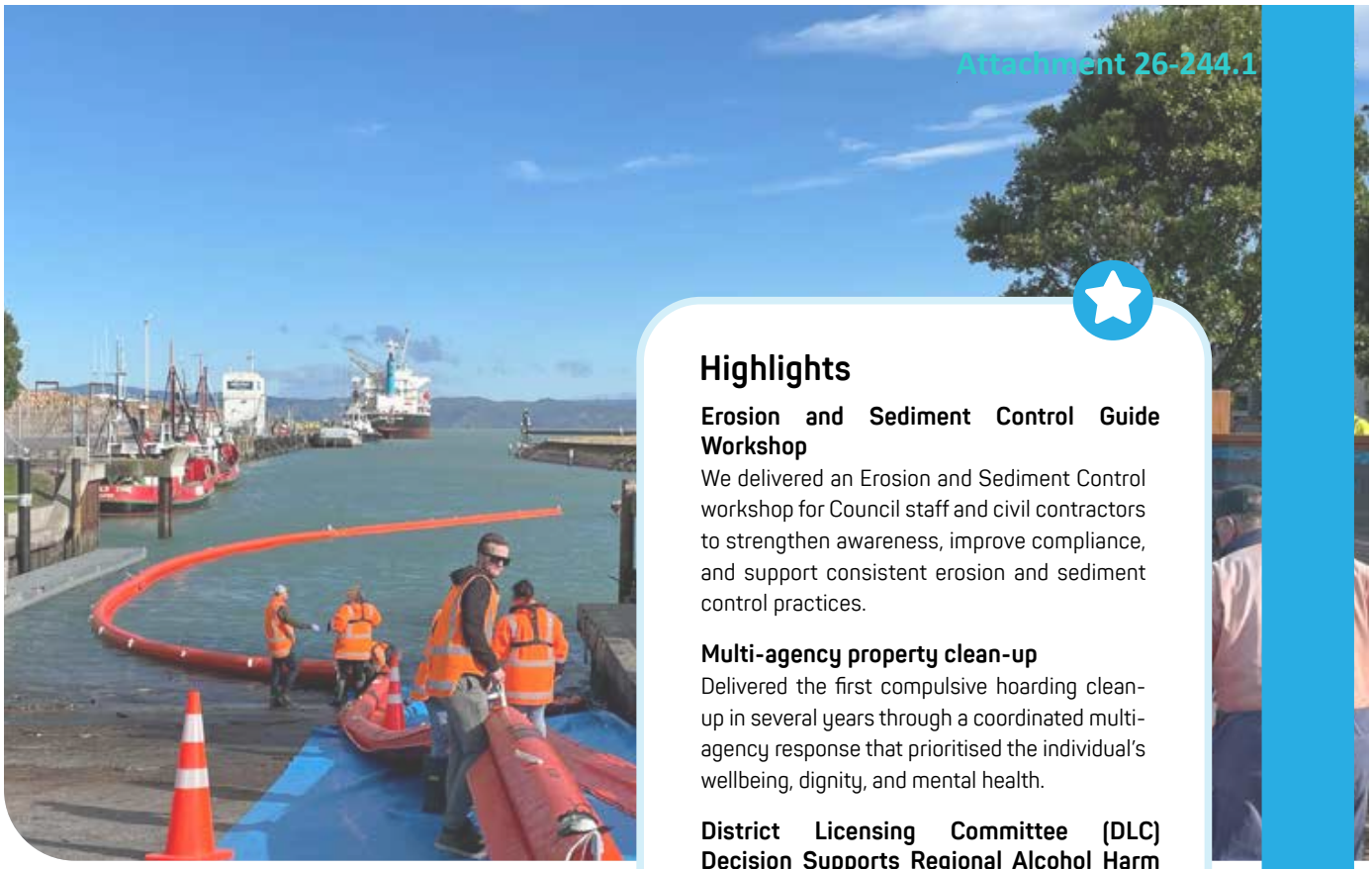
Recovery and resilience

House lifting

Work remains influenced by cyclone recovery, with consent applications and inspections continuing as affected properties progress through the elevation process.

Category 3P properties

The team continues to provide technical support to the Recovery Team as they progress Category 3P properties under the FOSAL scheme. These are high-risk sites identified as unsafe for future residential use due to unacceptable flooding or landslide risk.



Enforcement and Compliance

What we do

Our enforcement and compliance work protects people and places by helping to ensure that the rules supporting safe, healthy and thriving communities are understood and followed. This work covers land and water use, food and alcohol safety, public spaces, environmental monitoring, City Watch, animal control, licensing and harbour safety. We use consistent, best-practice approaches guided by national legislation and local plans.

Highlights

Erosion and Sediment Control Guide Workshop

We delivered an Erosion and Sediment Control workshop for Council staff and civil contractors to strengthen awareness, improve compliance, and support consistent erosion and sediment control practices.

Multi-agency property clean-up

Delivered the first compulsive hoarding clean-up in several years through a coordinated multi-agency response that prioritised the individual's wellbeing, dignity, and mental health.

District Licensing Committee (DLC) Decision Supports Regional Alcohol Harm Reduction Efforts

The DLC's decision not to renew a bottle store off-licence reflected concerns raised by agencies and the community and supported regional efforts to reduce alcohol-related harm.

Forestry compliance and environmental performance

Forestry remained an important regulatory focus during 2025/26, with targeted monitoring and oversight of remediation at priority sites. Appropriate regulatory tools continued to be used where required to manage environmental risk.

Snapshot

Here's a snapshot of our regulatory and compliance services

Parking meters	43
Registered dogs	7112
Open environmental consents	9005
Sites monitored	322
Registered food businesses	310

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Compulsive hoarding in Tairāwhiti	Establish a network of early detection.	Following receipt of the District Court sealed order, the first cleaning operation in several years was successfully completed through coordinated efforts involving multiple agencies, community support providers, and community connectors. Throughout the process, the affected person's wellbeing, dignity, and mental health remained central considerations, ensuring the operation was carried out with care, respect, and a person-centred approach.
		Create a memorandum of understanding in partnership with pertinent stakeholders (Te Whatu Ora, Social Services etc).	The development of a Memorandum of Understanding remains a priority following the successful establishment of the Early Detection Network. Finalising the agreement will require further engagement with partner agencies to clarify roles and responsibilities, recognising Council's primary enforcement role and the collaborative nature of the arrangement.
		Create a feasible cost recovery plan for Council.	The cost from the earlier enforcement action was successfully recovered from the affected landowner. For the most recent enforcement action, Council is progressing cost recovery through the available processes under the Health Act 1956, including registering a charge against the land where appropriate..
	Alcohol related harm reduction	Continue and improve collaboration with reporting Agencies, licensees and members of the public to reduce alcohol related harm.	Informal Local Alcohol Regulatory Agency (LARA) meetings continue to support collaboration between reporting agencies under sections 103 and 295 of the Act. The annual LARA meeting is scheduled for the second quarter of the next financial year, with the Memorandum of Understanding to be updated beforehand to reflect current roles and collaborative arrangements.
		Collate and provide statistical analysis to support the review process for bylaws and local policies.	Engagement with reporting agencies continues, but access to reliable local data remains a challenge. Quarterly meetings with data providers rely on their ongoing participation and support.
		Improve Graduate Response Module with the introduction of infringement/ enforcement action.	This work was paused while higher priority work was completed. It will restart when staff capacity allows, with lessons from new cases helping to develop a clear process roadmap.
	Food/health monitoring and compliance	Improve our interaction and compliance processes with operators that trade under the legislative frameworks of the Food Act 2014 and Health Act 1956.	Progress continues through stronger engagement with food businesses and improved information from MPI. Coaching is provided where needed, while better online guidance is helping food operators understand their responsibilities.
		Enhance monitoring capability for Offensive Trades present in Tairāwhiti by incrementing inspections rate and potentially including soil and water analysis.	This work was paused to focus on higher priority work and is expected to resume next financial year. Further work across Council teams will be needed, particularly for non-consented activities, as legislation continues to change.
		Establish a consistent monitoring process for traders operating under the Mobile Shops and Other Traders Bylaw 2014.	Following the successful bylaw review, which our team played a key role in, data and trends have been analysed to improve the next monitoring season and strengthen guidance for business operators.

Community outcome/s	Projects	Initiatives	How we are going
	Working groups	Establish working groups with the community around the environmental compliance sector.	Delivered an erosion and sediment control workshop to improve awareness of, and compliance with, the GD05 standard. Regular communication with water take consent holders, including seasonal newsletters and weekly summer updates, supported compliance and proactive management. The team also participated in the national forestry audit through Te Uru Kahika's Compliance and Enforcement Special Interest Group and held quarterly meetings with forestry companies to discuss compliance, emerging risks, and improvement opportunities.
	Port and Harbour Marine Safety Code (PHMSC)	Continue to ensure PHMSC compliance through active participation with Eastland Port and Maritime New Zealand.	The 2025/26 Eastland Port and Gisborne District Council Port and Harbour Marine Safety Code (PHMSC) self-assessment was completed and submitted to Maritime New Zealand on schedule on 24 June 2026.
	Emergency Response	Respond to maritime emergencies including oil spills as required.	The Harbour Master changed at the end of January 2026. The new Harbour Master is not a Regional On-Scene Commander (ROSC) but provides advice on marine oil spills as required. Since January, one minor land-based hydraulic oil spill occurred at the port and was managed by the ROSC.
	Navigation safety	Ensure Maritime Transport Act harbourmaster requirements are met for navigational safety of all commercial vessels and pleasure craft.	Maritime Transport Act harbourmaster requirements continue to be met, supporting the safe navigation of commercial and recreational vessels.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We provide animal control services that protect our community from threats to their safety by monitoring and enforcing compliance with legislation and through dog registration.					
The percentage of routine requests for dog or stock control issues responded to within two days.	**85%**	93%	99%	96%	Target met.
The percentage of urgent requests for dog or stock control responded to within 30 minutes.	**90%**	93%	98%	92%	Target met.
We regulate and monitor the safe operation of premises selling food and/or alcohol.					
The percentage of applications for alcohol licences processed within target time frames.	**65%**	76%	77%	83%	Target met.
The percentage of registered and licensed premises that undergo an environmental health compliance inspection annually.	**65%**	60%	71%	79%	Target met.
We help reduce community annoyance from excessive or unwanted noise and respond efficiently.					
Noise control response within one hour.	**70%**	85%	88%	93%	Target met.
We maintain the Port and Harbour Safety, Code Safety, Management System (SMS) and respond to maritime emergencies.					
Our Port and Harbour Safety Code (SMS) has been self-assessed with the port within the last 12 months.	**Compliant**	Compliant	Compliant	Compliant	Target met.
We initiated our response to all maritime emergencies within 30 minutes of notification.	**≤30 mins**	No events	No events	4 mins	Target met.



Highlights

Improved statutory consent performance
Statutory resource consent performance increased from 95% in 2024/25 to 97% in 2025/26, compared with 78% in 2023/24, due to better processes, clearer workflows and stronger focus on delivering consents on time.

Strengthening technical capability through Suitably Qualified and Experienced Person (SQEP) processes
We introduced a SQEP process to recognise technical specialists supporting forestry resource consents and are working with the forestry industry, the New Zealand Institute of Forestry, and councils on developing a nationally consistent approach to recognising specialist expertise.

Improved cost recovery
The Resource Consents team increased cost recovery to an average of 56% through better financial oversight, clearer charging guidance, improved reporting, and more consistent invoicing and charging practices.

Standard Operating Procedure (SOP) programme
The Resource Consents team introduced a comprehensive SOP framework to provide consistent guidance across the consenting process, improving service consistency, strengthening organisational resilience, and reducing reliance on individual knowledge.

Resource Consents

What we do

We process resource consents and related approvals under the Resource Management Act, Building Act, and other legislation for activities including land use, subdivision, discharges, forestry, water takes, and coastal permits, helping protect the natural and built environment, support sustainable development, maintain community and iwi connections to culturally significant places, and provide clear, consistent processes that balance development certainty with our legal and environmental responsibilities

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year

Resource consents	482
Permitted activity notices	36
Survey plan approvals	98

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Cost recovery	Ongoing identification and resolution of system inefficiencies impacting cost recovery.	Cost recovery improvements are continuing, with clearer charging processes, stronger invoicing controls and better financial oversight. These changes are helping improve consistency and cost recovery.
	Executive summary process: Iwi/Hapū	Continue working closely with our Te Tiriti Partners to develop and implement processes that empower Iwi and Hapū to play an active and meaningful role in the consenting process.	The Executive Summary Review (ESR) process and iwi cost recovery pathway continue to expand, with more iwi partners participating in the consenting process. This supports earlier and more meaningful engagement, better-informed decision-making, and stronger partnerships throughout the resource consenting process.
		Continue providing support and mentoring for the Executive Summary process, with ongoing evaluation to ensure it remains fit for purpose and continues to meet requirements.	The Executive Summary Review process continues to be refined through evaluation, staff training and iwi feedback, helping embed it into Council's consenting practice and keep it fit for purpose.
	Māori engagement	Enhance Council's engagement strategy with Iwi and Hapū, with a key focus on strengthening and maintaining effective relationships.	Council continues to strengthen relationships with iwi and hapū through ongoing collaboration across resource management processes. Work is also progressing to provide greater clarity and consistency around roles, decision-making and partnership arrangements.
		Continue providing guidance, training, and best practice tools to empower staff to engage purposefully with Iwi and Hapū, while co-developing initiatives and delivering outreach training to support their role as Kaitiaki.	Council continues to build staff capability through guidance, training and consistent engagement practices, including development of an engagement framework and supporting procedures.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We meet regulatory timeframes and apply best practice when processing applications.					
Percentage of resource consents processed within statutory RMA timeframes.	**70%**	78%	95%	97%	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it	Progress against 3YP
Increasing complexity of resource consent applications, including those influenced by natural hazard events and environmental considerations, can place additional demands on applicants and Council resources.	Council will continue to apply a risk-based consenting approach supported by early engagement, Executive Summary Reviews, adaptive consenting practices and timely technical input. Ongoing investment in staff capability, specialist expertise, Standard Operating Procedures and quality assurance will support consistent decision-making and efficient processing of well-prepared applications.	Process improvements, stronger internal collaboration and improved guidance have increased service consistency and strengthened organisational resilience.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	2,067	1,334	734	1,586
Revenue From Exchange Transactions	7,200	6,714	485	6,571
Expenses	13,595	11,459	(2,137)	13,510
Net Cost of Service	**4,329**	**3,411**	**(918)**	**5,353**
Capital Expenditure				
Capital Projects	**42**	**-**	**(42)**	**25**

What was different from the budget

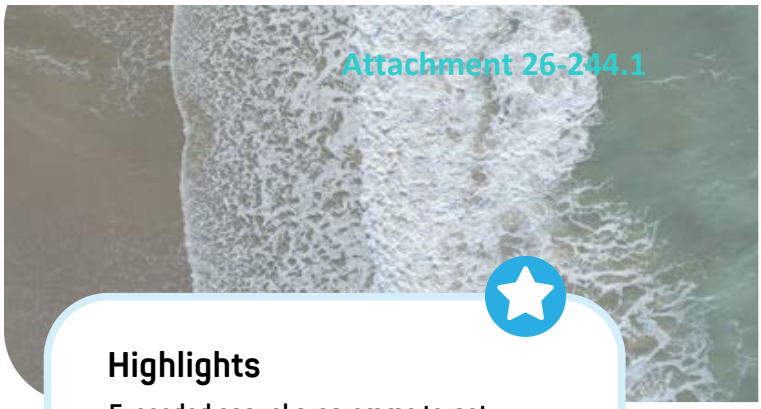
1 Revenue from non-exchange transactions was $734k above the plan, mainly due to additional government grants received to support increased resource consent activity related to recovery capability funding.

2 Revenue from exchange transactions was $485k above the plan, primarily due to higher volumes of building and resource consents.

3 Expenditure was $2.1m above plan, driven in part by higher-than-expected prosecution, enforcement order, and investigation costs, along with costs related to recovery capability funding.

4 Capital expenditure relates to an upgrade of parking meters to 4G network.





Te Whenua, ngā Awa me te Takutai
Land, Rivers and Coastal

What we do

We manage rivers, drainage, and coastal protection to reduce flood risk, protect land and infrastructure, and support community resilience. This includes maintaining flood control schemes, stopbanks, land drainage systems, river channels, and coastal protection structures. We monitor river levels and changes to rivers and coastlines to provide timely flood warnings and guide maintenance. Our work helps safeguard people, properties, and productive land from flooding, erosion, and sea-level rise. Across our network, we manage over 297km of rivers and streams, 280km of drains, 78km of stopbanks and 2km of coastal defences.

Highlights

Exceeded annual programme target

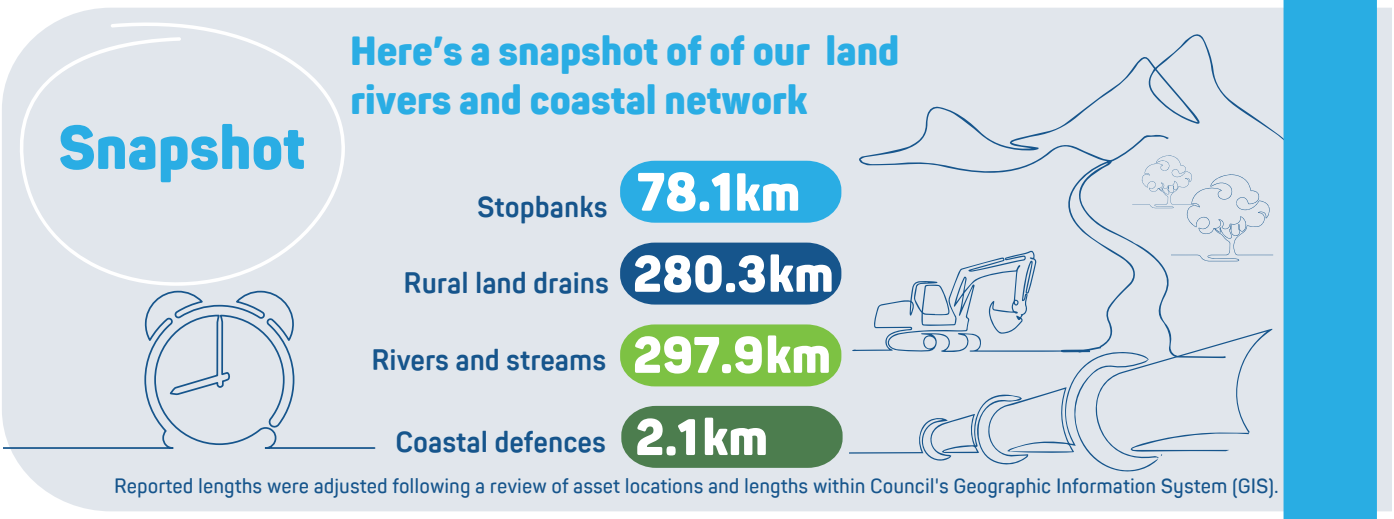
The LRC Operations and Maintenance Contract achieved 127% of the 2025/26 work programme target. This reflects reprioritisation of work across the programme during the year, with delivery adjusted to respond to network needs and available capacity. Annual delivery continues to be closely monitored across the life of the contract.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Waipaoa River Flood Resilience Improvement Project	Complete the upgrade (raising / widening) of all the remaining 21km of Waipaoa stopbanks on the western side of the Waipaoa River, including related infrastructure and renewal of all pipes under the stopbank. Continue civil construction works, planning, investigations, geotechnical assessments, and detailed design for future stages on the western side of the Waipaoa River.	A further 7km of stopbanks were upgraded during the last construction season, bringing the total completed to 62.4km. Only 0.3km remains to complete the stopbank earthworks, with this section already partially raised and widened by approximately 1 metre above the original stopbank height. A further 0.5 metres of raising is planned for October 2026 (weather permitting), alongside rock armouring works planned for 2026/27 to mitigate erosion risks and strengthen the resilience of the Waipaoa flood scheme.
	Land Rivers Coastal maintenance programme	Manage the council asset maintenance and operational contract.	Key projects delivered during the year included achieving 127% of the LRC maintenance contract target, completing drain regrades of the Eastern Taruheru–Waru Stream, undertaking two willow management spraying cycles along the Te Arai River, and lodging an aerial spraying consent application for Te Arai in April.
	Coastal Hazard Management	Removal of Council coastal infrastructure / assets once they become a health and safety risk and making areas safe, to protect the community and coastal users.	Council continues to keep coastal structures where practical, balancing community preference with cost-effectiveness. During the year, health and safety issues were addressed at key coastal assets, including repairs to the Hamanatua Stream outlet groyne, maintenance of Wainui stream outlets on two occasions, and repairs to the Onepoto flume and clearance of coastal drains following the January 2026 weather event.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Ensuring the community is safe and prepared, we'll actively monitor and manage the drainage of rivers and streams to minimise flood risk and coastal erosion.					
Flood control stopbank length is inspected annually and maintained to a 1-in-100-year protection standard. (Total stopbank length 78km) *Mandatory measure - DIA*	**25%**	25%	27.8%	26.1%	Target met.



Measure	Target	2024	2025	2026	Commentary
The percentage of customer service requests relating to Land, Rivers and Coastal to which Council resolved within the timeframe specified.	**80%**	60%	93%	96%	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it
There are design limits, and at some point, these will be exceeded. Over-reliance on structural engineering solutions can lead to a shift from regular flood events to rare and catastrophic disasters. Increased development and intensification within areas protected by flood control schemes means that, when a scheme eventually fails, the consequences can be severe. The maintenance and installation of hard coastal erosion protection assets to protect property can lock up sand resources and lower general beach levels, reducing the amenity and usability of the area.	Reviewing and updating design limits e.g. designing for climate change (rainfall and sea level rise). Reducing the amount of development and intensification in the area protected by a stopbank. Support land-use and vegetation options suited to each catchment's runoff, erosion and slope-stability risks. The management of unsustainable hill country to reduce sediment loads and bed/berm aggradation. Taking a different approach from hard structures to soft structures e.g. dune planting. Alternatively adopting a managed retreat approach e.g., requiring relocatable housing, planning provisions and allowing natural erosion processes over hard structures.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	197	688	(492)	762
Revenue From Exchange Transactions	124	241	(117)	10
Expenses	3,952	5,269	1,317	3,880
Net Cost of Service	**3,631**	**4,339**	**708**	**3,108**
Capital Expenditure				
Capital Projects	**13,156**	**16,319**	**3,163**	**8,668**

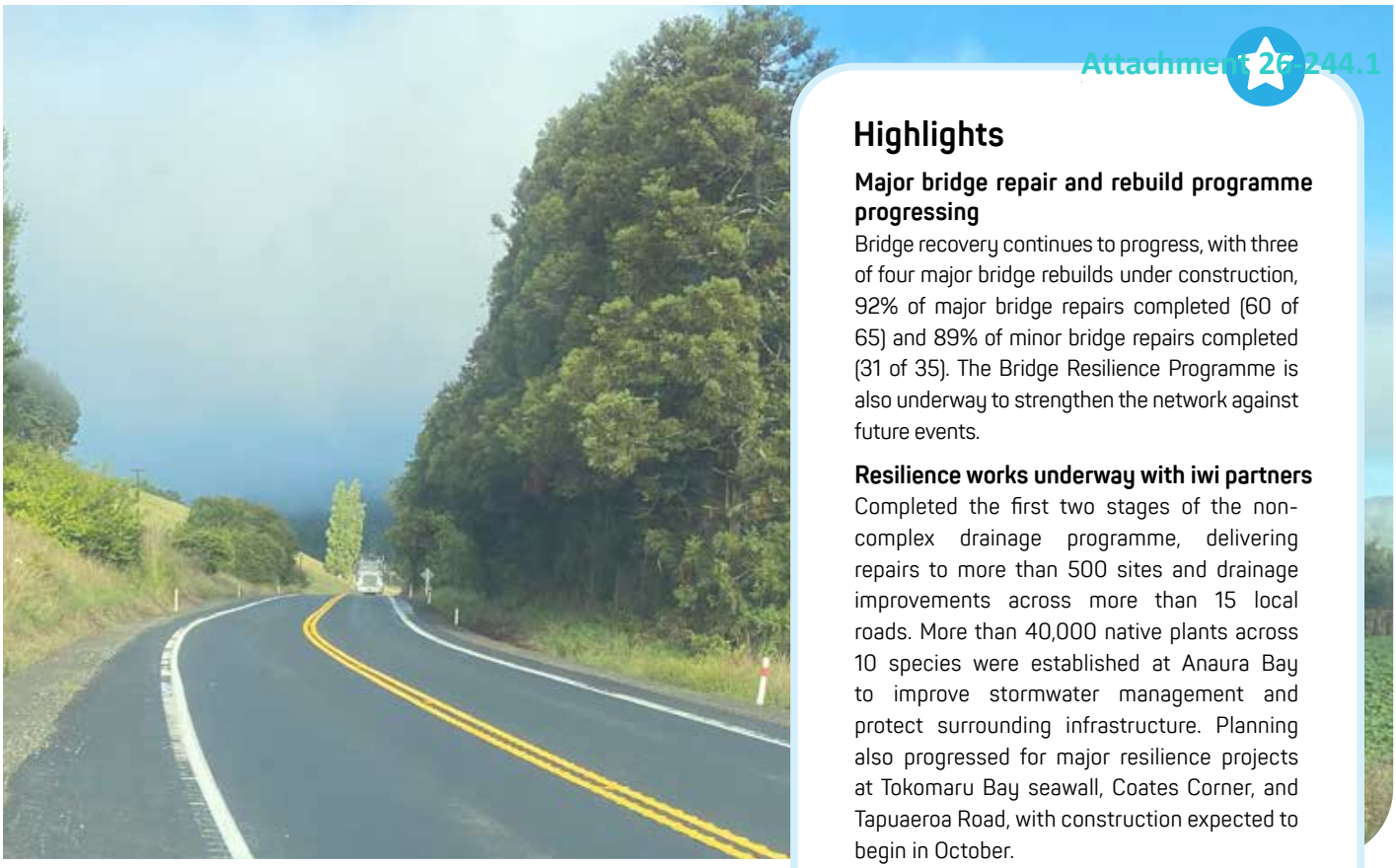
What was different from the budget

1 Revenue from non-exchange transactions was $492k below plan, mostly to do with the timing of grants and subsidies from central government for Category 2 flood resilience.

2 Revenue from exchange transactions was $117k below plan, primarily due to reduced river license fees while the Waipaoa stopbanks were underway.

3 Expenditure was $1.3m below plan, mainly due to lower interest rates arising from concessionary loan and from timing of recovery sediment and drainage works. The sediment and drainage works have been deferred to the next financial year as part of the Taruheru flood resilience programme.

4 Capital Expenditure was $3.2m below plan primarily due to the timing of the Waipaoa flood control scheme project and its alignment with the recovery programme. The related work will continue into the next financial year.



Highlights

Major bridge repair and rebuild programme progressing

Bridge recovery continues to progress, with three of four major bridge rebuilds under construction, 92% of major bridge repairs completed (60 of 65) and 89% of minor bridge repairs completed (31 of 35). The Bridge Resilience Programme is also underway to strengthen the network against future events.

Resilience works underway with iwi partners

Completed the first two stages of the non-complex drainage programme, delivering repairs to more than 500 sites and drainage improvements across more than 15 local roads. More than 40,000 native plants across 10 species were established at Anaura Bay to improve stormwater management and protect surrounding infrastructure. Planning also progressed for major resilience projects at Tokomaru Bay seawall, Coates Corner, and Tapuaeroa Road, with construction expected to begin in October.

Tiniroto Road bypass confirmed

Construction of the $45 million Tiniroto Bypass continues to progress, with enabling works complete and the northern bridge approach now under construction.

Slips and dropouts

The non-complex dropout repair programme was completed in late 2025, restoring all 251 sites across the network. The complex dropout programme, focused on repairing the region's 93 most significant and technically challenging dropouts, is now 25% complete, with a further 26% of sites under construction. The remaining five construction packages are being released to market for tender.

Ngā Rori me ngā Ara Hīkoi Roads and Footpaths

What we do

We maintain and develop the land transport network, including local roads, bridges, footpaths, cycleways, streetlights and public transport services. This work supports safe, connected, resilient and accessible communities, improves travel options and wellbeing, strengthens connections for isolated communities and supports regional economic activity. Much of this work is co-funded through Waka Kotahi's National Land Transport Programme.

Snapshot

Here's a snapshot of our roads and footpaths network

Bridges	413	1893km	Roads
Streetlights	3726	247km	Footpaths
Roundabouts	21	18.5km	Cycle lanes/shared paths



Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Strategic network resilience and investment plans	Planning for longer term resilience after recovery, inter-regional connectivity with Hawke's Bay, the heavy vehicle route and better city centre junctions with State Highway for all transport modes.	The Strategic Roading Network Resilience (SRNR) Programme Business Case endorsed by council and NZTA board and in early stage of implementation. We have submitted a point of entry to secure funding for transport modelling and inter-regional connectivity initiatives. The Principles of SRNR are integrated into our 2027-37 Activity Management Plan.
	Resilience improvements	Implementation of any early adoption resilience improvement items identified in the strategic network resilience and investment plans.	Early resilience projects funded through the National Resilience Fund continue to progress, including the completed Hill Road retaining wall, planned works at Kaiinanga Hill and Tauwhareparae Road, and the recently started Tokomaru Bay seawall project.
	Emergency works/ recovery	Ensure Council's ongoing emergency works and recovery programme is delivered.	Recovery work continues across the network, with 40% of emergency projects completed. Construction began on bridges, slips and dropouts, while recovery projects from the January and April 2026 weather events were added to the programme.
	Road and footpath infrastructure renewals	Road and footpath renewals, resurfacing, rehabilitation including drainage, structures, services and environmental renewals within maintenance contracts and consistent with active transport and network strategies.	Renewals continue to progress in line with maintenance contracts. The Oneroa walkway extension was completed. The 2025/26 resurfacing and rehabilitation programme has been substantially completed, with completion of Waingake Road delayed due to wet weather.
	Minor improvements	Safe systems infrastructure improvements for crossings, intersections, schools, traffic calming, delineation, new footpaths and cycleways, LED streetlights and township upgrades etc.	Township upgrades are ongoing across Hicks Bay, Pātūtahi, Te Araroa and Te Karaka.
	Road safety	Working with partners on activities consistent with the regions Road Safety Action Plan to reduce harm on our roads and support safe systems.	Council continues to support road safety outcomes through the regional Road Safety Action Plan. National responsibilities for advertising and speed cameras have transitioned to NZTA, while Police remain focused on drug and alcohol enforcement.
	Taruheru River path	Progress the Taruheru River Walking and Cycling Project to achieve the goals set in the Tairāwhiti 2050 Spatial Plan.	The river pathway project continues to progress through a staged delivery approach. Planning, design, consultation and consenting will continue throughout 2026 and early 2027 to support construction beginning in late 2027 and continuing into early 2028.
	Public transport	Implementation of improvement actions identified through the public transport review and Regional Public Transport Plan, including bus shelter replacements, service improvements and the National Ticketing System.	Patronage declined during the first year of the new bus contract following changes to city and school routes. Despite this, revenue increased from $138k in 2024/25 to $145k in 2025/26, supported by increased Bee Card uptake following fare changes. Council introduced a live bus timetable, new real-time passenger information signage, and two new bus shelters to improve customer experience and confidence, while planning began for the National Ticketing Solution due for implementation in October 2027.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We ensure the roading network is designed and managed for safe use with low crash and injury rates.					
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. *Mandatory measure - DIA*	Decrease from previous year	0 Fatal 13 Serious	1 Fatal 10 Serious	4 Fatal 9 Serious	Target not met, reflecting an increase in fatalities recorded on the local road network, from one in 2025 to four in 2026.
We operate and maintain a reliable roading network that is in good condition and fit for purpose.					
The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified. *Mandatory measure - DIA*	**80%**	82%	82%	87%	Target met.
The average quality of ride on a sealed local road network, measured by smooth travel exposure. (The sealed road network has a roughness reading of less than 150 NAASRA). *Mandatory measure - DIA*	**80%**	81%	81%	89%	Target met.
The percentage of the sealed local road network that is resurfaced. *Mandatory measure - DIA*	**5%**	6%	3%	4%	Slightly under target. A total of 35 km of road was sealed during the year, bringing the sealed network to 877.1 km.
Footpaths - The percentage of footpaths that fall within the service standard for the condition of footpaths that is set out in the Engineering Code of Practice. *Mandatory measure - DIA*	**90%**	Not measured	97%	97%	Target met.
We provide and maintain affordable and accessible transportation services that balance the needs of all users.					
The number of bus passengers per annum.	**≥135,500**	123,934	130,194	109,986	Target not met. Patronage declined following changes to routes, stops and fares. Council is reviewing routes, service settings and customer needs to identify practical changes that could support increased use of the bus network.
Percentage of residents using the shared walking and cycling network as found in the annual survey.	**Increase**	77%	71%	78%	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it
The land transport function is road maintenance and construction; On occasion this may lead to higher greenhouse gas emissions.	Ensuring an efficient maintenance schedule, promoting mode shift, and investigating the use of alternative materials to reduce carbon emissions. Contracts now have broader outcomes to include reduction of carbon emissions and waste reduction.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	25,364	23,811	1,553	24,168
Revenue From Exchange Transactions	403	154	249	179
Expenses	47,404	46,154	(1,250)	46,730
Net Cost of Service	**21,637**	**22,190**	**552**	**22,383**
Capital Expenditure				
Capital Projects	**75,373**	**97,022**	**21,649**	**51,333**

What was different from the budget

1 Revenue from non-exchange transactions was $1.5m above plan, primarily due to additional grant funding received to cover the higher recovery costs reflected in expenditure.

2 Revenue from exchange transactions was $249k above plan, mainly due to unbudgeted revenue related to funding received from New Zealand Transport Agency (NZTA) towards the AMDS project (NZTA's Global Strategic Action Plan) $110k and Beecard revenue of $118k.

3 Expenditure was $1.2m above plan, driven by additional emergency reinstatement works, offset by slightly lower than planned interest costs. The emergency reinstatement works are externally funded, accounting for the corresponding increase in revenue and noted above.

4 Capital Expenditure was $21.6m below plan, mainly due to the timing of emergency reinstatement costs, with the related works expected to continue into the next financial year. Recovery projects are scheduled for completion over the 2024-2027 three-year plan, with phasing to be updated through the annual planning cycles.



Highlights

Illegal dumping volume reduction
Illegal dumping volumes decreased by 50% in the first half of 2025/26 compared to last year.

Para Mārō
Solid Waste

What we do

We work to create a cleaner, healthier region by managing waste responsibly through kerbside collections, rural transfer stations, public place cleaning, recycling initiatives, and landfill management, focusing on reducing waste sent to landfill, protecting the environment for future generations, and meeting our responsibilities under national legislation and the Waste Management and Minimisation Plan.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Develop and implement the new 2025 - 2031 Waste Management and Minimisation Plan (WMMP)	Develop the 2025 - 2031 WMMP.	MfE and Councillors agreed that the WMMP period would be amended to cover 2026–2032. The final WMMP was adopted by Council in August 2026.
	Litter bins	Litter bin consolidation / rationalisation for Gisborne city and rural communities. Working with contractors and community to establish bin requirements and placement across the rohe eg. placement, use and potential removal of litter bins.	Council has replaced 32 aged urban and coastal bins, around 6% of the district's 544 litter bins, and removed underutilised bins. A further 32 bins are scheduled for replacement within Gisborne city during 2026/27. This work supports improved public amenity and more efficient management of the district's litter infrastructure.
	Heritage landfill remediation and investigations	Complete risk assessment review of known legacy landfill sites across the rohe. This will involve investigating remedial options for sites at high risk and site investigations where required. Any new sites will be added and accounted for. Complete remediation of Tokomaru Bay legacy landfill and planning for additional sites for remediation.	The Tokomaru Bay legacy landfill remediation project has completed procurement planning and submitted a funding variation request to MfE. Additional funding is being sought to address an expanded remediation scope. Risk assessments and peer reviews continue to inform management of other legacy landfill sites including Paokahu and Waiapu.
	Resource Recovery Centre (RRC)	Phase 2 of the RRC study: design and build aspects. Finalising sites, costs, structures, and operational opportunities.	Design and concept development is progressing, supported by engineering investigations and specialist project planning for the proposed Resource Recovery Centre site. An experienced project manager has been engaged to maintain momentum and guide project delivery. The facility is recognised as a critical investment in the region's waste infrastructure, helping to reduce waste to landfill, increase recovery of recyclable and reusable materials, lower long-term waste transport costs, and support the region's future waste management needs.

Community outcome/s	Projects	Initiatives	How we are going
	Actively engage community with education and behaviour change	Implement programmes for continuous improvement, education, and promotion of waste.	Council has strengthened its waste minimisation work through increased community education and engagement, including the Enviroschools programme, to support waste reduction and sustainable resource use.
	Implement new contracts for waste management services in Tairāwhiti	Kerbside collection, transfer station operational, transport and cartage site operations, disposal, and processing contracts.	The existing kerbside collection contract has been extended for service continuity while procurement planning progresses for future waste management, transfer station, and resource recovery services. Revised performance measures have been introduced to strengthen contract management and support Waste Management and Minimisation Plan outcomes.
	Waste disposal and processing	Investigate local options for disposal and processing. Continue to work with the Ministry for the Environment (MfE), other local authorities and our community to develop a road map for waste minimisation and waste management across the region and adjoining regions.	Council continues to work with central government, neighbouring authorities, and regional partners to investigate long-term waste disposal and processing options. This work supports the development of sustainable and resilient waste infrastructure capable of meeting future regional needs.

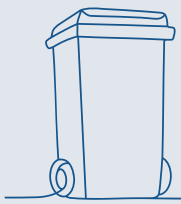
Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Solid waste facilities are adequate and available to the community, including regular kerbside collection services and transfer stations.					
✗ Resident satisfaction with kerbside collection as found in the annual survey.	**90%**	81%	82%	79%	Target not met. Survey feedback highlighted concerns about how much kerbside waste ends up in landfill. We're working with our contractors to improve waste sorting and give the community clearer guidance.
✗ The percentage of customer service requests relating to Solid Waste to which Council responds within the timeframe specified.	**80%**	New measure	55%	63%	Target not met. Performance improved during the year, supported by additional resourcing and optimised processes. Some requests relating to historic illegal dumping sites and specific waste streams took longer to resolve due to available funding. Further improvements are underway to support more timely responses.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year





Litter bins	544	1548t	Kerbside collection recycling collected
Houses on kerbside collection	14975	2792t	Rural Transfer Station waste received
Kerbside collection general waste collected	3752t	465t	Rural Transfer Station recycling received

Measure	Target	2024	2025	2026	Commentary
Public information and programmes promote waste minimisation.					
✓ Support information and education programmes or workshops that raise awareness and promote waste minimisation.	**≥10**	22	13	11	Target met.
Waste is diverted from landfill via waste minimisation method.					
✗ Total solid waste to landfill in kg per head of population.	**285kg**	389kg	Not measured	448kg	Target not met. The 2026–2032 Waste Management and Minimisation Plan will continue to focus on education and behaviour change to support further reductions in the amount of waste generated.
✗ Ratio of recycling to landfill waste (tonnes).	**30:70**	21:79	Not measured	21:79	Target not met. The ratio remains consistent with previous years, with ongoing education and behaviour change initiatives needed to improve recycling.
No adverse effects on the environment or human health from the Paokahu, Waiapu and other legacy landfills.					
✓ Number of resource consent breaches for Paokahu, Waiapu, and other legacy landfills.	**≤5**	1	1	1	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it
Potential for odour, dust, vermin, litter, and noise from waste minimisation facilities (e.g. landfills and transfer stations), which may affect neighbours and public health.	Continue to manage and monitor facilities to ensure there are no effects on the public.
Contamination of waterways. Waste deposited on beaches. Waste or leachate ingested by birds and fish.	Protection of old landfills from erosion. Remediation of landfills where viable.
High volumes of waste in landfills affect the environment.	Implement the WMMP which encourages and supports circular economy initiatives, and provide ongoing community education and support for waste reduction programmes to help reduce our regions waste that is sent to landfill.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	12,231	5,400	6,831	24,096
Revenue From Exchange Transactions	1,020	277	743	418
Expenses	20,810	11,335	(9,474)	32,064
Net Cost of Service	**7,558**	**5,658**	**(1,900)**	**7,549**
Capital Expenditure				
Capital Projects	**1,292**	**13,342**	**12,050**	**7,087**

What was different from the budget

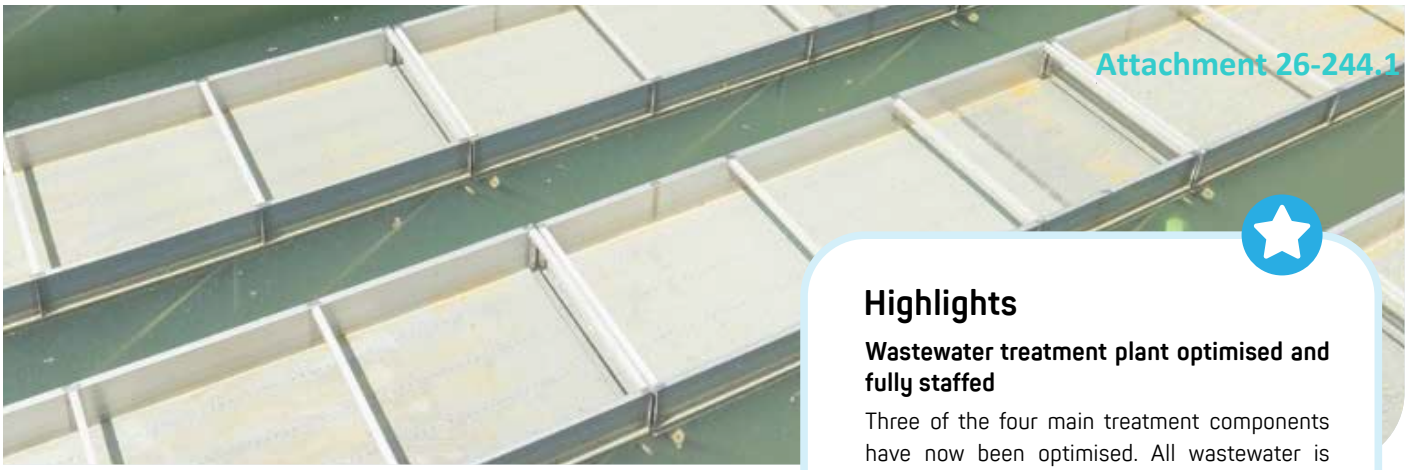
1 Revenue from non-exchange transactions was $6.8m above plan, reflecting large woody debris and silt removal costs, with grants and subsidies recognised only to the extent of costs incurred. Grant revenue occurred after the adoption of the Annual Plan.

2 Revenue from exchange transaction was $743k above plan, mainly related to waste minimisation revenue and increased rental and lease income. The revenue from waste minimisation is only recognised to the extent of costs incurred.

3 Expenditure was $9.5m above plan, primarily due to the large woody debris and silt removal project (12m), in line with the additional grant income noted above; this project will continue into the next financial year. Additional increases of $2m relate to tip fees, illegal dumping and higher costs from rubbish collection.

4 Capital expenditure was $12m below plan, primarily due to project delays with the Wheelie Bin (grant funded), the Tokomaru Bay transfer station relocation and Tokomaru Bay remediation projects. A site for the new transfer station has been selected, with remediation works now scheduled to begin in the 2027 financial year. The unspent budgets and funding, have been carried forward to 2027.





Highlights

Wastewater treatment plant optimised and fully staffed

Three of the four main treatment components have now been optimised. All wastewater is now screened, treated, clarified, and disinfected before discharge.

Wastewater pipeline network renewals

A total of 5.47 km of wastewater pipeline was renewed, with 309 lateral junctions lined and 80 access holes refurbished.

Wastewater Network Sensors

Eighty-seven smart access hole sensors have been installed across Council's wastewater network. The data they collect helps Council better understand network performance, target DrainWise investigations, and improve the wastewater system.

Waikino Wastewater

What we do

We provide safe and sustainable wastewater services by collecting, treating, and disposing of domestic and industrial wastewater through urban and rural networks, including treatment systems in Gisborne and Te Karaka and Council-managed septage facilities, while maintaining essential infrastructure to protect public health, prevent environmental contamination, support community growth, and meet treatment standards under Council's Trade Waste Bylaw.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Wastewater pipeline renewals	Renewal of pipes that are beyond their useful life or in poor condition.	The 2025/26 renewals programme was completed in April 2026. This included lining 5.47 km of wastewater pipes, refurbishing 80 access holes, and installing 309 lateral junctions.
	Localised urban upgrades	Council contribution toward developer-led infrastructure upgrades to future-proof the network.	No new developer projects required infrastructure upgrades this year, so the budget set aside for this work was not needed.

Snapshot

Here's snapshot of our wastewater network



Pump stations	46
Wastewater pipes	328km
Wastewater manholes	3007
Wastewater networks	2

Community outcome/s	Projects	Initiatives	How we are going
	Wastewater pump station renewals	Rolling programme of pump station renewals.	Pump station renewals continued during the year, with new pumps installed at the existing Campion Road pump station, as well as Wilson Road, Derby Street, and Sponge Bay.
	Upgrade Campion Road pump station and rising main	Upgrade of the pump station to maintain service levels and support growth on the city outskirts.	The design for the rising main has been completed and tendered, and work on the pump station design is nearing completion.
	Campion Road pump/land - Infrastructure Acceleration Fund (IAF)	Grant funded portion of Campion Road pump station project, including land purchase.	The project is progressing alongside the related works, with procurement of a suitable site underway.
	Wastewater Treatment Plant further treatment	Final phase of Stage 2 of the Wastewater Treatment Plant upgrade, focusing on solids removal and water quality improvements.	Three of the four key treatment components have now been optimised. Work to improve the performance of the tertiary filter is progressing, with trials scheduled for July 2026.
	Wastewater Treatment Plant upgrades and renewals	Renewal of existing Wastewater Treatment Plant equipment at end of life.	Critical spare parts were purchased to help keep the plant running reliably and support future renewals.
	Te Karaka wastewater land disposal	Disposal of wastewater oxidation pond effluent to land.	Consultation is continuing with iwi, hapū, and the local community on options for disposing of effluent on land.
	Kaiti area pump station and rising main	Design phase for a pump station to transport Kaiti wastewater directly to the treatment plant.	Investigation and early design works planned for 2026/27.
	Wastewater sensor network	Installation of sensors to monitor wastewater flows for better network understanding.	A total of 87 sensors were purchased and installed. Three new flowmeters were also purchased and will be installed in 2026/27.
	Grey Street pump station upgrade and emergency storage	Upgrade of the Grey Street pump station and emergency storage capacity.	Network modelling is underway, with design planned for 2027/28.
	Alternative use and disposal programme	Planning and implementation of wastewater clarification and UV treatment, with effluent directed to a wastewater wetland.	Stage two upgrades at the Wastewater Treatment Plant are nearing completion. Council is working with the KIWA Group to decide the next steps for improving clarification, solids removal, UV treatment, and wetland discharge.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We provide a well-managed wastewater reticulation and treatment system which protects public health and the physical environment.					
The number of dry weather sewage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. *Mandatory measure - DIA*	**≤1**	0.25	0	0.41	Target met

Measure	Target	2024	2025	2026	Commentary
Discharge compliance - Compliance with resource consents for discharge from the wastewater system: a) measured by the number of abatement notices *Mandatory measure - DIA*	**0**	1	0	0	Target met.
b) infringement notices *Mandatory measure - DIA*	**0**	2	1	0	
c) enforcement order *Mandatory measure - DIA*	**0**	0	0	0	
d) convictions *Mandatory measure - DIA*	**0**	0	0	0	
Council responds to wastewater overflows 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. *Mandatory measure - DIA*	**≤1hr**	1.34hr	0.69hr	0.84hr	Target met.
b) Median resolution time measured from the notification of the fault to the time that service personnel confirm resolution. *Mandatory measure - DIA*	**≤24hr**	3.73hr	2.35hr	3.57hr	Target met.
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. *Mandatory measure - DIA*	**≤15**	19.83	18.5	16.49	Target not met. Council continues targeted sewer cleaning, CCTV inspections, fault repairs and network renewals to reduce repeat incidents and improve network reliability.
The annual number of events where sewage is discharged from Council's reticulation into rivers or streams (in a less than a 1-in-10-year rain event).	**≤4**	4	2	3	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it	Progress against 3YP
Health risks from overflows from gully traps onto private property.	A 10-year DrainWise programme to reduce the quantity and frequency of overflows.	Operational measures continued throughout the year, including network maintenance and wet and dry weather overflow procedures. The DrainWise programme continues to improve network performance and has significantly reduced wet weather overflows.
Contamination from controlled emergency discharge of wastewater into waterways.		
Treated discharges of wastewater to the ocean continue to be culturally offensive to Māori.	Oversight to improving and removing wastewater from the marine outfall is provided through the Wastewater Management Committee (WMC) and through other consultation channels.	Governance continued through three Wastewater Management Committee (WMC) meetings during 2025/26, supported by eight hui of the KIWA/ Tangata Whenua Reference Group.
Odours, visual effects, and effects on groundwater from the septage disposal sites.	Closure of some septage sites and the development of a new site, including the upgrading of other sites.	Existing sites at Te Puia, Ruatōria, and Te Araroa remain in use. Work to establish a new site near Tolaga Bay progressed during the year, with construction planned for 2026/27.

Recovery and resilience

Ongoing focus on network resilience

DrainWise and ongoing pipeline and pump station renewals continue to target known issues, improve network performance, and strengthen the long-term reliability of the wastewater network.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue from Non-Exchange Transactions	-	-	-	58
Revenue From Exchange Transactions	539	842	(303)	316
Expenses	13,728	13,647	(81)	13,119
Net Cost of Service	**13,189**	**12,805**	**(384)**	**12,745**
Capital Expenditure				
Capital Projects	**4,189**	**7,505**	**3,316**	**3,825**

What was different from the budget

1 Revenue from exchange transactions was $303k below plan, mainly due to lower than expected trade waste charges. This lower-than-expected result relates to timing differences between financial years.

2 Expenditure was aligned to plan.

3 Capital expenditure was $3.3m below plan, mainly due to specific project timing delays, with works now scheduled for completion next financial year. Renewals are mostly on track with 79% completed against the renewal budget, with 89% of the total capital spend on renewals. The main variance relates to Tolaga Bay Septage site and Campion Road new pump stations are expected to be completed next year.



Whakaranea Wai
Water Supply

What we do

We provide safe, treated drinking water to connected communities in Gisborne city, Mākaraka, Manutūkē, Te Karaka, and Whatatutu. Self-service collection points are available at Pātūtahi and Muriwai, with tanker filling stations at Muriwai and Bushmere. Water is sourced from the Te Arai Bush Intake and Mangapoike Dams, treated at plants in Waingake, Bushmere, Te Karaka, and Whatatutu, and delivered for household, commercial, industrial, and emergency use. We also supply water to schools, hospitals, and community facilities across the network.

Highlights

Water asset renewals
Water asset renewals focused on replacing high-risk pipes to reduce water leaks and main breaks. Water meter replacements and increased metering of commercial connections improved revenue, while the completion of the Te Karaka water network renewal and residential connection upgrades across Gisborne improved network reliability, pressure and backflow protection.

Water Services Reform
A dedicated project team has been established to deliver the Water Services Delivery Plan, including setting up a financially ring-fenced Internal 3 Waters Business Unit from 1 July 2027.

Improving fish passage
A new fish passage ladder was installed at the Bush Intake weir on the upper Te Arai River, improving fish migration past this historic barrier.

Snapshot

Here's a snapshot of our water supply network

Water treatment plants	4
Water pipes in reticulation areas	302km
Water reservoirs - treated water	8
Water storage operating capacity	38,300m³

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Gisborne pipe renewals	Renewal of pipelines past their useful lives, at risk or in very poor condition.	Water main renewals were completed in Massey Road, Jellicoe Street, Argyll Street, Seddon Street, Dillon Bell Road, Churchill Crescent, and Stout Street. The reticulation network was also renewed in Te Karaka, improving network reliability. Planning and detailed design for the 2026/27 renewals programme have been completed.
	Taruheru Block water extension	Water infrastructure related to growth in the Taruheru Block.	Construction of a new water supply pipeline to support current and future growth in the Taruheru Block has been completed. The project created a new ring main connection between Nelson Road and Hansen Road, improving network reliability, increasing flexibility, and providing capacity for future development.
	Bulk distribution: Cathodic protection, replacement of sacrificial anode beds along supply pipeline	Renewal of pipeline corrosion protection systems along Waingake trunk pipeline.	Design and procurement for cathodic protection renewals at the Waingake Water Treatment Plant have been completed. Construction is planned for 2026/27.
	Te Karaka reticulation renewal	Renewal of water mains and connections at Te Karaka	The Te Karaka water reticulation network renewal has been completed, improving operational efficiency, system resilience, and the reliability and performance of the community's supplementary water supply.
	Residential backflow prevention	Ongoing programme of installation of residential backflow preventors with potential connection point for future water meters.	The 2025/26 phase of this ongoing programme saw more than 820 residential connections upgraded, supporting long-term network resilience and potential future metering.
	Waingake Water Treatment Plant renewals	Renewal of Waingake Water Treatment Plant equipment past useful life.	Multiple upgrades were completed to improve the safety, reliability and performance of the water treatment network. These included analytical equipment renewals, backwash main and access culvert renewals, strengthening the clarifier outlet trough, construction of a fish passage ladder at the Bush Intake weir, and progressing the clarifier walkway and stair access for installation in late 2026.
	Waipaoa Water Treatment Plant renewals	Renewal of Waipaoa Water Treatment Plant equipment past useful life.	Replacement of pump room air conditioning, filter valves, analysers and renewal of a fire main pipeline were completed.
	Raw water pipeline and treatment resilience	Resilience projects related to raw water pipeline and treatment plant.	A detailed forward works programme has been completed, with design progressing for key sections of the raw water pipeline, including the Dam Pump Station outlet. Stakeholder engagement has continued to progress, with construction scheduled for the 2026/27 financial year.
	Waipaoa Water Treatment Plant infiltration gallery	New infiltration gallery intake and pumps to allow better quality water and higher volumes to Waipaoa Water Treatment Plant, especially in high/silted river flows.	Design and site selection for a new infiltration gallery and intake completed. The consent application was lodged in July 2026, with construction planned for summer 2026/27.
	Dam resilience	Resilience projects related to water supply dams.	Concept design and cost estimates have been completed for the reinstatement of Sang Dam wall with final design, procurement, and commencement of construction works planned for 2026/27.
	Water source resilience	Resilience projects related to water source supply and security.	Design and site selection for the new Te Karaka intake gallery have been completed. The resource consent application is ready for submission in July 2027, stakeholder engagement is ongoing, and construction is scheduled for the 2027 summer construction season.

Our levels of service and how we measure progress

Measure		Water supply	Target	2024/25	2025/26	Commentary
The extent to which the drinking water supply complies with: a) bacterial rules *Mandatory measure - DIA*	✓	Gisborne	**Met**	All met.	All met.	Target met.
	−	Te Karaka	**Met**	All met.	Almost met.	Lightning strike causing data loss resulting in annual bacterial compliance of: 99.3% evaluated at Te Karaka 99.5% evaluated at Whatatutu
The extent to which the drinking water supply complies with: b) microbiological monitoring rule *Mandatory measure - DIA*	✓	Gisborne	**Met**	Almost met.	All met.	All targets met.
	✓	Te Karaka	**Met**	All met.	All met.	
The extent to which the drinking water supply complies with: c) distribution system rule *Mandatory measure - DIA*	✗	Whatatutu	**Met**	All met.	Target not met.	Target not met. Eleven of twelve annual surveillance samples were completed causing compliance evaluated at 91.7%.
The extent to which the drinking water supply complies with: d) protozoal rules *Mandatory measure - DIA*	✓	Gisborne	**Met**	All met.	All met.	Target met.
	−	Te Karaka	**Met**	All met.	Almost met.	Lightning strike causing data loss resulting in annual Protozoal compliance of: 99.4% evaluated at Te Karaka 99.5% evaluated at Whatatutu
	−	Whatatutu	**Met**	All met.	Almost met.	

Note: Some reporting requirements were not fully met due to lightning-related data loss and one missed annual sample. Water remained safe throughout the reporting period.

Measure	Target	2024	2025	2026	Commentary
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.					
✓ **Maintenance of the reticulation network-** The percentage of real water loss from Council's networked reticulation system. *Mandatory measure - DIA*	**<15%**	19.4%	15.2%	11.5%	Target met.
✓ **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 are measured: a) attendance for urgent callouts: from the time that Council receives notification to the time that service personnel reach the site. *Mandatory measure - DIA*	**≤4hr**	0.28hr	0.32hr	0.22hr	Target met.

Measure	Target	2024	2025	2026	Commentary
b) resolution of urgent callouts: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. *Mandatory measure - DIA*	**≤6hr**	1.01hr	1.16hr	1.03hr	Target met.
c) attendance for non-urgent callouts: from the time that Council receives notification to the time that service personnel reach the site. *Mandatory measure - DIA*	**≤4hr**	1.95hr	2.08hr	1.16hr	Target met.
d) resolution of non-urgent callouts: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. *Mandatory measure - DIA*	**≤48hr**	7.63hr	21.04hr	15.5hr	Target met.

Measure	Target	2024	2025	2026	Commentary
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 f) Council's response to any of these issues. Expressed per 1000 connections to the local authority's networked reticulation system. *Mandatory measure - DIA*	**≤10**	6.04	4.09	8.20	Target met.
The average consumption of drinking water per day per resident within the district. *Mandatory measure - DIA*	**≤308 l/p/d**	176 l/p/d	191 l/p/d	223 l/p/d	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it	Progress against 3YP
Effects on the Mangapoike Dams' water quality from land slippage; impacts on the Te Ārai River ecosystem and the Waipaoa River during low summer flows.	Council mitigates these effects through asset operations, management, maintenance, and planning, including: • managing water sources appropriately • implementing effective water treatment processes • meeting resource consent conditions • promoting water conservation through demand management initiatives • improving emergency response planning.	Operational mitigations continued, with a focus on maintaining network performance and environmental safeguards through core asset management practices. Assessment of potential dam failure modes and preparation of Dam Safety Assurance Programmes are being completed. Implementation will provide long-term assurance of dams' safety.
Health and safety risks related to the construction, maintenance, or operation of water supply infrastructure. Property damage from occasional water main failures in reticulation areas. Potential damage to household hot water valves from corrosion by-products where galvanised iron components remain. Temporary impacts on households and industry during water restrictions. Private property impacts during emergency response and disaster recovery.	Council manages these risks through: • implementing Health and Safety controls, with a focus on traffic management and public safety • undertaking condition assessments and renewing assets to reduce the risk of breakages in vulnerable pipes • managing water quality and corrosiveness by blending source waters and refining treatment processes • applying water restrictions and allocations during emergencies to reduce supply loss • progressing emergency response planning in line with agreed Levels of Service	Risk management continues through proactive identification, forward works planning, and prioritisation of capital improvements. Staff recruitment and capability-building support programme delivery. Water quality is maintained through robust compliance programmes, real-time measurement and data analytics. Data security and transmission remain a key operational focus with dual system control and data transfer being deployed where possible.

Recovery and resilience

Water supply resilience

Work is continuing to improve the resilience of the water supply network. Projects across the Mangapoike Dams, raw water pipelines and treatment facilities are progressing through design and construction to strengthen water security and improve network reliability.

Pipeline protection from forest activity

Work is underway to protect the Te Arai River water supply pipeline from risks caused by forestry activity. Specialist assessments, planning and engagement with forest owners have progressed, with removal of high-risk trees identified as a viable solution using MPI woody debris funding.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	7	-	7	21
Revenue From Exchange Transactions	3,993	3,935	58	3,318
Expenses	9,217	9,034	(183)	8,846
Net Cost of Service	**5,217**	**5,099**	**(118)**	**5,508**
Capital Expenditure				
Capital Projects	**3,845**	**7,346**	**3,501**	**4,006**

What was different from the budget

1 Revenue from non-exchange transactions was mostly aligned to plan.

2 Revenue from exchange transactions was mostly aligned to plan.

3 Expenditure was $183k above plan, related to an overall increase in operating costs.

4 Capital expenditure is $3.5m below plan. The Council spent $2.6m on renewals (67% of total spend) and $1.2m on final reinstatement works. At the time of the 2024-2027 Three-Year Plan, the full extent of water resilience projects had yet to be determined. As such there were provisions included within the budgets of $3.3m to accommodate both dam and water resilience. The water treatment plant infiltration gallery is in the engagement phase, with construction scheduled for the second half of the next financial year. Final designs for Sang Dam have been completed, with physical construction expected to begin in spring/summer 2026. Unspent budgets have been carried forward to align with the completion of these projects.

Waiāwhā Taone
Urban Stormwater

What we do

We provide stormwater services that protect people, homes, and the environment from flooding and pollution. Our work helps improve public health and uphold the mauri of our waterways.

We manage stormwater systems across Gisborne city, including Mākaraka and Wainui/Okitū, and in 12 rural townships from Wharekahika to Mātāwai. These networks include piped infrastructure, open drains, swales, and overland flow paths. Most of the system was built 30 to 60 years ago and remains in fair condition.

Stormwater is collected from hard surfaces like roofs, roads, and driveways, then channelled away through our primary and secondary networks. To reduce harm to natural waterways, we use a mix of green infrastructure, rain gardens, sediment traps, and gross pollutant traps.

By managing stormwater effectively, we reduce flood risk, support healthy communities, and protect our environment for future generations.

Highlights

DrainWise programme
During 2025/26, 3,835 properties were inspected, resulting in 155 gully trap repairs, 55 downpipes being removed, and two public drain upgrades on private property. Since the programme began, a total of 12,461 property inspections have been completed, along with 3,152 gully trap repairs, 216 downpipe removals, and 32 public drain projects.

Preventative maintenance on stormwater network
Council's network contractor carried out maintenance on stormwater drains and streams, and serviced sumps and vehicle crossings to maintain network performance.

Progress on Water Services Reform
Council has established a dedicated project team to deliver the Water Services Delivery Plan, including setting up a financially ring-fenced Internal Three Waters Business Unit from 1 July 2027.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Stormwater in drain structures	Renewal of non-pipe structures past their useful life or in poor condition.	No construction was undertaken during 2025/26. Planning and design were completed to support construction in 2026/27.
	Stormwater localised urban upgrades	Council share of cost of requiring developers to upgrade infrastructure for future proofing network.	No developer-led infrastructure upgrades were required during 2025/26.
	Stormwater pipeline renewals	Renewal of stormwater pipes in poor condition or past their useful lives.	Stormwater drains were renewed on Gladstone Road and Herbert Road.

Snapshot

Here's snapshot of our stormwater network

6390 Sumps

172km Stormwater pipes and drains

32km Channels and swales

Community outcome/s	Projects	Initiatives	How we are going
	Integrated Catchment Management Plans (ICMP)	Develop ICMPs to ensure water, wastewater and stormwater planning supports growth while managing impacts on infrastructure networks and natural water resources.	Stormwater pipes at Carnarvon Street and Childers Road were relined during 2025/26 to ensure their condition and performance.
	Graham/De Latour Road Stormwater Project	Upgrade the existing system to increase capacity and help reduce the risk of localised flooding.	The project is being delivered in three stages. Stages 1 and 2 have been completed, with Stage 3 on track for completion in July 2026.
	Stormwater resilience	A programme of work to build resilience to large natural events into stormwater networks and operation.	Design for the Roebuck Road/Gladstone Road stormwater improvement project has been completed. Procurement and construction are planned for 2026/27.
	Whataupoko upgrade	Upgrade of stormwater infrastructure to ensure appropriate levels of service in Whataupoko.	Construction began in June 2026 and is on track for completion in December 2026.
	Drainwise programme	A programme of work to prevent stormwater from entering the wastewater network.	Inspections and repair work continued to reduce stormwater entering the wastewater network. 3,835 properties were inspected, 155 gully traps were repaired, 55 downpipes were disconnected, and two public drains on private property were completed.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We 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.					
The number of flooding events that occur in a territorial authority district. *Mandatory measure - DIA*	**<2**	1	0	0	Target met.
For each flooding event, the number of habitable floors affected (Expressed per 1000 properties connected to the territorial authority's stormwater system). *Mandatory measure - DIA*	**<2**	0.07	0	0	Target met.
Management of environmental impacts compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices *Mandatory measure - DIA*	**0**	0	0	0	Target met.
b) infringement notices *Mandatory measure - DIA*	**0**	0	0	0	Target met.
c) enforcement orders *Mandatory measure - DIA*	**0**	0	0	0	Target met.
d) successful prosecutions received by the territorial authority in relation to those resource consents. *Mandatory measure - DIA*	**0**	0	0	0	Target met.
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. *Mandatory measure - DIA*	**<30min**	164min	Not tested	No events	Target met.
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. *Mandatory measure - DIA*	**<15**	15.52	13.61	11.51	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it
Stormwater downpipes connected to gully traps, along with inflow from on-property flooding, place significant pressure on the wastewater network. This increases the risk of wastewater discharges onto private properties and into rivers.	The DrainWise programme continues to identify and address private drainage issues through on-property inspections. It also identifies localised flooding that can affect gully traps and the wastewater network. Where needed, the Public Drains on Private Properties (PDPP) programme redirects stormwater into the public stormwater network.
Inadequate control of secondary flow paths can lead to flooding on private properties, including the inundation of homes and buildings during heavy rain events.	We continue to invest in stormwater upgrades to reduce these risks and respond to the impacts of climate change and urban growth.

Recovery and resilience

Network Resilience

Operational programmes like DrainWise, along with capital works such as pipe renewals and stormwater upgrades, continue to address vulnerabilities. These efforts are critical to improving network performance and building long-term resilience across the district.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	-	-	-	42
Revenue From Exchange Transactions	26	-	26	(19)
Expenses	3,698	4,258	560	3,548
Net Cost of Service	**3,671**	**4,258**	**586**	**3,526**
Capital Expenditure				
Capital Projects	**2,915**	**4,789**	**1,875**	**1,820**

What was different from the budget

1 Revenue from exchange transactions was $26k above plan, driven by connection fees revenue.

2 Expenditure was $560k below plan, primarily due to timing delays in the Integrated Catchment Management Plan (ICMP). Works are scheduled for completion over the next financial year.

3 Capital Expenditure is $1.9m below plan, primarily due to stormwater infrastructure upgrades. Whataupoko Stormwater works are delayed due to tender and represent $1m along with stormwater resilience $500k. The unused budget has been carried forward to 2027, with construction now planned for June 2026.



Te Rōpū Nohoanga Hapori
Liveable Communities

What we do

We shape and manage the community spaces, natural environments, and public facilities that make Tairāwhiti a great place to live. Our work covers biodiversity, biosecurity, catchment and land management, reserves, and the delivery of sustainable open spaces that support both community wellbeing and environmental health.

Through integrated planning and a focus on the future, we ensure our facilities and outdoor spaces are safe, accessible, and meet the needs of our growing region. From protecting natural areas to creating engaging places for people, we connect everyday living with long-term care for the whenua.

The activities in this group include:

- Biodiversity
- Catchments and Biosecurity
- Cultural Activities
- Recreation and Amenity

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year

220ha Wilding pine control

21 Riparian planting sites



Highlights

Expanded sustainable land management
Since 2023, Council has worked with landowners to provide sustainable land use and erosion control recommendations across 40,318 hectares, including 31,012 hectares delivered during 2025/26.

Restored the Tūranganui Estuary
The Haumanu Tū Ora programme, delivered with Ngāti Oneone, Rongowhakaata Iwi Trust and Te Whānau a Kai, restored the mauri and ora of the Tūranganui Estuary System through native planting, fish passage restoration, pest control, river restoration planning, and establishment of the Tū Taiao Tairāwhiti community trapping network.

Waingake Transformation Programme wins national award
The Waingake Transformation Programme won the Large Scale Restoration Project category at the 2026 Growing Native Forests Champions Awards, recognising it as a leading example of large-scale native restoration and the strong partnership between Council, Maraetaha Incorporated, contractors, kaimahi, and the community.

Biodiversity

What we do

We work to protect, restore, and enhance Tairāwhiti's unique biodiversity and ecosystems. Our team provides specialist advice across land, freshwater, and marine environments, and supports major restoration programmes in partnership with tangata whenua. We help embed biodiversity outcomes across council projects and provide funding and support to landowners through the Natural Heritage Fund. By working with communities, iwi, government, and research partners, we're helping ensure our region's natural taonga are thriving now and for future generations.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Monitor condition of Protection Management Areas (PMAs)	Visit 25 PMAs annually to assess native flora and fauna present. Record animal and plant pests and impacts as well as other threats.	PMA monitoring has been paused while the programme is reviewed. We continue to engage with landowners to share PMA data collected and options for management.
	Pānui Taiao	Produce Pānui Taiao, Council's quarterly environmental and land management newsletter.	Pānui Taiao was moved to Council's Participate platform. Following lower engagement, communication formats are now being reviewed to improve community reach.
	Waingake Transformation Programme	Continue the transition of commercial pine forest to indigenous vegetation through active and passive regeneration. Deliver pest plant and animal control in key project sites to improve biodiversity outcomes.	Planted 39 ha of mānuka as a nursery crop, completed 19 ha of enrichment planting, and continued routine pest plant and animal control across the programme.
	Natural Heritage Fund	Manage and distribute the Natural Heritage Fund to support community groups and landowners to improve biodiversity on their land.	Six of the 19 projects funded for 2026 have been completed, with many others underway. Of the five 2025 projects granted extensions, three are complete, one grant was surrendered, and one is awaiting an update. The 2027 funding round opened on 1 July.
	Deliver the annual projects described in the Biodiversity Work Plan	A series of actions which focus on understanding the state and trend of biodiversity, and to maintain and restore significant biodiversity.	Projects aligned with the Biodiversity Work Plan are progressing to scope and budget in collaboration with Treaty Partners, including dune restoration, educational signage, ground truthing urban biodiversity, and the creation of a spatial data platform for biodiversity and biosecurity data.
	Haumanu Tū Ora (H20)	By June 2026, nine stream restoration plans have been completed and four water courses in the Taruheru, Waikanae and Waimatā catchments.	The programme is now complete, delivering nine stream restoration plans and restoring watercourses in the Taruheru, Waikanae and Waimatā catchments with more than 137,000 native riparian plants established across 45 sites.



Catchments and Biosecurity

What we do

We support healthy land, water, and ecosystems across Tairāwhiti through biosecurity, land management, and catchment support. Our team delivers regional pest control, supports farm environment planning, and partners with landowners, tangata whenua, and community groups to improve environmental outcomes. We help implement key statutory plans, provide environmental advice and education, and assist with funding for conservation projects. By working together, we're helping ensure our region's natural resources are protected and used sustainably, now and into the future.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Marine biosecurity	Continue port basin marina dive surveillance for fanworm and removal, observations for any new organisms following Regional Pest Management Plan (RPMP) requirements.	Diver surveillance at the Eastland Port marina found no fanworm or other unwanted organisms.
	New-Waimatā upper catchment possum control	Support local pest control initiative in pest management, undertake and reduce possum density, establishing baiting networks for long term maintenance.	This project is now complete. Possum control covered 4,274 ha and removed 2,943 possums resulting in an average 10% BMI post control.
	Regional Pest Management Plan (RPMP) implementation	Deliver pest control outcomes as prescribed in the RPMP as resources and timelines permit. Stock take of present RPMP and prepare draft new RPMP. Prioritise work schedules to eliminate pest populations as detected, including directing the removal of noxious weeds on Council property and supporting the community in managing these weeds.	Pest control continues to focus on surveillance, eradication and site-led control of priority pest species. Education and community engagement are delivered through schools, the A&P Show and Conservation Week, while support for pest plant management on Council land continues.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year



Pest control collaboration

Visits to rural and semi-rural schools advocating Biosecurity awareness

Community outcome/s	Projects	Initiatives	How we are going
	Freshwater biosecurity	Continue the summer student awareness programme across Tairāwhiti about keeping our waterways free of unwanted aquatic plants.	The Check, Clean, Dry summer student programme was successfully delivered from December 2025 to February 2026. Education and awareness activities included updated signage, engagement with recreational freshwater users, retailers, accommodation providers and clubs, distribution of information, and targeted online communications.
	Exclusion and eradication of pests	Collaboration with neighbouring councils about potential incursions of unwanted pests from those regions into Tairāwhiti. Prioritise work schedules to eliminate pest populations as detected.	Biosecurity work continued across the region, including control of saffron thistle on two properties, eradication of the last known rook population in Te Puia, investigation of wallaby sightings in the Motu/Mātāwai area, and management of plague skink populations in Whataupoko, Wainui, Elgin, Makaraka and Kaiti through ongoing education to prevent further spread. Spartina control also continued in support of the Haumanu Tū Ora programme.
	GDC/HBRC (Hawke's Bay Regional Council) possum buffer and GDC/BOPRC (Bay of Plenty Regional Council) feral goat buffer	In collaboration with BOPRC, control feral goats to low densities along our northern regional boundary in the Waikura Valley and Lottin Point.	Possum control continued along the Hawke's Bay Regional Council buffer, with night monitoring completed in November 2025, baiting completed in March 2026, and expansion into the Hangaroa catchment underway. Two phases of feral goat control were also completed during 2025/26 in the Waikura Valley and Lottin Point.
	Biosecurity advocacy	Visits to rural and semi-rural schools advocating biosecurity awareness and initiatives in Tairāwhiti. Community pest plant awareness, through engagement and their participation to carry out control of plants and animals on their property.	Ongoing biosecurity awareness sessions were delivered in rural schools, while community pest plant initiatives helped residents identify and control species such as moth plant.
	Technical assistance with afforestation, harvesting and replanting resource consents	Ongoing case by case assessments of consent applications.	Support for regional resource consents continues on an as-needed basis, while work is underway to transfer knowledge and build capability and capacity within this area.
	Assessment of land use options	Transition options for all land uses.	Support for land use transition across Tairāwhiti continues, with work programmes being aligned to support the region's transition priorities.
	Ongoing land management support for tangata whenua initiatives	Supporting organisations such as Whakaoratia Trust. Providing assistance with environmental funding initiatives by identifying and assisting with funding for erosion control works. Supporting landowners to complete existing Erosion Control Funding Programme (ECFP) funded reversion and pole planting works. Supporting mana whenua through our community/catchment group facilitation support package.	Continued support was provided to community organisations, including Whakaoratia Trust, to strengthen local environmental restoration initiatives and build long-term capability. The team assisted landowners to access and deliver erosion control funding, including support for existing Erosion Control Funding Programme (ECFP) reversion and pole planting projects where required. Ongoing facilitation and technical support were also provided to mana whenua and community catchment groups, helping to build local leadership, coordinate restoration activities, and improve sustainable land management outcomes across the region.
	Supporting tangata whenua and landowners	Supporting existing and new initiatives.	Continued delivery of LUC and ECP mapping alongside catchment facilitation support through the community support framework.

Community outcome/s	Projects	Initiatives	How we are going
	Freshwater Farm Plans (FWFPs)	Supporting Council to implement the FWFP system, as well as supporting our community through the rollout and what it means for their property.	Regulations remain under review, with implementation anticipated. Council is engaged in national working groups and preparing for future rollout. The Team is working on the catchment context documents that Councils will be required to provide landowners to assist them through the FWFP process.
	Soil Conservation Nursery	We need to future proof our nursery by investigating what we require from our nursery and ensuring that what we are producing is enough for what our region requires in the wake of the erosion issues we are currently facing.	Securing the future of our conservation nursery is a high priority workstream for the 26/27 year. Updates will be shared as they come.
	Land Use Capability (LUC) mapping and Erosion Control Plans (ECPs)	Develop approx. 45 new LUC maps and 45 new ECPs over the next three years. This will build on the catchment context that we currently have, alongside building capability and capacity in land management within Council. LUC and ECPs that are created can be used by landowners to inform their FWFPs.	Annual targets of 20 LUC maps and 20 ECPs were not met, with only 9 LUC maps and 9 ECPs completed. Delivery was impacted by resources being redirected to the Transition Advisory Group (TAG) workstream and reduced financial incentives affecting farmer uptake.
	Catchment support	Providing support to catchments (specifically landowners, whenua Māori etc) in regard to land management. This can be in a capacity to support FWFPs and other regulatory avenues, as well as supporting catchments to come together into catchment groups for a common goal. The Land Management team can be a conduit between rural catchments and Council.	Council's facilitation package continues to be available to support multiple catchments. Ongoing tailored support will be critical to sustain progress.
	Coastal Nursery Project-Hill Country Erosion Funding Programme (HCE Programme)	The objective of the HCE Programme is to support landowners to plan for and treat erosion-prone land and put in place good sustainable management practices to protect vulnerable hill country. Erosion control planting at coastal hill country sites with locally sourced and grown plant material. The Programme will support the establishment of three coastal community nurseries which will produce and plant natives and exotic poplar and willow for treatment of coastal hill country. By June 2027, we will have supported land treatments of 40ha of native reversion / planting and 20ha of pole planting (approx. 2,000).	The HCEP continues to support landowners to plan for and treat erosion-prone land. Significant progress has been made in establishing and supporting the Tokomaru Bay and Whareponga community nurseries, with locally sourced native plants now being produced for restoration projects across coastal catchments. During the year, planting has begun across multiple properties, with approximately 15 hectares of native planting underway and more planting planned before the end of the season. The Pourau poplar and willow nursery also continues to develop, laying the foundation for future pole planting delivery. Collectively, these initiatives are building local capability and supporting the programme's long-term targets.
	Maunga to Moana - Embracing the Waimatā Awa - Nature Based Solutions	A MfE funded feasibility project to explore nature-based solutions (NbS) to work with the natural characteristics of the Waimatā Awa and its floodplain to support flood resilience.	The MfE-funded feasibility phase has ended. Consultants provided a tool to support assessment of nature-based flood-resilience options in the Waimatā catchment. Work continues to build staff capability to apply the tool and its data to recommendations for Council and landowners. This 'Stage Two' of the project is ongoing.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We actively manage pest animals and plants to prevent their establishment and spread, ensuring the protection of biodiversity, agricultural productivity, amenities, and cultural values.					
✗ **Eradication pests** Initiate direct control of targeted eradication pests to prevent wider establishment and spread.	**100% control of targeted pests**	New measure	100%	61%	Target not met. Routine eradication species monitoring and control has been affected by limited resourcing in the second half of the financial year.
✓ **Exclusion pests** Respond and investigate within 24 hours any reports or sightings of exclusion pests and where required implement controls as defined in the RPMP.	**100% responded and investigated within 24 hours**	New measure	100%	100%	Target met.
We will work with Iwi, landowners, and the community to reduce soil erosion risk and remediate severe erosion within the district.					
✗ Number of Land Use Capability property maps produced per year.	**20**	New measure	5	9	Target not met. Fewer plans were completed than anticipated, reflecting changes in programme timing and prioritisation during the year.
✗ Number of Erosion Control Plans produced per year.	**20**	New measure	5	9	
✓ Respond to and document requests from community catchment groups.	**>5 requests**	New measure	9	11	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it
Several land management roles are reliant on government funding, typically through two- or three-year contracts. This funding currently enables Council to maintain a viable land management team. Without it, staffing levels would fall below what is required.	Our team that plays a critical role in sustainable land management. Strong performance demonstrates the value of the programme, helping secure ongoing external funding and strengthening the case for future internal funding if required.



Cultural Activities

What we do

Cultural Activities

We support a vibrant cultural life in Tairāwhiti through venues, services, and programmes that celebrate arts, heritage, learning, and community identity.

Theatres

The War Memorial Theatre, Lawson Field Theatre, and Pātūtahi Hall host performances, events, and gatherings that connect our communities and showcase local and national talent.

Tairāwhiti Museum and Public Art

Council supports the Tairāwhiti Museum Trust to preserve and promote our region's rich cultural heritage, reflecting who we are and where we've come from. Public art initiatives create a sense of pride and local distinctiveness and mirror our cultural diversity.

HB Williams Memorial Library

Our library provides access to lifelong learning, literacy, digital resources, and spaces for all ages, supporting both recreational and educational needs.

Navigate Tairāwhiti

This collaborative programme with tangata whenua and partners tells our stories through art, landscape, and design. The remaining projects are Hawaiiki Tūranga installation, Te Ikaroa a Rauru Walkway Bridge, and Te Maro viewing platform.

Highlights

Navigation projects completion

Te Ikaroa Rauru, Te Maro, and Hawaiiki Tūranga were completed through partnerships with Ngāti Oneone, Te Rūnanga o Tūranganui a Kiwa, Rongowhakaata Iwi Trust, Lotteries, Trust Tairāwhiti, and Council, completing the Navigation projects.

Te Tauihu Tūranga Whakamana, canoe prow restoration completed

The successful three-month project at Heipipi Endeavour Park has now been completed, engaging the community through education, storytelling, and project videos delivered in partnership with artist and restorer Te Aturangi Nepia Clamp and Council's Communications team.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Library stock	Provide current and historical interest materials for library purposes. Improve library services to townships.	Contemporary and research materials continue to be provided as part of the library's core services. Improvements to township library services have not yet started.
	Gisborne Museum of Art and History Trust	Review and implement new lease and contract for service.	A new lease and contract for service with the Gisborne Museum of Art and History Trust have been reviewed and implemented.

Snapshot

Here's a snapshot of our cultural facilities and assets



3 Theatres and halls

2 Central library and museum

33 Public art and monuments



Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Navigate Tairāwhiti projects	1000-year bridge and Te Maro viewing platform installation in partnership with Ngāti Oneone. Hawaiki Tūranga soil remediation and installation in partnership with TROTAK.	The Te Ikaroa a Rauru walkway bridge and storyboard have been completed. The Te Maro viewing platform has been completed. Soil remediation and installation at Hawaiki Tūranga have been completed.
	Art in public places	Review of art in public places and facilities strategies. Connect with local artists to create murals on rural and urban Council facilities. Te Tauihu Tūranga Whakamana/Canoe Prow.	The Kaiti skate bowl restoration and mural have been completed. The Te Tauihu Tūranga Whakamana restoration has been completed. The Art in Public Places Strategy activation set has been included in Long-Term Plan asset planning. The Te Papatipu a Uepohatu Pou Pou, Ruatōria, restoration has been completed by Jonathan McClutchie.
	Facilities upgrades	Ensure Pātūtahi Hall is fit for purpose. Complete renewals for Star of Canada and Lysnar House. Install bilingual signage at the library, theatre and hall venues.	Scheduled maintenance at Pātūtahi Hall has started. Remediation work at Lysnar House has been completed. Work on the Star of Canada has been deferred. Funding support for the museum roof has been completed. Bilingual directional signage at the theatres and library has been completed.
	People together on site	More people make on-site visits to the library, theatres, and museum through the provision of services and programmes alongside partners. High stretch level of service targets.	Visitor numbers at the library, museum, and theatres met targets, despite a decrease from last year.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Cultural facilities are accessible to Tairāwhiti residents and visitors.					
Number of visitors to HB Williams Memorial library per year: a) online	**180,000**	614,277	719,243	766,755	Target met.
b) onsite	**90,000**	113,628	128,898	99,447	Target met.
Regular and varied programmes, events, and exhibitions to support community wellbeing are provided at cultural facilities					
Number of visitors to Te Tairāwhiti Museum per year.	**45,000**	47,480	56,108	48,030	Target met.
Number of booking days per year: a) Lawson Theatre	**100**	210	165	104	Target met.
b) War Memorial Theatre	**100**	146	119	106	Target met.
Maintain cultural facilities at a fit-for purpose, clean and safe standard.					
Percentage of residents satisfied with the cultural facilities and services as found in the annual survey. a) Lawson Field Theatre	**85%**	80%	88%	89%	Targets met.
b) War Memorial Theatre	**85%**	83%	89%	90%	
c) Tairāwhiti Museum	**85%**	87%	91%	85%	
d) HB Williams Memorial Library	**85%**	84%	92%	86%	



Recreation and Amenity

What we do

Council provides and maintains a wide range of public spaces and facilities across Te Tairāwhiti, including parks, sports grounds, walkways, playgrounds, coastal areas, gardens, street trees, public toilets, cemeteries, community buildings, monuments, and the Kiwa Pools. These assets support recreation, cultural connection, community wellbeing, and resilience to environmental change.

Maintenance is delivered through a mix of contractors, community-based kaitiaki, and Council teams, with services extending to lease and licence management, facility oversight, and burial records. Assets are spread across the district to reflect population needs and ensure access for all our communities.

Highlights

Record dune restoration

More than 7,000 plants were established in 2025/26, supported by 20 community and iwi-led working bees across Wainui, Makorori, Kaiaua, Anaura Bay and Ūawa.

Doneraille Park improvements

The park is expected to reopen following completion of the St Leger Bridge, with a new accessible public toilet planned for October–November 2026.

Growing our urban canopy

158 new street trees were planted across Aberdeen Road, Potae Avenue, Ranfurly Street and Cambridge Terrace, supporting greater canopy coverage and climate resilience.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year

Playgrounds	40	13	Cemeteries
Sports parks	35	53	Public toilets
Basketball and netball courts	12	4700	Street trees
Skateparks and pump tracks	13	2500m²	Gardens

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Public conveniences	Carry out critical maintenance and upgrades to ageing facilities across the region, including at Mātāwai, Te Puia and Ūawa township. This will include managing the environmental risk of some sites and ensuring financial sustainability of the network.	Replacement of the Kaiti Beach and Ūawa Skatepark, Cook Street Public Toilets were successfully delivered over the financial year with locally made, prefabricated, accessible facilities installed.
	Reserve land	Remediate unstable land sites and landfill sites which are compromised or at risk, to ensure future public access to and enjoyment of these sites. This will include remediation at Tūranga Gardens and track rehabilitation at Titirangi, Makorori Headlands and Whataupoko Reserve.	Work across the reserve land programme focused on remediation, repairing storm-damaged areas, improving access and addressing legacy landfill issues. Council is also continuing to work with communities and hapū on future use and restoration priorities.
	Street tree planting	Continue our street tree planting programme with a view to increasing urban canopy cover and mitigating urban flood risk.	Street tree planting continued to grow canopy coverage and climate resilience, with 158 new trees planted across Aberdeen Road, Potae Avenue, Ranfurly Street and Cambridge Terrace.
	Play spaces	Ensure that our existing play spaces are safe, compliant, and the appropriate quality through targeted renewals, including play spaces such as Te Karaka, Lytton West, Atkinson Street and Waihīrere Domain. Additionally, we will pilot further cost-effective play interventions through temporary installations and collaborative projects with key partners.	Blackpool Park Playground, Elgin - Community engagement began in May 2026, and community are now asked to provide feedback on the draft concepts that were developed as a result of their initial feedback. The project is being delivered in partnership with E Tū Elgin, Tūranga Health and Whiti Ora, with construction expected in Summer/Autumn 2027.
	Cemetery remediation	Re-level cemetery berm rows which have slumped as a result of high groundwater levels throughout 2023 and are affecting our ability to maintain the site.	Major relevelling works were completed in 2025/26. Ongoing efforts by staff are further improving ground contours to make the site safe and accessible to all.
	Future urban cemetery provision	Assess options for the future provision of urban cemetery services, and ready this site for development. This will include investigating expansion of the Taruheru site and may consider other locations if necessary.	A feasibility study and capacity modelling have clarified current cemetery capacity and timing for future land needs. Options for additional provision are now being considered.
	Indoor multipurpose stadium	Undertake feasibility, design, and planning work to progress the Indoor Multipurpose Stadium Project to an investment ready point.	Feasibility and business case work has been completed and adopted by Council, with further planning underway to support an investment decision through the 2027–37 LTP.
	Community property	Future proofing our community property assets while continuing to explore ways to build resilience and future proof assets.	Improved asset data and condition monitoring systems are increasing our understanding of our complex asset network and enabling improved decision making.
	Revitalisation of the City Centre	Refresh and invigorate our CBD through a mixture of temporary and permanent initiatives such as streetscaping and planting.	Council delivered its Early Wins Programme, including activation events and temporary art installations, initiated the Heritage Façade Fund, supported restoration of the former National Bank Building, and established the CBD Custodian role. Three design scenarios for the Action and Investment Plan were developed to support community engagement and inform the final revitalisation plan for LTP consideration.

Community outcome/s	Projects	Initiatives	How we are going
	Waihīrere Domain development	"E kō e te kōmako raro i a Ahititi". Complete the redevelopment of the Domain in partnership with Waihīrere Hapū, as part of implementing the Waihīrere Domain co-management plan.	The demolition of the old swimming pool and changing rooms plus refurbishment of Waihīrere public toilet was completed over 25/26. Minor refurbishments occurred across Domain playspaces including the introduction of nature play through a carved kōura.
	Dune care	Support community groups to Improve the health and function of dune systems in critical sites, including access management, planting, pest control, maintenance and education.	2025/26 was the largest planting season to date, with more than 7,000 plants established and 20 community and iwi-led working bees held across Wainui, Makorori, Kaiaua, Anaura Bay and Ūawa. Weed control also improved with support from the Dune Restoration Cadet.
	Outdoor complex resilience	Change the pipe work within the old complex to minimise water wastage.	The pipework has been completed, separating the 33m pool into its own system, while the hydro slide and dive pool remain linked.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Open space, recreation, and amenity areas are accessible, valued and enjoyed by Te Tairāwhiti residents and visitors.					
✗ Per the annual survey, the percentage of users satisfied with the quality of: a) parks	**85%**	69%	70%	72%	Targets not met. Council continues to deliver a significant programme of maintenance and improvements across open spaces and recreation facilities. Satisfaction has improved overall, however results remain below community expectations and the targets set for these services.
✗ b) sports parks	**80%**	60%	62%	69%	
✗ c) Council playgrounds	**85%**	64%	67%	66%	
✓ d) pool	**80%**	71%	77%	82%	Target met.
✓ Council aquatics facilities are safe and operate in accordance with Pool Safe NZS guidelines.	**100%**	100%	100%	100%	Target met.
✓ Percentage of time Council aquatic facilities pool water quality meets NZS 5826:2010 when pool is open to the public.	**100%**	New measure	100%	100%	Target met.
We provide and maintain cemeteries for whānau, friends and visitors.					
✓ Percentage of visitors satisfied with cemeteries, as found in the annual survey.	**80%**	81%	82%	87%	Target met.
Our public facilities are accessible and well maintained.					
✗ Percentage of users satisfied with cleanliness of public facilities, as found in the annual survey.	**70%**	71%	62%	67%	Target not met.

Significant effects of delivering this activity

Potential negative effect	How we manage it	Progress against 3YP
Emissions due to maintenance and capital work	Ongoing efforts to reduce emissions while ensuring parks and infrastructure are maintained and delivered where needed.	Successful pilots of low-impact construction methodologies are leading to wider implementation, including dry vault public conveniences, solar powered facilities and nature play.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	605	920	(315)	825
Revenue From Exchange Transactions	2,679	3,586	(907)	2,255
Expenses	23,463	22,146	(1,317)	21,337
Net Cost of Service	**20,180**	**17,641**	**(2,539)**	**18,257**
Capital Expenditure				
Capital Projects	**4,203**	**10,677**	**6,473**	**5,606**

What was different from the budget

1 Revenue from non-exchange transactions was $315k below plan, mostly due to the timing of grants received and work in Land Management project.

2 Revenue from exchange transactions was $907k below plan, primarily due to lower-than-expected income from Kiwa Pools and theatres.

3 Expenditure was $1.3m above plan, mainly due to higher operational costs in reserves and conveniences.

4 Capital expenditure was $6.5m below plan, primarily due to timing of Outdoor Kiwa pool development, CBD Revitalisation project. These budgets are carried into the next financial year. There is a significant underspend on release spraying in Waingake transformation project caused by delays in planting and weather conditions.



Te Aratakina me ngā Ratonga Tauawhi ā-rohe
Regional Leadership and Support Services

What we do

This group of activities drives a positive organisational culture and supports Council's ongoing focus on being a customer-focused organisation that reflects and serves its community. The teams work to build individual and organisational capability, grow knowledge to meet current and future needs, and promote a learning culture that supports high performance.

- Emergency Management
- Engagement and Māori Partnerships
- Governance and Democracy
- Science
- Strategic Policy and Planning
- Support Services

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year

61 Educational initiatives and hui

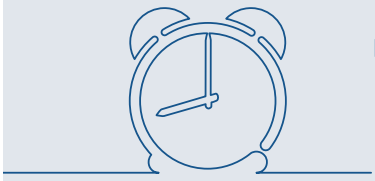
16,734 Shakeout 2025 participants consisting of:

Businesses **103**

Schools **69**

354 Households signed up

32% of the region's population participated







Highlights

Award-winning emergency water treatment

Deployable water treatment units won the 2025 ALGIM Smart Communities Project of the Year award. Developed after Cyclone Gabrielle, the units include larger Garrison urban units, which can provide safe drinking water for up to 12,000 people a day, and portable Troop units currently located in communities, which can support around 600 people a day.

Strong ShakeOut participation

Tairāwhiti led New Zealand's ShakeOut participation for the fifth consecutive year in 2025, with 32% of the region signed up — up 5% from 2024.

2026 NEMA National Resilience Fund

Tairāwhiti CDEM Group received $133,000 to purchase two trailer-mounted hybrid solar units, providing flexible off-grid emergency power.

Emergency Management

What we do

Council delivers emergency management through Te Tairāwhiti Emergency Management Office (TEMO), leading local efforts across the four R's: reduction, readiness, response, and recovery. This includes reducing risk, strengthening community preparedness, coordinating emergency responses, and supporting community recovery. This work is guided by the Civil Defence Emergency Management Act 2002.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Emergency communications resilience	Develop resilience and failover redundancy into the emergency communications networks to ensure communications function and remain connected during an emergency. This will see the integration of communication nodes (digital radio networks, analogue radio networks, High Frequency (HF), and satellite systems). The project scope includes in-region communications with communities and out-of-region communications to the national emergency network.	Regional communications resilience has now been significantly enhanced with the development of lay-ered regional communication systems. Communica-tion systems that are now operational provide six layers of backup and include: 1. Cell and Data networks 2. Satellite (Starlink) 3. Digital Radios 4. High Frequency (HF) radio and WINLINK email server 5. Internet Protocol (IP) conference calling 6. Mesh Core communications network.
	Monitoring and evaluation	Develop an assurance process to assess and evaluate the performance of the Tairāwhiti Emergency Management Group.	The National Emergency Management Agency (NEMA) has set up an assurance team and is devel-oping a national assurance framework. Assurance measures for Civil Defence Emergency Management (CDEM) Groups will be decided following the re-lease and implementation of national guidance.

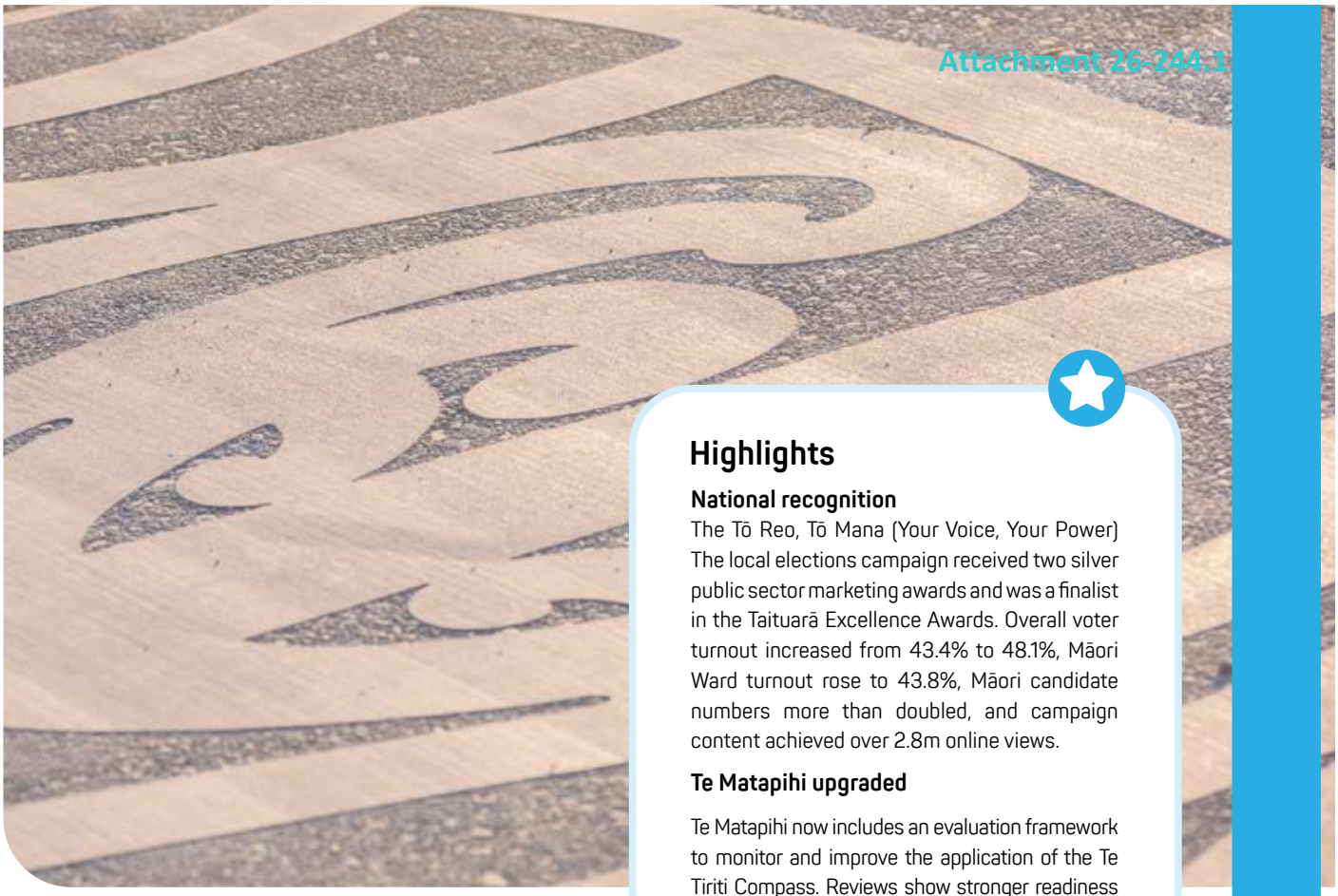
Community outcome/s	Projects	Initiatives	How we are going
	Tairāwhiti Emergency Management website	Build a standalone website that will provide an interactive portal to aggregate various data feeds and disseminate them into digestible content accessible to the public.	The new Tairāwhiti Emergency Management website (www.tairawhitiem.govt.nz) launched in November 2025, making emergency information and resources easier for the community to access.
	Tsunami risk reduction programme	Define new tsunami evacuation zones and colour identification, supported by community engagement and education on tsunami preparedness, including the national annual 'ShakeOut' campaign. Reducing tsunami risk is a long-term project that aims to decrease exposure to tsunami consequences and increase our community's resilience to one of our most significant and dangerous risks.	The Director's Guideline (DGL) has been issued, providing guidance for the development of tsunami evacuation zones. Mapping of tsunami impact zones across the regional coastline is underway using LiDAR data. Once mapping is complete, a project plan will be developed to support tsunami awareness, risk reduction, and catastrophic event planning. Tairāwhiti also achieved the highest sign-up rate in Aotearoa for the national ShakeOut campaign for the fifth consecutive year in 2025.
	Ongoing Civil Defence Emergency Management training and development	Training for staff in the Tairāwhiti Emergency Management Office (TEMO), ECC, Council staff, community link volunteers, and our iwi partners as part of national, regional, and local training and exercises.	Training for the Civil Defence Emergency Management (CDEM) Group, including Community Link volunteers, continued throughout the year as part of the readiness workstream.
	Continue to develop Community resilience in the region	Strengthen emergency networks and build the capacity of community groups to respond to emergency events through regional training exercises. Continue to develop, build, and maintain partnerships with iwi and communities through engagement and education activities to improve readiness for emergencies.	The deployment of emergency resources and capabilities across 31 sites in Tairāwhiti is nearly complete. Annual training and engagement with community groups will continue, focusing on equipment, regional CIMS, and scenario-based exercises.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
We help to build a more resilient district where communities understand and manage their hazards and risks.					
Number of educational initiatives conducted by CDEM to prepare the community for survivability in the event of a natural disaster.	**≥10**	30+	30+	30+	Target met.
Community satisfaction with Civil Defence and Emergency Management services per the annual survey.	**70%**	New measure	64%	70%	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it	Progress against 3YP
A lack of regional readiness and preparedness could lead to an uncoordinated emergency response, increasing the risk of damage and compromising public safety.	Promote collaboration and coordination among government agencies, businesses, and community groups to improve the effectiveness of emergency response and recovery efforts.	Readiness workstreams focus on programmed training at an individual level, team/function level and for the collective level (ECC simulation exercises). The review of the Tairāwhiti CDEM Group Plan has been underway for the last 8 months and this will seek to set the direction for regional CDEM activities that align to our hazards and risks.
Loss of public trust and confidence in the emergency management system.	Develop and implement clear, concise emergency management procedures and protocols to ensure efficient coordination and response during crises. Strengthen communication systems and channels to support timely dissemination of information and instructions to the public and emergency responders.	The establishment of a dedicated Tairāwhiti emergency management website (www.tairawhitiem.govt.nz) launched in November 2025 has supplemented the social media channels used for public alerting and awareness. Integrated with other media platforms (radio, TV and press), user sentiment and traffic can be tracked when preparing for or responding to an emergency.



Highlights

National recognition

The Tō Reo, Tō Mana (Your Voice, Your Power) The local elections campaign received two silver public sector marketing awards and was a finalist in the Taituarā Excellence Awards. Overall voter turnout increased from 43.4% to 48.1%, Māori Ward turnout rose to 43.8%, Māori candidate numbers more than doubled, and campaign content achieved over 2.8m online views.

Te Matapihi upgraded

Te Matapihi now includes an evaluation framework to monitor and improve the application of the Te Tiriti Compass. Reviews show stronger readiness to engage with iwi and hapū and growing use of the Compass across Council reports and practices.

Engagement and Māori Partnerships

What we do

The Communications and Engagement team provides a shared service across all Council activities supporting strategic communications, engagement, online, design, media and public information. We support township planning, customer services, event approvals and community development funding, all aimed at connecting with our communities and supporting local aspirations.

The Māori Partnerships function supports staff across Council to work effectively with tangata whenua by providing practical tools, guidance and frameworks. The team also leads and maintains key relationships with whānau, hapū and iwi, supporting strategic partnerships and ensuring Māori perspectives are embedded in planning, policy and decision-making.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year

Social media:

Followers **30,749**

Views **9.7m**

165 In-person hui

994 Submissions/ feedback collected

977,162 website views

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
Communications and Engagement			
	Improving website functionality	Explore options to improve the functionality of our official Council website and make continuous improvements	Council completed website upgrades between May and July 2026, improving accessibility, search indexing, online forms, AI-enabled features and content quality. The website received close to one million page views, while active users increased by 26.27% to 243,603. Most viewed pages included rainfall data, road information, river webcams, Kiwa Pools, the Council meetings calendar and election results.
	Ensuring effective public engagement	Monitoring public engagement and regularly reviewing and evaluating the outcomes of our engagements. Regularly checking in with the community about our engagement activities to ensure we are getting things right and meeting their needs and/or providing enough opportunities for them to engage with us. Ensuring that our communications and engagements reach deeper into our community and are inclusive.	Council delivered people-centred, accessible and timely engagement through digital and face-to-face channels, including an award-winning local elections campaign. Social media generated close to 10 million views, Antenno reached 751 installs and received 1,435 reports, and 53 Participate projects attracted 14,263 visitors and 994 contributions.
Culture and Development			
	Anti-racism policy audit	Undertake an anti-racism policy audit.	The Piritahi Tairāwhiti Policy has been reviewed and updated in response to the Anti-Racism Policy Audit. The original and amended policies will be shared with Te Kāhui Patu Kaikiri for final feedback, concluding their involvement in this kaupapa.
		Annual staff surveys for internal feedback.	We've transitioned to a new staff feedback tool provided by the Institute of Strategic Leadership. The tool enables more regular feedback, supporting managers to identify improvements, address emerging issues and maintain ongoing conversations with their teams.
Customer Services			
	Customer Service Promise	Embed the Customer Services Promise (CSP) through the organisation.	Initiatives through the Quality Improvement Circle continue to be progressed with tangible results in the reduction in longstanding Requests for service (RFS).
Rural Townships Kaitiaki			
	Rural township upgrades – BOF	This project has a particular focus on constructing new footpaths within Mātāwai, Ruatōria, Te Karaka and Wharekahika as well as installing safety crossings in Ruatōria, Tikitiki, Te Araroa, Wharekahika and Mātāwai.	Raised pedestrian crossings and footpath improvements have commenced in Tikitiki, Rangitukia and Te Araroa. Planning and design are also underway for new footpaths in Ruatōria and Mātāwai. All Better Off Funding projects are expected to be completed by February 2027.
	Rural township upgrades	Over the next 3 years, Council aims to work in partnership with two rural communities annually. The purpose of this project is to support communities to realise and implement their aspirations for their township upgrade through contracted engagement and the development and completion of township plans. This project aims to support infrastructure upgrades within each community as deemed as priorities by the community for the community.	Township upgrades are progressing across the district. Funding is being sought to complete the Pātūtahi playground, while planning continues for playground improvements in Te Karaka and Te Puia Springs. Manutūkē is deciding its upgrade priorities, and Tokomaru Bay projects, including a water collection station, traffic-calming measures and memorial upgrades, are on track to be completed by June 2027. Community discussions are also planned for Muriwai and Wharekahika.

Community outcome/s	Projects	Initiatives	How we are going
Recovery			
	Community recovery	Coordination of the regional recovery for Tairāwhiti, facilitating planning and prioritisation through engagement with our community and partnering with Iwi, community leaders, Central Government and agencies and community groups to provide support to delivery of recovery efforts.	Council actively prioritises engagement with community, hapū and iwi as core to recovery decision-making, embedding mana whenua at governance and operational levels. Following Tropical Depression 5F, Council strengthened this approach to lead cumulative, multi-event recovery for Ngāti Porou communities. Council co-developed the TD5F Recovery Plan – Matakaoa with Te Rūnanganui o Ngāti Porou, Trust Tairāwhiti, iwi and hapū, and continues resourcing community-led planning with the Wharekahika Māori Committee, Hinerupe Marae Trust and Punaruku/Matakaoa communities through dedicated recovery leads. Council has secured full funding of $27.6m for Te Karaka Flood Resilience, and continues prioritising mana whenua engagement on FOSAL land use for cleared Category 3 sites.
Māori Partnerships			
	Te Tiriti Compass implementation and organisational practice	Review and embed.	A desktop review of Te Tiriti Compass implementation was completed and findings were shared internally. It identified how the Compass is being used across planning, reporting and decision-making, together with areas requiring further support. The findings are informing continued development of Te Matapihi and the integration of engagement and capability work within the Strategic Māori Outcomes Framework.
	Treaty partner relationship stewardship	Review and support	The annual review of Council's relationship agreements was completed, with follow-up matters shared with the relevant Council leads. Māori Partnerships also supported iwi and hapū involvement in priority governance and operational work and connected identified partner priorities with relevant Council teams and programmes.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Council engagement efforts are of high quality and customised to meet community needs. Public engagement campaigns are designed to be impactful and achieve their specific objectives.					
✓ Percentage of customers satisfied with the helpfulness of Awarua front desk staff, as measured by the annual survey.	**Increase over previous year**	64%	69%	73%	Target met.
We are committed to fostering meaningful and effective partnerships with tangata whenua, aiming for their sustained engagement and influence in shaping the future and decisions of the region.					
✓ Review the implementation of the Te Tiriti Compass across the organisation.	Year 1: Implement **Year 2: Review** Year 3: Review	New measure	Implemented	Review completed and organisational insights shared.	Target met.
✓ Support the annual review of relationship agreements with Treaty Partners.	**Full review annually**	New measure	Reviewed	Annual review completed and insights shared with relationship agreement leads.	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it	Progress against 3YP
Engagement and Māori Partnership		
Inaccurate information about Council activities can affect public understanding and trust.	Provide clear, timely, and accurate information.	Initiated 2025/26 strategy initiating more regular communication through online and in person channels to provide correct, quality information and build relationships.
Delayed communication leads to communities feeling poorly informed.	Ensure communications are regular, consistent, and proactive.	Improved internal capability and co-ordination through implementation of 2025/26 strategy, reviewed team structure and internal guidance.
Communities feel they have not been adequately consulted on Council decisions or activities.	Engage early in the planning and decision-making process.	Reviewed engagement methodologies to ensure cultural grounding and alignment with Te Tiriti o Waitangi.
Lack of internal capacity to support implementation of Māori strategy.	Include partnership and engagement intent in activity management plans, with appropriate resourcing.	Implemented partnership goals and performance metrics to encourage best practice aligned with Te Tiriti o Waitangi.
Limited capacity within the Māori Partnerships team.	Apply strategic planning and prioritisation. Some projects may not be supported.	Strategic planning and prioritisation applied. Some projects were not supported.
High community expectations versus budget constraints.	Community Groups prioritise short-term aspirations, which are supported through Township Upgrade funding. Medium- and long-term goals are included in each Township Plan to guide future funding applications as opportunities arise.	Community leads are introduced to Philanthropic funders and are supported to submit funding applications to achieve aspirations when Council's available budget is exhausted.
Unavailability of qualified, SHE-approved suppliers.	Community Groups identify suitable SHE-accredited suppliers during Township Plan engagement. Local suppliers are invited to participate in an Expressions of Interest (EOI) process.	The programme now utilises small – medium community-based contractors to undertake upgrade works. Where contractors do not meet SHE accreditation, they are engaged with a local provider to help them to complete and submit the relevant SHE paperwork for approval and accreditation.

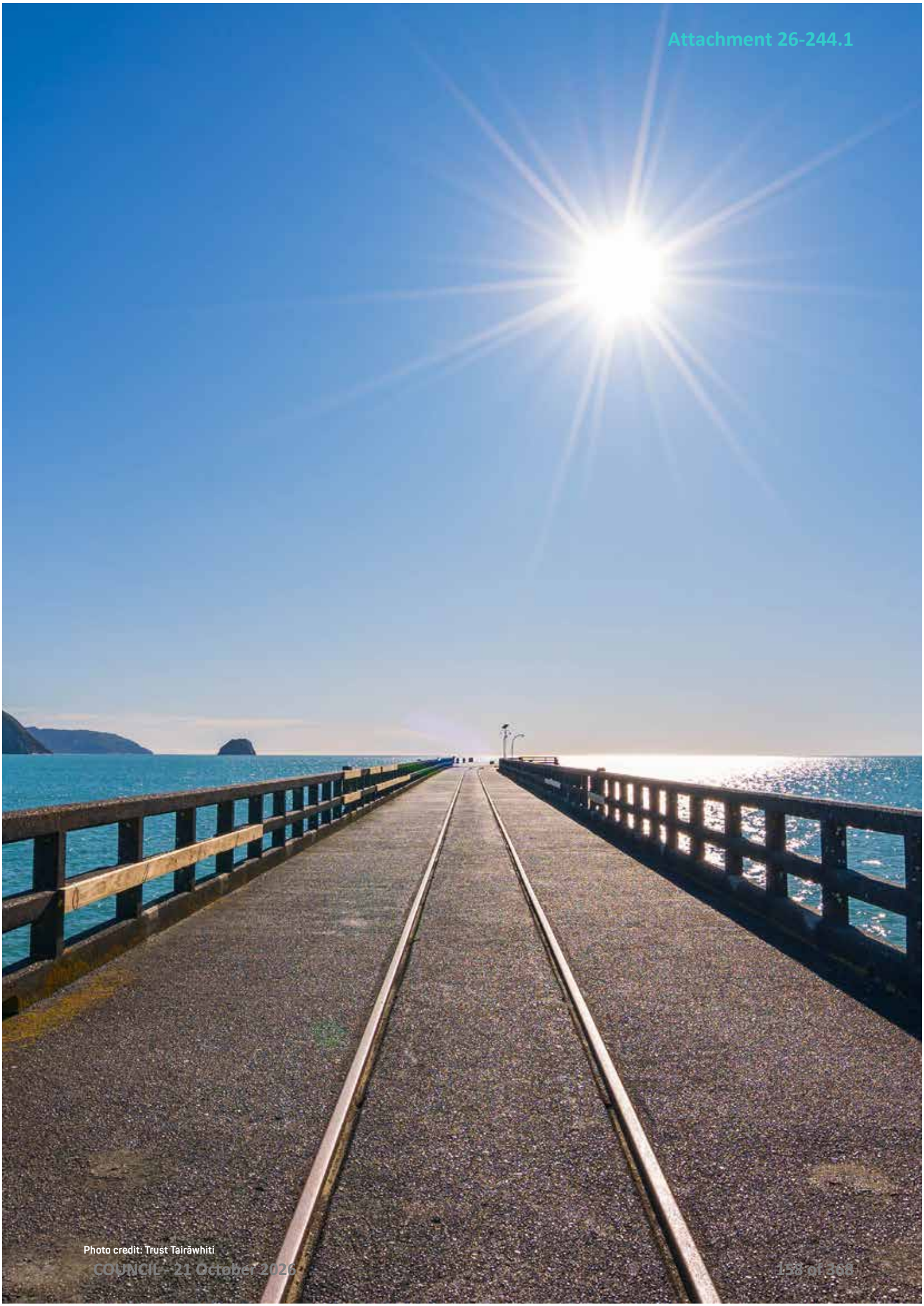
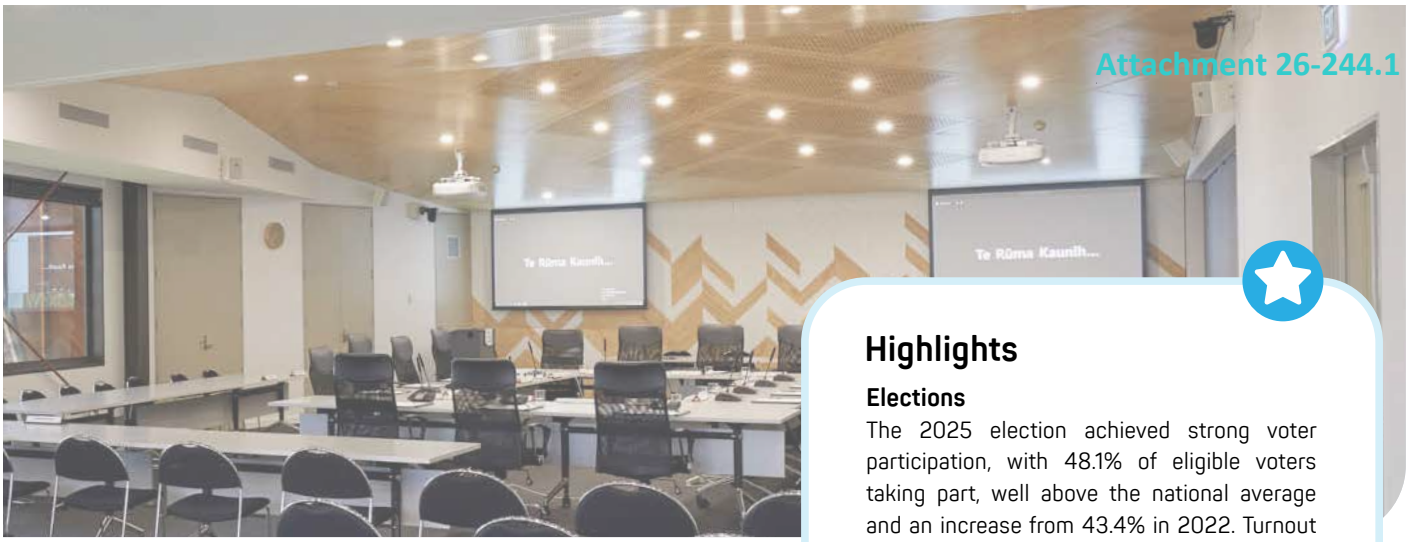


Photo credit: Trust Tairāwhiti



Highlights

Elections

The 2025 election achieved strong voter participation, with 48.1% of eligible voters taking part, well above the national average and an increase from 43.4% in 2022. Turnout reached 50.3% in the General Ward and 43.8% in the Māori Ward.

Governance and Democracy

What we do

This activity supports open and effective local democracy by providing governance support, delivering elections and civic events, managing official information and privacy requests, and ensuring Council meets its legal responsibilities. It also supports good decision-making, partnerships with Māori and key organisations, advocacy on national issues, and oversight of Council assets and Council Controlled Organisations.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	2025 Local Elections	Manage and deliver the 2025 Local Elections.	The 2025 election achieved strong voter participation, with 48.1% of eligible voters taking part, up from 43.4% in 2022 and well above the national average. Turnout reached 50.3% in the General Ward and 43.8% in the Māori Ward. The community also voted to keep Māori wards, with 9,904 votes in favour and 5,704 against, proving dedicated support for inclusive and representative local leadership. Community-focused engagement helped increase awareness and participation, with lessons identified to strengthen future election campaigns.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year



49 Council and committee meetings

5 Citizenship ceremonies

16 Workshop

52 Number of LGOIMA requests received and responded to

Community outcome/s	Projects	Initiatives	How we are going
	Our meeting and reporting processes ensure our community is informed and enabled to participate in Council decision-making	Agendas are publicly available within legislated timeframes. Reports are easily read and understood, and the decision-making process is transparent.	Council and committee agendas continued to be published within legislative timeframes. The latest NZIER quality review found report quality returned to previous high levels, with consistently well-written, easy-to-read papers, stronger risk analysis, and good summaries. The review also identified further opportunities to strengthen options analysis.
	Council and Committee reports consider climate change and the changing needs of our communities	Decision making considers climate change, elected members are better informed regarding the impacts of climate change, and our organisation is more able to respond to its effects.	The 2025 quality review of reports carried out by NZIER showed that Climate Change considerations are included in reports as a matter of course, but that the depth of the analysis varied. Climate change considerations are now a standard part of the report template that staff are required to use.
	Council and Committee decisions are reflective of our Iwi and Hapū aspirations and include mātauranga Māori and a te ao Māori lens	Council and committee decisions incorporate te ao Māori, mātauranga Māori and te reo Māori.	The Te Tiriti o Waitangi Compass continues to embed Te Tiriti principles into Council decision-making, with Te Ao Māori and mātauranga Māori considerations now a standard part of all Council reports. The 2025 and 2026 NZIER quality reviews recognised the strength and innovation of Council's Treaty analysis, supporting its commitment to being a responsive Treaty partner.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Effective systems and processes support two-way communication between elected members and the community.					
Percentage of the community who agree that decisions made by Council represent the best interests of the community as found in the annual survey.	**30%**	27%	31%	31%	Target met.
Percentage of community members who know how to contact a councillor as per the annual survey.	**Increase over the previous year.**	New measure	32%	51%	Target met.
We manage the LGOIMA requirements for meetings, agendas and official information requests and complaints to the Ombudsman.					
Agendas for meetings (other than extraordinary meetings) of Council and committees are publicly available at least two working days before advertised meetings.	**100%**	100%	100%	100%	Target met.
Number of complaints upheld by the Ombudsman.	**0**	1	0	0	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage it
Breaches in legislative time frames under the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987 resulting in complaints to the Ombudsman.	Legislative timeframes are embedded in internal processes and closely monitored to ensure compliance and timely access to information for the community.

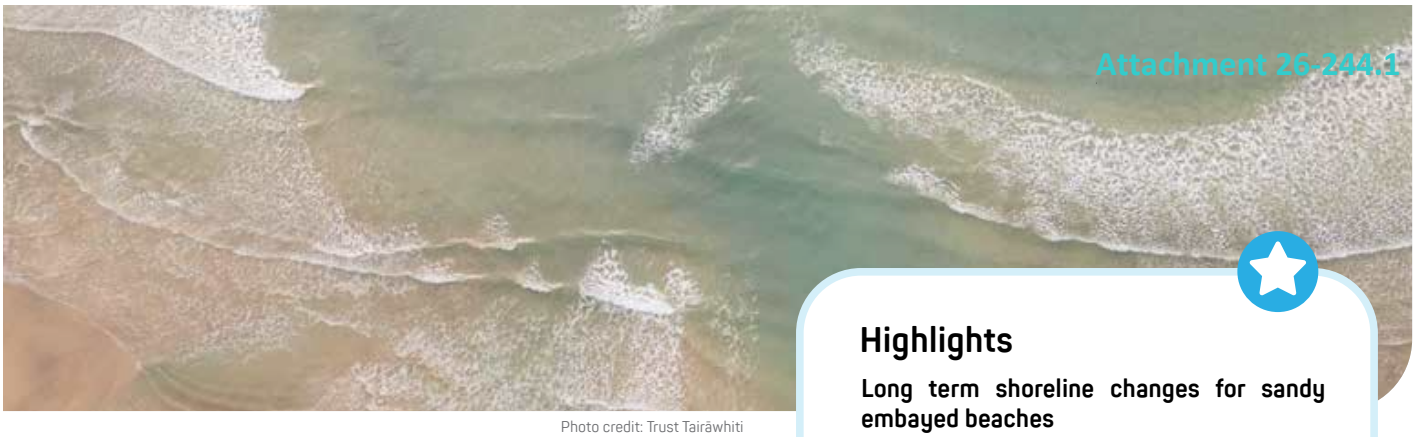


Photo credit: Trust Tairāwhiti

Science

What we do

This activity includes Environmental Science and Environmental Monitoring. The teams monitor freshwater, air, soil, and the coastal marine area, and carry out research to improve understanding of our natural ecosystems. They also provide scientific and technical expertise to support strategy, consenting, compliance, emergency management, and other functions across Council.

We do this work to protect and maintain the natural environment of Te Tairāwhiti, and to build a stronger understanding of our region's ecosystems and natural hazards.

Highlights

Long term shoreline changes for sandy embayed beaches

We have calculated the long-term shoreline changes (erosion, accretion) for 18 sandy beaches in Tairāwhiti utilising the NZ Coastal Change dataset.

State of the Environment report 2025

Three new water quality data loggers were added to expand our regional monitoring network and support better environmental insights.

Coastal recreational water quality results

Swimming suitability at 21 monitored coastal water quality sites have been calculated for the 2020-2025 period.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Bore drilling and renewals	Complete bore drilling in the Poverty Bay flats area and renewals to existing bore monitoring sites.	Equipment has been purchased to install new telemetered dataloggers at four bore sites, and five urban bores have been drilled and fitted with telemetered dataloggers.
	Groundwater Monitoring Devices	Install/update measuring devices into new/existing bores to monitor groundwater quality and levels.	Installation and upgrades of measuring devices in new and existing bores to monitor groundwater quality and levels were completed in 2024/25, with no funding allocated for this work in 2025/26.
	Air quality and noise monitoring equipment	Install monitoring equipment to measure air quality and noise.	Monitoring instruments are operating within expected parameters.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year

3739 Water quality samples collected

46,281,902 Telemetered data points collected

79 Biomonitoring sites monitored under ecology programme

Community outcome/s	Projects	Initiatives	How we are going
	Telemetry and Hydrological equipment	Update/replace telemetry and hydrology equipment.	Telemetry and hydrology equipment upgrades and renewals have progressed, including the installation of new water level sensors, rain gauges, webcams and dataloggers. Added equipment purchased through the Flood Resilience Project includes a river gauging (survey) boat, thermal imaging drone, satellite and digital radios, and deployable flood barriers to strengthen monitoring and emergency response capability.
	State of the Environmental (SOE) reporting	Continue State of the Environment (SOE) monitoring programme and prepare and complete the five-yearly SOE report (2025/26).	Annual monitoring programmes were delivered across groundwater, river, coastal and recreational water sites. This included research for the five-yearly State of the Environment (SOE) Report.
	Tairāwhiti Resource Management Plan (TRMP) evidence base	Provide scientific research and evidence to support planning for and management of freshwater coastal-marine area, land and soils, natural hazards, historic and cultural heritage, outstanding natural landscapes, features and seascapes, natural character of the coastal environment, coastal environment line, and indigenous biodiversity.	The following research was completed: • State and trend of coastal water quality (2026) • Annual estuary monitoring • State of air quality 2024 • Identification and distribution of freshwater pest species (eDNA) • Regional wetland mapping (Waimatā catchment) • Freshwater temperature and dissolved oxygen monitoring review • Mean bed level changes of the Tapuaeroa River • Mean bed level changes of the Waiapu River • Annual gravel grain size monitoring in Waiapu catchment.
	Improve groundwater knowledge base and monitoring.	Review state of existing groundwater monitoring infrastructure and monitoring frequency of groundwater bores and review existing trends or gaps in data.	Annual inspections of selected Council-owned groundwater monitoring bores were completed, with identified issues fixed.
	Deliver the annual projects described in the Science Programme/Plan	A series of research projects to improve our knowledge and understanding of water, soil, freshwater and coastal environments.	Research completed during the year included the State and Trend of Coastal Water Quality (2026), Annual Estuary Monitoring, Long-term Shoreline Changes for Sandy Beaches, the Annual Crop Survey, State of Air Quality 2024, the State of the Environment Report, Identification and Distribution of Freshwater Pest Species (eDNA), Mean Bed Level Changes of the Tapuaeroa River, Mean Bed Level Changes of the Waiapu River, and Annual Gravel Grain Size Monitoring in the Waiapu Catchment. This work also included the series of projects delivered under the Tairāwhiti Resource Management Plan (TRMP) Evidence Base programme.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
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 and Tairāwhiti section of Land, Air, Water Aotearoa (LAWA) websites.	**30,000**	115,108	60,364	111,359	Target met.

Measure	Target	2024	2025	2026	Commentary
We will collect, analyse, and report environmental information under the requirements of the RMA (1991).					
Undertake and report weekly monitoring of freshwater and coastal bathing water sites throughout the bathing water season.	**95%**	100%	99%	99%	Target met.
For highly productive land, undertake soil surveys for the five land use types in Tairāwhiti. To ensure the scientific evidence is robust, thirty surveys per land use type will be required.	**50**	30	Not measured	Not measured	Not measured due to the limited availability of a soil scientist in a competitive market to deliver the work programme. Alternative delivery options were explored but were not feasible.
The percentage of freshwater attributes monitored as required by the National Policy Statement for Freshwater Management (2020) in locations determined by Council and the community.	**90%**	80%	90%	90%	Target met.
The percentage of attributes monitored as required by the New Zealand Coastal Policy Statement (2010).	**15%**	17%	33%	33%	Target met.

Significant effects of delivering this activity

Potential negative effect	How we manage them	Changes in 2025/26
Disasters or cyclones may destroy or disrupt monitoring sites, equipment, or access to them.	We maintain backup power supplies and use webcams to support remote monitoring. We apply good judgement and seek guidance from leadership when cyclones devastate parts of our region to ensure sensitivity is shown.	Tropical depression 5F limited access to the northern region to complete state of the environment monitoring.

Recovery and resilience

Flood resilience project (flood forecasting)

This $1.45 million flood resilience project was completed on time, by 31 December 2025. It added communication resilience to our flood warning network, completed site upgrades at two critical flood warning sites on the Waimatā and Waipaoa rivers, and added new data and reporting products to the flood forecasting models.

Strategic Policy and Planning

What we do

We develop and review the strategies, policies, plans, and bylaws that guide Council's direction, decision-making, and investment. Our work ensures everything Council does is aligned with community aspirations, legislative requirements, and long-term wellbeing goals.

We provide the policy foundations for managing natural and physical resources, planning infrastructure, responding to major government reforms, and supporting climate action. This includes leading the review of the Tairāwhiti Resource Management Plan and integrating new freshwater planning requirements. We also support meaningful engagement with iwi, stakeholders, and the wider community.

By offering evidence-based advice and anticipating shifts in legislation, we help Council stay future-focused, transparent, and consistent in its approach.

Highlights

Urban Plan Change 6 (UPC6)
Work progressed on UPC6 to enable more homes in safe, well-serviced locations and support city centre revitalisation. A ministerial exemption was granted in February 2026, followed by consultation and preparation for further submissions.

Alcohol Control Bylaw review
The updated Alcohol Control Bylaw came into effect on 1 October 2025, introducing new alcohol ban areas around the City Centre and Kaiti, alongside existing alcohol ban areas across the district.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Tairāwhiti Resource Management Plan (TRMP) (including freshwater planning)	Finalising work under Phase 1 of the review work programme - notifying plan changes for freshwater, regional policy statement, forestry, and urban development. Starting work on Phase 2 plan review.	An August 2025 RMA Amendment Act introduced 'Plan Stop' rules, which prevent councils from notifying new plan changes or reviews until 31 December 2027 unless an exemption is granted. The intent of this is to stop most plan work while Central government is replacing the RMA with a new Planning Act and Natural Environment Act. Council applied for two exemptions to progress priority plan changes under the Plan Stop rules. Urban Plan Change 6 (UPC6) has received a Ministerial exemption. UPC6 was notified this year and submissions closed at the end of May 2026.

Snapshot

Here's a snapshot of what this activity delivered across Tairāwhiti this year

7 Council-adopted policies reviewed and updated

37 Reports authored or co-authored for council

30 Reports peer-reviewed for other teams

2 Plan changes currently in development

Community outcome/s	Projects	Initiatives	How we are going
	Climate change response	Progressing evidence base for both organisational and regional Emissions Reduction Plans (ERP) and adaptation planning processes.	Council has completed baseline greenhouse gas emissions measures for the organisation and region, providing a stronger evidence base for future climate planning. An organisational Emissions Reduction Plan has also been developed, with further work underway to support regional mitigation and adaptation planning.
	Development Contributions review	In depth review of the policy and growth projects needed - aligned with development of our 2027-2037 Long Term Plan.	Due to the Government's planned introduction of development levies to replace development contributions from 1 July 2028, a full review of the DCP will not be undertaken for the 2027 LTP. Development contributions can continue to be charged until 2030, from that time forward development levies become the only mechanism. A limited DCP review is underway for the 2027 LTP, focusing on updated growth projections, project updates and recalculations, and alignment with relevant settings. The planned timeframes for updating the DCP are based on the LTP process.

Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Council has a clear, rigorous, and current suite of strategies, plans and policies across the range of Council activities including resource management, infrastructure, and social and economic development.					
All plans under development and review meet national directions and statutory timeframes for notification (where applicable).	**Achieved**	Achieved	Achieved	Not measured	Not measured. Several actions in the Strategic Framework Register are currently paused due to plan-stop requirements and other legislative changes.
Our decision-makers are provided with credible and robust advice on which to make decisions.					
Percentage of Strategic Planning sample reports meet a threshold of good to high quality (e.g. marked between 7-10 out of 10) when independently assessed annually.	**80%**	67%	85%	100%	Target met.

Recovery and resilience

Transport planning

Translating the outcomes of the Strategic Roading Network Resilience Programme Business Case (SRNRPBC) into the development of the 2027–2037 Regional Land Transport Plan (RLTP), ensuring resilience priorities are embedded within a strategic, evidence-based and fundable investment programme.

Accessibility and Inclusion Partnership – TPAT and Disability Rōpū project

The ongoing highlighting of voices and lived experiences of people with disabilities into Council's long-term planning to help shape a more accessible, connected and inclusive Te Tairāwhiti for current and future generations.

TRMP plan review and Te Ara Hou

Consolidation of natural hazards evidence across Council teams underway to inform the next steps for ensuring updated knowledge is reflected in UPC6 and can be used under the new planning system.

Support Services

What we do

Our support services enable the wider organisation to function effectively and deliver on its commitments to the community. These teams provide the financial, legal, digital, people-focused, and safety-related foundations that underpin all Council activities.

Finance and Performance

We manage Council's finances, risk, and organisational performance. This includes statutory financial services, rating, internal audit, and corporate planning. Our work ensures Council remains financially responsible, accountable, and transparent while continuously improving how we plan, measure, and report on our performance.

Health, Safety and Wellbeing

We support a positive, proactive health and safety culture across Council. Our focus is on embedding safe, everyday practices and empowering staff and contractors to manage risk effectively. We ensure compliance with health and safety legislation while promoting overall wellbeing.

Information Services

We provide the technology, systems, and digital expertise that support effective service delivery and decision-making. Our team enables the responsible management of Council's data and information, ensuring we meet our legal obligations while improving efficiency and access across the organisation.

Legal Services

We provide in-house legal advice to support informed, legally sound decision-making across Council. Our work helps ensure statutory compliance and protects the organisation's interests in a complex and evolving legal environment.

People and Capability

We attract, support, and develop the people who deliver Council's services. Our work includes recruitment, retention, wellbeing, leadership development, and organisational change. We help ensure our teams are equipped to serve the community and deliver outcomes aligned with Council's strategic goals.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Provide financial support across Council hubs and activities	Support the effective and efficient running of day-to-day transactional accounting for Council operations. Explore financial business improvements across Council.	Ongoing work to ensure financial processes are efficient and support Council operations. Opportunities for business improvements are being identified and assessed.
	Carry out internal audit and risk management activities	Provide independent assurance that Council's risk management, governance and internal control processes are operating effectively.	Internal audit activities are progressing, with a focus on key risk areas. Risk management processes continue to be embedded across Council.

Snapshot

These services support the day-to-day operation of Council and help the organisation deliver effectively for Tairāwhiti.

Support the effective and efficient running of Council

Continuous review and improvement of Council's services

Help embed safe business-as-usual practices

Community outcome/s	Projects	Initiatives	How we are going
	Statutory corporate planning and reporting documents	Management, preparation, design and delivery of statutory corporate planning and reporting documents legally required under the Local Government Act 2002 (LGA) e.g. the Three Year Plan, Long Term Plan, Annual Plan, Annual Report and Pre-election Report; the Environmental Scan, Significant Forecasting Assumptions and prioritisation criteria; and supporting community engagement and consultation processes.	Council continued to deliver its statutory planning and reporting programme, including completion of the 2025/26 Annual Plan and progression of the 2027–2037 Long Term Plan. This work supports informed decision-making, transparency and alignment of Council priorities, investment and performance.
	Manage the local government funding support package of $204m for recovery related works	Manage the funds received and optimise the best use of external funds, particularly as they relate to recovery.	Funding is being tracked and allocated to support recovery projects, ensuring financial oversight and alignment with planned recovery efforts.
	Source and apply for additional funding	Seek additional funding to support Council activities and projects from a variety of sources, including Philanthropic Trusts, Central Government, Gaming Trusts, Companies, Individuals/Groups.	External funding remains a key focus, with efforts ongoing to identify opportunities and submit applications in support of Council projects and programmes. Despite a constrained funding environment, work continues to align applications with shifting priorities and available funding streams.
	Shared Service arrangement audits	Continue to audit Shared Services and Better Buying arrangements to identify opportunities and benefits for Council.	Reviews focus on achieving cost savings, reduced administrative overheads, and improved value for money.
	Business Continuity	Maintain and improve Council's crisis management and business continuity arrangements in accordance with the Business Continuity Management Policy. This includes reviewing critical services, dependencies, recovery requirements and organisational readiness.	An independent review of Council's business continuity arrangements is underway. Business impact assessments have been completed across the organisation, and updated business continuity and crisis management plans will be in place early in the new financial year. Fuel disruption planning has also tested Council's response, priority services, and key dependencies during a real event.
	Strategic Risk Management	Identify, assess, treat, monitor and report Council's strategic and enterprise risks in accordance with the Risk Management Policy and Framework. Maintain Council's risk appetite settings and strengthen risk, control and assurance practices across the organisation.	Strategic and enterprise risks continue to be monitored and reported quarterly to the Audit & Risk Committee. No residual risk ratings changed in the June 2026 review, although pressures from affordability, reform, fuel costs, service delivery, and infrastructure have increased. A three-year risk work programme has been developed, assurance mapping has begun, and Council's risk appetite will be updated early in the new financial year.
	Health, safety, and wellbeing – recovery support	Ensure contractor engagement and management processes remain effective and verification and assurance processes are robust.	We strengthened contractor assurance through verification checks, reviews, and audits to support contractor competency and compliance. Findings from the Health and Safety Reset programme and the IMPAC Independent Health and Safety Audit informed improvements to contractor management and assurance processes.

Community outcome/s	Projects	Initiatives	How we are going
	Staff wellbeing	Support Council workers health and wellbeing with the introduction of initiatives and formulation of a wellbeing group.	We strengthened worker wellbeing through workshops, employee engagement activities, Health and Safety representatives, wellbeing initiatives, and the introduction of Tellus Health as its Employee Assistance Programme. Wellbeing is now aligned within the People and Capability function, supported by Health and Safety, to provide a coordinated and sustainable approach across the organisation.
	Culture	Develop a health and safety culture and accountability across Council teams, while ensuring compliance under health and safety legislation.	We continued to strengthen our health and safety culture through the Health and Safety Reset programme and improvements from an external audit. Increased focus on leadership accountability, worker participation, risk management, and health and safety reporting strengthened health and safety ownership across Council while supporting legislative compliance.
	Existing core hardware renewal	Continually supply new staff with Information and Communication Technology (ICT) hardware and replace Council's ICT hardware as components reach end of life.	Core network and firewall hardware was renewed, with staff hardware continuing to be replaced as equipment reaches the end of its life.
	Software renewals and upgrades	Where software is partly or wholly a Council asset, this project ensures that software is renewed or upgraded to ensure it is fit-for-purpose.	Software renewal and upgrades continued where required to keep systems fit for purpose, with renewal efforts ongoing in the few cases where they are needed.
	New IS supported software	Where software is partly or wholly a Council asset, this project ensures that new software is implemented.	A new system was jointly developed to manage infrastructure-related work orders.
	Digitisation of records	Continue to create high quality digital versions of paper records.	Digitisation is more than 75% complete, with work continuing to modernise Council systems and services.
	Enterprise Solutions	Continue to implement the upgrade of Council's core software.	Work continued on a major software upgrade, with this year's focus on supporting Building Services, Consents, and Monitoring and Compliance operations.
	Tairāwhiti Resource Management Plan (TRMP) review	Provide Information and Communication Technology (ICT) and Geographic Information System (GIS) support to the TRMP review efforts.	Support continued for planning teams, with work now focused on preparing for the implementation of the Resource Management Act replacement legislation progressing through Parliament.
	Recovery	Provide Information and Communication Technology (ICT) and Geographic Information System (GIS) support to the Recovery team.	ICT and GIS support continued to assist the Recovery team in delivering recovery programmes.
	Business analytics	Develop and enhance information solutions applied to Council's data to support operational and strategic decision making.	Work continued to improve data accessibility, reporting capabilities, and analytical tools to support operational and strategic decision-making.
	Legal request system	Develop and implement a new legal request system to increase efficiency and enable legal support to be managed with greater alignment to the organisation's strategic values.	A new legal request system was successfully implemented to improve efficiency and better align legal support with Council's strategic priorities.
	Legislative compliance framework	Develop and implement a legislative compliance framework to provide assurance as to the organisation's legislative compliance.	Development of the legislative compliance framework has been deferred due to budget constraints.
	Recruitment and retention	Develop and implement a comprehensive recruitment and retention strategy and policy.	The Recruitment and Retention Strategy has been completed and integrated into the broader People & Capability Strategy.

Community outcome/s	Projects	Initiatives	How we are going
	Induction	Conduct a thorough review of the current induction process.	The employee induction process was reviewed and enhanced, with improvements implemented to strengthen the onboarding experience for new employees. The induction programme is now continuously reviewed and updated as organisational needs, systems, and processes evolve, ensuring it remains current and effectively supports new employees to integrate into the organisation.
	Organisational Development	Create a framework aligned with our values and leadership to support recruitment, performance reviews, and management processes.	A review of key frameworks will be incorporated into the Organisational Development Strategy.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Non-Exchange Transactions	6,283	2,946	3,337	9,638
Revenue From Exchange Transactions	9,447	1,748	7,699	9,096
Expenses	54,680	44,958	(9,723)	60,097
Net Cost of Service	**38,951**	**40,264**	**1,313**	**41,363**
Capital Expenditure				
Capital Projects	**12,045**	**5,691**	**(6,353)**	**17,036**

What was different from the budget

1 Revenue from non-exchange transactions was $3.3m above plan, driven by additional grant income related to FOSAL category 2P housing lifting. The grants were awarded after the adoption of the Annual Plan.

2 Revenue from exchange transactions was $7.7m above plan, primarily driven by a $6.2m accounting gain recognised from the fair value movement in the concessionary loan, together with dividend received. Council was awarded as part of the FOSAL and Cyclone Gabrielle response, a $30m concessionary loan at zero interest for a period of 10 years.

3 Expenditure was $9.7m above plan, primarily due to additional costs associated with FOSAL category 3 voluntary residential relocation grants and FOSAL category 2P house lifting, as noted above. Additionally, $7.8m accounting loss for the category 2 house lifted noted above. Additionally, there was a $3m accounting loss for the FOSAL category 3 voluntary property buyouts. This represents the difference between the purchase price of the properties and their written down value following cyclone damage.

4 Capital expenditure was $6.3m above plan largely due to FOSAL category 3 voluntary property buyouts.

Ngā Mahinga Arumoni
Commercial Operations

What we do

Council's commercial operations generate non-rates revenue to support capital investment and ease pressure on ratepayers. Most are managed through Gisborne Holdings Limited (GHL), a 100 percent Council-owned company.

GHL oversees property holdings, a large accommodation business, and significant farming operations. Its portfolio includes commercial and rental properties, development projects, the Waikanae Beach TOP 10 Holiday Park, and Tauwharepārae Farms Ltd, which manages over 11,500 hectares of land inland from Tolaga Bay.

Council also owns several semi-commercial assets that provide social or strategic value. These include 120 community housing units for residents aged 55 and over, Gisborne Airport as a key regional connector, and forestry assets for erosion control and water protection.

This mix of commercial and semi-commercial operations balances financial return with long-term community benefit, contributing both income and resilience to Council's wider work.

Progress on the Three Year Plan

Community outcome/s	Projects	Initiatives	How we are going
	Review of Council's group investments	Review Council's group investments and alignment for a best-for-region approach.	Development progressed at the Tolaga Bay campground site and it opened in the summer of 2025/26. Asset sales have progressed with the sale of two properties with several more sales transactions in progress.
	Climate change adaptation plans	Formulate climate change adaptation plans for Council's investment assets.	GHL began measuring greenhouse gas emissions across the Group for the year ended 31 March 2024. Emissions are reported in two categories: FLAG (Forestry, Land and Agriculture) and Non-FLAG. A 2020 baseline was established for FLAG emissions to track future progress. GHL plans to reduce FLAG emissions by improving stocking rates and expanding production forests. To reduce Non-FLAG emissions, GHL is increasing staff awareness, introducing hybrid vehicles, completing electricity audits to improve energy efficiency, purchasing renewable electricity certificates, investigating solar energy to replace gas, and finding ways to reduce on-farm diesel use.
	Future transfer of assets between Council and Gisborne Holdings Ltd (GHL)	Consult, evaluate and decide on future transfer of assets between Council and GHL.	A longer lead-in period has been agreed for future asset transfers, with decisions subject to the development and approval of supporting business cases. Transfers are expected to begin from 2028.



Our levels of service and how we measure progress

Measure	Target	2024	2025	2026	Commentary
Council's main investment vehicle is its Council Controlled Trading Organisation (CCTO), Gisborne Holdings Limited (GHL). GHL is 100% owned by Council. GHL manages Council's commercial operations and distributions flow directly to Council to help provide for capital works and minimise demands on ratepayers.					
Improve the investment return level in order to grow the return from 2% of Council revenue to 4%.	**2% to 4%**	0.8%	1.2%	4.1%	Target met.
Percentage of customers satisfied with the standard of accommodation and services as found in our annual inspection survey.	**95%**	98.2%	92.6%	98%	Target met.
Rent as a percentage of market-rate (lower quartile) not to exceed 90%.	**Achieved**	Achieved	Achieved	Achieved	Target met.

What it cost

Operating revenue and expenditure	Actual 2026 $000s	AP 2026 $000s	Variance favourable/ (adverse)	Actual 2025 $000s
Revenue From Exchange Transactions	1,827	1,852	(25)	1,814
Expenses	2,244	1,919	(325)	2,069
Net Cost of Service	**417**	**67**	**(350)**	**255**
Capital Expenditure				
Capital Projects	**233**	**521**	**288**	**198**

What was different from the budget

1 Revenue from Exchange transactions aligns to budget.

2 Expenditure was $325k above the plan, driven by higher operating costs, primarily from increased repairs and maintenance.

3 Capital Expenditure is $288k below plan, some of which was offset by higher repairs and maintenance costs. Additionally, some capital expenditure for double glazing due to aligning installation to occur in the warmer months, will continue into the



Photo credit: Trust Tairāwhiti

Part 5

O tātau pūtea
Our finances

This section contains our audited financial statements, analysis of key variances and commentary on revenue, expenditure and net position.

Contents

Statement of compliance and responsibility....142
Statement of comprehensive revenue and expenses....143
Statement of financial position....144
Statement of changes in equity....145
Statement of cash flow....146
Statement concerning balanced budget....147
Statement of involvement in CCTO's and other companies....148
Notes to the financial statements....149
Funding impact statements....200

Additional information....214

Tauāki tautukunga me te kawenga
Statement of compliance and responsibility

Compliance

The Council and Management of the Gisborne District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, have been complied with.

Responsibility

The Council and Management accept responsibility for the preparation of the annual financial statements and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide a reasonable assurance as to the integrity and reliability of the financial reporting.

In the opinion of Council and Management, the annual financial statements for the year ended 30 June 2026 fairly reflect the financial position, results of operations and service performance achievements of the Gisborne District Council.



Rehette Stoltz
Mayor



Pauline Foreman
Chief Financial Officer



Nedine Thatcher Swann
Chief Executive

Tauāki moni whiwhi me ngā utu

Statement of comprehensive revenue and expenses

for the year ended 30 June 2026

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Note	Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		REVENUE FROM NON-EXCHANGE TRANSACTIONS				
59,418	59,418	Grants and Subsidies - Operational	4	33,115	44,465	44,494
63,617	63,617	Grants, Donations, Subsidies and Contributions - Capital	4	115,342	84,253	84,253
1,778	1,778	Other Non Exchange Revenue	5	1,984	2,289	2,289
30,459	30,313	General Rates And Uniform Annual General Charge	3	35,596	36,227	35,926
54,141	54,141	Targeted Rates (other than a targeted rate for water supply)	3	57,791	57,791	57,791
		REVENUE FROM EXCHANGE TRANSACTIONS				
1,698	1,698	Development and Financial Contributions	5	1,878	2,016	2,016
12,764	26,489	Other Revenue	5	14,935	15,540	24,980
3,025	2,879	Targeted Water Rates	3	3,565	3,744	3,713
316	7	Dividends	5	-	978	6
1,465	1,480	Interest Received	10	-	474	484
6,633	6,633	Other Finance Income	10	-	6,705	6,705
(246)	7,303	Other Gains/(Losses)	6	850	(183)	12,295
235,067	**255,755**	**Total Revenue**		**265,054**	**254,299**	**274,953**
		EXPENSES				
34,293	37,428	Employee Benefit Expenses	7	38,370	36,817	40,381
122,223	129,529	Expenditure on Operating Activities	9	90,873	111,172	115,590
30,262	31,348	Depreciation and Amortisation	8	32,857	32,194	33,337
10,575	11,138	Financing Costs	10	8,078	9,035	9,522
7,847	7,847	Loss on Recovery Property Buyouts and Disposal of Assets		-	3,573	3,573
205,200	**217,290**	**Total Expenses**		**170,178**	**192,791**	**202,403**
29,867	**38,465**	**Net Surplus before Taxation and Subvention Income**		**94,876**	**61,507**	**72,550**
629	-	Subvention Payment from GHL		350	350	-
-	1,743	Income Tax Expense	11	-	-	2,702
30,496	**36,722**	**Net Surplus after Taxation**		**95,226**	**61,857**	**69,849**
		OTHER COMPREHENSIVE INCOME				
(1,508)	(3,486)	Gains/(Losses) on Revaluations	27	68,751	2,360	2,360
(2,584)	(2,584)	Impairment reversal/(loss)	27	-	-	-
-	71	Deferred Tax on Revaluations	11	-	-	-
(4,092)	**(5,999)**	**Total Other Comprehensive Income**		**68,751**	**2,360**	**2,360**
26,404	**30,724**	**Total Comprehensive Revenue and Expenses**		**163,977**	**64,217**	**72,208**

The accompanying notes form an integral part of these financial statements. Please note there are small rounding differences due to the numbers being rounded to the nearest thousand dollar.

Tauāki tūnga pūtea

Statement of financial position

as at 30 June 2026

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Note	Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		CURRENT ASSETS				
(676)	210	Cash and Cash Equivalents	13	14,522	4,767	5,981
-	-	Term Deposits		-	-	-
12,708	12,708	Non Exchange and Other Receivables	14	28,945	19,681	19,681
31,178	30,814	Exchange Trade and Other Receivables	14	22,640	28,422	28,627
107	376	Inventories	15	104	90	271
206	206	Current Investments	16	711	1,246	1,246
-	-	Non-current Assets Held for Sale	18	694	-	1,506
-	-	Derivative Financial Instruments	17 & 29A	80	-	-
43,523	**44,314**	**Total Current Assets**		**67,695**	**54,206**	**57,312**
		CURRENT LIABILITIES				
386	386	Deposits Held	19	362	381	381
27,337	28,049	Trade and Other Payables	20	19,571	29,190	30,623
14,650	14,915	Income in advance		45,344	8,626	8,704
5,147	5,556	Employee Benefit Liabilities	21	4,032	4,929	5,300
20,000	20,000	Borrowings	22	10,000	73,100	76,700
479	479	Provision for Other Liabilities	23	560	465	465
147	147	Derivative Financial Instruments	17 & 29A	-	601	601
-	228	Taxation		-	-	1,099
68,146	**69,760**	**Total Current Liabilities**		**79,869**	**117,292**	**123,874**
(24,623)	**(25,447)**	**Net Working Capital**		**(12,174)**	**(63,086)**	**(66,562)**
		NON-CURRENT ASSETS				
2,894,745	3,005,302	Property Plant and Equipment	24	3,214,904	2,977,755	3,091,044
7,554	22,640	Intangible Assets	25	6,440	8,079	22,668
1,011	19,351	Biological Assets	26	924	1,022	18,697
37,750	5,796	Investments	16	35,911	38,162	6,210
-	-	Derivative Financial Instruments	17 & 29A	334	-	-
2,941,060	**3,053,089**	**Total Non-Current Assets**		**3,258,513**	**3,025,019**	**3,138,619**
		NON-CURRENT LIABILITIES				
171,831	179,860	Borrowings	22	217,090	153,379	160,216
105	104	Employee Benefit Liabilities	21	89	117	117
1,435	1,435	Provision for Other Liabilities	23	2,039	1,350	1,350
824	10,630	Emissions Trading Scheme Liabilities	25	812	824	1,083
-	5,904	Deferred Tax Liability	11	-	-	7,571
655	655	Derivative Financial Instruments	17 & 29A	-	458	458
174,850	**198,589**	**Total Non-Current Liabilities**		**220,029**	**156,128**	**173,203**
2,741,587	**2,829,053**	**Net Funds Employed**		**3,026,310**	**2,805,804**	**2,898,853**
		EQUITY				
577,014	583,810	Accumulated Surplus	27	763,606	639,354	654,134
55,403	55,403	Special Funds	27	32,330	56,380	56,380
2,109,170	2,189,840	Revaluation Reserves	27	2,230,375	2,110,070	2,190,747
2,741,587	**2,829,053**	**Total Equity**		**3,026,310**	**2,805,804**	**2,901,261**

The accompanying notes form an integral part of these financial statements.

Authorised for and on behalf of Gisborne District Council on 21 October 2026.



Rehette Stoltz
Mayor



Nedine Thatcher Swann
Chief Executive

Tauāki panoni tūnga pūtea

Statement of changes in equity

for the year ended 30 June 2026

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Note	Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		EQUITY OPENING BALANCES				
541,192	541,765	Accumulated Funds and Retained Earnings		656,039	577,014	583,806
60,718	60,718	Special Funds and Reserves		44,671	55,403	55,403
2,113,273	2,195,850	Revaluation Reserves		2,161,623	2,109,170	2,189,847
2,715,183	**2,798,332**	**Total Equity Opening Balance**		**2,862,333**	**2,741,587**	**2,829,056**
		CHANGES IN EQUITY				
5,326	5,326	Transfer (to)/from Special Funds and Reserves		12,342	483	483
26,404	30,724	Total Comprehensive Income		163,977	64,217	72,205
(5,326)	(5,326)	Transfer (to)/from Retained Earnings		(12,342)	(483)	(483)
26,404	**30,724**	**Total Changes in Equity**		**163,977**	**64,217**	**72,205**
		EQUITY CLOSING BALANCES				
577,014	583,810	Accumulated Funds and Retained Earnings	27	763,606	639,354	654,134
55,403	55,403	Special Funds and Reserves	27	32,330	56,380	56,380
2,109,170	2,189,840	Revaluation Reserves	27	2,230,375	2,110,070	2,190,747
2,741,587	**2,829,053**	**Total Equity Closing Balance**		**3,026,310**	**2,805,804**	**2,901,261**
2,741,587	**2,829,053**	**Gisborne District Council**		**3,026,310**	**2,805,804**	**2,901,261**

The accompanying notes form an integral part of these financial statements.

Tauāki rerenga moni

Statement of cash flow

for the year ended 30 June 2026

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Note	Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		CASH FLOW FROM OPERATING ACTIVITIES				
83,257	83,111	Receipts from Rates		90,950	93,840	93,539
17,797	31,329	Receipts from Activities		23,813	17,349	26,897
104,441	104,441	Receipts from Government Grants and Subsidies		148,740	124,064	124,079
1,465	1,480	Interest received		-	474	485
316	7	Dividends received		-	978	6
211	-	Subvention Payment received		350	700	-
(160,102)	(170,018)	Payments to Suppliers and Employees		(128,191)	(138,255)	(145,707)
(907)	(963)	Grants paid		(1,001)	(907)	(1,242)
(2,341)	(2,341)	Net GST paid		-	297	297
(8,157)	(8,726)	Interest paid		(8,085)	(8,127)	(8,608)
-	459	Income Tax paid		-	-	(166)
35,981	**38,780**	**Net Cash Flows from Operating Activities**	28	**126,577**	**90,414**	**89,579**
		CASH FLOW FROM INVESTING ACTIVITIES				
50	125	Sale of Property Plant and Equipment		850	157	1,752
-	-	Forestry Harvesting		-	-	-
-	-	Sale of Carbon Credits		-	-	4,687
20,000	20,000	Investments Matured		-	-	-
(95,297)	(96,923)	Purchase of Property Plant and Equipment		(163,212)	(122,874)	(129,762)
(1,688)	(1,688)	Purchase of Intangible Assets		-	(1,173)	(1,173)
(1,334)	(1,334)	Purchase of Investments		-	(1,452)	(1,452)
-	-	Forestry expenditure		-	-	(641)
(78,269)	**(79,820)**	**Net Cash Flows from Investing Activities**		**(162,362)**	**(125,342)**	**(126,589)**
		CASH FLOW FROM FINANCING ACTIVITIES				
20,061	18,768	Increase in Borrowings		35,784	40,371	42,780
20,061	**18,768**	**Net Cash Flows from Financing Activities**		**35,784**	**40,371**	**42,780**
(22,227)	(22,272)	**Net Increase/(Decrease) in Cash**		-	5,443	5,770
21,551	22,481	Cash at beginning of the year		14,522	(676)	211
(676)	**210**	**Cash and Cash Equivalents at Year End**		**14,522**	**4,767**	**5,981**

The accompanying notes form an integral part of these financial statements.

Tauāki hāngai ki te tahua taurite

Statement concerning balanced budget

for the year ended 30 June 2026

Council 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s
235,067	Operating Income	265,054	254,299
205,200	Operating Expenditure	170,178	192,791
629	Subvention Payment	350	350
-	Income Tax Expense/(Benefit)	-	-
30,496	**Net Operating Surplus After Taxation**	**95,226**	**61,857**
	LESS		
3,571	Capital Rates Income	4,986	4,986
63,595	Capital Grants and Subsidies	115,342	84,230
1,720	Other Capital Grants, Donations and Contributions	1,878	2,039
(12,887)	Operations funded by Reserve funds	(12,543)	(9,324)
	PLUS		
13,294	Depreciation not Funded	14,200	13,146
12,208	(Decrease)/increase in Council deficit	237	6,927
-	**Balanced Budget - Operating Income Agrees to Operating Expenditure**	**-**	**-**

The accompanying notes form an integral part of these financial statements.

Explanation of Council's balanced budget requirement

Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break-even). This is to ensure that there's access to enough funding to enable the services to continue to be provided long term. There are activities where this approach may not be practical or prudent due to the activity's long term nature or where the activity is partially funded by surpluses built up over time.

Tauāki whai wāhi i te taha o ngā CCTO's me ētahi atu kamupene
Statement of involvement in CCTO's and other companies

The Council has control of the following entities:

The Gisborne Disaster Relief Trust

The Trust has been established to provide a vehicle for the collection and distribution of funds in support of local disaster relief efforts. Council passed a resolution to exempt the Trust from Statement of Intent (SOI) reporting requirements under the Local Government Act 2002.

Achievements

The Trust received $15k, (2025 $1k) in donations to provide financial relief or assistance to people who have suffered damage or loss following the severe weather events in the Gisborne District. After paying and committing $322k, (2025 $24k) in grants, the Trust reported a liability of $86k, (2025 $403k) for unused donations.

Gisborne Holdings Ltd

This Council Controlled Trading Organisation (CCTO) comprises Gisborne Holdings Ltd.

The income from the above enterprise for the financial interest, finance or financial assistance of the Council is as follows:

	Dividends 2026 $000s	Dividends 2025 $000s	Subvention 2026 $000s	Subvention 2025 $000s
Gisborne Holdings Ltd	972	309	350	629

Total costs

The provision of financial assistance by the Gisborne District Council to this organisation is by way of share capital.

Performance targets

The Councils objective in establishing Gisborne Holdings Ltd was to provide a commercial vehicle for operating its commercial activities. Council has an obligation under the LGA to undertake regular performance monitoring of its CCTOs. The purpose of that monitoring is to ensure they are making the expected contribution to Council objectives, meeting performance targets in their SOI and Councils overall aims and outcomes. CCTO financial statements and performance targets and other measures are audited annually by an independent auditor.

After the provision of a tax deductible subvention payment of $350k (2025: $629k) to the Council and reporting a net revaluation decrease of $4.6m (2025: $4.6m increase), Gisborne Holdings Ltd reported a net surplus after tax of $7.3m (2025: net surplus after tax of $4.8m) for the year. Net assets increased $9m from 2025 $120.7m to 2026 $129.7m.

He pito kōrero mō ngā tauāki pūtea
Notes to the financial statements

Note 1: Statement of accounting policies

Reporting entity

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

The Gisborne District Council Group (the "Group") consists of Gisborne District Council and its subsidiaries, Gisborne Holdings Ltd (100% owned) and the Gisborne Disaster Relief Trust (100% controlled). Gisborne Holdings Ltd and the Gisborne Disaster Relief Trust are incorporated in New Zealand, and pursuant to the Local Government Act 2002 are Council Controlled Trading Organisations.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council and Group are public benefit entities for the purpose of financial reporting.

The financial statements of the Council and Group comply with Public Benefit Entity (PBE) standards.

Basis of preparation

The financial statements of the Group are for the year ended 30 June 2026. The financial statements were authorised for issue by Council on 21 October 2026.

The Council and Group financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Tier 1 PBE Standards as appropriate for public benefit entities.

The 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 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.

There have been no changes in accounting policies of the Group in the year ended 30 June 2026.

Specific accounting policies

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

Basis of consolidation

Council consolidates its subsidiaries in the group, where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary. The Group is a going concern due to the ability of Council to access funding through LGFA up to 175% of total revenue.

Subsidiaries are consolidated by adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-company/Council transactions are eliminated on consolidation. Council's investment in its subsidiaries is carried at cost less any impairment charges in Councils own "parent entity" financial statements.

The group has an interest in a jointly controlled operation. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The group recognises its interest in the assets and the liabilities of the jointly controlled operation. The Group also makes note of the expenses that it incurs and the income that it earns from the sale of goods or services by the jointly controlled operation.

Revenue recognition

Revenue is measured at the fair value of consideration received. Revenue is comprised of:

- Non-exchange transactions - rates, government grants, vested assets, rental revenue - subsidised, fees and charges - subsidised.
- Exchange transactions - targeted water rates, rental revenue - full cost recovery, fees and charges - full cost recovery, and development and financial contributions.

Non-exchange revenue in general includes revenue from activities that are partially funded by general rates, as set out in the Councils 2024 - 2027 Three Year Plan Revenue and Financing Policy.

The following specific recognition criteria must be met before revenue is recognised:

General and targeted rates

General and targeted rates are set annually and invoiced within the year. The group recognises revenue from rates when the Council has struck the rates and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

Government grants and subsidies

Government grants with no stipulations attached are recognised as revenue in the financial statements of the reporting period in which they are received or receivable by the Council.

To the extent that there are stipulations attached to government grants that would give rise to a liability to repay the grant amount or to return the granted asset, income in advance is recognised instead of revenue. Revenue is then only recognised once the Council has satisfied these conditions.

Council receives substantial grants from Waka Kotahi NZ 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. Council also receives other government grants in addition to Waka Kotahi.

Other revenue

Revenue is recognised on an accrual basis when the service is completed.

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.

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.

Donations, gifts and bequests are recognised at the fair value of consideration received upon receipt.

Interest received, finance income and finance costs

Interest income is recognised using the effective interest method.

In accordance with accounting policies for financial liabilities concessionary loans received which are initially measured at fair value in accordance with the market effective interest rate. Any difference between the fair value and transaction price of the concessionary loan at initial recognition is accounted based on the existence and nature of any stipulations attached to the loan. A non-exchange liability is recognised where there are conditional stipulations for the concessionary loan, subsequently recognised as finance income (non-exchange) as and when the 'conditions' are satisfied.

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 or controlled entities have 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 or controlled entities' decision.

Income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax except where it relates to an item recognised in Other Comprehensive Income.

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 variances 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 surplus/deficit except when it relates to items charged or credited directly to other comprehensive income, in which case the tax is dealt with in other comprehensive income.

Leases

Group as a lessee - operating leases

An operating lease is a lease that does not substantially transfer 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.

Group as a lessor - operating leases

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rent received from an operating lease is recognised as income on a straight-line over the lease term.

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 provision for impairment.

The provision for impairment of receivables is determined based on an expected credit loss (ECL) model.

In assessing credit losses for receivables, the Group apply the simplified approach and record lifetime ECL on receivables.

In measuring ECL's, receivables have been grouped into rates receivable and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on days past due. Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year. Expected loss rates are adjusted to reflect current and forward-looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- When remitted in accordance with the Councils rates remission policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Financial assets

The Group financial assets (other than shares in subsidiaries) are initially recognized at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the asset has been designated at FVTSD, in which case it is recognized in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured as amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is to collect the contractual cash flows of the asset.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate any equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance.

Instruments in this category include community loans.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognized in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses that are recognized in surplus or deficit. When sold, the cumulative gain or loss previously recognized in other comprehensive revenue and expense is reclassified to surplus and deficit. Council has no instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognized in other comprehensive revenue and expenses. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or losses previously recognized in other comprehensive revenue and expenses is transferred to accumulated funds within equity. The Council and Group designate into the category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognized in surplus or deficit.

Interest revenue and dividends recognized from these financial assets are separately presented within revenue.

Instruments in this category include Derivatives, LGFA Borrower Notes and Unlisted Investments.

Expected credit loss allowance (ECL)

The Council and Group recognize an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and Group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognized in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (lifetime ECL).

When determining whether the credit risk of the financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

The Council and Group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and Group may determine a default occurs

prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Accounting for derivative financial instruments

The Group uses financial instruments to manage its interest rate risk from financing activities. In accordance with its treasury policy, the Group 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. The Group's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, the resulting gain or loss is recognized in the surplus or deficit.

Biological assets

Livestock

Livestock is valued at fair value less point of sale costs. Changes in the value of existing productive livestock and the numbers and/or composition of the livestock are treated as revenue items.

Forestry assets

Forestry Assets consist of the Group'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 where appropriate using a pre-tax or post-tax rate. Forestry Assets are revalued annually. Valuation movements pass through surplus/deficit. The costs to maintain the forestry assets are included in surplus/deficit.

Council has transferred forestry rights to Juken New Zealand Limited in respect to land. The transfer relates to one harvest cycle. Under the agreement Council has contributed the land and is entitled to a percentage of stumpage. 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 and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

For any Software as a Service (SaaS) arrangements, for an intangible asset to be recognised, the Group must either have a software lease contract with the vendor or obtain control of the 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 the Group, 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 charge for each period is recognised as a surplus or deficit within the Statement of Comprehensive revenue and expenses.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- computer software 8 years.

Emissions trading scheme

The Group's forestry holdings incorporates forestry assets held by the Council.

Gisborne Holdings Limited (GHL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1,224 hectares of forest land located in the Tauwharepārae area. This entitles GHL to receive emission units (units) for carbon stored in the specified area from a 1 January 2008 baseline.

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

Units received are recognised at fair value on the date they are received, which is then assessed as the deemed cost. Units are subsequently measured at this cost subject to impairment. While there are no specific conditions attached to units received, should carbon stored in the specified area fall below the amount compensated for, a portion of units received must be returned. Units received are recorded on the Statement of Financial Position as an intangible asset. Where there is an obligation to return units based on an expected harvest profile this liability is recognised in the Statement of Financial Position, measured with reference to the carrying value of units on hand until it is clear that they will not be required to meet future emissions obligations. At the point in time that it is determined that there is no obligation to return units, the liability is released and the value of units is then recognised in the Statement of Comprehensive revenue and expenses.

Where there are insufficient units on hand to meet the emissions obligation, this is measured by reference to the current market value for units not held.

Property, plant and equipment

Property, plant and equipment comprises:

(i) Operational assets

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

(ii) Infrastructural assets

Infrastructural assets are the fixed utility systems owned by Council and comprise the sewer, water, storm water, roading, flood control, and the waste disposal infrastructures. Each asset type includes all items that are required for the network to function, for example sewer reticulation piping and sewer pump stations.

Initial recognition and subsequent expenditure

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be reliably measured.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met.

There are a number of building assets not revalued due to the short-term nature and lower value, where there is an uncertain future of these assets therefore they are held at cost less accumulated depreciation. For assets that are revalued, subsequent costs 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.

Measurement subsequent to initial recognition

Operational assets

All operational assets, with the exception of operational land and operational buildings, are measured using the cost model less accumulated depreciation and impairment losses. Buildings not revalued as stated above are carried at cost less accumulated depreciation.

Operational land

Operational land is measured using the revaluation model. The fair value of operational land is determined by a registered valuer using market based evidence. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years, or more frequently when there are indicators that the values may have changed substantially from carrying value.

Operational buildings

Operational buildings are measured using the revaluation model. The fair value of operational buildings is determined by a registered valuer by using either the investment, direct comparison or depreciated replacement cost approach. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years, or more frequently when there are indicators that the values may have changed substantially from carrying value.

Other operational assets - library books

General collections - All new and replacement books are recorded at cost in the year they are purchased and subsequently depreciated based on useful lives. Donated books are capitalised at fair value and subsequently depreciated based on useful life. Lost, sold and otherwise unsalvageable books are recognised in disposals. At year-end, stock on hand and remaining useful lives are determined by the Head Librarian using data maintained in the Liberty Library Management system.

Permanent collections - The permanent collection is carried at deemed cost.

Infrastructure assets

Infrastructure assets, with the exception of roading, are independently valued every 3 years at depreciated replacement cost. Between independent valuations they are updated to reflect market movements in intervening years.

Infrastructure assets - roading

Roading assets are independently revalued annually.

Infrastructure assets - airport assets

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

Depreciation

Depreciation is provided on a straight-line basis on all fixed assets other than land and land under roads. The depreciation rates used will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Infrastructure assets

Roads	
Pavement Surface (seal)	5 - 20 years
Pavement Surface (unsealed) - Wearing Course	5 years
Pavement Layers (basecourse)	40 - 100 years
Formation	(not depreciated)
Culverts	70 years
Footpaths	20 - 75 years
Surface Water Channels	75 years
Signs	12 years
Street Lights	15 - 25 years
Bridges	25 - 80 years
Retaining Structures	80 years
Traffic Signals	15 years
Parking Meters	15 years
Railings	10 - 15 years
Safety Projects	10 - 13 years
Water reticulation	
Pipes	30 - 165 years
Valves, Hydrants	25 years
Pump Stations	15 - 100 years
Dams	400 years
Structures	16 - 200 years
Sewerage reticulation	
Pipes	60 - 100 years
Pump Station	15 - 100 years
Manholes	100 years
Treatment Plant	15 - 50 years
Laterals	100 years
Stormwater systems	
Pipes	62 - 100 years
In-drain Structures	25 - 100 years
Flood Control Systems	25 - 100 years
Solid Waste	4 - 25 years
Operational assets	
Land	(not depreciated)
Buildings/Land Improvements	3 - 100 years
Plant/Machinery/Motor Vehicles	2 - 20 years
Office Equipment/Furniture	3 - 50 years
Other Equipment	3 - 25 years
Library Books	1 - 50 years
Wharves	50 years
Floating Plant	25 years
Leased Assets	3 - 8 years

Assets under construction 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.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated surplus.

Impairment of non-financial assets

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

If the recoverable amount of a non-financial asset is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item recorded at cost is recognised as an expense in surplus/deficit. 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 through other comprehensive income and expense, and any balance recognised in surplus/deficit.

The carrying amount of a non-financial asset that has previously been written down to a recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down.

The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred.

Trade and other payables

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

Financial liabilities: borrowings

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

Employee entitlements

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

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

Long service leave and retirement leave

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

Provisions

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

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

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented as a surplus or deficit in the Statement of Comprehensive revenue and expenses net of any reimbursement.

Public equity

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

- Accumulated Surplus/Retained Earnings
- Special Funds and Reserves
- Asset Revaluation Reserves

Accumulated Surplus

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 revaluations increments or decrements.

Detail on the movement of reserves held by the Group can be found in Note 27A: Asset Revaluation Reserve on page 185.

Statement of cash flows

Operating activities include all transactions and other events that are not investing or financing activities. Cash flows from operating activities are presented using the direct method.

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.

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

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

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

Term deposits include short-term investments with an original maturity of 4 to 12 months.

Critical accounting estimates and assumptions

In preparing these financial statements the Group has made estimates and assumptions concerning the future. These may differ from the subsequent actual results. Estimates and judgements 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.

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 an asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition-modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.
- If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive revenue and expenses. To minimise this risk, Councils infrastructural assets' useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have

been adjusted for local conditions based on past experience.

- Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which provides Council with further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

Category three properties under the Future of Severely Affected Land (FOSAL)

There are a number of assumptions and estimates used when performing the valuations in respect of category three properties post acquisition. These include:

- These properties were impaired as their recoverable amount is considered less than the consideration paid, due to the removal of the right to build a residential dwelling and, in some cases, flood damage.
- The impaired value of these properties, as determined by independent valuation, has been reported within property, plant and equipment in the statement of financial position.

Experienced independent valuers performed Council's rateable valuations.

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 Annual Plan are those approved by Council and published in the Long-Term Plan (LTP). They have been prepared using the same accounting policies as are employed in preparing these financial statements.

Cost allocation

Expenditure has been reported by the nature of the expense.

Capital management

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

The Local Government Act 2002 (the Act) requires Council to prudently manage its revenues, expenses, assets, liabilities, investments and general financial dealings 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 Councils 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 Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Standards issued and not yet effective, and not early adopted

Presentation of Financial Reports (Amendments to PBE IPSAS1)

Amendments to PBE IPSAS 1 Presentation of Financial Reports was issued in October 2024. The amendments define the requirements with regard to the classification of liabilities between current and non-current, and further disclosure requirements. It is effective for reporting periods beginning on or after 1 July 2026. The group has not yet assessed in detail the effect of the new standard.

There are no new and amended standards and interpretation that have an impact on the financial statements

Note 1B: Local Water Done Well

The Water Services Act is in force, establishing requirements for the delivery of water services across New Zealand. Following public consultation, Gisborne District Council resolved to retain the delivery of three waters services within Council through a ring-fenced internal business unit (IBU).

As required by legislation, Council submitted its Water Services Delivery Plan (WSDP), titled "Our Water, Our Way," which was formally accepted without amendment by the Department of Internal Affairs (DIA) in November 2025.

This confirmed pathway ensures that local decision-making and infrastructure assets remain directly with Council, removing any requirement to divest or transfer water assets into an external Council-Controlled Organisation (CCO). Council has since established an Interim Water Management Committee and is developing the necessary operational, planning, and financial frameworks ahead of the 1 July 2027 operational date.

From 1 July 2027, Council will introduce targeted, ring-fenced segment disclosures within its primary financial statements alongside a dedicated Water Services Annual Report. This satisfies all statutory economic transparency requirements while maintaining three waters infrastructure and operations within Council's core reporting entity.

Note 1C: Local Government Reform

Central Government is progressing reforms intended to simplify local government structures, reduce duplication and align council governance arrangements with the replacement resource management system.

In May 2026, the Government announced the Head of Start pathway, a voluntary process allowing two or more territorial and/or unitary authorities to develop local government reorganisation proposals ahead of wider Government-led reform. Gisborne District Council is already a unitary authority, carrying both regional council and territorial authority functions.

Gisborne District Council did not submit a Head Start proposal and, as at the date these financial statements were authorised, was not included in a Head Start proposal.

On 24 September 2026. the Government announced that Cabinet is expected to consider Head Start proposals in early 2027. Proposals endorsed by Cabinet are expected to be development in further detail and considered for final approval later in 2027, with Head Start changes intended to be in place ahead of the 2028 local government elections.

Councils that do not participate in the Head Start pathway, or whose proposals are not accepted, may be subject to the subsequent Government-led backstop process. Current Government statements indicate that changes arising through this process would take effect after the 2028 local government elections.

The outcome, scope and timing of the local government reforms remain uncertain. At the date these financial statements were authorised, it was not possible to reliably determine what effect the reforms may have on Council's future structure, functions, assets, liabilities or service delivery arrangements.

The financial statements have been prepared on a going concern basis. Based on information available at the reporting date, the Council considers the going concern basis of accounting to remain appropriate despite the uncertainty over the outcome, scope and timing of any future local government reform.

Note 2 : Summary cost of services by activity for the year ended 30 June 2026

Council 2024/25 Actual $000s		Council 2026 AP $000s	Council 2025/26 Actual $000s
	REVENUE FROM EXCHANGE TRANSACTIONS		
1,814	Commercial Operations	1,852	1,827
6,571	Environmental Services & Protection	6,714	7,200
9,096	Regional Leadership & Support Services	1,748	9,447
10	Land, Rivers & Coastal	241	124
179	Roading	154	403
316	Wastewater	842	539
(19)	Urban Stormwater	-	26
418	Solid Waste	277	1,020
3,318	Water Supply	3,935	3,993
2,255	Liveable Communities	3,586	2,679
23,957	**Total Revenue From Exchange Transactions**	**19,350**	**27,258**
	REVENUE FROM NON-EXCHANGE TRANSACTIONS		
1,586	Environmental Services & Protection	1,333	2,067
9,638	Regional Leadership & Support Services[2]	2,946	6,283
762	Land, Rivers & Coastal	688	197

Council 2024/25 Actual $000s		Council 2026 AP $000s	Council 2025/26 Actual $000s
24,168	Roading	23,811	25,364
58	Wastewater	-	-
42	Urban Stormwater	-	-
24,096	Solid Waste[3]	5,400	12,231
21	Water Supply	-	7
825	Liveable Communities	920	605
61,196	**Total Revenue From Non-Exchange Transactions**	**35,098**	**46,754**
	EXPENSES[1]		
2,268	Commercial Operations	2,286	2,469
17,659	Environmental Services & Protection	15,411	17,742
46,661	Regional Leadership & Support Services[2]	31,491	41,564
3,855	Land, Rivers & Coastal	5,061	3,770
50,711	Roading	49,960	51,228
13,639	Wastewater	14,360	14,538
3,873	Urban Stormwater	4,583	4,105
32,063	Solid Waste[3]	11,445	20,819
9,003	Water Supply	9,560	9,183
25,466	Liveable Communities	26,020	27,373
205,200	**Total Expenses**	**170,178**	**192,791**
120,047	**Net Cost of Service**	**115,730**	**118,780**

[1] Expenses include internal charges, this is why the COS expense amounts differ with each activity, but the total will be the same. Each significant activity is stated gross of internal costs and revenues, and excludes general and targeted rates attributed to that activity.

[2] Regional leadership and support revenue was $10.8m above plan, primarily due to unbudgeted FOSAL Category 2 house-lifting grants and a $6.2m fair-value gain on Council's concessionary loan. Expenditure was $10m above plan, mainly reflecting the related house-lifting costs and a $3m accounting loss on FOSAL Category 3 voluntary property buyouts.

[3] Solid Waste expenses relate to Large Woody Debris where there is a timing of delivery and matches income difference. The project will continue over the next year. Any unspent funds arising from Woody Debris grants, will be used within the first half of 2025/26.

Note 3: Rates revenue

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2026 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
87,624	87,333	**Gross Rates Revenue**	96,951	97,762	97,430
		Gross Rates Revenue Consists of :			
10,070	9,925	General Rates	10,761	12,759	12,458
20,389	20,389	Uniform Annual General Charge	24,834	23,468	23,468
54,140	54,140	Targeted Rates	57,791	57,791	57,791
3,025	2,879	Metered Water Rates	3,565	3,744	3,713
87,624	**87,333**	**Gross Rates Revenue**	**96,951**	**97,762**	**97,430**
1,473	1,473	Less Remissions[1]	2,047	1,541	1,541
86,151	**85,860**	**Net Rates Revenue**	**94,904**	**96,221**	**95,889**

Rating Base Information as at 30 June 2025	Rating Units	Total Capital Value $000s	Total Land Value $000s
Rateable Units	22,560	20,731	11,926
Non Rateable Units	1,499	413	255

[1] Remissions include:

- Rates write-off (rate instalment amounts or arrears based on hardship)
- Penalties waived
- Rate remissions to certain ratepayers (for Permanent Crops, some Māori Freehold Land and Community, Sporting and Other Organisations)

Total remissions were $1.5m against the Annual Plan budget of $2m.

For the years ended 30 June 2026 and 2025, the annual rates income of the Council for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the same as the rates total amount shown above in line with Deed 16.9(c).

Note 4: Revenue from grants and subsidies

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		REVENUE FROM GRANTS AND SUBSIDIES			
67,421	67,422	Central Government Grants	77,687	53,734	53,748
55,614	55,614	Waka Kotahi (NZTA) Roading Subsidies	70,769	74,983	74,983
-	-	Other Grants and Subsidies	-	-	15
123,035	**123,036**	**Total Revenue from Grants and Subsidies**	**148,456**	**128,717**	**128,747**

Revenue from grants and subsidies are for either operational or capital work streams. The majority of the operational grants relate to the roading network ($25.4m) for roading maintenance and for emergency reinstatement, and for woody debris removal ($12.2m).

Total capital grants make up $84.3m (2025 $63.6m). These capital grants were from roading costs of $67.6m (2025 $45.8m); Flood resilience Cat 2P $10.8m (2025 $7.6m) and FOSAL category 3 voluntary residential property buyouts $2.2m (2025 $5.8m).

Some of the grants received but not fully spent during the year have therefore been recognised only to the extent that conditions have been fulfilled. As at 30 June 2026 Council held $6.7m (2025 $14.7m) of grant monies received but not spent.

There are no other contingencies attached to grants received. Cash flows from grants and subsidies (and hence operating cost inflows) for Council with respect to these capital grants see the associated outflows recognised as investing activities.

Note 5: Revenue from operating activities

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		REVENUE FROM OPERATING ACTIVITIES			
1,698	1,698	Development Contributions	1,878	2,016	2,016
579	579	Rates Penalties	650	723	723
13,657	27,381	Activity Revenue	15,903	16,793	26,233
316	7	Dividends	-	978	6
306	306	Petroleum Tax	365	313	313
16,556	**29,972**	**Total Revenue from Operating Activities**	**18,796**	**20,824**	**29,292**

Note 6: Revenue from other gains

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		REVENUE FROM OTHER GAINS (LOSSES)			
87	951	Gain/(Loss) on Changes in Fair Value of Forestry Assets	-	11	(4,109)
-	3,696	Gain/(Loss) on Changes in Fair Value of Livestock	-	-	2,813
(338)	(338)	Gain/(Loss) on Disposal of Property, Plant and Equipment	850	(194)	(148)
-	-	Gain/(Loss) on Disposal of Intangible Assets	-	(0)	(0)
6	2,994	Net Emission Trading income	-	-	13,738
(245)	**7,303**	**Total Revenue from Other Gains (Losses)**	**850**	**(183)**	**12,295**

Note 7: Employee benefit expenses

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		EMPLOYEE BENEFIT EXPENSE			
40,732	43,801	Salary and Wages	48,147	43,887	47,411
1,110	1,201	Defined Contribution Plans Expense	1,307	1,297	1,394
256	232	Increase/(Decrease) in Leave Liabilities	-	185	128
(7,806)	(7,806)	Less Recharged to Other Expense Categories[1]	(11,084)	(8,552)	(8,552)
34,293	**37,428**	**Total Employee Benefit Expenses**	**38,370**	**36,817**	**40,381**

[1] Wages and salaries can be recharged to other expense categories and capitalised project costs.

Note 8: Depreciation and amortisation expenses

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		DEPRECIATION AND AMORTISATION EXPENSES			
788	1,873	Commercial Operations	870	812	1,955
63	63	Environmental Services & Protection	60	65	65
211	211	Land, Rivers & Coastal	216	444	444
3,395	3,395	Liveable Communities	4,149	3,703	3,703
1,861	1,861	Regional Leadership & Support Services	1,906	2,174	2,174
14,534	14,534	Roading	15,694	14,660	14,660
229	229	Solid Waste	501	311	311
1,540	1,540	Urban Stormwater	1,602	1,891	1,891
4,090	4,090	Wastewater	4,265	4,812	4,812
3,552	3,552	Water Supply	3,595	3,322	3,322
30,262	**31,348**	**Total Depreciation and Amortisation Expense**	**32,858**	**32,194**	**33,337**
29,651	30,736	Total Depreciation	32,857	31,546	32,689
612	612	Total Amortisation	-	648	648
30,262	**31,348**		**32,857**	**32,194**	**33,337**

Note 9: Expenditure on operating activities

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		OPERATING EXPENDITURE			
3,126	3,126	Administration Expenses	2,901	2,911	2,911
270	341	Fees to audit firm - Audit of annual report	305	300	407
3,971	4,401	Consultants and Professional Services[1]	2,608	5,371	5,739
881	1,143	Elected Members and Directors Fees	996	931	1,200
247	302	Indirect Employment Costs	227	140	192
907	950	Grants and Donations	1,001	1,147	1,478
2,156	2,270	Insurance Costs	2,217	2,014	2,345
1,979	4,028	Rental and Operating Leases	2,113	1,952	197
16,191	16,537	Repairs and Maintenance[2]	16,374	16,942	18,721
1,024	1,024	Bad Debts Written Off - Rates	1,547	1,004	1,004
156	156	Bad Debts Written Off - Other	(92)	244	244
360	360	Change to Impairment of Receivables	179	677	677
254	254	IRD Compliance Costs	178	267	267
3,067	3,157	Litter Bins and City Cleaning[3]	2,479	3,750	3,750
8,262	8,262	Emergency Works[4]	10,173	10,967	10,967
79,373	83,218	Other Operating Expenditure[5*]	47,666	62,554	65,491
122,223	**129,529**	**Total Operating Expenditure**	**90,873**	**111,172**	**115,590**

[1] Consultancy fees are above budget, with the largest increases in resource consents, building control and solid waste activities and the balance spread across a range of activities. These costs have been partly offset by lower employee benefit costs and by on-charging in resource and building consents.

[2] There were higher than expected repairs and maintenance costs for water supply lateral repairs, and for wastewater management fees, pumps and manholes.

[3] There were higher costs relating to cleaning of public areas, kerbside collections and illegal dumping, particularly in the Gisborne City and Waikohu collection areas.

[4] Emergency works is above Plan, reflecting additional reinstatement of critical road and bridge infrastructure together with civil defence response costs.

[5] Other operating expenses are above budget and include items such as forestry investigations, electricity, operational contracts, tip and transfer station fees, roading maintenance contracts, reserves contractor costs and unbudgeted mayoral relief fund payments. Many operational contracts, such as the wood debris removal and the FOSAL land buyouts, are grant funded.

Note 10: Net Financing costs

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
1,465	1,480	Interest Received	-	474	484
1,465	**1,480**	**Total Interest Income**	**-**	**474**	**484**
-	-	Gain/(Loss) on Borrower Notes	-	408	408
6,633	6,633	Concessionary loans received (day-one fair value difference)	-	6,298	6,298
6,633	**6,633**	**Total Finance Income/ (loss)**	**-**	**6,705**	**6,705**
(7,658)	(7,658)	Interest on Debentures and Interest Rate Swaps	(7,316)	(6,361)	(6,361)
(323)	(886)	Interest on Bank Borrowings and Commercial Paper	(702)	(1,285)	(1,483)
(161)	(161)	Line Fee	(60)	(151)	(151)
(1,831)	(1,831)	Losses on Derivatives (Interest Rate Swaps)	-	(257)	(257)
(603)	(603)	Discount Unwind on Provisions and Concessionary Loans	-	(982)	(982)
(10,575)	**(11,138)**	**Total Finance Costs**	**(8,078)**	**(9,035)**	**(9,233)**
(2,477)	**(3,025)**	**Net Financing Costs**	**(8,078)**	**(1,856)**	**(2,044)**

Note 11 : Income tax

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
29,867	38,466	Surplus Before Tax	94,875	61,507	72,550
629	-	Subvention Payment	350	350	-
8,539	10,771	Tax @ 28%	26,663	17,320	20,314
		Plus/(Less) Tax Effect of:			
(8,539)	(9,141)	Net Non Taxable and Non Deductible Items	(26,663)	(17,320)	(17,614)
-	65	Group Loss Offset	-	-	(11)
-	-	Imputation credits Utilised	-		-
-	49	Deferred Tax Adjustment	-	-	13
-	**1,743**	**Tax Expense**	**-**	**-**	**2,702**
		Made up of -			
-	229	Current Tax Expense	-	-	1,036
-	1,514	Deferred Tax Expense	-	-	1,666
-	**1,743**		**-**	**-**	**2,702**

Deferred tax asset/(liability) - group

	Property, Plant and Equipment $000s	Biological Assets $000s	Employee Entitlements and Other $000s	Tax Loss Recognised $000s	NZ Emission Units $000s	Total $000s
Balance as at 30 June 2024	**(2,152)**	**(1,849)**	**104**	**78**	**(641)**	**(4,461)**
Charged to surplus or deficit	67	(730)	50	(65)	(837)	(1,515)
Charged to Equity	71	-	-	-	-	71
Balance as at 30 June 2025	**(2,014)**	**(2,579)**	**154**	**13**	**(1,478)**	**(5,904)**
Charged to surplus or deficit	64	905	(112)	11	(2,534)	(1,666)
Charged to Equity	-	-	-	-	-	-
Balance as at 30 June 2026	**(1,950)**	**(1,674)**	**42**	**24**	**(4,012)**	**(7,571)**

Deferred tax has been calculated at 28%. Council (the parent) has recognised a deferred tax asset of $nil (2025: nil), as per table above the council tax losses have been recognised at a group level, with tax losses at 30 June 2026 of $24k (2025: $13k). Generally local authorities are exempt from income tax, except for income derived from any Council Controlled Organisation or port activity as per section CW32 Income Tax Act 2007.

Note 12 : Reconciliation of funding impact statement with statement of comprehensive revenue and expenses

	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
RECONCILIATION OF REVENUE				
Sources of operating funding				
Total operating funding (A) as per Funding Impact Statement	**152,263**	**166,163**	**146,985**	**166,992**
Add Sources of capital funding				
Subsidies and grants for capital expenditure	106,846	63,617	115,341	84,253
Development and financial contributions	1,863	1,698	1,878	2,016
Profit / (Loss) on Sale of Assets	350	3,589	850	1,038
	261,322	**235,067**	**265,054**	**254,299**
As per Statement of Comprehensive revenue and expenses - Total Operating Income	**261,322**	**235,067**	**265,054**	**254,299**
RECONCILIATION OF EXPENDITURE				
Applications of operating funding				
Total applications of operating funding (B) as per Funding Impact Statement	147,595	167,092	137,322	157,024
Add depreciation and amortisation expense	31,324	30,262	32,857	32,194
Add Loss on Recovery properties buyouts	-	7,847	-	3,573
	178,919	**205,200**	**170,179**	**192,791**
As per Statement of Comprehensive revenue and expenses - Total Operating Expenditure	**178,919**	**205,200**	**170,179**	**192,791**
RECONCILIATION OF TOTAL COMPREHENSIVE INCOME				
Surplus/(deficit) of operating funding (A-B)	4,668	(928)	9,663	9,968
Add Subvention Payment	350	629	350	350
Add Subsidies and grants for capital expenditure	106,846	63,617	115,341	84,253
Add Profit / (Loss) on Sale of Assets	350	3,589	850	1,038
Less Loss on Buyback of properties	-	(7,847)	-	(3,573)
Add Development and financial contributions	1,863	1,698	1,878	2,016
Less Depreciation and amortisation expense	(31,324)	(30,262)	(32,857)	(32,194)
Add Gains/(Loss) on Property Revaluation	48,350	(4,092)	68,752	2,360
	131,103	**26,404**	**163,977**	**64,217**
As per Statement of Comprehensive revenue and expenses - Total Comprehensive Income	**131,103**	**26,404**	**163,977**	**64,217**

Note 13 : Cash and cash equivalents

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		Cash and Cash Equivalents			
(676)	210	Cash at the Bank and in Hand	14,522	4,767	5,981
(676)	**210**	**Total Cash and Cash Equivalents**	**14,522**	**4,767**	**5,981**

The cash and cash equivalents balance of the Group included an amount of $3.6m (2025: $2m) that relates to contract retentions and are subject to restrictions. The contract retentions relate to contract work performed on various infrastructure projects, repairs and woody debris extraction. The restrictions attached to these funds specify that a percentage of the total contract is withheld until the warranty period has passed or practical completion has been met.

Council has $35m (2025: $35m) of funding on call. At reporting date the drawn down under this facility was nil, (2025: $2.89m). Interest is payable at floating interest rates. The facility expires 28 October 2030.

GHL has a working capital facility with a limit of $3.5m. The facilities are secured by way of a general security agreement. The balance at 30 June 2026 was $nil (2025: $nil).



Note 14 : Trade and other receivables

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
10,545	10,545	Rates Receivable	10,176	11,774	11,774
7,528	7,528	Roading Subsidy Due	24,061	13,793	13,793
-	-	Community Loans	12	-	-
30,219	29,856	Other Receivables	21,457	27,580	27,681
1,423	1,423	Prepayments	1,700	1,453	1,557
49,715	**49,352**		**57,406**	**54,600**	**54,805**
(5,830)	(5,830)	Provision for Impairment of Receivables	(5,821)	(6,497)	(6,497)
43,886	**43,522**	**Total Trade and Other Receivables**	**51,585**	**48,104**	**48,309**
		Trade and Other Receivables Classified as:			
43,886	43,522	Current Receivables	51,585	48,103	48,308
43,886	**43,522**		**51,585**	**48,103**	**48,308**
12,708	12,708	**Non Exchange Trade and Other Receivables**	28,945	19,681	19,681
31,178	30,814	**Exchange Trade and Other Receivables**	22,640	28,422	28,627

Fair value

The carrying value of trade and other receivables (excluding community loans) approximates their fair value.

Impairment

Council does not provide for any impairment on general title land rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover outstanding debts.

Below we have included tables to reflect financial assets that are past due as at the end of the reporting period but not impaired. Roading subsidies, debtor control, GST receivable and GHL current account are not included as not past due.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If the payment has not been made within three months of the Court's judgement, Council can apply to the Registrar of the High Court to have a judgement enforced by sale or lease of the rating unit.

Because of the powers available under the Local Government (Rating) Act 2002, such action is rarely necessary.

As at 30 June 2026 and 2025, all overdue receivables had been assessed for impairment and appropriate provisions applied where necessary. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provisions have been calculated based on the expected credit loss (ECL) model. Expected credit losses have been determined based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis of past collection history and debt write offs. Individual assessment has been determined based on the significant financial difficulties and circumstances being experienced by the debtor.

Movements in the provision for impairment of receivables are as follows:

Note 14A : Impairment of Receivables

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
5,470	5,470	Beginning Balance	5,830	5,830
360	360	Charge for Year	667	667
5,830	**5,830**	**Ending Balance**	**6,497**	**6,497**

The status of Receivables as at 30 June 2026 and 2025 are detailed below:

Note 14B: Receivables

GROUP 2025				GROUP 2026		
Gross $000s	Impaired $000s	Net $000s		Gross $000s	Impaired $000s	Net $000s
			SUNDRY INVOICE RECEIVABLES			
2,533	-	2,533	Current	3,822	-	3,822
35	-	35	Past Due 1 month	1,113	-	1,113
75	-	75	Past Due 2 months	148	-	148
1,999	-	1,999	Past Due 3 months	1,099	(160)	939
4,642	**-**	**4,642**		**6,183**	**-**	**6,023**

COUNCIL 2025				COUNCIL 2026		
Gross $000s	Impaired $000s	Net $000s		Gross $000s	Impaired $000s	Net $000s
			SUNDRY INVOICE RECEIVABLES			
2,897	-	2,897	Current	3,782	-	3,782
35	-	35	Past Due 1 month	1,056	-	1,056
75	-	75	Past Due 2 months	144	-	144
1,999	-	1,999	Past Due 3 months	1,099	(160)	939
5,006	**-**	**5,006**		**6,082**	**(160)**	**5,921**

Note 14C : Rates receivable

Council 2025			Council 2026	
No. Of Properties	Outstanding $000s		No. Of Properties	Outstanding $000s
		GENERAL LAND RATES		
1,285	3,035	Current <12 months	1,430	3,507
201	972	Past Due 1 to 2 Years	219	1,255
88	477	Past Due 2 to 3 years	102	578
148	790	Past Due >3 years	179	670
1,722	**5,274**	**Total Outstanding**	**1,930**	**6,010**
		MĀORI LAND RATES		
185	1,339	Current <12 months	240	1,527
88	1,030	Past Due 1 to 2 Years	57	1,158
118	816	Past Due 2 to 3 Years	68	951
475	2,087	Past Due >3 Years	562	2,138
866	**5,271**	**Total Outstanding**	**927**	**5,774**
		METERED WATER SUPPLY		
577	422	Current	612	518
1	2	Past Due 1 month	2	21
31	6	Past Due 2 months	21	27
36	35	Past Due 3 months	34	45
645	**464**	**Total Outstanding**	**669**	**611**

Note 15 : Inventories

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		INVENTORIES			
17	17	Olympic Pool	15	13	13
4	4	Drainage	7	6	6
86	86	Soil Conservation	83	71	71
-	8	Waikanae Holiday Park	-	-	4
-	11	Car Wash	-	-	10
-	250	Farming	-	-	167
107	**376**	**Total Inventories**	**104**	**90**	**271**

Note 16 : Investments

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		ORDINARY SHARES			
32,455	0	Gisborne Holdings Ltd	32,455	32,455	-
94	94	Civic Financial Services Ltd	94	94	94
9	9	BOPLASS Ltd	9	9	9
-	499	Shares held in unlisted Company	-	-	499
100	100	LGFA Shares	100	100	100
5,297	5,297	LGFA Notes	3,964	6,749	6,749
-	2	Top 10 Shares	-	-	4
37,956	**6,002**	**Total Investments**	**36,622**	**39,408**	**7,456**
		Investments Classified as:			
206	206	Current Investments	711	1,246	1,246
37,750	5,796	Non-Current Investments	35,911	38,162	6,210
37,956	**6,002**		**36,622**	**39,408**	**7,456**

Civic Financial Services Ltd

The carrying amount of this investment is recorded at fair value. Movements in fair value are recognised as part of the Other Gains/(Losses) on the Statement of Comprehensive Revenue and Expenses.

BOPLASS Ltd

The carrying amount of this investment is recorded at fair value. Movements in fair value are recognised as part of the Other Gains/(Losses) on the Statement of Comprehensive Revenue and Expenses.

LGFA Borrower Notes

LGFA borrower notes are subordinated convertible debt instruments that the Council is required to subscribe for when borrowing from the LGFA, currently set at 5% of the amount borrowed. The LGFA will redeem borrower notes when the Council's related borrowings are repaid or are no longer owed to the LGFA or may convert them to equity under specific circumstances.

The fair value of the borrower notes is calculated using the discounted cashflows. The significant input used in the fair value measurement of borrower notes is the LGFA funding curve at 30 June 2026. The movement in fair value is recognised as part of the Other Finance Income on the Statement of Comprehensive Revenue and Expenses.

All other investments are held at cost.

Group Information

The financial statements of the Group includes Gisborne Holdings Limited (GHL). GHL is a controlled entity and the Council has 100% equity interest in GHL. The carrying value of the Council's investment in GHL is $32.4m (2025: $32.4m). The reporting date of the Council and GHL is 30 June.

Note 17 : Derivatives

The Group has interest rate swap contracts with a fair value liability of $1.1m (2025: liability of $0.8m). These swaps are exposed to fair value movements as interest rates change.
The weighted average effective interest rate of the interest rate swaps was 3.84% (2025: 3.36%). Fair value of the Group's interest rate swaps is determined by bank valuations as at balance date.
The interest rate swaps are measured at fair value. As the Group does not apply hedge accounting, movements in fair value are taken directly to the Statement of Comprehensive Revenue and Expenses.

For further information on the interest rate swaps, please refer to Note 29.

Note 18 : Assets held for sale

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
-	-	Buildings	-	-	1,506
-	**-**	**Total Non Current Assets Held for Sale**	**-**	**-**	**1,506**

The asset held for sale relates to a carwash which was sold on 15 September 2026.

Note 19 : Deposits held

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
9	9	General and Other Deposits	9	7	7
27	27	Resource Consent Bonds	27	25	25
351	351	Footpath Deposits	326	350	350
386	**386**	**Total Deposits Held**	**362**	**381**	**381**

Note 20 : Trade and other payables

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		ACCOUNTS PAYABLE			
407	0	Gisborne District Council Disaster Relief Fund	447	86	(0)
2,269	2,269	Contract Retentions	2,262	3,713	3,713
190	190	Accruals - Audit Fees	147	167	212
1,696	1,731	Accruals - Other	(5,320)	1,609	1,790
22,776	23,859	Trade and other Payables	22,037	23,617	24,988
27,338	**28,049**	**Total Trade and Other Payables**	**19,571**	**29,190**	**30,702**

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

Please refer to Note 4: Revenue from Grants and Subsidies for more details on revenue recognised against expenditure incurred.

Note 21 : Employee benefit liabilities

	Accrued Wages & Salaries $000s	Annual Leave $000s	Long Service Leave $000s	Retirement Leave $000s	Sick Leave $000s	Total $000s
GROUP						
2025						
Balance at 1 July 2024	1,191	2,852	2	266	262	4,574
Additional leave accrued	1,924	3,548	-	18	35	5,525
Amounts Paid	(1,101)	(3,300)	-	(37)	-	(4,438)
Balance at 30 June 2025	**2,014**	**3,101**	**2**	**247**	**297**	**5,660**
2026						
Balance at 1 July 2025	2,014	3,101	2	247	297	5,660
Additional leave accrued	1,480	4,005	-	19	(7)	5,497
Amounts Paid	(1,894)	(3,846)	-	-	-	(5,740)
Balance at 30 June 2026	**1,600**	**3,260**	**2**	**266**	**290**	**5,417**
Current Portion	1,600	3,260	2	149	290	**5,300**
Non Current Portion	-	-	-	117	-	**117**
Total Provisions	**1,600**	**3,260**	**2**	**266**	**290**	**5,417**
COUNCIL						
2025						
Balance at 1 July 2024	1,101	2,677	2	266	125	4,171
Additional leave accrued	1,894	3,577	-	18	29	5,518
Amounts Paid	(1,101)	(3,300)	-	(37)	-	(4,438)
Balance at 30 June 2025	**1,894**	**2,954**	**2**	**247**	**154**	**5,251**
2026						
Balance at 1 July 2025	1,894	2,954	2	247	154	5,251
Additional leave accrued	1,460	4,015	-	19	40	5,534
Amounts Paid	(1,894)	(3,846)	-	-	-	(5,740)
Balance at 30 June 2026	**1,460**	**3,123**	**2**	**266**	**194**	**5,046**
Current Portion	1,460	3,123	2	149	194	**4,929**
Non Current Portion	-	-	-	117	-	**117**
Total Provisions	**1,460**	**3,123**	**2**	**266**	**194**	**5,046**

Sick leave

Provision for sick leave is made only to the extent that is expected to be used in future periods and assessed using a three yearly rolling average on actual hours taken in excess of entitlement.

Long service leave and retirement leave

Council has calculated retirement and long service leave using an estimated probability calculation. As an employee grows older and nears retirement age the probability of eligibility to their full entitlement increases.

Retirement leave calculations have been calculated at future rates of pay and been discounted to present value using a discount rate of 3.84% (2025: 3.86%) and assumed salary inflation of 2.1% (2025: 2.07%). (Treasury discount rates: 1 year 2.87%, 2 years 3.31%, 5 years 3.84%)

Note 22 : Borrowings

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
-	-	Bank Loans	-	-	3,600
20,000	20,000	Debenture	10,000	73,100	73,100
20,000	**20,000**	**Total Current**	**10,000**	**73,100**	**76,700**
-	8,029	Bank Loans	49,290	-	6,837
171,831	171,831	Debenture and FRN Debt Securities	167,800	153,379	153,379
171,831	**179,860**	**Total Non Current**	**217,090**	**153,379**	**160,216**
191,831	**199,860**	**Total Borrowings**	**227,090**	**226,479**	**236,916**

Note 22A: Fair value

The carrying amounts of borrowings approximate their fair value as the Council's and the Group's secured loans and debentures are on floating and fixed interest rates.
Debenture and floating rate note (FRN) debt securities:

Council has issued $226.5m (2025: $191.8m) of debentures and floating rate notes with maturities from 3 August 2026 to 15 April 2036. Interest is paid quarterly in arrears. Interest rates as at 30 June 2026 range from 0% to 5.73% (2025: 0% to 5.73%) and floating rates are subject to quarterly reset dates.
The Council has entered into a concessionary loan agreement with the Crown, funded through the LGFA, as part of a funding agreement in respect of the North Island weather events in 2023. The facility is $30m, matures in 10 years from each drawdown date and has a 0% interest rate. At reporting date the facility was fully drawn, with $30m drawn down across four drawdowns (2025: $15m).
The carrying amount at 30 June 2026 was $18.7m (2025: $9.0m), being the face value of $30.0m less an unamortised discount of $11.3m. The fair value gain on initial recognition for the year is $6.3m (2025: $6.5m) and the subsequent finance expense of $0.9m (2025: $0.5m) has been recognised in the Statement of Comprehensive Revenue and Expenses for the period.
Total external debt (i.e debentures) at the reporting date is $237.8m (2025: $197.8m).

	Note	Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
Opening carrying amount		**-**	**9,031**	**9,031**
Drawdowns during the year (at face value)		-	15,000	15,000
Fair value gain on initial recognition	10	-	(6,298)	(6,298)
Discount unwind recognised as finance expense	10	-	946	946
Closing carrying amount		**-**	**18,679**	**18,679**

Bank facilities

Council has $35m (2025: $35m) worth of committed funding facilities available. At reporting date the draw down under these facilities was $nil (2025: $2.89m). Interest is payable at wholesale market rates.
GHL has a working capital facility with a limit of $3.5m. The facilities are secured by way of a general security agreement. The balance at 30 June 2026 was $nil (2025: $nil). GHL also has Term Facilities of $11.4m in place with ANZ Bank New Zealand Limited, $10.44m was drawn at 30 June 2026. The facilities are secured by way of mortgage and general security agreement. $4.56m terminates on 31 May 2027 and $6.84m terminates on 31 July 2028.

Security

Council borrowings are secured by way of a Debenture Trust Deed over Council rates revenue. GHL loans are secured by way of general security agreement and mortgage.

Note 23: Provision for other liabilities

COUNCIL and GROUP	Paokahu Landfill Aftercare $000s	Waiapu Landfill Aftercare $000s	Other Provisions $000s	Total $000s
2025				
Balance at 1 July 2024	906	944	635	2,485
Additional Provisions Made/(Reversed)	44	-	(475)	(431)
Amounts Used	(129)	-	(27)	(156)
Change in discount rates	21	(6)	-	15
Balance at 30 June 2025	**842**	**937**	**134**	**1,913**
2026				
Balance at 1 July 2025	842	937	134	1,913
Additional Provisions Made/(Reversed)	(4)	(17)	-	(21)
Amounts Used	(81)	(40)	(14)	(135)
Change in discount rates	36	21	-	57
Balance at 30 June 2026	**793**	**901**	**120**	**1,815**
Current Portion	85	356	23	465
Non Current Portion	708	545	97	1,350
Total Provisions	**793**	**901**	**120**	**1,815**

Landfill closure and aftercare liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs to be incurred. To provide for the estimated costs a charge is made each year against each landfill.

Council has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at the Paokahu and Waiapu landfills after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. Each separate landfill provision includes all costs associated with landfill post-closure.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the cash flows associated to the aftercare.

Paokahu landfill

The landfill closed on 31 December 2002 and aftercare costs started six months after the closure of the site. It is expected that future costs will be incurred until 2037.

The following major assumptions have been made in calculating the 2026 provision:

- Future cash flows were indexed at 2.09% (2025: 2.1%) before a discount rate of 4.32% (2025: 4.61%) was applied.

Waiapu landfill

The current landfill cells are closed as of 30 June 2026 (no longer accepting waste) and aftercare costs commenced during the financial year. The future costs have been estimated to be incurred for 30 years, until 2055.

The following major assumptions have been made in calculating the 2026 provision:

- Future cash flows were indexed at 2.01% (2025: 1.99%) before a discount rate of 4.6% (2025: 4.79%) was applied.

Other provisions

Other provisions includes the Risk Pool liability.

This provisions includes Risk Pool liability. The Council Gisborne District Council was previously a member of the New Zealand Mutual Liability Risk Pool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call-in respect of historical claims diminishes with each year as limitation periods expire.

A provision of $120k has been recognised in respect of Risk Pool at 30 June 2026 (2025: $134k). The current liability in is $23k (2025: $37k) and non-current liability $97k (2025: $96k). The amount and timing of when the provision will be used has been estimated based on historic calls and correspondence from Risk Pool. Further information pertaining to contingent liabilities in respect of Risk Pool is disclosed in Note 32A: Contingent Liabilities.

Note 24: Property plant and equipment

COUNCIL 2026	Cost/Revaluation 1 July 2025 $000s	Accumulated Depreciation and Impairment 1 July 2025 $000s	Carrying Amount 1 July 2025 $000s	Current Year Transfers $000s	Additions $000s	Current Year Disposals & other movements $000s	Revaluation Current Year $000s	Revaluation (accumulated depreciation reversed) $000s	Current Year Depreciation $000s	Recovered Depreciation $000s	Impairment $000s	Cost/Revaluation 30 June 2026 $000s	Accumulated Depreciation and Impairment 1 July 2026 $000s	Carrying Amount 30 June 2026 $000s
OPERATIONAL ASSETS														
Land	285,406	–	285,406	60	6,615	–	–	–	–	–	(1,232)	290,849	–	290,849
Buildings/Land Improvements	169,755	(7,276)	162,479	378	8,798	–	–	0	(3,739)	–	(1,692)	177,240	(11,015)	166,224
Plant /Motor Vehicles	21,574	(6,567)	15,007	126	1,995	(605)	–	–	(1,444)	595	–	23,090	(7,417)	15,673
Office Equipment	5,662	(3,348)	2,314	5	206	(17)	–	–	(163)	17	–	5,855	(3,494)	2,362
Other Equipment	4,203	(1,704)	2,499	1	648	(636)	–	–	(849)	636	–	4,216	(1,917)	2,299
Wharves	3,424	(1,077)	2,347	–	–	–	–	–	(68)	–	–	3,424	(1,146)	2,279
Library Books - General	1,416	(821)	595	–	188	(153)	–	–	(122)	106	–	1,451	(837)	614
Library Books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	1,611	–	1,611	(569)	468	–	–	–	–	–	–	1,510	–	1,510
Total Operational Assets	**493,389**	**(20,799)**	**472,590**	**-**	**18,918**	**(1,412)**	**-**	**0**	**(6,386)**	**1,354**	**(2,924)**	**507,971**	**(25,831)**	**482,140**
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	99,744	(6)	99,737	32	2,892	(12)	1,224	2,287	(2,287)	0	–	103,878	(7)	103,872
Sewer and Wastewater Treatment Plant & Facilities	88,107	(7)	88,100	163	605	(0)	1,239	2,500	(2,497)	–	–	90,113	(4)	90,110
Stormwater	103,387	(5)	103,382	616	950	(87)	196	1,883	(1,886)	3	–	105,063	(5)	105,057
Water Supply Reticulation Systems	77,787	(6)	77,781	2,226	1,650	(208)	410	1,995	(2,005)	10	–	81,866	(6)	81,860
Water Supply Treatment Plant & Facilities	85,551	(4)	85,547	477	1,028	–	1,201	1,278	(1,280)	–	–	88,257	(6)	88,251
Solid Waste	2,100	(21)	2,079	82	90	–	(122)	282	(282)	–	–	2,150	(21)	2,129
Flood Control	110,788	(1)	110,787	2,757	6,208	(679)	(6,767)	404	(434)	29	–	112,306	(1)	112,305
Waiapu Aftercare Provision Deferred Expense Asset	575	(575)	–	–	–	–	–	–	–	–	–	575	(575)	–
Roading	1,811,035	0	1,811,035	20,155	36,264	–	(20,138)	14,489	(14,489)	–	–	1,847,316	0	1,847,316
Assets under Construction	43,707	–	43,707	(26,508)	47,515	–	–	–	–	–	–	64,714	–	64,714
Total Infrastructural Assets	**2,422,778**	**(624)**	**2,422,154**	**0**	**97,202**	**(985)**	**(22,758)**	**25,117**	**(25,160)**	**43**	**-**	**2,496,238**	**(624)**	**2,495,613**
Total Property Plant and Equipment	**2,916,167**	**(21,423)**	**2,894,744**	**0**	**116,120**	**(2,397)**	**(22,758)**	**25,117**	**(31,546)**	**1,397**	**(2,924)**	**3,004,209**	**(26,455)**	**2,977,753**

COUNCIL 2025	Cost/Revaluation 1 July 2024 $000s	Accumulated Depreciation and Impairment 1 July 2024 $000s	Carrying Amount 1 July 2024 $000s	Current Year Transfers $000s	Additions $000s	Current Year Disposals & other movements $000s	Revaluation Current Year $000s	Revaluation (accumulated depreciation reversed) $000s	Current Year Depreciation $000s	Recovered Depreciation $000s	Impairment $000s	Cost/Revaluation 30 June 2025 $000s	Accumulated Depreciation and Impairment 1 July 2025 $000s	Carrying Amount 30 June 2025 $000s
OPERATIONAL ASSETS														
Land	318,056	–	318,056	1,698	13,053	(95)	(43,523)	–	–	–	(3,781)	285,406	–	285,406
Buildings / Land Improvements	154,129	(11,305)	142,823	3,589	12,749	(44)	3,398	7,374	(3,345)	1	(4,065)	169,755	(7,276)	162,479
Plant / Motor Vehicles	21,063	(6,662)	14,401	–	1,979	(147)	–	–	(1,353)	147	–	21,574	(6,567)	15,007
Office Equipment	7,686	(5,383)	2,304	–	198	(223)	–	–	(188)	223	–	5,662	(3,348)	2,314
Other Equipment	6,100	(3,818)	2,283	308	592	(297)	–	–	(684)	297	–	4,203	(1,704)	2,499
Wharves	3,424	(1,009)	2,415	–	–	–	–	–	(68)	–	–	3,424	(1,077)	2,347
Library books - General	1,417	(839)	578	–	176	(177)	–	–	(118)	136	–	1,416	(821)	595
Library books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	6,564	–	6,564	(5,595)	641	–	–	–	–	–	–	1,611	–	1,611
Total Operational Assets	**518,775**	**(29,021)**	**489,754**	**-**	**29,388**	**(6,802)**	**(40,126)**	**7,374**	**(5,756)**	**6,604**	**(7,847)**	**493,389**	**(20,799)**	**472,590**
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	78,440	(5)	78,435	29	2,876	(8)	18,406	1,802	(1,804)	0	–	99,744	(6)	99,737
Sewer and Wastewater Treatment Plant & Facilities	82,563	(9)	82,554	–	104	–	5,440	2,262	(2,259)	–	–	88,107	(7)	88,100
Stormwater	83,767	(4)	83,763	196	633	(20)	18,812	1,539	(1,540)	1	–	103,387	(5)	103,382
Water Supply Reticulation Systems	76,520	(5)	76,514	230	167	(25)	896	1,941	(1,943)	2	–	77,787	(6)	77,781
Water Supply Treatment Plant & Facilities	77,822	(4)	77,818	664	943	–	8,706	1,571	(1,570)	–	(2,584)	85,551	(4)	85,547
Solid Waste	2,343	(514)	1,829	–	–	(29)	(214)	651	(168)	9	–	2,100	(21)	2,079
Flood Control	104,999	(1)	104,999	407	372	(39)	5,049	200	(200)	–	–	110,788	(1)	110,787
Waiapu Aftercare Provision Deferred Expense Asset	575	(522)	53	–	–	–	–	–	(53)	–	–	575	(575)	–
Roading	1,826,873	0	1,826,873	7,314	27,017	–	(50,169)	14,357	(14,357)	–	–	1,811,035	0	1,811,035
Assets under Construction	16,129	–	16,129	(8,839)	36,417	–	–	–	–	–	–	43,707	–	43,707
Total Infrastructural Assets	**2,350,030**	**(1,064)**	**2,348,966**	**-**	**68,528**	**(121)**	**6,925**	**24,323**	**(23,895)**	**12**	**(2,584)**	**2,422,778**	**(624)**	**2,422,154**
Total Property Plant and Equipment	**2,868,806**	**(30,085)**	**2,838,720**	**-**	**97,916**	**(6,924)**	**(33,200)**	**31,697**	**(29,651)**	**6,616**	**(10,430)**	**2,916,167**	**(21,423)**	**2,894,744**

GROUP 2026	Cost/Revaluation 1 July 2025 $000s	Accumulated Depreciation and Impairment 1 July 2025 $000s	Carrying Amount 1 July 2025 $000s	Current Year Transfers $000s	Additions $000s	Current Year Disposals & other movements $000s	Revaluation Current Year $000s	Revaluation (accumulated depreciation reversed) $000s	Current Year Depreciation $000s	Recovered Depreciation $000s	Impairment $000s	Cost/Revaluation 30 June 2026 $000s	Accumulated Depreciation and Impairment 1 July 2026 $000s	Carrying Amount 30 June 2026 $000s
OPERATIONAL ASSETS														
Land	362,807	(3,148)	359,659	(315)	7,264	(547)	–	–	–	–	(1,232)	366,977	(3,148)	363,829
Buildings/Land Improvements	205,982	(9,940)	196,042	(460)	11,636	(2)	–	0	(4,536)	–	(1,692)	215,464	(14,476)	200,988
Plant /Motor Vehicles	24,598	(8,202)	16,396	126	2,477	(945)	–	–	(1,790)	595	–	26,256	(9,398)	16,858
Office Equipment	6,187	(3,872)	2,315	5	206	(17)	–	–	(163)	17	–	6,380	(4,018)	2,362
Other Equipment	4,203	(1,704)	2,499	1	648	(636)	–	–	(849)	636	–	4,216	(1,917)	2,299
Wharves	3,424	(1,077)	2,347	–	–	–	–	–	(68)	–	–	3,424	(1,146)	2,279
Library Books - General	1,416	(821)	595	–	188	(153)	–	–	(122)	106	–	1,451	(837)	614
Library Books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	2,964	–	2,964	(2,603)	5,510	–	–	–	–	–	–	5,871	–	5,871
Total Operational Assets	**611,918**	**(28,770)**	**583,148**	**(3,247)**	**27,929**	**(3,301)**	**-**	**0**	**(7,529)**	**1,354**	**(2,924)**	**630,375**	**(34,945)**	**595,430**
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	99,744	(6)	99,737	32	2,892	(12)	1,224	2,287	(2,287)	0	–	103,878	(7)	103,872
Sewer and Wastewater Treatment Plant & Facilities	88,107	(7)	88,100	163	605	(0)	1,239	2,500	(2,497)	–	–	90,113	(4)	90,110
Stormwater	103,387	(5)	103,382	616	950	(87)	196	1,883	(1,886)	3	–	105,063	(5)	105,057
Water Supply Reticulation Systems	77,787	(6)	77,781	2,226	1,650	(208)	410	1,995	(2,005)	10	–	81,866	(6)	81,860
Water Supply Treatment Plant & Facilities	85,551	(4)	85,547	477	1,028	–	1,201	1,278	(1,280)	–	–	88,257	(6)	88,251
Solid Waste	2,100	(21)	2,079	82	90	–	(122)	282	(282)	–	–	2,150	(21)	2,129
Flood Control	110,788	(1)	110,787	2,757	6,208	(679)	(6,767)	404	(434)	29	–	112,306	(1)	112,305
Waiapu Aftercare Provision Deferred Expense Asset	575	(575)	–	–	–	–	–	–	–	–	–	575	(575)	–
Roading	1,811,035	0	1,811,035	20,155	36,264	–	(20,138)	14,489	(14,489)	–	–	1,847,316	0	1,847,316
Assets under Construction	43,707	–	43,707	(26,508)	47,515	–	–	–	–	–	–	64,714	–	64,714
Total Infrastructural Assets	**2,422,778**	**(624)**	**2,422,154**	**0**	**97,202**	**(985)**	**(22,758)**	**25,117**	**(25,160)**	**43**	**-**	**2,496,238**	**(624)**	**2,495,613**
Total Property Plant and Equipment	**3,034,696**	**(29,394)**	**3,005,302**	**(3,247)**	**125,131**	**(4,286)**	**(22,758)**	**25,117**	**(32,689)**	**1,397**	**(2,924)**	**3,126,612**	**(35,569)**	**3,091,044**

GROUP 2025	Cost/Revaluation 1 July 2024 $000s	Accumulated Depreciation and Impairment 1 July 2024 $000s	Carrying Amount 1 July 2024 $000s	Current Year Transfers $000s	Additions $000s	Current Year Disposals & other movements $000s	Revaluation Current Year $000s	Revaluation (accumulated depreciation reversed) $000s	Current Year Depreciation $000s	Recovered Depreciation $000s	Impairment $000s	Cost/Revaluation 30 June 2025 $000s	Accumulated Depreciation and Impairment 1 July 2025 $000s	Carrying Amount 30 June 2025 $000s
OPERATIONAL ASSETS														
Land	398,007	(2,990)	395,017	1,698	13,053	(95)	(46,074)	–	(157)	–	(3,781)	362,807	(3,148)	359,659
Buildings/Land Improvements	190,667	(14,352)	176,316	3,589	12,839	(44)	2,996	8,349	(3,938)	1	(4,065)	205,982	(9,940)	196,042
Plant /Motor Vehicles	23,835	(8,134)	15,701	–	2,251	(1,487)	–	–	(1,516)	1,447	–	24,598	(8,202)	16,396
Office Equipment	8,269	(5,734)	2,535	–	247	(2,329)	–	–	(361)	2,223	–	6,187	(3,872)	2,315
Other Equipment	6,100	(3,818)	2,283	308	592	(2,797)	–	–	(684)	2,797	–	4,203	(1,704)	2,499
Wharves	3,424	(1,009)	2,415	–	–	–	–	–	(68)	–	–	3,424	(1,077)	2,347
Library Books - General	1,417	(839)	578	–	176	(177)	–	–	(118)	136	–	1,416	(821)	595
Library Books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	6,680	–	6,680	(5,595)	1,881	(3)	–	–	–	–	–	2,964	–	2,964
Total Operational Assets	**638,736**	**(36,881)**	**601,855**	**-**	**31,039**	**(6,931)**	**(43,079)**	**8,349**	**(6,842)**	**6,604**	**(7,847)**	**611,918**	**(28,770)**	**583,148**
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	78,440	(5)	78,435	29	2,876	(8)	18,406	1,802	(1,804)	0	–	99,744	(6)	99,737
Sewer and Wastewater Treatment Plant & Facilities	82,563	(9)	82,554	–	104	–	5,440	2,262	(2,259)	–	–	88,107	(7)	88,100
Stormwater	83,767	(4)	83,763	196	633	(20)	18,812	1,539	(1,540)	1	–	103,387	(5)	103,382
Water Supply Reticulation Systems	76,520	(5)	76,514	230	167	(25)	896	1,941	(1,943)	2	–	77,787	(6)	77,781
Water Supply Treatment Plant & Facilities	77,822	(4)	77,818	664	943	–	8,706	1,571	(1,570)	–	(2,584)	85,551	(4)	85,547
Solid Waste	2,343	(514)	1,829	–	–	(29)	(214)	651	(168)	9	–	2,100	(21)	2,079
Flood Control	104,999	(1)	104,999	407	372	(39)	5,049	200	(200)	–	–	110,788	(1)	110,787
Waiapu Aftercare Provision Deferred Expense Asset	575	(522)	53	–	–	–	–	–	(53)	–	–	575	(575)	–
Roading	1,826,873	0	1,826,873	7,314	27,017	–	(50,169)	14,357	(14,357)	–	–	1,811,035	0	1,811,035
Assets under Construction	16,129	–	16,129	(8,839)	36,417	–	–	–	–	–	–	43,707	–	43,707
Total Infrastructural Assets	**2,350,030**	**(1,064)**	**2,348,966**	**-**	**68,528**	**(121)**	**6,925**	**24,323**	**(23,895)**	**12**	**(2,584)**	**2,422,778**	**(624)**	**2,422,154**
Total Property Plant and Equipment	**2,988,766**	**(37,945)**	**2,950,821**	**-**	**99,567**	**(7,052)**	**(36,153)**	**32,672**	**(30,737)**	**6,616**	**(10,430)**	**3,034,696**	**(29,394)**	**3,005,302**

Properties held for resale are recorded at net cost as at 30 June 2025.

Roading assets

The roading asset valuation was undertaken at 30 June 2026 by Pauline True, Angus Hunter and Brian Smith, Independent valuers of Stantec Limited. The depreciated replacement cost of roading assets as at 30 June 2026 is $1.8b (2025: $1.8b).

Land and buildings

Land and buildings are externally revalued three yearly with the next revaluation scheduled for 30 June 2028

Included within Land and Buildings/ Land Improvements are properties acquired as part of the Cyclone Gabrielle FOSAL Category 3 buyout. These properties have been purchased under agreed terms with the purchase price being determined at a market value of the respective properties immediately prior to Cyclone Gabrielle. The value of the properties has been subsequently adjusted down to reflect the fair value of the respective properties, as determined by independent valuation. A financial summary of these properties which is reflected with Land and Buildings/ Land Improvements are as follows:

Land - Additions $1.3m (2025: $7.2m), Impairment $0.7m (2025: $3.8m), Carrying amount $6.5m (2025: $5.8m).

Buildings/ Land Improvements - Additions $1.3m (2025: $4.9m), Impairment $1.3m (2025: $4.1m), Carrying amount $0 (2025: $0).

The impairment charge on these properties has been reflected in the Statement of Comprehensive Revenue and Expense.

Infrastructural assets

Infrastructural assets, excluding roading, are externally revalued three yearly with the next revaluation due on 30 June 2028. An internal CGPI uplift is applied in interim years.

Insurance disclosure

Property, plant and equipment

The total value of assets covered by insurance arrangements for these assets is $587m. The following summarises our different insurance arrangements for these assets:

- Material Damage and combined Business Interruption Excluding Fire. This covers all risk including earthquake but excluding fire. Council's limit of liability varies as per Council Material Damage site schedule.
- Material Damage including Fire caused by natural disaster. This covers for fire caused by natural disaster. Council's limit of liability varies as per Council.
- Material Damage site schedule. Machinery Breakdown Coverage. This covers breakdown of insured plant and machinery. Council's limit of liability is $1m.

Forestry

The total value of assets covered by insurance contracts for forestry is $1.8m. This covers loss or damage to trees principally by fire and reinstatement costs. Council's limit of liability is $1m.

Motor vehicles

The total value of our fleet is $4.67m. Insurance for our vehicles covers accidental damage to Council vehicles and third party liability. All vehicles are insured for market or replacement value. Third party liability is limited to $15m across BoPLASS.

Water, wastewater, stormwater, rivers and land drainage

The declared value for infrastructure assets is $898m. Insurance covers physical loss caused by a natural catastrophe event. Council has a limit of liability of $350m.

Impairment of non-financial assets impacted by Cyclone Gabrielle

As at 30 June 2026, Council identified assets that currently remain severely impacted by the Cyclone and still require impairment, being roading infrastructure which includes roads and bridges.

The value of the impairment attributed to those assets was an area of judgement based on managements and external assessment of the assets condition. This included the roading and bridge network where scoped work completed, subsequent to the Cyclone was recorded. In addition, an assessment was made based upon the percentage of damage done to the asset as a whole and/or valuing the remaining portion of a previously existing asset.

Costs incurred as part of the restoration process of previously impaired assets have been capitalised during the year.

The impaired value of the Roading Network as at 30 June 2026 is $6.2m (2025: $8.7m)

The movement between last year and this year, is between the capitalised costs made in restoring assets as well as assets that were found to be unrecoverable and were written off during the year, plus a reversal of impairment an upward movement in the revaluation reserve.

Costs incurred for minor repairs to assets; general clean-up of assets including removal of woody debris and silt.; and any other cost incurred not identified as capital in nature will continue to be recognised as an expense.

Note 24A : Assets under construction

	Council		Group	
	2025 $000s	2026 $000s	2025 $000s	2026 $000s
Building/Land Improvements	-	-	1,353	4,360
Community Property Management	76	48	76	48
Conveniences	9	-	9	-
Information Management	481	-	481	-
Parks and Open Spaces	1,392	1,570	1,392	1,570
Plant	135	9	135	9
Rivers and Flood Control	8,986	11,316	8,986	11,316
Roading	29,039	46,878	29,039	46,878
Sewer and Wastewater	1,026	1,518	1,026	1,518
Solid Waste	447	643	447	643
Stormwater	1,346	2,647	1,346	2,647
Water Supply	3,186	1,595	3,186	1,595
Total Assets Under Construction	**46,121**	**66,224**	**47,474**	**70,584**



Note 25 : Intangible assets

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		OTHER INTANGIBLE ASSETS			
13,737	**13,737**	**Balance at 1 July - Cost**	**13,522**	**10,617**	**10,617**
18	**18**	**Balance at 1 July - WIP**	**-**	**803**	**803**
(8,850)	(8,850)	Less Accumulated Amortisation and Impairment	(8,636)	(5,439)	(5,439)
4,904	4,904	Opening Carrying Amount	4,886	5,982	5,982
785	785	Additions/Disposals to WIP	-	(803)	(803)
903	903	Additions	-	1,173	1,173
(4,023)	(4,023)	Disposals	-	(24)	(24)
-	-	Transfers from WIP	-	803	803
(612)	(612)	Less Amortisation Charge	-	(648)	(648)
4,023	4,023	Amortisation Recovered	-	23	23
5,982	**5,982**	**Closing Carrying Amount**	**4,886**	**6,507**	**6,507**
		Balance at 30 June			
11,421	11,421	Cost	13,522	12,571	12,571
(5,439)	(5,439)	Less Accumulated Amortisation and Impairment/Change in Fair Value	(8,636)	(6,064)	(6,064)
5,982	**5,982**	**Closing Carrying Amount**	**4,886**	**6,507**	**6,507**
		EMISSIONS TRADING SCHEME ASSETS			
1,554	**4,750**	**Balance at 1 July - Cost**	1,554	**1,573**	**16,657**
-	-	Less Impairment	-	-	-
1,554	4,750	Opening Carrying Amount	1,554	1,573	16,657
18	11,907	Additions	-	-	4,316
-	-	Disposals	-	-	(4,812)
-	-	Impairment	-	-	-
1,573	**16,658**	**Closing Carrying Amount**	**1,554**	**1,573**	**16,162**
		Balance at 30 June			
1,573	16,658	Cost	1,554	1,573	16,162
-	-	Less Impairment	-	-	-
1,573	**16,658**	**Closing Carrying Amount**	**1,554**	**1,573**	**16,162**
7,554	**22,639**	**Total Intangibles**	**6,440**	**8,080**	**22,668**
		EMISSIONS TRADING SCHEME LIABILITIES			
812	**1,717**	**Balance at 1 July - Cost**	**812**	**824**	**10,630**
13	8,913	Additions	-	-	(9,547)
-	-	Disposals	-	-	-
-	-	Impairment/Revaluation	-	-	-
824	**10,630**	**Closing Carrying Amount**	**812**	**824**	**1,083**
749	**6,027**	**Net Emissions Trading Scheme Assets**	**742**	**749**	**15,078**

Note 26 : Biological assets – livestock

Biological assets

Council biological assets consist of forest only ($1.02m). Group biological assets consist of sheep and cattle (livestock - $14.1m) and forestry ($8.03m). The Group farms livestock for the sale of sheep, lambs, cattle and calves. As at 30 June 2026 the Group had 21,227 sheep, 4,364 cattle (2025: 20,992 sheep, 3,793 cattle). During the year the Group sold 19,019 sheep, 878 cattle (2025: 27,257 sheep, 1,526 cattle).

Reconciliation of Opening Balance to Closing Balance - 2025

	SHEEP		CATTLE		Total
GROUP	Quantity	$000s	Quantity	$000s	$000s
Opening Balance as at 1 July 2024	**24,737**	**3,293**	**3,584**	**4,334**	**7,626**
Natural Increase	25,542	3,873	1,714	2,037	5,910
Purchases	25	31	37	359	390
Changes in Fair Value	-	1,738	-	2,329	4,067
Sales	(27,257)	(3,646)	(1,526)	(2,500)	(6,146)
Death and Killed	(2,055)	(452)	(16)	(73)	(524)
Closing Balance as at 30 June 2025	**20,992**	**4,837**	**3,793**	**6,487**	**11,322**

Reconciliation of Opening Balance to Closing Balance - 2026

	SHEEP		CATTLE		Total
GROUP	Quantity	$000s	Quantity	$000s	$000s
Opening Balance as at 1 July 2025	**20,992**	**4,837**	**3,793**	**6,487**	**11,322**
Natural Increase	21,880	4,353	1,565	2,074	6,427
Purchases	63	87	27	368	455
Changes in Fair Value	-	312	-	2,164	2,476
Sales	(19,019)	(3,605)	(878)	(2,021)	(5,626)
Death and Killed	(2,689)	(601)	(143)	(318)	(919)
Closing Balance as at 30 June 2026	**21,227**	**5,383**	**4,364**	**8,754**	**14,136**

Note 26A : Biological assets – livestock

The fair value of livestock as at end of year was:

2024/25			2025/26	
Quantity	$000s		Quantity	$000s
		SHEEP		
20,987	4,836	Mature	21,145	5,364
5	-	Immature	112	18
20,992	**4,836**	**Total Sheep**	**21,257**	**5,383**
		CATTLE		
2,132	4,643	Mature	2,846	6,822
1,661	1,844	Immature	1,518	1,932
3,793	**6,487**	**Total Cattle**	**4,364**	**8,754**

Note 26B : Biological assets – livestock

2024/25 Quantity	2024/25 Average Price $	2025 $000s		2025/26 Quantity	2025/26 Average Price $	2026 $000s
			SHEEP			
27,257	134	3,646	Sales	19,019	193	3,679
			Less Cost of Sales			
24,737	133	3,293	Opening Stock	20,992	230	4,837
25	1,240	31	Add Purchases	25	3,480	87
20,992	230	4,837	Less Closing Stock	20,992	256	5,384
		(1,514)	Total Cost of Sales			(460)
		5,160	**Gross Profit from Sheep**			**4,139**
			CATTLE			
1,526	1,639	2,500	Sales	878	2,301	2,020
			Less Cost of Sales			
3,584	1,210	4,335	Opening Stock	3,793	1,710	6,487
37	9,708	359	Add Purchases	27	13,637	368
3,793	1,710	6,487	Less Closing Stock	4,364	2,006	8,754
		(1,792)	Total Cost of Sales			(1,899)
		4,293	**Gross Profit from Cattle**			**3,919**

The fair value of livestock is determined by independent valuation as at 30 June 2026. The independent livestock valuation was performed by Fergus Hazlett Limited, independent livestock agents, in accordance with the Group's accounting policy detailed in Note 1: Statement of Accounting Policies.

The independent valuation used the quoted price in an active market, minus costs to sell, as the appropriate basis for determining fair value. Where there is more than one active market that the Council and Group have access to, the most relevant market has been used. The gain on initial recognition of livestock sold is recognised in the Statement of Comprehensive revenue and expenses in the year of sale. At time of harvest, wool is recorded as inventory.

No livestock or other inventories have been pledged as security for liabilities, nor are any inventories subject to retention of title clauses.

There is no financial risk management strategy for livestock.

Note 26C : Forestry

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
924	7,080	Balance at 1 July	924	1,011	8,029
-	-	Increases due to Exqpenditure	-	-	641
87	950	Gains/(Losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	-	11	(4,109)
-	-	Harvest	-	-	-
1,011	**8,029**	**Balance at 30 June**	**924**	**1,022**	**4,561**

No harvesting was undertaken during the year; income received from log sales was Nil (2025: $Nil).

Councils forestry holdings have been valued by PF Olsen and Company Limited. A pre-tax discount rate of 7.8% (2025 7.8%) has been used in discounting the present value of expected cash flows. The valuations are compliant with PBE IPSAS27.

The valuation of the Pamoa forestry assets as at 30 June 2026 is $381k. (2025: $406k).

The valuation of the Council's forestry assets as at 30 June 2026 is $642k. (2025: $605k).

Tauwharepārae forests

The fair value of the forest tree crop is determined by independent valuation. Independent forestry valuation as at 30 June 2026 was performed by PF Olsen and Company Limited, independent providers of professional forestry services. The fair value is assessed as follows:

- The maturity value of the existing tree crop and the future costs of realising that revenue are determined.
- Future costs and revenue are discounted.

The appropriate discount rate is determined by considering the recent sales of forests and the relative sensitivity of the value of the forest to future log prices.

Significant assumptions applied in this determination of fair value are:

- Appropriate Discount Rate (pre-tax) - 6.5% (2025: pre-tax 8.6%)
- Rate of Inflation - 1% (2025: 1%)
- Rate of Tax - 28% (2025: 28%)

During the year there was $641k of forestry development expenditure capitalised to the forest asset (2025: $nil).

Financial risk management strategies

The Group is exposed to financial risks arising from changes in timber prices. The Group is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices.

Note 27: Equity

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 AP $000s	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		ACCUMULATED SURPLUS (RETAINED EARNINGS)			
541,192	541,765	Balance at 1 July	656,039	577,014	583,806
5,315	5,315	Transfers (to)/from Special Funds	12,342	(977)	(977)
11	11	Transfers from Asset Revaluation Reserve on Disposal of Property, Plant and Equipment	-	1,460	1,460
30,496	36,723	Surplus/(Deficit) for the year	95,226	61,857	71,277
577,014	**583,814**	**Balance at 30 June**	**763,606**	**639,354**	**655,566**
		SPECIAL FUNDS AND RESERVES			
60,718	60,718	Balance at 1 July	44,671	55,403	55,403
(5,315)	(5,315)	Transfer (to)/from Retained Earnings	(12,341)	977	977
55,403	**55,403**	**Balance at 30 June**	**32,330**	**56,380**	**56,380**
		ASSET REVALUATION RESERVES			
2,113,273	2,195,850	Balance at 1 July	2,161,623	2,109,170	2,189,847
(4,092)	(6,070)	Revaluations	68,751	2,360	2,360
(11)	(11)	Transfers to Retained Earnings on Disposal of Property, Plant and Equipment	-	(1,460)	(1,460)
-	71	Deferred Tax on building revaluations	-	-	(0)
2,109,170	**2,189,840**	**Balance at 30 June**	**2,230,375**	**2,110,070**	**2,190,747**

Note 27A : Asset revaluation reserve

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s	ASSET CLASSES	Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
90	90	Investments	90	90
		OPERATIONAL ASSETS		
248,169	315,106	Land	248,169	315,115
67,289	82,238	Buildings/Land Improvements	67,289	82,237
		INFRASTRUCTURAL ASSETS		
81,553	81,553	Sewer and Wastewater	88,799	88,799
72,946	72,946	Stormwater	74,938	74,938
107,940	107,940	Water Supply	112,492	112,492
2,183	2,183	Solid Waste	2,342	2,342
1,459,020	1,459,020	Roading	1,453,371	1,453,371
70,108	70,108	Flood Control	62,706	62,706
(126)	(1,343)	Deferred Tax Asset Revaluation	(126)	(1,343)
2,109,170	**2,189,840**		**2,110,070**	**2,190,747**

Note 27B : Internal borrowings

	Opening Balance 1 July 2025 $000s	New Borrowings $000s	Interest $000s	Repayments Principal $000s	Closing Balance 30 June 2026 $000s
Commercial Operations	245	10	9	37	218
Environmental Services & Protection	233	8	9	18	224
Land, Rivers & Coastal	20,323	2,383	723	503	22,203
Liveable Communities	24,145	2,865	938	1,671	25,339
Regional Leadership & Support Services	59,073	15,405	1,946	3,346	71,132
Roading	16,673	3,814	532	1,584	18,903
Solid Waste	8,306	456	309	825	7,937
Urban Stormwater	9,586	1,401	376	721	10,266
Wastewater	60,780	980	2,320	1,990	59,770
Water Supply	7,736	951	316	486	8,201
	207,099	**28,273**	**7,477**	**11,180**	**224,192**

Note 27C: Special funds and other reserves

	Opening Balance 1 July 2025 $000s	Transfers to Reserves $000s	Transfers from Reserves $000s	Closing Balance 30 June 2026 $000s	Description / Use
Waipaoa River Flood Control Scheme	835	23	-	858	Reserve is a funding source for minor and major capital work in relation to the Waipaoa River Flood Control Scheme.
Civil Defence Disaster Relief	493	13	-	472	Reserve is to provide for civil defence emergency costs not covered by Government subsidies and for discretionary contributions to other district Civil Defence Disaster Relief activities.
Capital Development Fund	2,466	68	-	2,533	Reserve is to hold proceeds of selected asset sales which are to be utilised for capital developments as determined by Council.
Quarry Rehab	1,307	36	-	1,342	Reserve is to provide for the restoration and rehabilitation of the Patutahi Quarry.
Olympic Pool Development	33	1	-	34	Reserve is to hold donations and bequests given in relation to the Olympic Pool. Funds will be utilised for the redevelopment of the Olympic Pool complex.
Reserves Contributions	140	4	-	144	Reserve holds reserve contributions received. These contributions have now been replaced by development contributions. Funding is utilised for capital expenditure on Parks and Open Spaces resulting from growth due to developments within the district.
Land Transport - Urban Development Contributions	447	327	-	775	Reserve holds development contributions received in relation to Roading. Funding is utilised for capital expenditure on Land Transport infrastructure resulting from growth due to developments within the district.
Water Supply - Urban Development Contributions	233	301	115	419	Reserve holds development contributions received in relation to Water Supply. Funding is utilised for capital expenditure on Water Supply infrastructure resulting from growth due to developments within the district.
Wastewater - Urban Development Contributions	1,997	1,032	141	2,888	Reserve holds development contributions received in relation to Wastewater. Funding is utilised for capital expenditure on Wastewater infrastructure resulting from growth due to developments within the district.
Stormwater - Urban Development Contributions	(403)	349	171	(225)	Reserve holds development contributions received in relation to Stormwater. Funding is utilised for capital expenditure on Stormwater infrastructure resulting from growth due to developments within the district.
Reserves - District Development Contributions	496	98	34	594	Reserve holds development contributions received in relation to Parks and Open Spaces. Funding is utilised for capital expenditure on Parks and Open Spaces resulting from growth due to developments within the district.
HMNZ Blackpool Scholarship Fund	7	0	-	7	Reserve holds funds that are distributed in accordance with the trust deed.
Pamoa Restoration Reserve	3,079	81	253	2,908	Funds from Pamoa harvest for the restoration around the Waingake water supply.
Land Subdivision	393	11	-	403	Reserve predates Gisborne District Council. Further investigation is required into what the funds were set aside for. It is likely to relate to Financial Contributions received as a result of subdivision.
Organisation Development Reserve	4,834	1,021	887	4,968	Operational Surplus to be used to fund organisational development.
Depreciation	39,047	31,947	32,735	38,258	Reserve holds funds utilised on projects that replace the district's assets.
Total Special Funds and Other Reserves	**55,403**	**35,313**	**34,336**	**56,380**	

Note 28 : Reconciliation of net surplus to operating cash flows

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
30,496	36,723	Reported Net Surplus after tax	61,857	69,848
		ADD/(DEDUCT) NON CASH ITEMS		
30,262	31,348	Depreciation & Amortisation	32,194	33,337
1,710	1,710	Unrealised (Gain)/Loss on Derivative Financial Instruments	257	257
-	(3,696)	Livestock Holding (Gain)/ Loss	-	1,307
338	369	(Profit)/ Loss on Disposal of Assets	194	239
(87)	(951)	Forestry Value (Gain) / Loss	(11)	(11)
(572)	(572)	Other provisions and deferred expense asset	(99)	(99)
-	1,514	Increase in Deferred Taxation	-	1,666
(6,512)	(6,512)	Concessionary loan fair value gain	(6,705)	(6,705)
603	603	Interest on concessionary loan unwind	982	982
7,847	7,847	Loss on Recovery Property Buyouts and Disposal of Assets	3,573	3,573
(5)	(2,993)	Carbon Credit Allocation	-	(13,738)
33,584	**28,666**		**30,385**	**20,808**
		ADD ITEMS CLASSIFIED AS INVESTING ACTIVITIES		
(2,626)	(2,626)	Movement of Plant, Property and Equipment included in Trade Payables	6,754	6,754
-	-	Sale of Capital Livestock	-	-
(2,626)	**(2,626)**		**6,754**	**6,754**
		INCREASE/(DECREASE) IN WORKING CAPITAL		
7,749	7,525	Trade & Other Receivables	(4,568)	(4,787)
(3)	(52)	Inventories	17	17
25	25	Deposits Held	(5)	(5)
(33,907)	(33,253)	Trade & Other Payables	(4,171)	(3,722)
1,080	1,086	Employee Benefit Liabilities	(206)	(206)
(418)	(0)	Subvention Payment Due	350	-
-	687	Taxation Payable	-	871
(25,474)	**(23,983)**		**(8,582)**	**(7,831)**
35,981	**38,780**	**Net Cash Inflow from Operating Activities**	**90,414**	**89,579**

Note 29A : Financial instruments

The following tables are comparisons of carrying amounts of the Group's financial assets and liabilities in each of the financial instrument categories:

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		FINANCIAL ASSETS		
		Amortised Cost		
(676)	210	Cash and Cash Equivalents	4,767	5,981
-	-	Term Deposits	-	-
43,886	43,522	Trade and Other Receivables	48,103	47,958
43,210	**43,732**	**Total at amortised cost**	**52,870**	**53,939**
		Fair Value Through Surplus or (Deficit)		
-	-	Derivative Financial Instruments	-	-
5,297	5,297	NZ LGFA Borrower Notes	6,749	6,749
204	705	**Unlisted Shares**	204	204
5,501	**6,002**	**Total at FVTSD**	**6,953**	**6,953**
48,711	**49,734**	**Total Financial Assets**	**59,823**	**60,892**
		FINANCIAL LIABILITIES		
		Amortised Cost		
-	8,029	Bank Loan	-	10,437
191,831	191,831	Secured Debentures	226,479	226,479
47,238	47,949	Trade Payables and Accruals	42,861	44,834
239,069	**247,809**	**Total at Amortised Cost**	**269,341**	**281,750**
		Fair Value Through Surplus or (Deficit)		
802	802	Derivative Financial Instruments	1,059	1,059
802	**802**	**Total at FVTSD**	**1,059**	**1,059**
239,871	**248,611**	**Total Financial Liabilities**	**270,400**	**282,810**

Note 29B - Fair value hierarchy

For those instruments recognized at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Level 1 – Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.

Level 2 – Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 – Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

Council

Year Ended 30 June 2025 Valuation Technique					Year Ended 30 June 2026 Valuation Technique			
Quoted Market Price (Level 1) $000s	Observable Inputs (Level 2) $000s	Non Observable Inputs (Level 3) $000s	Total $000s		Quoted Market Price (Level 1) $000s	Observable Inputs (Level 2) $000s	Non Observable Inputs (Level 3) $000s	Total $000s
				FINANCIAL ASSETS				
-	-	204	204	Unlisted Investments	-	-	204	204
-	5,297	-	5,297	LGFA Borrower Notes	-	6,749	-	6,749
-	-	-	-	Derivative Financial Instruments	-	-	-	-
-	**5,297**	**204**	**5,500**		**-**	**6,749**	**204**	**6,953**
				FINANCIAL LIABILITIES				
-	802	-	802	Derivative Financial Instruments	-	1,059	-	1,059
-	**802**	**-**	**802**		**-**	**1,059**	**-**	**1,059**

Group

Year Ended 30 June 2025 Valuation Technique					Year Ended 30 June 2026 Valuation Technique			
Quoted Market Price (Level 1) $000s	Observable Inputs (Level 2) $000s	Non Observable Inputs (Level 3) $000s	Total $000s		Quoted Market Price (Level 1) $000s	Observable Inputs (Level 2) $000s	Non Observable Inputs (Level 3) $000s	Total $000s
				FINANCIAL ASSETS				
-	-	705	705	Unlisted Investments	-	-	204	204
-	5,297	-	5,297	LGFA Borrower Notes	-	6,749	-	6,749
-	-	-	-	Derivative Financial Instruments	-	-	-	-
-	**5,297**	**705**	**6,001**			**6,749**	**204**	**6,953**
				FINANCIAL LIABILITIES				
-	802	-	802	Derivative Financial Instruments	-	1,059	-	1,059
-	**802**	**-**	**802**		**-**	**1,059**	**-**	**1,059**

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements - Council:

Council 2025 Actual $000		Council 2026 Actual $000
202	Balance at 1 July	204
2	Gains and losses recognised in surplus or deficit	-
-	Gains and losses recognised in other comprehensive revenue and expenses	-
-	Purchases	-
-	Sales	-
-	Transfers into level 3	-
-	Transfers out of level 3	-
204	Balance at 30 June	**204**

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including credit risk, liquidity risk and market risk. The Council and Group has a series of policies to manage the risks associated with financial instruments and seeks to minimize exposure from its treasury activities. The Council has established and approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, causing the Group to incur a loss. The Group invests funds only in deposits with registered banks and its investment policy limits the amount of credit exposure to any one institution or organisation. The Group only invests funds with those entities which have a Standard and Poor's credit rating of at least A2 - for short term and A – for long-term investments. The Council and Group hold no collateral or credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		Financial Assets		
(676)	210	Cash and Cash Equivalents	4,767	5,981
20,000	20,000	Term Deposits	-	-
43,886	43,522	Trade and Other Receivables	48,103	47,958
1,028	1,028	Derivative Financial Instruments	-	-
43,210	**43,732**	**Total Financial Assets**	**52,870**	**53,939**

Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by reference to Standard and Poor's credit ratings are provided below:

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		Cash at Bank and Term Deposits		
(676)	210	AA-	4,767	5,981
		Derivative Financial Instruments		
-	-	AA-	-	-
		COUNTERPARTIES WITHOUT CREDIT RATINGS		
-	-	Existing counterparty with no defaults in the past	-	-

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Receivables arise mainly from the Council's statutory functions, therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. To provide flexibility in the management of the Group's liquidity, the Group has committed bank advance facilities available (for details refer to Note 22: Borrowings).

On a cash flow basis, the Council maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Treasury Management Policy and Procedures.

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contracted maturity date.

The Group's maximum exposure to credit risk at balance date is:

COUNCIL 2026	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Cash and Cash Equivalents	4,767	4,767	4,767	-	-	-
Term Deposits	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-
Trade and Other Receivables	48,103	48,103	48,103	-	-	-
Total Financial Assets	**52,870**	**52,870**	**52,870**	**-**	**-**	**-**

COUNCIL 2025	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Cash and Cash Equivalents	(676)	(676)	(676)	-	-	-
Term Deposits	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-
Trade and Other Receivables	43,886	43,886	43,886	-	-	-
Total Financial Assets	**43,210**	**43,210**	**43,210**	**-**	**-**	**-**

GROUP 2026	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Cash and Cash Equivalents	5,981	5,981	5,981	-	-	-
Term Deposits	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-
Trade and Other Receivables	47,958	47,958	47,958	-	-	-
Total Financial Assets	**53,939**	**53,939**	**53,939**	**-**	**-**	**-**

GROUP 2025	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Cash and Cash Equivalents	210	210	210	-	-	-
Term Deposits	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-
Trade and Other Receivables	43,522	43,522	43,522	-	-	-
Total Financial Assets	**43,732**	**43,732**	**43,732**	**-**	**-**	**-**

Contractual maturity analysis of financial liabilities

The table below analyses the Council and group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

COUNCIL 2026	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Trade Payables and other financial liabilities	42,861	42,861	42,745	-	117	-
Bank Loans	-	-	-	-	-	-
Debentures	226,479	256,889	79,936	46,102	100,851	30,000
Derivative Financial Instruments	1,059	870	477	287	147	(40)
Total Financial Liabilities	**270,400**	**300,620**	**123,157**	**46,389**	**101,114**	**29,960**

COUNCIL 2025	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Trade Payables and other financial liabilities	47,238	47,238	47,134	-	105	-
Bank Loans	-	-	-	-	-	-
Debentures	191,831	221,934	26,725	44,461	112,887	37,861
Derivative Financial Instruments	802	699	187	350	356	(194)
Total Financial Liabilities	**239,871**	**269,871**	**74,046**	**44,811**	**113,348**	**37,666**

GROUP 2026	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Trade Payables and other financial liabilities	44,745	44,745	44,628	-	117	-
Bank Loans	10,437	10,437	3,600	-	6,837	-
Debentures	226,479	256,889	79,936	46,102	100,851	30,000
Derivative Financial Instruments	1,059	870	477	287	147	(40)
Total Financial Liabilities	**282,721**	**312,941**	**128,641**	**46,389**	**107,951**	**29,960**

GROUP 2025	Statement of Financial Position $000s	Total Contractual Cash Flows $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s	>5 Years $000s
Trade Payables and other financial liabilities	47,949	47,949	47,845	-	105	-
Bank Loans	8,029	8,029	8,029	8,029	8,029	-
Debentures	191,831	221,934	26,725	44,461	112,887	37,861
Derivative Financial Instruments	802	699	187	350	356	(194)
Total Financial Liabilities	**248,611**	**278,611**	**82,786**	**52,840**	**121,377**	**37,666**

Market risk

The Group enters into derivative financial instruments to manage interest rate risk. A treasury committee, headed by senior management personnel, provides oversight for risk management and derivatives activities and ensures activities comply with the Treasury Management Policy which is formally approved by Council as part of the Council's Long Term Plan.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing liabilities. The Group is risk averse and seeks to minimise exposure from its treasury activities. It does not undertake unnecessary investment or borrowing activity, nor is any speculation permitted in the activity it undertakes.

The Group manages its interest rate risk by maintaining the ratio of borrowing between fixed and floating interest rates and by maintaining portions of its borrowings in a range of maturity profiles.

The effective interest rates of financial instruments are as follows:

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		WEIGHTED EFFECTIVE INTEREST RATES		
3.95%	3.95%	Debentures	3.47%	3.47%
3.36%	3.36%	Derivative Financial Instruments	3.84%	3.84%

Interest rate sensitivity

At balance date, the group had $172.8m of variable rate borrowings and $69.5m of interest rate swaps. The interest rate impact for fixed rate borrowing is zero, as a change in market interest rates will not change interest cash flow amounts. If interest rates at that date had been 100 basis points higher/lower with all other variables held constant, net surplus for the year would have adjusted by the amounts in the table below:

Council 2024/25 Actual $000s	Group 2024/25 Actual $000s		Council 2025/26 Actual $000s	Group 2025/26 Actual $000s
		NET SURPLUS HIGHER/(LOWER)		
1,224	1,224	+ 100 Basis Points	898	898
(1,364)	(1,364)	- 100 Basis Points	(1,018)	(1,018)

Note 30 : Commitments

COUNCIL 2026	Total $000s	0 - 12 Months $000s	1 - 5 Years $000s
Capital Commitments - Approved and Contracted	71,363	50,809	20,554
Total Commitments	**71,363**	**50,809**	**20,554**

COUNCIL 2025	Total $000s	0 - 12 Months $000s	1 - 5 Years $000s
Capital Commitments - Approved and Contracted	28,625	24,800	3,825
Total Commitments	**28,625**	**24,800**	**3,825**

GROUP 2026	Total $000s	0 - 12 Months $000s	1 - 5 Years $000s
Capital Commitments - Approved and Contracted	73,463	52,909	20,554
Total Commitments	**73,463**	**52,909**	**20,554**

GROUP 2025	Total $000s	0 - 12 Months $000s	1 - 5 Years $000s
Capital Commitments - Approved and Contracted	30,359	26,534	3,825
Total Commitments	**30,359**	**26,534**	**3,825**



Note 31A : Leases

	Total $000s	0 - 12 Months $000s	1 - 5 Years $000s	5+ Years $000s
GROUP 2026				
Operating Lease Payments	1,448	260	380	807
Total Non Cancellable Operating	**1,448**	**260**	**380**	**807**
GROUP 2025				
Operating Lease Payments	1,743	256	515	973
Total Non Cancellable Operating	**1,743**	**256**	**515**	**973**
COUNCIL 2026				
Operating Lease Payments	18,949	2,100	6,755	10,094
Total Non Cancellable Operating	**18,949**	**2,100**	**6,755**	**10,094**
COUNCIL 2025				
Operating Lease Payments	20,773	2,071	7,081	11,621
Total Non Cancellable Operating	**20,773**	**2,071**	**7,081**	**11,621**

Gisborne District Council leases buildings from Gisborne Holdings Ltd. This arrangement began 1 December 2015. In 2024, the annual lease amount was $2m. Non-cancellable lease terms range between 10 and 20 years from start date.

The Council leases photocopiers and duplex units for which there is no monthly lease obligation. The term of the lease is for 5 years from 17 February 2022 for the duplex unit and 5 years from 10 July 2023 for the photocopiers. The Council incurs charges for the number of copies made each period. Included within the lease agreement is a termination clause which imposes a penalty for early termination of the lease agreement. The penalty is calculated based on the number of months outstanding in the agreement multiplied with a target number of copies. As at 30 June this penalty is calculated to be $142k (2025: $222k).

The Council lease two motor vehicles for the specific purpose of one project which is scheduled to cease next year. It is more economical to lease these motor vehicles over and above an outright purchase for this purpose

Note 31B : Residential lease

	Total $000s	0 - 12 Months $000s	1 - 2 Years $000s	2 - 5 Years $000s
COUNCIL AND GROUP 2026				
Operating Lease Commitments	113	113	-	-
Total Operating Lease Commitments	**113**	**113**	**-**	**-**
COUNCIL AND GROUP 2025				
Operating Lease Commitments	108	108	-	-
Total Operating Lease Commitments	**108**	**108**	**-**	**-**

The future aggregate minimum lease payments to be received under operating leases are outlined in the table above.

Council leases its residential property assets to tenants. The terms of each tenancy are governed by the Residential Tenancies Act 1986. Rent is charged at less than market value. The leases are cancellable by the tenants and this is provided by the Residential Tenancies Act. A minimum notice period of 21 days applies or, if cancelled by Council, 90 days' notice is required.

Note 32A : Contingent Liabilities

Paokahu consent bond

As a condition of the Paokahu landfill resource consent the Council entered into a bond with the Paokahu owners for the sum of $100,000. This acts as security for the performance of any of the conditions of the resource consent, including any conditions relating to after care and post closure remediation.

New Zealand emissions trading scheme obligations

The Group has a contingent liability in respect to both its pre-1990 and post-1989 forests which are part of the New Zealand Emissions Trading Scheme.

Should the Group deforest all of its pre-1990 forests, it would have a liability under the ETS to surrender New Zealand emissions units of approximately $50.5m determined at 30 June 2026 (2025: $54.2m).

Should the Group experience a decrease in total carbon stocks for all of its post-1989 forests, whether due to events such as harvest or forest fire, it would have a liability under the ETS in addition to that already recognised in the financial statements to surrender New Zealand emissions units of approximately $29.4m determined at 30 June 2026 (2025: $13.3m). The amount and timing of any liability is uncertain and is dependent on the occurrence of the circumstances described above and the price of emissions units at the time of deforestation.

If these contingencies were to arise, emissions units held may be utilised to settle these obligations.

New Zealand Local Government Funding Agency Limited

Gisborne District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA.

Gisborne District Council is one of 30 local authority shareholders and 74 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of $20m. When aggregated with the uncalled capital of other shareholders, $20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Gisborne District Council is a uarantor of all of NZLGFA's borrowings. At 30 June 2026, NZLGFA had borrowings totaling $27.39b (2025: $25.53b).

Financial reporting standards require Gisborne District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local Government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Category 3 Properties under FOSAL programme

Council was responsible for categorising land and determining how and to what extent assistance would be provided to affected properties. This was part of the Future of Severely Affected Land (FOSAL) information pack on the back of the Severe Weather Event Emergency Legislation (SWERL) Act 2023 which was introduced on 20 March 2023, following the events of Cyclone Gabrielle and Hale. As at 30 June 2026 Council had settled 58 properties, with no further properties pending negotiation and settlement.

Risk Pool

Gisborne District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call-in respect of historical claims diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Note 32B : Contingent assets

As of 30 June 2026, the Council has a contingent asset arising from an insurance claim lodged in relation to the damages incurred from Cyclone Gabrielle, which occurred in February 2023.

Nature of the Claim: The claim has been filed with the relevant insurance provider due to extensive damage caused by the cyclone.

Maximum Amount Receivable: The maximum potential amount receivable from the claim is estimated to be 40% of $17,467,485.

Uncertainty of Estimation: Due to the complexity of the claim and the uncertainty surrounding the assessment of damages and the insurance provider's response, the Council is unable to estimate the amount that may ultimately be received. As such, no asset has been recognized in these financial statements in accordance with IPSAS 19.105.

Disclosure of Contingent Asset: The Council will continue to evaluate the situation and will disclose any developments that may affect the outcome of this claim in future financial statements.

Note 33 : Related party transactions

All the above services were provided on normal terms and conditions of trade. Figures for services provided are shown exclusive of GST. Balance sheet items are GST inclusive. All balances have been eliminated on consolidation.

Relationship with Gisborne Holdings Ltd

Gisborne Holdings Ltd (GHL) is 100% owned by Gisborne District Council (GDC).

All subsidiaries have a 30 June balance date.

TRANSACTIONS WITH GHL	2025 $000s	2026 $000s
Services Provided to Council	211	398
Services Provided by Council	373	441
Lease Provided by GHL	1,872	1,937

The above table shows the transactions with GHL during the financial year. As GHL forms part of the Group, these transactions are eliminated upon consolidation.

All the above services were provided on normal terms and conditions of trade. Figures for services provided are shown exclusive of GST. Balance sheet items are GST inclusive. All balances have been eliminated on consolidation.

Note 34: Council key management personnel compensation

	2025 $000s	2026 $000s
Salaries and Other Short Term Employees Benefit;		
Governance	920	949
Chief Executive and Senior Leadership Team	2,154	2,323

Key management personnel include the Mayor, councillors, Chief Executive and a seven person leadership team. The total number of councillors of the governing body during the financial year comprised of 15 full time equivalent councillors including the Mayor.

Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

Note 35: Council remuneration and severance payments

During the year to 30 June 2026, the total remuneration received by or payable to the Mayor, other councillors and Chief Executive of the Council were as follows:

	2025	2026
R Stoltz, Mayor	$172,099	$182,960
A Ria, Deputy Mayor	$53,106	$70,502
J Wharehinga	$73,630	$25,024
A Cranston	$63,494	$21,544
L Foster	$63,255	$62,452
D Gregory	$52,511	$62,215
A Robinson	$38,118	-
C Alder	$52,511	$59,560
A Pahuru-Huriwai	$71,388	$20,752
R Parata	$61,963	$58,123
R Telfer	$52,511	$58,830
D Thompson	$59,744	$55,742
R Tibble	$52,621	$55,561
N Tupara	$52,665	$55,480
J Muir	-	$41,122
A Huriwai	-	$43,465
S Gibson	-	$37,738
A Boros	-	$37,738
N Thatcher-Swann, Chief Executive	$412,331	$439,318

Total remuneration includes for the Mayor and Chief Executive the value of non-financial benefits. Total remuneration for the councillors includes normal meetings, hearings, District Licensing Committee, mileage and other travel reimbursements which can be significant for councillors not residing in Gisborne.

Total annual remuneration by band for employees as at 30 June 2026

	Number of employees	
Salary bands	2025	2026
$180,000 - $420,000[1]	11	11
$160,000 - $180,000	7	16
$140,000 - $160,000	27	19
$120,000 - $140,000	41	51
$100,000 - $120,000	64	83
$ 80,000 - $100,000	126	121
$ 60,000 - $ 80,000	117	112
Less than $ 60,000	114	84
	507	**497**
Full Time Employees[2]	353	343
Full Time Equivalent Employees[3]	66	74

[1] If the number of employees in any band is 5 or fewer, the number for that band must be combined with the next-highest band.

[2] Full time employees: the total number of people employed full time (40 hours or more per week) excluding casual staff as at 30 June 2026.

[3] Full time equivalents: the total number of contracted hours for all part time (less than 40 hours per week) staff and all casual staff, divided by the full time equivalent hours (40 hours)

Severance payments

No severance payments were made during the 2026 financial year (2025: $nil).

Note 36: Events after balance sheet

On 15 September 2026, GHL completed the sale of the land, buildings and business of Wash'n Go Gisborne Auto Wash for $1.67m which had been classified as held for sale as at 30 June 2026.

Note 37: Disclosure statement

The purpose of this statement is to disclose Council's 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 annual report 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 actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates income affordability

The following graphs compare the Council's actual rates income with quantified limits on rates contained in the financial strategy included in Council's 2024 -2027 Three Year Plan (3YP).

Quantified limits on rates

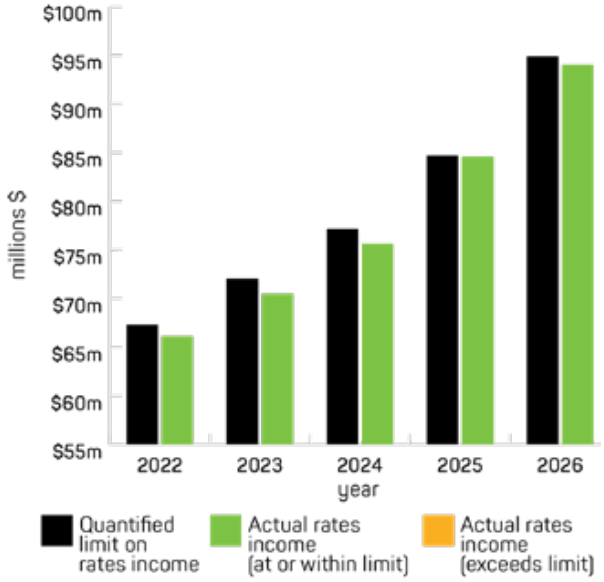
The quantified limit is for actual rates for each year of the 3YP period will be no more than 11.4% plus growth.

* 2024 -2027 Three Year Plan assumed growth to be 0.5% each year. When measuring against rates benchmark, actual growth rates are used 2026 0.8% (2025 0.06%).

Rates increases affordability

The following graph compares the Councils actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Councils 2024 - 2027 Three Year Plan.

Rates affordability benchmark

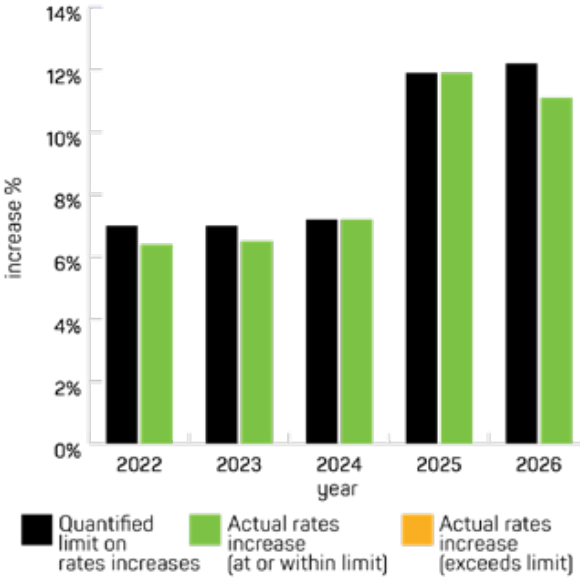


Quantified limit on rates increases

The total rates requirement for each year of the 3YP 2024 -2027 will be no more than 11.4% plus growth in ratable properties. The forecast is for 0.5% growth over the three years.

*growth 0.8% (2025 0.6%).

Rates increases benchmark



Debt affordability benchmark

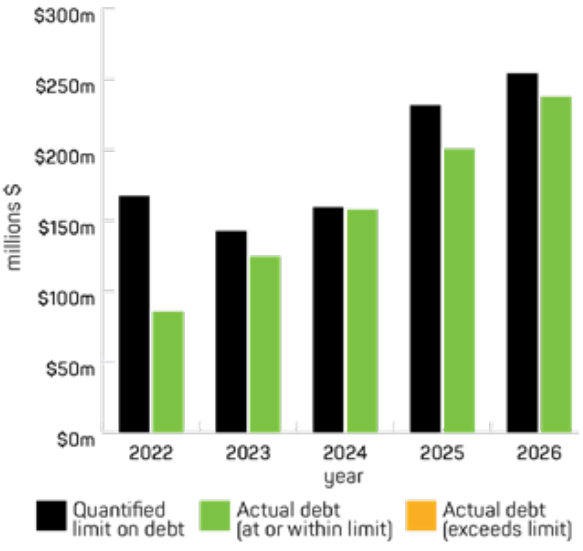
Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

Our limits for debt

The following graph compares Council's actual total borrowing with the first quantified limit on borrowing stated in the financial strategy included in the Council's 2024 -2027 Three Year Plan (3YP).

The quantified limit is based on the ability to borrow, and is set at 175% of debt to revenue. This limit follows the financial strategy as set in the 3YP.

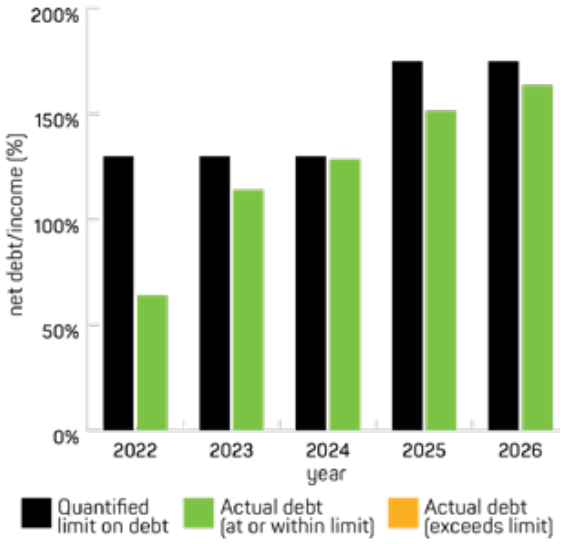
Debt affordability benchmark



Our limit on net debt as a percentage of income

The following graph compares the Council's net debt as a percentage of income which is the first quantified limit on borrowing stated in the Liability Management Policy included in the Council's 2024 -2027 Three Year Plan. The results record total actual revenue to total debt, where in 2026 the ratio is 94% debt to revenue. After eliminating non-recurring income, the ratio is 164% in line with the 175% threshold.

Debt affordability benchmark



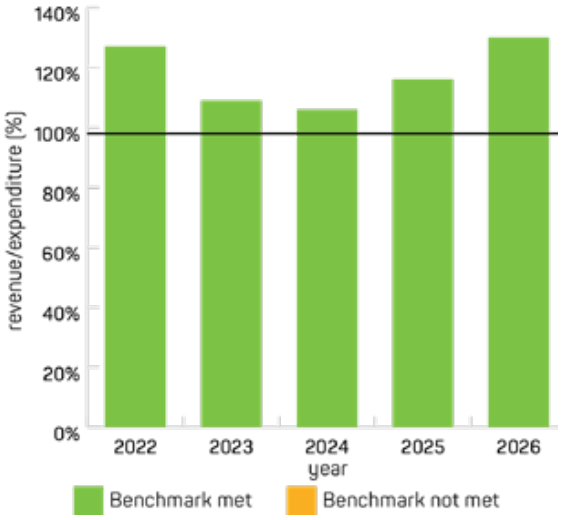
Balanced budget benchmark

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

There will be higher revenue than operational expenditure over the next three years. This is due to the capital revenue from Central Government for the reinstatement of damaged infrastructure resulting from Cyclone Gabrielle that impacted our region in February 2023. Capital grants go towards reducing our need to borrow and supports the capital expenditure program.

Council meets this benchmark if its revenue equals or is greater than operating expenses.

Balanced budget benchmark

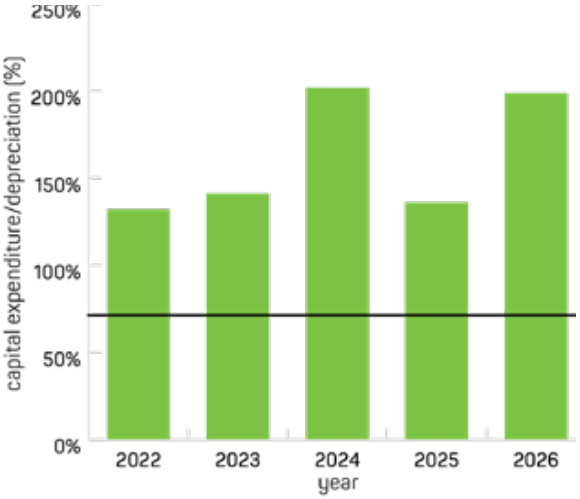


Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. In February 2023 Cyclone Gabrielle impacted our region significantly, resulting in increased capital costs to reinstate our damaged infrastructure. This is reflected in the increased capital to depreciation results.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Essential services benchmark

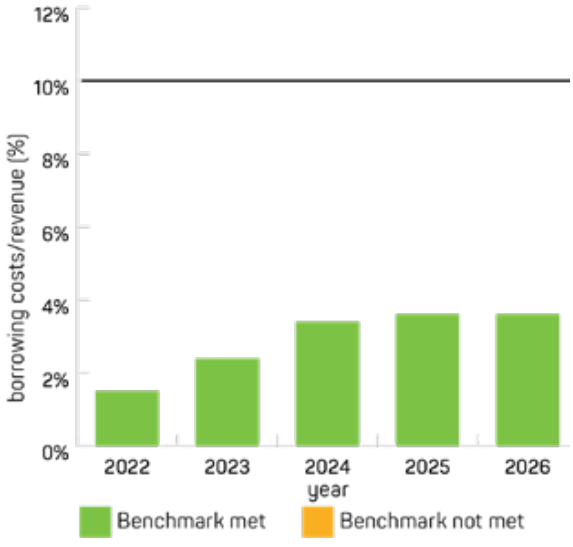


Debt servicing benchmark

The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment). Forecast interest rates as a percentage of revenue (excluding non-recurring capital grants) ranges between 5% and 6% over the Three Year Plan (3YP).

Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

Debt servicing benchmark

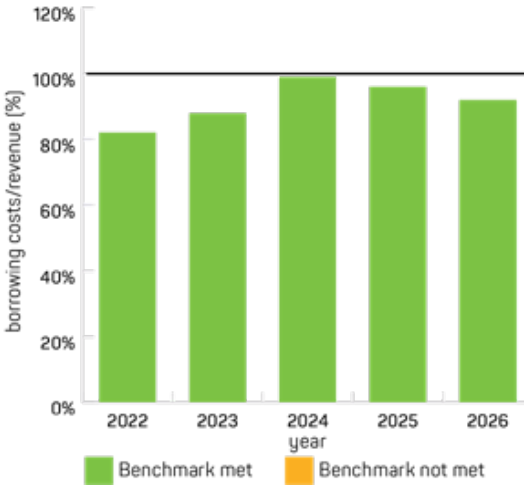


Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities minus financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

Debt control benchmark



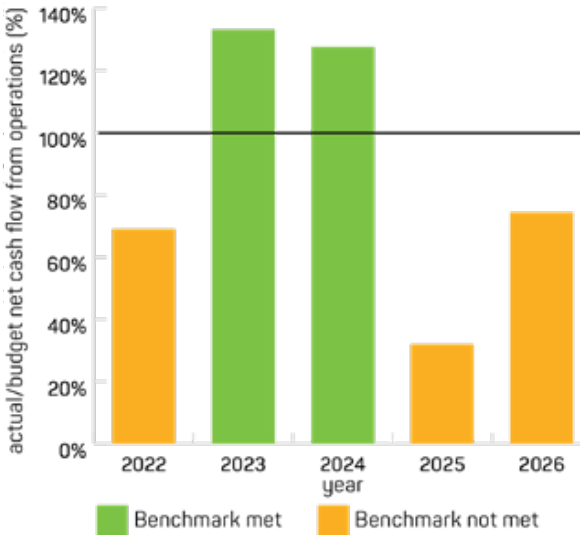
Operations control benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

This year the operations control benchmark was not met primarily due to the timing of capital grants. Capital grant receipts are aligned with associated expenditure, which is due to occur in future years. In addition, some operational grants were received in prior years, with the related expenditure incurred in 2025. This timing difference is reflected in 2023 and 2024, where performance was above benchmark.

Operations control benchmark



Tauāki huanga pūtea moni
Funding impact statements

Council

Funding Impact Statement for the Year ended 30 June (whole of Council)	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	30,833	31,038	36,246	36,951
Targeted Rates	57,791	57,165	61,356	61,534
Subsidies and grants for operating purposes	47,818	59,418	33,115	44,465
Fees and Charges	13,129	11,407	13,597	13,710
Interest and dividends from investments	-	1,781	-	1,452
Local authorities fuel tax, Infringement Fees and other receipts	2,693	5,354	2,671	8,880
Total operating funding (A)	**152,263**	**166,163**	**146,984**	**166,992**
Applications of operating funding				
Payments to staff and suppliers	140,825	156,530	129,259	148,009
Finance costs	6,771	10,562	8,063	9,015
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**147,595**	**167,092**	**137,322**	**157,024**
Surplus (deficit) of operating funding (A-B)	**4,668**	**(928)**	**9,663**	**9,968**
Sources of capital funding				
Subsidies and grants for capital expenditure	106,846	63,617	115,342	84,253
Development and financial contributions	1,863	1,698	1,878	2,016
Increase/(decrease) in debt	22,349	14,628	12,982	7,531
Gross proceeds from sale of assets	350	(4,120)	850	(2,378)
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**131,408**	**75,822**	**131,052**	**91,421**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	971	501	2,164	869
- to improve the level of service	59,038	43,192	53,742	43,464
- to replace existing assets	100,023	55,911	107,306	72,959
Increase/(decrease) in reserves	(23,955)	(24,711)	(22,497)	(15,905)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**136,077**	**74,894**	**140,714**	**101,389**
Surplus (deficit) of capital funding	**(4,668)**	**928**	**(9,663)**	**(9,968)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Commercial operations

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	(56)	(56)	(96)	(96)
Targeted Rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	1,621	1,577	1,676	1,637
Internal charges and overheads recovered	7	174	6	149
Local authorities fuel tax, fines, infringement fees and other receipts	172	237	176	196
Total operating funding (A)	**1,744**	**1,932**	**1,763**	**1,886**
Applications of operating funding				
Payments to staff and suppliers	988	1,270	1,039	1,423
Finance costs	11	12	10	9
Internal charges and overheads applied	374	374	373	373
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**1,373**	**1,655**	**1,422**	**1,805**
Surplus (deficit) of operating funding (A-B)	**370**	**277**	**340**	**81**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(33)	(16)	(33)	(27)
Gross proceeds from sale of assets	-	-	-	(6)
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**(33)**	**(16)**	**(33)**	**(33)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	411	198	521	233
Increase/(decrease) in reserves	(74)	62	(214)	(185)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**337**	**260**	**307**	**48**
Surplus (deficit) of capital funding	**(370)**	**(277)**	**(340)**	**(81)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Environmental services and protection

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	6,477	6,477	6,758	6,758
Targeted Rates	537	537	558	558
Subsidies and grants for operating purposes	-	388	-	501
Fees and Charges	6,466	6,336	6,609	6,978
Internal charges and overheads recovered	2,009	1,857	2,157	2,023
Local authorities fuel tax, fines, infringement fees and other receipts	1,351	1,433	1,439	1,787
Total operating funding (A)	**16,840**	**17,028**	**17,521**	**18,606**
Applications of operating funding				
Payments to staff and suppliers	10,924	13,437	11,392	13,521
Finance costs	6	11	7	9
Internal charges and overheads applied	5,906	6,006	6,110	6,170
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**16,836**	**19,453**	**17,509**	**19,700**
Surplus (deficit) of operating funding (A-B)	**4**	**(2,425)**	**12**	**(1,094)**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(19)	7	(19)	(10)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**(19)**	**7**	**(19)**	**(10)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	7	-	8
- to replace existing assets	-	18	-	34
Increase/(decrease) in reserves	(15)	(2,443)	(7)	(1,146)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**(15)**	**(2,418)**	**(7)**	**(1,104)**
Surplus (deficit) of capital funding	**(4)**	**2,425**	**(12)**	**1,094**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Land, rivers and coastal

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,878	1,878	2,015	2,015
Targeted Rates	2,018	2,018	2,207	2,207
Subsidies and grants for operating purposes	912	762	688	197
Fees and Charges	280	45	229	107
Internal charges and overheads recovered	1,535	794	1,911	986
Local authorities fuel tax, fines, infringement fees and other receipts	12	5	12	17
Total operating funding (A)	**6,634**	**5,501**	**7,062**	**5,529**
Applications of operating funding				
Payments to staff and suppliers	4,034	2,767	3,876	2,110
Finance costs	999	903	1,177	748
Internal charges and overheads applied	1,454	769	1,703	805
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**6,486**	**4,438**	**6,755**	**3,663**
Surplus (deficit) of operating funding (A-B)	**147**	**1,063**	**307**	**1,866**
Sources of capital funding				
Subsidies and grants for capital expenditure	7,868	7,634	11,453	10,773
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	3,513	834	4,073	1,880
Gross proceeds from sale of assets	-	(39)	-	(650)
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**11,381**	**8,429**	**15,526**	**12,003**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	11,748	8,643	15,757	13,149
- to replace existing assets	327	24	562	6
Increase/(decrease) in reserves	(547)	824	(486)	714
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**11,528**	**9,492**	**15,833**	**13,869**
Surplus (deficit) of capital funding	**(147)**	**(1,063)**	**(307)**	**(1,866)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Liveable communities

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	8,778	8,778	9,298	9,298
Targeted Rates	10,023	10,023	10,499	10,499
Subsidies and grants for operating purposes	835	825	920	605
Fees and Charges	3,371	2,354	3,447	2,590
Internal charges and overheads recovered	5,224	5,293	6,287	6,395
Local authorities fuel tax, fines, infringement fees and other receipts	136	39	139	136
Total operating funding (A)	**28,368**	**27,312**	**30,589**	**29,523**
Applications of operating funding				
Payments to staff and suppliers	15,991	16,874	16,904	18,790
Finance costs	1,035	1,068	1,093	971
Internal charges and overheads applied	9,320	9,422	10,161	10,304
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**26,346**	**27,364**	**28,158**	**30,065**
Surplus (deficit) of operating funding (A-B)	**2,022**	**(52)**	**2,431**	**(542)**
Sources of capital funding				
Subsidies and grants for capital expenditure	2,758	2,224	2,184	740
Development and financial contributions	-	121	-	-
Increase/(decrease) in debt	582	932	4,268	589
Gross proceeds from sale of assets	-	(83)	-	(47)
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**3,340**	**3,194**	**6,451**	**1,281**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	150	-	-	12
- to improve the level of service	3,432	3,166	4,582	1,637
- to replace existing assets	5,049	2,441	6,095	2,555
Increase/(decrease) in reserves	(3,270)	(2,465)	(1,794)	(3,465)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**5,362**	**3,142**	**8,882**	**739**
Surplus (deficit) of capital funding	**(2,022)**	**52**	**(2,431)**	**542**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Regional leadership and support services

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	10,317	10,513	14,134	14,832
Targeted Rates	4,242	4,242	4,335	4,335
Subsidies and grants for operating purposes	2,819	9,067	2,296	5,566
Fees and Charges	267	157	273	541
Internal charges and overheads recovered	33,802	33,855	36,094	36,231
Interest and Dividends from Investments	-	1,781	-	1,452
Local authorities fuel tax, fines, infringement fees and other receipts	619	3,327	624	6,070
Total operating funding (A)	**52,066**	**62,941**	**57,758**	**69,028**
Applications of operating funding				
Payments to staff and suppliers	42,602	46,364	42,375	46,328
Finance costs	299	4,026	677	3,255
Internal charges and overheads applied	19,728	20,419	22,627	23,114
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**62,629**	**70,809**	**65,679**	**72,697**
Surplus (deficit) of operating funding (A-B)	**(10,563)**	**(7,867)**	**(7,922)**	**(3,668)**
Sources of capital funding				
Subsidies and grants for capital expenditure	11,177	7,192	884	3,494
Development and financial contributions	1,863	1,499	1,878	2,016
Increase/(decrease) in debt	9,688	6,392	(182)	3,655
Gross proceeds from sale of assets	350	(3,932)	850	(1,383)
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**23,078**	**11,151**	**3,430**	**7,783**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	20,860	14,602	1,945	9,614
- to replace existing assets	4,027	2,434	3,746	2,431
Increase/(decrease) in reserves	(12,372)	(13,752)	(10,183)	(7,930)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**12,515**	**3,284**	**(4,491)**	**4,114**
Surplus (deficit) of capital funding	**10,563**	**7,867**	**7,922**	**3,668**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Roads and footpaths

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	562	562	673	673
Targeted Rates	14,738	14,738	15,110	15,110
Subsidies and grants for operating purposes	24,251	24,168	23,811	25,364
Fees and Charges	-	1	-	14
Internal charges and overheads recovered	2,081	2,034	2,226	2,209
Local authorities fuel tax, fines, infringement fees and other receipts	150	178	154	389
Total operating funding (A)	**41,784**	**41,681**	**41,974**	**43,759**
Applications of operating funding				
Payments to staff and suppliers	29,240	31,362	29,441	32,193
Finance costs	874	834	1,019	551
Internal charges and overheads applied	6,015	6,015	6,032	6,032
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**36,129**	**38,212**	**36,492**	**38,776**
Surplus (deficit) of operating funding (A-B)	**5,654**	**3,470**	**5,482**	**4,982**
Sources of capital funding				
Subsidies and grants for capital expenditure	74,442	45,756	89,530	67,639
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	4,209	(966)	(320)	2,217
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**78,651**	**44,790**	**89,210**	**69,856**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	75	53	-
- to improve the level of service	13,343	8,869	24,739	16,766
- to replace existing assets	71,394	42,389	72,230	58,608
Increase/(decrease) in reserves	(431)	(3,073)	(2,331)	(534)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**84,306**	**48,260**	**94,692**	**74,839**
Surplus (deficit) of capital funding	**(5,654)**	**(3,470)**	**(5,482)**	**(4,982)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Solid waste

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,427	2,427	2,764	2,764
Targeted Rates	3,132	3,132	3,529	3,529
Subsidies and grants for operating purposes	19,000	24,096	5,400	12,231
Fees and Charges	316	321	243	881
Internal charges and overheads recovered	556	770	474	588
Local authorities fuel tax, fines, infringement fees and other receipts	34	117	34	139
Total operating funding (A)	**25,464**	**30,864**	**12,445**	**20,133**
Applications of operating funding				
Payments to staff and suppliers	23,833	31,618	10,636	20,144
Finance costs	181	217	198	355
Internal charges and overheads applied	640	770	584	598
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**24,654**	**32,605**	**11,419**	**21,097**
Surplus (deficit) of operating funding (A-B)	**810**	**(1,741)**	**1,026**	**(964)**
Sources of capital funding				
Subsidies and grants for capital expenditure	9,951	190	10,638	1,127
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	1,443	6,227	1,380	(775)
Gross proceeds from sale of assets	-	(20)	-	-
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**11,394**	**6,397**	**12,018**	**352**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	6,249	6,675	3,112	896
- to replace existing assets	6,401	412	10,230	395
Increase/(decrease) in reserves	(446)	(2,431)	(298)	(1,904)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**12,204**	**4,656**	**13,044**	**(612)**
Surplus (deficit) of capital funding	**(810)**	**1,741**	**(1,026)**	**964**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Urban stormwater

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted Rates	3,538	3,538	3,820	3,820
Subsidies and grants for operating purposes	-	42	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	252	271	306	278
Local authorities fuel tax, fines, infringement fees and other receipts	-	0	-	26
Total operating funding (A)	**3,790**	**3,850**	**4,127**	**4,124**
Applications of operating funding				
Payments to staff and suppliers	2,215	1,591	2,105	1,418
Finance costs	492	418	551	389
Internal charges and overheads applied	596	596	632	685
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**3,303**	**2,604**	**3,288**	**2,492**
Surplus (deficit) of operating funding (A-B)	**487**	**1,246**	**839**	**1,632**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	1,033	426	1,347	546
Gross proceeds from sale of assets	-	(20)	-	-
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**1,033**	**406**	**1,347**	**546**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	98	7	191	265
- to improve the level of service	1,260	590	1,570	941
- to replace existing assets	2,399	1,223	3,028	1,709
Increase/(decrease) in reserves	(2,237)	(168)	(2,603)	(737)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**1,521**	**1,652**	**2,186**	**2,178**
Surplus (deficit) of capital funding	**(487)**	**(1,246)**	**(839)**	**(1,632)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

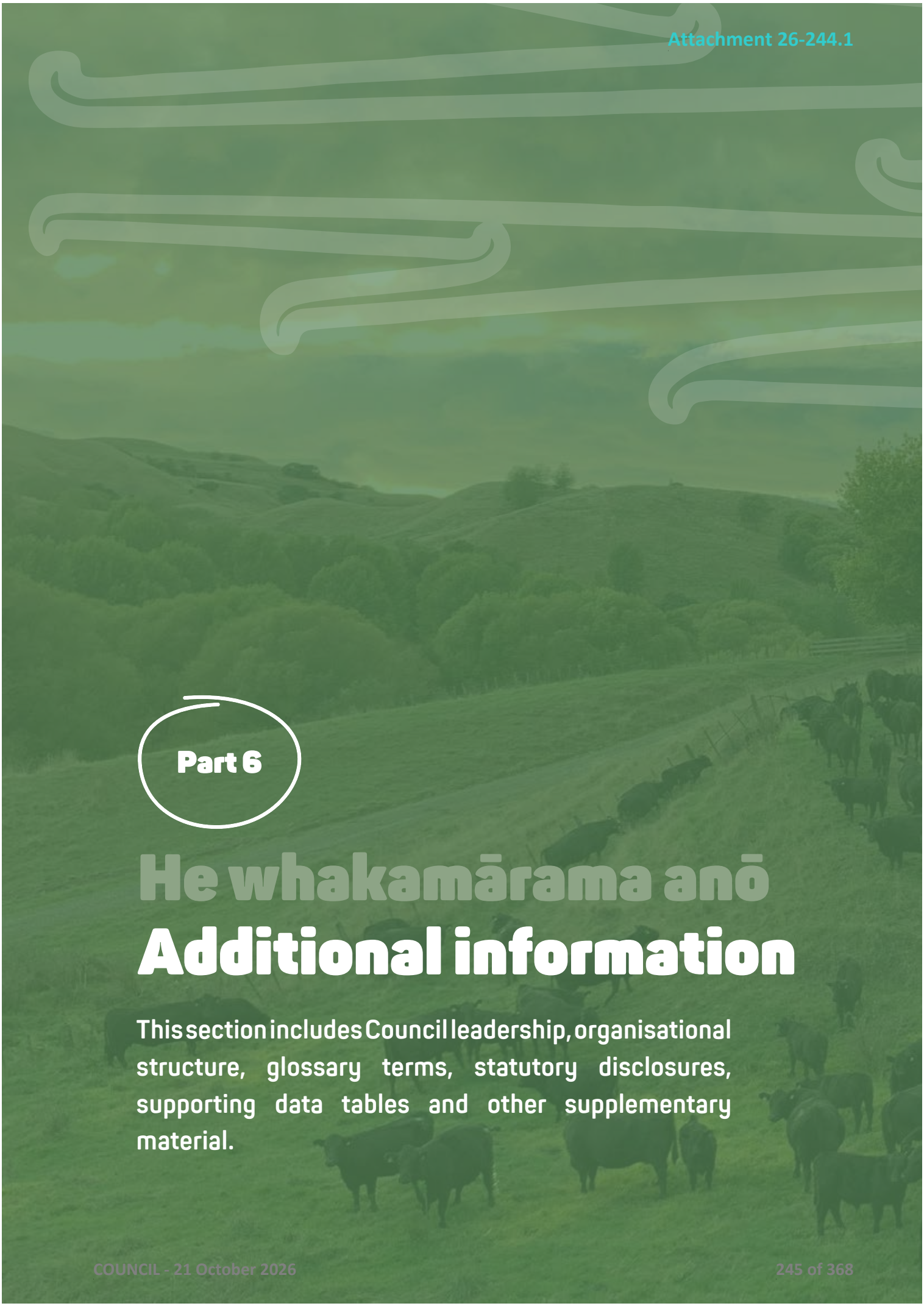
Wastewater

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	450	450	700	700
Targeted Rates	11,507	11,507	12,691	12,691
Subsidies and grants for operating purposes	-	58	-	-
Fees and Charges	528	304	780	538
Internal charges and overheads recovered	1,694	1,666	1,747	1,679
Local authorities fuel tax, fines, infringement fees and other receipts	8	15	62	1
Total operating funding (A)	**14,186**	**14,000**	**15,980**	**15,609**
Applications of operating funding				
Payments to staff and suppliers	6,155	6,294	6,535	6,515
Finance costs	2,653	2,735	2,847	2,401
Internal charges and overheads applied	2,186	2,186	2,461	2,490
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**10,994**	**11,215**	**11,843**	**11,405**
Surplus (deficit) of operating funding (A-B)	**3,192**	**2,784**	**4,137**	**4,203**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	(4)	300	131
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	16	361	279	(1,010)
Gross proceeds from sale of assets	-	(3)	-	-
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**16**	**354**	**579**	**(878)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	36	-	1,156	150
- to improve the level of service	968	203	1,222	163
- to replace existing assets	4,357	3,622	5,128	3,876
Increase/(decrease) in reserves	(2,152)	(687)	(2,789)	(864)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**3,208**	**3,138**	**4,716**	**3,325**
Surplus (deficit) of capital funding	**(3,192)**	**(2,784)**	**(4,137)**	**(4,203)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**

Water supply

Funding Impact Statement for the Year ended 30 June	AP 2024/25 $000s	Actual 2024/25 $000s	AP 2025/26 $000s	Actual 2025/26 $000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	-	9	-	7
Targeted Rates	8,057	7,431	8,605	8,784
Subsidies and grants for operating purposes	-	12	-	-
Fees and Charges	280	312	340	425
Internal charges and overheads recovered	876	1,709	1,396	2,062
Local authorities fuel tax, fines, infringement fees and other receipts	210	4	30	118
Total operating funding (A)	**9,423**	**9,477**	**10,371**	**11,395**
Applications of operating funding				
Payments to staff and suppliers	4,842	4,954	4,954	5,569
Finance costs	220	339	485	327
Internal charges and overheads applied	1,816	1,866	1,922	2,027
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**6,878**	**7,160**	**7,361**	**7,923**
Surplus (deficit) of operating funding (A-B)	**2,544**	**2,317**	**3,010**	**3,472**
Sources of capital funding				
Subsidies and grants for capital expenditure	650	626	353	348
Development and financial contributions	-	78	-	-
Increase/(decrease) in debt	1,918	432	2,190	465
Gross proceeds from sale of assets	-	(24)	-	(293)
Lump sum contributions	-	-	-	-
Total sources capital funding (C)	**2,568**	**1,111**	**2,544**	**520**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	687	419	765	443
- to improve the level of service	1,178	437	814	290
- to replace existing assets	5,657	3,150	5,767	3,113
Increase/(decrease) in reserves	(2,410)	(578)	(1,793)	147
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**5,112**	**3,429**	**5,553**	**3,992**
Surplus (deficit) of capital funding	**(2,544)**	**(2,317)**	**(3,010)**	**(3,472)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**





Part 6

He whakamārama anō
Additional information

This section includes Council leadership, organisational structure, glossary terms, statutory disclosures, supporting data tables and other supplementary material.



Contents

Our Council 214
Organisation structure 216
Abbreviations 217

Tō tātau Kaunihera
Our Council



Absent from photo: Councillor Anne Huriwai

Functions

The Gisborne District Council is one of six unitary authorities (also called unitary councils) in New Zealand.

We have the combined functions, duties and powers of a territorial council and a regional council as outlined below:

Biosecurity
Including control of regional plant and animal pests.

Civil defence
Including natural disasters, marine oil spills.

Regional land transport
Including planning and contracting of passenger services.

Environmental Science
Including quality of water, soil, coastal planning.

River management
Including flood control and mitigation of erosion.

Community wellbeing and development
Including advocacy, funding, partnerships and long term planning.

Environmental health and safety
Including building control and environmental health matters.

Infrastructure
Including roading and transport, sewerage, water/stormwater.

Recreation and culture
Including parks, aquatics and community facilities.

Resource management
Including land-use planning and development control.

Responsibilities

Council has two key responsibilities outlined under Section 10 of the LGA, which are:

- to enable democratic decision-making and action by and on behalf of communities
- to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Councils are responsible for providing good quality local infrastructure, local public services and performance of regulatory functions. The four wellbeings also recognise the major role councils play in enhancing community wellbeing and supporting overall quality of life.

Council leadership



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mayor@gdc.govt.nz
[06] 868 5382 |021 279 7948



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Anne Huriwai
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027 248 3305



Rawinia Parata
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021 351 075

Māori ward

General ward

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.

Te anga ā-mahi
Organisation structure

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

Chief Executive

The Chief Executive (CE), Nedine Thatcher Swann, is supported by five directors and a Chief Financial Officer (CFO), who together make up Council's management team. They oversee a wide range of activities that contribute to the social, cultural, environmental, and economic wellbeing of our communities.

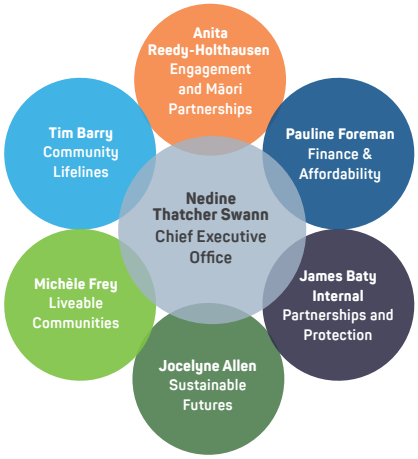


Nedine Thatcher Swann
(06) 869 2414
ceo@gdc.govt.nz

Emergency Management
Recovery

Our hub structure

Council's management team leads 508 staff across six hubs and the Office of the Chief Executive. Together, these teams carry out the day-to-day operations of our activities and provide strategic advice to the Council.



Our management team

Chief Financial Officer Finance and Affordability



Pauline Foreman
(06) 869 2899
pauline.foreman@gdc.govt.nz

- Finance
- Revenue
- Planning and Performance
- Internal Audit
- Risk Management
- Funding
- Asset Vehicle and Plant
- Commercial

Director Community Lifelines



Tim Barry
(06) 869 2356
tim.barry@gdc.govt.nz

- Roads and footpaths
- Drainwise
- Drinking Water
- Flood Protection
- Journeys Infrastructure
- Operations
- Stormwater
- Wastewater

Director Internal Partnerships and Protection



James Baty
(06) 869 2881
james.baty@gdc.govt.nz

- People and Capability - HR, Health and Safety
- Legal Services
- Information Services - Information Technology, Information Management, Land Information, Business Solutions and Business Analytics
- Compliance, Monitoring and Enforcement
- Harbour Master

Director Engagement and Māori Partnerships



Anita Reedy-Holthausen
(06) 869 2647
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- Māori Partnerships
- Customer Service
- Communication and Engagement
- Culture and Development
- Townships
- Democracy and Support Services
- CBD Revitalisation
- Key Account Manager

Director Liveable Communities



Michèle Frey
(06) 863 0652
michele.frey@gdc.govt.nz

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

Director Sustainable Futures



Jocelyne Allen
(06) 869 2720
jocelyne.allen@gdc.govt.nz

- Strategic Planning
- Environmental Monitoring and Science
- Resource Consents
- Building Services
- TRMP
- Climate Change Response

Names and titles are correct as at time of production.

Ngā whakapotonga
Abbreviations

AP	Annual Plan
AR	Annual Report
AUD	Alternate Use Disposal
BAU	Business as Usual
BoPLASS LTD	A company owned by the Bay of Plenty Regional Council, Rotorua District Council, Western Bay of Plenty District Council, Kawerau District Council, Tauranga City Council, Ōpōtiki District Council, Whakatāne District Council, Taupō District Council and Gisborne District Council.
GDC	Gisborne District Council
CCC	Code Compliance Certificate
CBD	Central Business District
CDEM	Civil Defence and Emergency Management
CME	Compliance Monitoring and Enforcement
CCTO	Council-Controlled Trading Organisations
DIA	Department of Internal Affairs
DRT	Disaster Relief Trust
ECC	Emergency Coordination Centre
ECFP	Erosion Control Funding Programme
ETS	Emissions Trading Scheme
FEP	Farm Environmental Plans
FOSAL	Future of Severely Affected Land
GDP	Gross Domestic Product
GHL	Gisborne Holdings Limited
GIS	Geographic Information System
IFRS	International Financial Reporting Standard
IPAS	Inflation Protected Annuity
IPSAS	International Public Sector Accounting Standards
JMA	Joint Management Agreement
KPI	Key Performance Indicators
LAWA	Land, Air, Water Aotearoa
LGA	Local Government Act
LGFA	Local Government Funding Agency
LGNZ	Local Government New Zealand
LIM	Land Information Memorandum
LLB	Local Leadership Body
LoS	Level of Service
LTP	2021–2031 Long Term Plan
MBIE	Ministry of Business, Innovation and Employment
MCI	Macroinvertebrate Community Index
MFE	Ministry for the Environment
MPI	Ministry for Primary Industries
MOU	Memorandum of Understanding
MRF	Mayoral Relief Fund
NAASRA	National Association of Australian State Road Authorities
NES	National Environmental Standards
NIFF	
NPS	National Planning Standards
NES-PF	National Environmental Standard for Plantation Forestry
NPS–FW	National Policy Statement for Freshwater
NZIER	New Zealand Institute for Economic Research
NZTA	New Zealand Transport Agency
PBE	Public Benefit Entity
QMS	Quality Management System
RFS	Request for Service
RLTP	Regional Land Transport Plan
RMA	Resource Management Act
RPMP	Regional Pest Management Plan
RSS	Resident Satisfaction Survey
SOE	State of the Environment
SOI	Statement of Intent
SWERL	Severe Weather Event Emergency Legislation Act
TEMO	Tairāwhiti Emergency Management Office
TRMP	Tairāwhiti Resource Management Plan
TRONPnui	Te Rūnanganui o Ngāti Porou
TRW	Te Ranga Whakahau
WMC	Wastewater Management Committee
WMMP	Waste Management and Minimisation Plan
WWTP	Wastewater Treatment Plant
3YP	2024-2027 Three Year Plan

TE WHAKARAUORATANGA
O TŌ TĀTAU ROHE
MŌ ĀPŌPŌ

HEALING
OUR REGION
FOR OUR FUTURE

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Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

Te Kaunihera o Te Tairāwhiti
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TE WHAKARAUORATANGA
O TŌ TĀTAU ROHE
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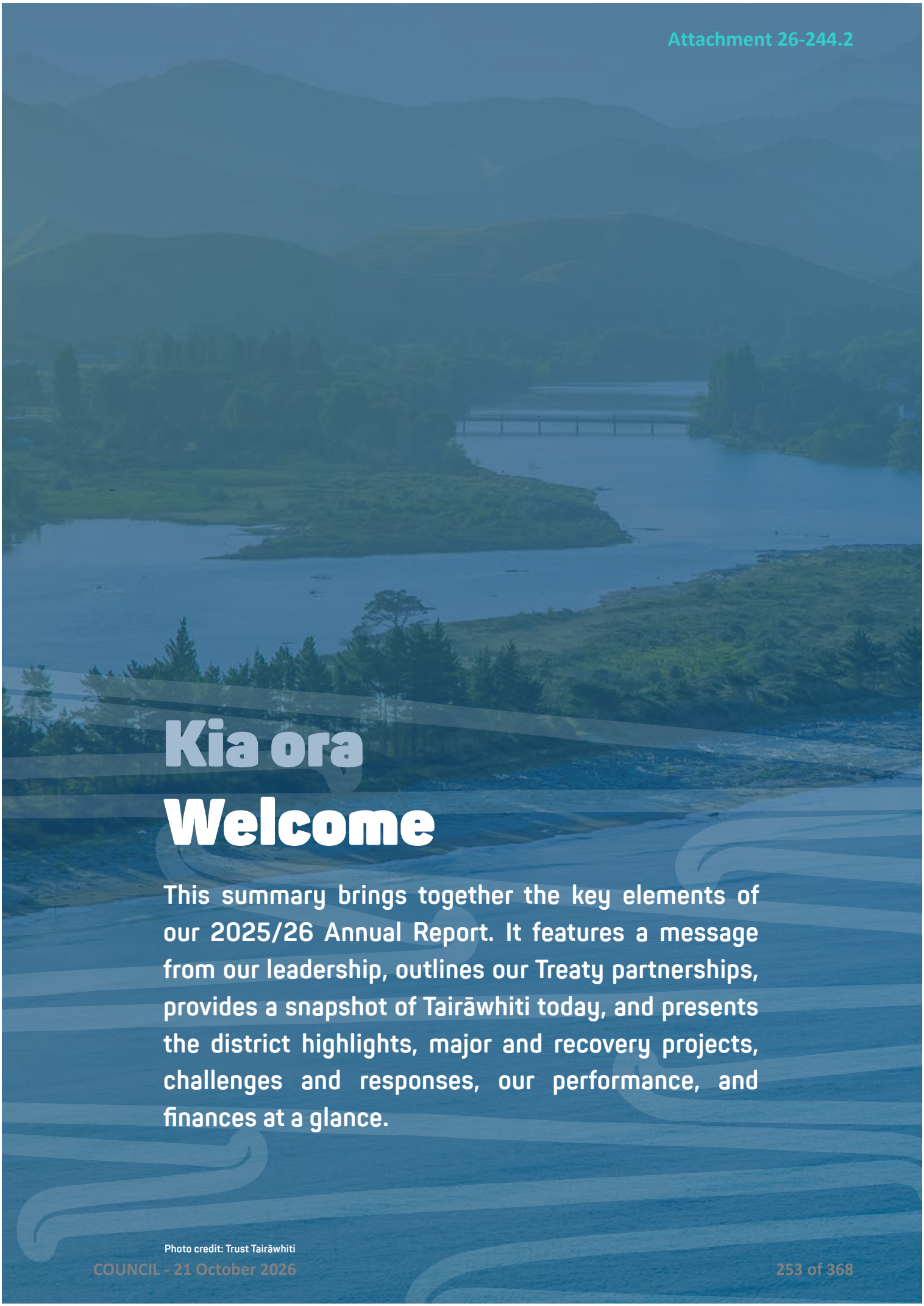
2025/26 WHAKARĀPOPOTOTANGA PŪRONGO Ā-TAU

Te Kaunihera o Te Tairāwhiti
Gisborne District Council

Adopted by Council on 21 October 2026

2025/26 ANNUAL REPORT SUMMARY

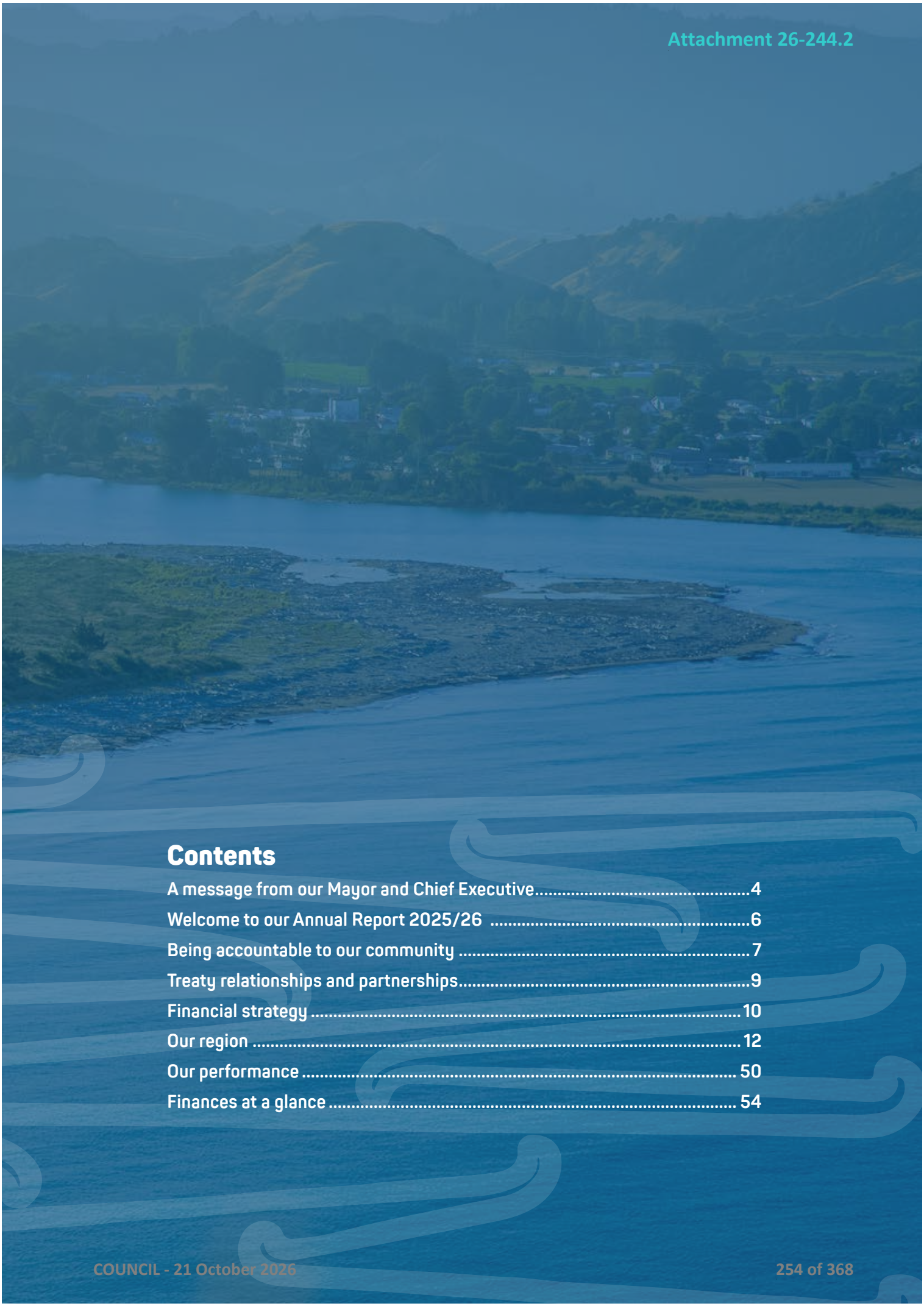
ISSN 1171-4573 (Print) ISSN 2624-1498 (Online)



Kia ora
Welcome

This summary brings together the key elements of our 2025/26 Annual Report. It features a message from our leadership, outlines our Treaty partnerships, provides a snapshot of Tairāwhiti today, and presents the district highlights, major and recovery projects, challenges and responses, our performance, and finances at a glance.

Photo credit: Trust Tairāwhiti



Contents

A message from our Mayor and Chief Executive....4
Welcome to our Annual Report 2025/26 6
Being accountable to our community 7
Treaty relationships and partnerships....9
Financial strategy 10
Our region 12
Our performance 50
Finances at a glance 54

He kupu whakataki nā te Kahika me te Manahautū
A message from our Mayor and Chief Executive



E ōku nui, e ōku rahi, e ōku whakatairanga kei te whenua e whakatutuki ana i ngā mahi huhua mō te painga o te iwi, tēnā koutou katoa. Tēnā koutou, tēnā tātau me o tātau tini mate, rātau kua riro i te ia o te mātoru o te pō e kore a muri e hokia, haere, haere, oti atu rā. Tēnei māua e mihi atu nei me ngā mahi huhua kua oti i waenga i a tāutau. Ko ngā mahi taumaha, ūaua tonu nei, engari mo te painga o te hapori me nga tūmatanui o te rohe o Te Tairāwhiti. Me kī, kei whea mai te miharo, ā, kei a koutou tonu. E kore ngā mihi e mimiti, ā, e āhua kitea nei ngā hua, engari taihoa ake te wā e hauhaketia. Kāti, ākina, whakamahia kia ū, kia hui e, tāiki e!

Nau mai ki te pūrongo mō te haerenga o tēnei tau
Welcome to our 2025/26 Annual Report.

This report marks the end of the second year of our 2024–2027 Three Year Plan, developed following the severe weather events of 2023. Two years into the Plan, the immediate response to Cyclone Gabrielle has given way to the longer work of rebuilding infrastructure, reducing risk and strengthening resilience. Some recovery programmes are nearing completion, while roading, flood resilience and land recovery work will continue for several years.

The year also reinforced how exposed Te Tairāwhiti remains to severe weather. In January 2026, another event caused disruption across the Coast, particularly around Te Araroa, Onepoto and Wharekahika. Communities were cut off, homes and infrastructure were damaged, and parts of the roading network were severely constrained. The event caused approximately $14m of damage and added pressure to the recovery programme.

A focus throughout the year was reducing the risk posed by large woody debris. More than 615,000 cubic metres of debris has now been treated since 2023, including more than 66,000 cubic metres during 2025/26. River works have been completed across several major catchments, with remaining work moving further upstream and increasingly focused on reducing risk at its source.

Our approach has become more targeted, using aerial imagery, artificial intelligence, drone technology and risk assessment to focus intervention. This work received national recognition in 2026, with the Turning the Tide large woody debris project receiving the Taituarā Excellence in Digital Local Government Award and the Members' Choice Award.

Roading recovery has moved into delivery. Repairs to 251 non-complex slips and dropouts were completed during the year. Work on the 93 most complex sites is progressing, with around a quarter completed and a further quarter under construction by year end.

Construction of the $45m Tiniroto Bypass also progressed, with enabling works complete and work underway on the northern bridge approach. These projects are restoring access and strengthening critical routes.

Flood resilience remains another major area of investment. A further 7km of the Waipaoa River stopbanks was upgraded during the year, bringing the total upgraded length to 62.4km. A small amount of stopbank earthworks remains, with further resilience works continuing into 2026/27.

Planning and consenting advanced for the wider flood resilience programme, including the Te Karaka stopbank upgrade and investigations across Te Arai, Taruheru, Mangapapa, Whataupoko, Uawa, Tokomaru, Makarika and Tikitiki. This work will help target future investment where it provides the greatest protection.

There has also been progress for property owners affected by the 2023 events. All 58 property owners participating in the Category 3 voluntary buyout programme had settled by year end. Forty-nine sites had been made safe, including 40 demolitions and nine houses relocated.

For Category 2P properties, mitigation continued through house lifting, drainage and land stability interventions. By 30 June 2026, 42 of the 157 properties in the programme had completed the required mitigation and were able to be removed from the Category 2P classification.

Recovery has continued alongside the everyday work our communities rely on. Council met 78% of its 93 performance measures during 2025/26, maintaining last year's overall result through a demanding operating environment. Strong performance was recorded across regulatory services, water supply, consenting and community facilities, while other areas require further improvement.

Across our environmental programme, the Waingake Transformation Programme received the 2026 Growing Native Forests Champions Award for Large-Scale Restoration. Delivered with Maraetaha Incorporated and Ngāi Tāmanuhiri, Waingake is progressively transforming 1,600 hectares of plantation pine within our water supply catchment back to indigenous ngahere, supporting biodiversity, cultural restoration and water supply resilience.

We have delivered this work during a period of significant national reform. Under Local Water Done Well, Council completed its Water Services Delivery Plan and received Government approval to retain drinking water, wastewater and stormwater services within Council through a financially ring-fenced Water Services Business Unit. An Interim Water Management Committee has been established, with work progressing on the Water Services Strategy and the investment and financial arrangements required.

At the same time, resource management, emergency management and wider local government reform are reshaping how councils operate. As a unitary authority, these changes affect environmental management, infrastructure, consenting, emergency management and strategic planning.

Affordability has remained central to our decisions. Recovery and resilience work is being delivered at a scale our local rating base could not reasonably fund alone. Central government grants, NZTA funding and other external support remain critical to restoring damaged infrastructure and reducing future risk.

Council's external debt increased to $237.8m at 30 June 2026 as major recovery and infrastructure programmes moved into delivery. After excluding non-recurring income, debt was 164% of revenue, within the 175% limit set through our financial strategy. We continue to balance essential investment with debt, rates and long-term affordability.

None of this work is delivered by Council alone. We acknowledge the contribution of iwi and hapū, communities, government agencies, emergency services, contractors, landowners, funding partners, volunteers and Council staff. Their knowledge and commitment continue to shape recovery and delivery across Te Tairāwhiti.

Our relationships with tangata whenua remain fundamental. Over the year, partnerships continued across governance, recovery, infrastructure, environmental programmes and strategic planning. We also strengthened the tools and approaches used within Council to embed Te Tiriti responsibilities and Māori outcomes more consistently into planning and decision-making.

We have made significant progress, but there is still a lot to do. As we enter the third and final year of the Three Year Plan, recovery continues, ageing infrastructure requires sustained investment, severe weather continues to test our resilience, and national reforms are reshaping local government.

We are also beginning to make the longer-term choices that will shape the 2027–2037 Long Term Plan. The work completed during 2025/26 gives us stronger foundations for those decisions.

This Annual Report reflects both the progress made and the work ahead. Our focus remains on reliable services, resilient communities and infrastructure, protecting our environment, and supporting a strong future for Te Tairāwhiti

Ngā mihi nui ki a koutou.



Mayor
Rehette Stoltz



Chief Executive
Nedine Thatcher Swann

He mihi ki tā mātau Pūrongo ā Tau 2025/26
Welcome to our Annual Report 2025/26

Welcome to our 2025-2026 Annual Report which outlines the activities and services, what we had planned to deliver during the 2025/26 financial year, the challenges we faced, and how we responded.
Every year, we produce an Annual Report to give our community, leadership and staff a clear summary of the work we've completed. We've assessed our progress set out for Year 2 of the 2024–27 Three-Year Plan (1 July 2025 – 30 June 2026).

This report covers six parts.

Part 1 Welcome to our Annual Report

This section outlines the report's contents, features a message from our leadership, details our strategic framework, Treaty partnerships, our financial strategy and provides a snapshot of Tairāwhiti today.

Part 2 Facing the future together

This section presents our district highlights, major projects, recovery projects, other initiatives, project budgets and our challenges and responses.

Part 3 Our performance

This section reviews our overall performance, highlights successes and areas for improvement and presents an overview of our finances.

Part 4 Our activities

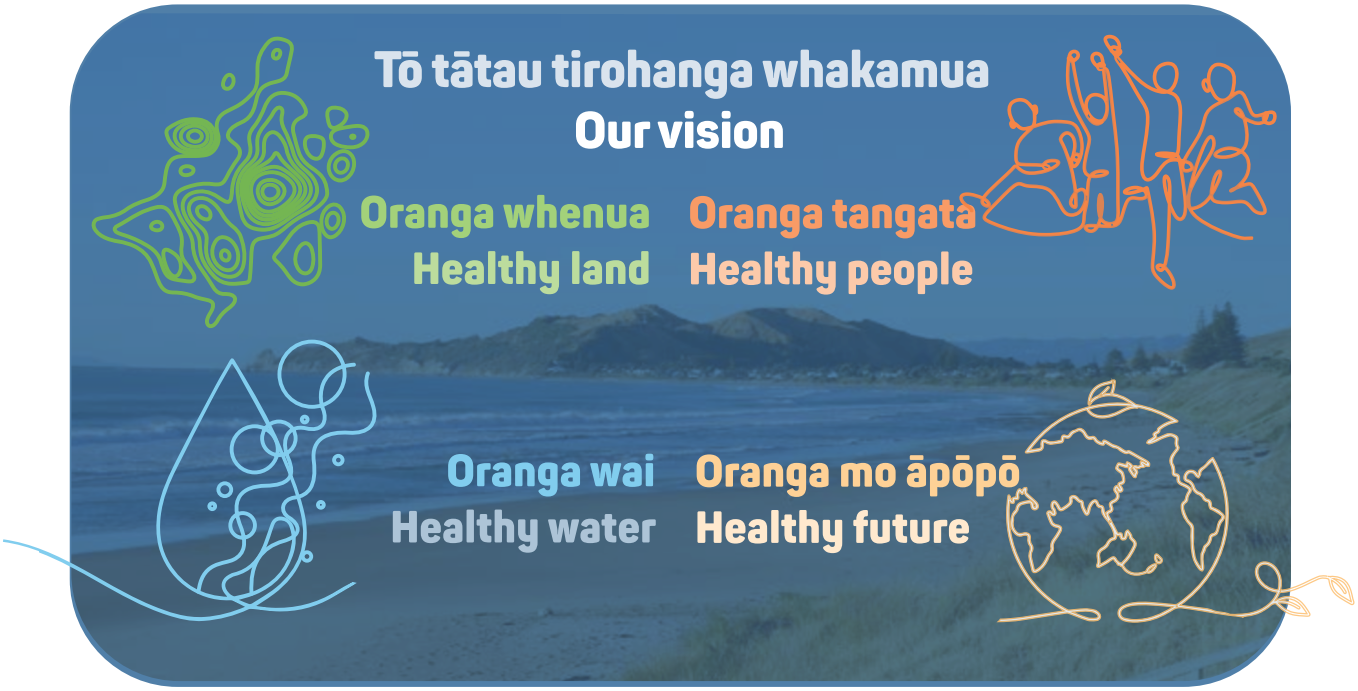
This section showcases performance highlights, presents our measures and levels-of-service results and identifies areas for improvement and actions taken.

Part 5 Our finances

This section contains our audited financial statements, analysis of key variances and commentary on revenue, expenditure and net position.

Part 6 Additional information

This section includes Council leadership, organisational structure, glossary terms, statutory disclosures, supporting data tables and other supplementary material.



E whakapono ana ki to tātau hapori
Being accountable to our community

Our planning and reporting framework ensures we stay accountable and deliver on our commitments. It connects our strategic direction with day-to-day delivery and helps track progress over time.
The Three Year Plan (3YP) sits at the heart of our planning framework, setting out our priorities, funding approach and performance measures. It is supported by the Annual Plan, the Six Month Report and the Annual Report, each demonstrating how we are delivering on the commitments we have made.



2024-27 Three Year Plan (3YP)

The 2024–2027 Three Year Plan replaced the usual 10-year Long Term Plan under a special Order in Council issued after the severe weather events of 2023. This recovery-focused plan recognises the uncertainty created by cyclone damage and sets out Council's commitments for the next three years. It includes:

Recovery-led priorities – the key services, infrastructure, and projects we'll deliver to support regional recovery and long-term resilience.

Funding approach – how this work will be funded, and the projected impact on rates and debt.

Performance framework – our levels of service and performance measures to track delivery and hold ourselves accountable.

Annual Plan

The Annual Plan outlines the work Council intends to carry out over the next financial year. It sets the direction for delivering on our Three-Year Plan and includes:

Yearly budget – detailing how much we plan to spend, where the money will go, and how it will be funded.

Work programme – a breakdown of key projects, services, and initiatives we're prioritising for the year ahead.

Updates and changes – highlights any significant changes from the Three-Year Plan, including new priorities, cost adjustments, or project deferrals with commentary.

Annual Report

The Annual Report is our key accountability document that Council is required to produce each year. It details:

Our performance results – show our cumulative performance against all key performance measures for the full financial year, including the percentage of targets met, those slightly under-target and those not met, with narrative explaining drivers of performance, highlights of major achievements, and planned responses where measures fell short.

3YP Progress updates – outline the progress of our three-year plan initiatives, summarises milestones achieved, and provides commentary on areas needing further focus.

A financial summary – outlines our financial position, tracks year-to-date spending against budgets, and includes commentary explaining significant variances and corrective actions to keep us on track.



Photo credit: Trust Tairāwhiti

Ngā hononga tiriti
Treaty relationships and partnerships

Focus remains on moving beyond compliance toward genuine collaboration, reflecting the aspirations of tangata whenua and the importance of mātauranga Māori to the identity of Te Tairāwhiti. Through partnership, respect, and shared purpose, we're deepening connections, embedding Te Tiriti o Waitangi into our practices, and strengthening the foundations for a thriving region.

Reflection on 2025/26

We continue to advance our role as a Te Tiriti partner, building on the progress made in recent years and taking important steps to integrate Treaty partnership more consistently across planning, decision-making and service delivery.

Relationships with iwi and hapū remained central to this work, with a focus on shared priorities, long-term planning and collaborative problem-solving. This reflects a growing recognition that enduring outcomes are achieved through sustained partnership and meaningful engagement over time.

Across governance and operational settings, we supported existing partnership arrangements while progressing new opportunities for collaboration. This included enhancing regional forums, advancing discussions on Mana Whakahono ā Rohe and expanding partnership approaches across environmental management, infrastructure and planning.

We continued to build organisational capability by embedding Te Tiriti Compass and Te Matapihi as key frameworks. These help staff and elected members understand their Treaty responsibilities and take a more coordinated approach to engagement and decision-making.

A significant area of progress was developing a Strategic Māori Outcomes approach to better align iwi and hapū aspirations with Council's planning, investment and service delivery. This work lays the foundation for Māori outcomes to be considered more systematically across organisational planning and performance, rather than through stand-alone initiatives.

These developments support more consistent Treaty practice across Council, helping translate partnership commitments into meaningful action and outcomes for Te Tairāwhiti.

Looking ahead

We recognise that strengthening Treaty partnership is an ongoing journey that requires commitment, trust and shared leadership. Over the coming year, we will focus on embedding the progress made to date through stronger partnership approaches, more consistent consideration of Māori outcomes and greater integration of Te Tiriti principles across organisational planning and decision-making.

Activity Management Planning and preparation for the 2027-2037 Long Term Plan will provide important opportunities to ensure Māori aspirations are reflected in service priorities, investment decisions and measures of success. We will continue to strengthen organisational capability through practical tools, guidance and learning opportunities that support staff and elected members to confidently fulfil their responsibilities as a Te Tiriti partner.

Through these efforts, we will continue to support enduring partnerships with iwi and hapū, improve outcomes for whānau and communities, and contribute to the environmental, cultural, social and economic wellbeing of Te Tairāwhiti.



Rautaki ahumoni
Financial strategy

The 2025/26 financial year was guided by the Financial Strategy set out in the 2024–2027 Three Year Plan. The strategy balances recovery following Cyclone Gabrielle with maintaining core services, protecting our environment and assets, and planning for a financially sustainable future.

The priorities set out in the Three Year Plan remain:

- Resilient and healthy waters
- Safe and healthy people
- Building back our damaged roading network in a staged approach
- Effective regulatory functions

In 2025/26, key capital investment included:

- **Roads** – $75.4m of capital investment. Recovery work continued across the network, with 40% of emergency projects completed and the 2025/26 resurfacing and rehabilitation programme substantially completed.
- **Waipaoa Flood Control** – $13.3m of capital investment across flood resilience projects, including $9.7m for the Waipaoa Flood Control Scheme. During the year, a further 7km of western stopbanks were upgraded and all stopbank pipe renewals were completed.
- **Three Waters** – $10.9m of capital investment across wastewater, water supply and stormwater.
- **Solid Waste** – $1.3m of capital investment.

We also progressed key foundations for future planning and investment

- **Tairāwhiti Resource Management Plan** – Following Plan Stop legislation, Council closed the broader TRMP review in February 2026. Work transitioned into Plan Change Exemption Delivery and Te Ara Hou, Planning for Readiness, preserving the evidence, mātauranga Māori and engagement developed through the review.
- **Tairāwhiti Future Development Strategy** – Urban Plan Change 6 received a Ministerial exemption in February 2026 and was notified. The proposed changes support housing and urban growth in safe, well-serviced locations and give effect to the Future Development Strategy.
- **Climate Change Response** – Council completed the corporate and regional greenhouse gas inventories, approved the organisational Emissions Reduction Plan for implementation, and completed a Climate Change Scenarios policy note. The Tairāwhiti Community Climate Risk and Vulnerability Assessment is underway.
- **Strategic Roading Network Resilience** – The Programme Business Case was endorsed by Council and the NZTA Board and moved into early implementation. Its principles have been incorporated into the 2027–2037 Asset Management Plan and are informing the Regional Land Transport Plan

.

Our six key directions:

Key direction 1. Keep rates as affordable as practicable
"Keep rates as affordable as practicable while recognising the need to fund critical activities and infrastructure, and keep the region functioning well."

How are we doing?

The Financial Strategy limits annual rates increases to no more than 11.4% plus growth in rateable properties during the 2024–2027 Three Year Plan. This maximum limit comprises a 7.9% increase for our normal business and 3.5% for addressing recovery needs. Council sought to balance rates affordability with funding day-to-day core services and significant recovery costs.

The graph in the benchmark section, Note 37 on page 197 shows in detail how we have aligned with our targets. This year, the overall rates increase was 10.3% plus growth

Key direction 2. Focus on critical activities and infrastructure
"Focus on critical activities and infrastructure which meet the community's needs and respond to climate change during the three year plan period and beyond."

How are we doing?

Council invested $117.3m in capital works during 2025/26. Around $99.5m, or 85%, was directed to critical infrastructure, principally roads, flood protection and Three Waters.

Capital expenditure was below the $163.2m annual plan budget, mainly because the timing of recovery and other infrastructure projects shifted into future years.

Key direction 3. Manage debt prudently
"Increase maximum debt levels still within prudent levels, to smooth the costs of delivering key infrastructure projects over years one to three of the long term plan, in line with our financial policies."

How are we doing?

The 2024-2027 Three Year Plan debt limit is set at 175% of revenue.

At 30 June 2026, external debt was $237.8m. The accounting carrying amount was $226.5m, compared with the annual plan budget of $227.1m. The difference mainly reflects the accounting treatment of the interest-free concessionary loan.

Council remained within its debt limit. Debt was 94% of total revenue, or 164% after excluding non-recurring income. The $30m concessionary loan, granted by the Crown at 0% interest as part of the overall recovery funding package, was fully drawn at year end.

Key direction 4. Increase alternative revenue streams
"Increase and optimise the use of alternative revenue streams through partnerships, targeted contributions and investment income."

How are we doing?

Over the 2024–2027 Three Year Plan period, average revenue was forecast to comprise 37% rates, 53% grants and 10% from other sources, such as dividends and fees and charges.

In 2025/26, we recorded total revenue of $254.2m. Rates represented approximately 38%, grants and subsidies 51%, and other sources 11%.

Operating and capital grants totalled $128.7m and supported recovery, reinstatement and resilience work that would otherwise have required additional rates or debt funding.

Gisborne Holdings Limited is Council's principal commercial investment and provides an alternative source of income through dividends and subvention payments.

In 2025/26, GHL provided Council with a $972k dividend and a $350k subvention payment, a total return of $1.322m.

This return reduced the amount that would otherwise need to be funded from rates or debt.

Key direction 5. Ensure beneficiaries of services pay the costs
"Council aims to ensure that those who benefit from Council activities and infrastructure pay for them. This includes mechanisms such as user levies, targeted rates and development contributions."

How are we doing?

The tools we use to support this direction include financial management policies such as the Revenue and Financing Policy, Fees and Charges Policy, and Development Contributions Policy.

We review fees and charges annually to ensure legislative requirements are met and costs are appropriately recovered.

Key direction 6. Grow and enable our rating base
"Council will look to grow our rating base by supporting economic activity without the need to trigger additional costly capital works projects or grow Council's infrastructure footprint without care."

How are we doing?

We continued initiatives that support economic activity, investment and sustainable growth across Te Tairāwhiti.
Supporting a vibrant city centre and visitor economy

- City-centre revitalisation continued through public art across eight vacant shopfronts, heritage facade grants, the CBD Custodian Programme, street music activations and lighting upgrades.
- More than 20 engagement opportunities were held across three design options to inform a 10-year Action and Investment Plan, expected to be completed in October 2026.
- The remaining Navigate Tairāwhiti projects were completed, including the Te Ikaroa a Rauru walkway bridge and storyboard, the Te Maro viewing platform, and Hawaiki Tūranga soil remediation and installation.

Enabling business investment and growth

- Council's Key Accounts and Commercial Operations functions continued to support investment and development opportunities across the region. This included working with businesses, Council-controlled organisations, funding partners and other key organisations to identify opportunities, build partnerships and help progress projects with economic and community benefits.
- This work also supports a more coordinated approach to significant proposals and investment opportunities, helping connect organisations with the right Council services and external partners and identify practical pathways for delivery.

Investing in infrastructure and facilities that support growth

- The Indoor Multipurpose Centre project progressed during the year. Following a partnership proposal from The Y Gisborne, Council began reassessing the preferred location, with further site analysis underway to inform a final recommendation and future Long Term Plan consultation.
- Township improvements progressed across the region, supporting the long-term liveability and resilience of rural communities and helping provide the infrastructure and facilities needed to support local activity and future growth.

Partnering to support nature-based employment and investment

- The Waingake Transformation Programme continued indigenous forest regeneration, targeted planting, wilding pine and weed control, while supporting local training and employment. Actual expenditure was $1.3m, including $0.4m of external funding.

Tō tatou rohe
Our region

Community facilities

13	cemeteries
53	public toilets
40	playgrounds
35	sports parks
2,500m²	gardens
4,700	street trees
1	library
1	Kiwa Pools
2	theatres
9	boat ramps
9	rural transfer stations



Source: STATS NZ

Our population by location

51,135	people (+7.6% since 2018 census)
73%	urban living in Gisborne
27%	rural and townships in Tairāwhiti
1%	national population of New Zealand
3%	national land area of New Zealand

Source: STATS NZ

Our population by age

22%	under 15 years old
19%	15–29 years old
42%	30–64 years old
17%	over 65 years old
36.7	average age
39%	under 25's (highest proportion in New Zealand)

Our tangata whenua

6	regional iwi (Ngāti Porou, Rongowhakaata Te Aitanga a Māhaki, Ngāi Tāmanuhiri Te Whānau a Kai, Ngā Ariki Kaipūtahi)
71	operational marae
56%	of total population (population +10.4% since 2018 census)
28,656	population of Māori descent
16%	te reo Māori speakers (40% of the national percentage of te reo Māori speakers)

Source: STATS NZ

Our ethnicities

56.5%	European
56%	Māori
5.6%	Pacific peoples
3.8%	Asian
1.6%	Other ethnicities

People may identify with more than one ethnicity, so totals can exceed 100%

Services

- 43 parking meters
- 544 litter bins
- 14,975 houses on kerbside collection

Regulatory

- 1,199 building and resource consents
- 315 LIMs processed
- 7,112 registered dogs

Drinking water

- 4 water treatment plants (Waingake, Waipaoa, Te Karaka, Whatatutu)
- 8 water reservoirs
- 302km water pipes

Roads and footpaths

- 1,893km roads
- 413 bridges
- 3726 streetlights
- 247km footpaths
- 18.5km cycleway shared paths
- 21 roundabouts

Stormwater

- 172km stormwater pipes and drains
- 6,390 sumps
- 32km channels and swales

Wastewater

- 328km wastewater pipes
- 3007 wastewater manholes
- 46 pump stations
- 2 wastewater networks

Flood protection

- 280.3km rural land drains
- 297.9km rivers and streams
- 78.1km stopbanks

AUDIT REPORT PAGE 3

AUDIT REPORT PAGE 4

Ngā mahi whakahirahira i te rohe
Our district highlights

Our community's aspirations for our region's future are shaped by a combination of social, cultural, environmental, and economic factors.

During 2025/26 Council carried out and supported many initiatives around Te Tairāwhiti that contributed to improving our community's wellbeing. Some of our achievements are highlighted here.

Community wellbeings

- Social
- Cultural
- Environmental
- Economic



Walk the 35 Builds Health, Connection and Community

"Walk the 35" emerged from the annual Swim the Distance campaign by Kiwa Pools and Whiti Ora Tairāwhiti. Instead of the 45.5 km challenge, a group of kaumātua aged 49 to 85 walked the learn-to-swim pool width each morning. It grew from a wellbeing activity into a close-knit whānau, boosting health, social connection, and community belonging while demonstrating the power of community spaces to bring people together.



Restoration of the Tauihu carving

Restoration of the Tauihu carving 'Tūranga Whakamana' at Heipipi Endeavour Park was completed after beginning in December 2025. Gifted to Gisborne in 1990 and designed by Te Aturangi Nepia-Clamp and Tā Derek Lardelli, the restoration was led by original designer and carver Te Aturangi Nepia-Clamp to preserve the landmark, which symbolises the ancestral Pacific voyaging journeys of Māori and Polynesian peoples.



The people behind the trees

A Council-funded community Christmas tree project, coordinated by Ken Huberts for 12 years, sees schools, local businesses and Department of Corrections clients prepare, decorate and display wooden trees across Gisborne's CBD, with a new fully recyclable design enabling 480 panels to be reused each year while supporting community pride, skills development and festive spirit for tamariki and whānau.



Mātāwai playground and waharoa

The Mātāwai township's new whānau play space and waharoa officially opened, with Mātāwai School students leading the celebration. Delivered through Council's Rural Township Upgrade Programme, the project was developed in collaboration with the school, whānau, hapū, community groups and local contractors to create a shared space for tamariki and whānau.



Boosting flood intelligence with new tools

Council completed a $1.45 million upgrade to its flood intelligence systems, including a new Jeremy Benn Pacific flood forecasting platform that integrates weather forecasts and data from 59 monitoring sites, improving real-time storm tracking and decision-making for Civil Defence while strengthening regional resilience following Cyclone Gabrielle.



Wainui Beach students launch community toy library

A free community toy library was created by Room 2 students from Wainui Beach School as part of their 2025 Enviroschools project. The initiative, supported by whānau, Kōkā Terri Hokianga and Council's Liveable Spaces team, will be maintained by the school as kaitiaki for families and tamariki to enjoy.



New Grays Bridge construction

Construction of the new Grays Bridge near Te Karaka is underway, marking another Cyclone Gabrielle recovery milestone. The 45-metre single-lane bridge, expected to take around one year to complete, is designed to improve resilience to future storm events and support community reconnection, alongside other bridge rebuilds in Tiniroto and near Tokomaru Bay.



Major milestone for Taruheru River Pathway

Council has confirmed the route and delivery approach for the Taruheru River Pathway and is seeking partner funding to progress this long-planned project, which will create a safe, accessible active transport connection linking communities, improving wellbeing, and delivering strong social, environmental and economic benefits for the region.



Councillor workshops

Councillors attended workshops on flood resilience, communications and engagement, and city centre revitalisation. The revitalisation session, led with consultants Athfield, explored early ideas and gathered feedback to help shape options for the Long Term Plan.



Art in the City

Our Art in the City initiative brought fresh life to the city centre, with Te Wharau School's youngest students transforming a shopfront into a vibrant display of Picasso-inspired self-portraits. The momentum continues, with Manutūkē School preparing a new display inspired by Rongowhakaata pūrākau.



Enviroschools Mahi Across Tairāwhiti

Tamariki across Tairāwhiti Enviroschools have been strengthening their kaitiaki role through composting, planting, trapping and wai health learning. Activities included compost mentoring at Wainui Beach School, a whole-school planting and trapping initiative at St Mary's, and hands-on learning at Waihīrere with community and iwi partners.



Kiwa Pools teams up with The Sauna Project Tairāwhiti

Kiwa Pools partnered with The Sauna Project Tairāwhiti to offer a wood-fired mobile sauna experience throughout winter. Operating on-site from late May to 27 June, the initiative provides swimmers with a warm recovery option after their sessions. The partnership promotes health, wellbeing, and social connection while encouraging people to stay active through winter and prepare for Swim the Distance in August.



Heritage Facade Fund Refreshes City Centre Landmark

Painting of the old National Bank building facade on Gladstone Road has been completed as the first project supported through the Heritage Facade Incentive Fund. Co-funded by Trust Tairāwhiti, the fund helps restore and repaint street-facing heritage facades as part of the wider City Centre Revitalisation Programme.



Live bus tracking launched

GizzyBus and Waka Kura passengers can now track buses live through Council's website. The feature provides real-time locations and arrival estimates, making travel easier for students and whānau, who account for around 70% of local bus users.

Ngā mahi matua
Our major projects

Major projects are projects identified in our Three Year Plan that involve significant capital investment, provide substantial benefits, and have a major impact on our communities.

Legend

Community wellbeing icons

- Social
- Cultural
- Environmental
- Economic

Community outcome icons

- A driven and enabled community
- We take sustainability seriously
- Resilient communities
- We celebrate our heritage
- Vibrant city and townships
- A diverse economy
- Connected and safe communities
- Delivering for and with Māori



DrainWise

DrainWise is an ongoing programme that supports property owners to help prevent wastewater overflows during heavy rain.

We check gully traps and downpipes to make sure they are connected correctly. We are also renewing old public pipes to reduce groundwater entering the wastewater network.

3YP initiatives

Public drains on private property

Identifying and constructing public infrastructure across private property to drain problem flooding areas.
Drainage projects were completed in Kelvin Road and Huxley Road. Investigations of potential Public Drains on Private Property (PDPP) sites in Whataupoko and Mangapapa have been completed, with design underway for the 2026/27 programme.

Graham/De Lautour roads

Upgrading of stormwater infrastructure to ensure appropriate levels of service in Graham/De Lautour Roads.
The project has been delivered in three stages. Stages 1 and 2 are complete, with Stage 3 on track for completion this year.

Wastewater pipeline renewals

Renewing pipes past their useful life or in very poor condition.
Lined 5.47 km of main pipelines, lined 309 lateral junctions and refurbished 80 access holes.

Stormwater pipeline renewals

Renewing pipes past their useful life or in very poor condition.
Renewed stormwater drains on Gladstone Road and Herbert Road.

Improving stormwater management in Whataupoko and reduce localised flooding.
Construction commenced in June 2026, with completion planned for December 2026.

Private property inspections

Working together with property owners to help fix problems with wastewater and stormwater drains.
This year we inspected 3,835 properties, repaired 155 wastewater gully traps and removed 55 downpipes.

Project status

Start date: July 2015
This project is ongoing

Dollars and cents

2025/26 budget **$6.5m** | 2025/26 actual **$5.1m**

3YP budget **$14.1m**

The project is fully Council-funded and is tracking below budget due to construction delays in Whataupoko, where work began in June 2026.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Drainwise | Gisborne District Council



Enviroschools programme - Solid waste staff show Wainui Beach School students how to compost their food scraps

Waste minimisation

We're working to minimise waste, reduce environmental harm, and support businesses and communities to prevent waste.

Council adopted the Waste Management and Minimisation Plan 2026–2032 in August 2026. The new plan focuses on reducing waste at its source, improving reuse and recovery, and supporting community-led solutions across Tairāwhiti.

Our current focus is Phase 2 of the Resource Recovery Centre (RRC), which involves reviewing how we recover and recycle materials, with the long-term goal of transitioning Gisborne towards a zero-waste future.

3YP initiatives

Resource Recovery Centre (RRC)

Planning for Phase Two of the RRC Master Plan is underway, including exploring options, developing designs, estimating costs and preparing for procurement.
This project is the first step in developing a regional resource recovery centre for Tairāwhiti. This year, work focused on site identification, planning and design.

Council is progressing master planning and concept design through Phases One and Two, with each phase endorsed by Council through formal decision-making processes.

This work is helping shape local resource recovery solutions by reducing waste to landfill, increasing recycling and reuse, and reducing reliance on transporting waste outside the region.

Project status

Start date: October 2025

This project is ongoing

Dollars and cents

2025/26 budget **$5.3m** | 2025/26 actual **$434k**

3YP budget **$13m**

The resource recovery centre project is delayed, with design work still underway and construction expected to begin in the 2026/27 financial year or later. The Waste Resilience Project, funded through Better Off Funding, is expected to be completed by June 2027.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Waste minimisation | Gisborne District Council



Waingake Transformation

This transformational programme, delivered in partnership with Maraetaha Incorporated, is restoring the Waingake catchment to indigenous forest. We've planted thousands of natives, stabilised erosion-prone areas, removed wilding pines, and controlled pests to protect biodiversity and the region's main water supply.

Ongoing monitoring of bats, birds, reptiles, and freshwater species ensures we're achieving ecological outcomes, while also providing local training and employment. This work continues to regenerate natural infrastructure that safeguards Tairāwhiti's clean water and protects the taonga species of Waingake.

3YP initiatives

Waingake Restoration (Pamoa)

Foster a strong, collaborative relationship with tangata whenua Maraetaha Incorporated, for the protection, enhancement and redevelopment of Waingake and Pamoa.

The partnership between Council and Maraetaha Incorporated continued to mature during the year, with the Joint Steering Group providing governance and strategic direction for the programme. This collaborative approach contributed to significant restoration progress and national recognition through the programme's success at the 2026 Growing Native Forests Champions Awards.

Continue the transition from pine to indigenous ngahere at Waingake through a mix of natural regeneration and planting, supported by wilding pine and weed control.

Widespread natural regeneration continues across the landscape, supported by targeted planting and ongoing pest and weed control. Sustained management remains critical to protecting restoration gains and ensuring the long-term success of the programme.

Deliver natural infrastructure to protect, filter and supply clean water to Tairāwhiti, helping to provide water security, resilience and adaptation to climate change for the region.

Significant progress was made in restoring the Waingake catchment through ongoing native forest regeneration, targeted planting and catchment protection initiatives. Together, these actions are intended to improve water quality, reduce erosion and sedimentation risks, and strengthen drinking-water supply resilience.

Protect and enhance biodiversity and water quality through sustained control and monitoring.
Pest animal control remained a key focus during the year, particularly within the QEII Covenant where browsing pressure continues to challenge restoration outcomes. The installation of a network of fully automated self-resetting traps has strengthened control efforts, helping to protect biodiversity, and safeguard ongoing forest recovery.

Manage participation and ensure compliance with the Emissions Trading Scheme. Work with neighbouring landowners to repair fence lines and maintain access tracks.
Strong relationships with neighbouring landowners helped maintain access across the catchment. Priority access tracks were kept in good condition, making it easier to carry out restoration, monitoring, and pest control work safely and efficiently.

Collaborate with Enviroschools, tangata whenua and other Council teams to provide educational opportunities to Tairāwhiti schools.
Waingake hosted visits from Muriwai Kura, the Joint Steering Group and Councillors, providing opportunities to highlight restoration progress, strengthen partnerships and promote the environmental and cultural values of the catchment.

Project status

Start date: October 2019
This project is ongoing

Dollars and cents

2025/26 budget **$2m** | 2025/26 actual **$1.3m**

3YP budget **$5.8m**

As of 30 June 2026, spending totalled $1.3m, including $0.4m in external funding. Work scheduled for the financial year was completed $0.7m under budget, mainly due to reduced release spraying following a late start to planting and weather conditions.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Waingake Transformation | Gisborne District Council



Waipaoa River Flood Resilience Project

The Waipaoa Flood Control Scheme is a critical infrastructure project that protects approximately 10,000 hectares of highly productive land across the Poverty Bay flats and urban Gisborne. Originally constructed between 1953 and 1967, the scheme includes 64km of stopbanks and various control structures designed to manage flood risk from the Waipaoa River.

The current upgrade aims to raise the level of protection to a 1-in-100-year flood event standard, with climate change impacts factored in through to 2090. The city-side stopbank upgrades have now been completed. However, the final 300m section of the western stopbank near Waituhi could not be constructed to its full design height due to saturated ground conditions caused by wet weather. While this section has been raised by approximately 1m above the original stopbank crest level, it remains approximately 0.5m below its final design level. Completion of the remaining 300m is scheduled for October 2026. Once this work is complete, all stopbank earthworks associated with the upgrade will have been finished, marking a significant project milestone.

Rock armouring works are being planned for the 2026/27 summer construction to improve erosion protection and make the scheme more robust and resilient to future flood events.

3YP initiatives

Waipaoa River Flood Resilience Improvement Project

Raise and widen the remaining 28 km of stopbanks along the western bank of the Waipaoa River.
Upgraded 7 km of stopbanks on the western side of the Waipaoa River completing works between Waituhi and Waipaoa (1053 Lavenham Rd to 1913 Mātāwai Rd) to strengthen flood protection.

Renew all pipes under the stopbank and supporting infrastructure.
All stopbank pipe renewals have now been completed, including the replacement of the Whakaahu Stream double culvert with one new 2.5 m diameter culvert and the extension of the existing 1.8 m diameter 'triple culverts' under State Highway near McMillans Road.

Installation of a flood barrier system (side-hinged flood door) across the KiwiRail corridor near Karaua Road has been completed, comprising a swing gate structure that maintains rail access while providing continuity of flood protection during high river events.

The Whatatuna Floodgate near Manutūkē has also been upgraded by raising the existing floodgate structure to match the heights of the upgraded stopbank crest.

Progress planning, investigations, geotechnical assessments, and detailed designs for subsequent stages.
Detailed design and tendering planned for rock protection works along Whakaahu Stream and Waipaoa River. Civil works planned for 2026/2027 construction season, weather permitting.

Project status

Start date: 2019
May 2027 (original completion date was 2030)

Dollars and cents

2025/26 budget **$16.9m** | 2025/26 actual **$13.3m**

3YP budget **$66.3m**

Of the $66.3m 3YP budget, $50.6m is funded by National Infrastructure Funding and Financing (NIFF). See the Recovery section for further details on the Waipaoa stopbank works.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Waipaoa Flood Control | Gisborne District Council



Walking and cycling

Council's walking and cycling network includes footpaths, shared paths, footbridges, bike lanes, boardwalks, mountain bike tracks, and urban cycleways. The programme brings together several strategies, projects, and initiatives deliver a connected, safe, and accessible transport system that supports walking and cycling as real alternatives to car travel.

We're working on Te Ara o Taruheru as a staged shared path along the Taruheru River. The pathway will support safer walking, cycling and wheeling connections between neighbourhoods, schools, parks, open spaces and the city centre.

3YP initiatives

Taruheru River Shared Pathway

Progress Te Ara o Taruheru as a staged shared walking, cycling and wheeling connection along the Taruheru River, supporting safer everyday travel between neighbourhoods, schools, parks, open spaces and the city centre.
A project steering group with Council, Tapuwae Tairāwhiti Trails Trust and mana whenua representation is guiding the next stages of the pathway. Following a revised business case, Council endorsed the 'Partial River Pathway' route and a flexible, staged approach to its delivery.

The steering group has identified the western stage of the pathway between Campion Road and Dalrymple Road, with a connection via Grundy Street to the Oak Street bridge, as the next stage to be built.

Throughout 2026 and early 2027, design, consultation and consenting processes will prepare this section of the pathway for construction across late 2027 and early 2028.

Project status

Start date: July 2021
This project is ongoing

Dollars and cents

2025/26 budget **$850k** | 2025/26 actual **$45k**

3YP budget **$3.3m**

Council allocated $850k to the project, including anticipated co-funding of $195k from NZTA. Changes to project timelines resulted in minimal spending in 2025/26.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Walking and cycling projects | Gisborne District Council



Kiwa Pools - Stage Two

Kiwa Pools is a modern, year-round aquatic centre developed in partnership with Ngāi Tāwhiri hapū.

The second stage of the outdoor complex is underway, expanding the facility to potentially include water and risk based play areas, basketball courts, and more social spaces to create a vibrant, inclusive space for the whole whānau to enjoy.

3YP initiatives

Outdoor play space

Collaborate with key partners to develop and improve the outdoor play space.
The redevelopment of the Kiwa Pools outdoor facilities continues to progress, with community feedback helping shape the proposed Stage Two redevelopment.

The draft Operational Review and Future Aquatic Facility Development Options Feasibility Study preliminary report is nearing completion. The Kiwa Pools outdoor master plan is being finalised and will guide the scope and prioritisation of work to be delivered within the $3 million funding allocation.

External funding will be sought once all project elements have been costed and approved.

The proposed redevelopment includes replacing the existing toddler pool with a new splash pad and a uniquely Tairāwhiti river play feature. Other improvements include a half basketball court, additional picnic tables, social spaces, play equipment, landscaping, planting and wayfinding signage.

The redevelopment will complement the existing indoor aquatic facilities, with a focus on affordability, attracting more visitors, enhancing the user experience and reflecting local stories through landscaping and uniquely Tairāwhiti design features.

Fundraising and capital construction are planned to begin during the 2026/27 financial year.

Project status

Start date: October 2024
Completion date: 2027/28

Dollars and cents

2025/26 budget **$3m** | 2025/26 actual **$223k**

3YP budget **$6.5m**

Of the 3YP budget, $3.5m is grant-funded. The $0.2m spent this financial year was fully Council-funded.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

For more information about this project please see Council's website **gdc.govt.nz**

» Kiwa Pools | Gisborne District Council



Photo credit: Trust Tairāwhiti

Te whakaoranga
Our recovery

Our recovery plan prioritises repairing infrastructure and building back stronger to prepare for future events. Significant investment will be required over several years, supported by government funding for specific recovery projects across the region. Levels of service and performance measures will help us monitor progress in delivering these projects.



Flood protection

Flood protection networks across the region have been under extreme pressure from persistent heavy rainfall and two cyclones. The build-up of silt in channels has reduced drainage capacity, leaving many residents more exposed to future flooding. Strengthening and upgrading our flood protection systems has therefore been a central focus of recovery.

Construction work continued on the Waipaoa River Flood Resilience Project, which has now successfully upgraded 62.4 km of stopbanks to withstand a 5,625 cumec flood event and protect the Poverty Bay floodplains and Gisborne city. Since construction began in 2019, 62.4 km of stopbanks (of 62.7 total) have already been upgraded, including 7 km completed in 2025/26. There are only approximately 300m of Waipaoa stopbank upgrade remaining which is planned to be completed in October 2026. The programme has been accelerated through additional Crown funding from both Kānoa ($7.5m) and from the National Infrastructure Funding and Financing ($20.46m), bringing forward the target completion date from 2030/31 to June 2027.

Alongside physical upgrades, Council has also invested in new monitoring and forecasting technology to support smarter flood management and flood forecasting. In 2024/25, $1.45m was allocated to improve monitoring technology and enhance flood forecasting. The work was completed in 2025/26 and will provide earlier warnings, more accurate river modelling, and better decision-making during severe weather events, complementing the large-scale infrastructure upgrades underway.

Hydraulic modelling and community workshops were completed for the Te Arai catchment, Whataupoko, Mangapapa, and the Waimatā/Taruheru rivers, including analysis of infrastructure blockages and bridge constraints. On the East Coast, flood resilience planning is underway for Ūawa, Tokomaru, Makarika, and Tikitiki, with recent community meetings confirming shortlists of mitigation options. Together, these projects are building a pipeline of works to strengthen flood resilience across the rohe.

3YP initiatives

Te Karaka Flood Resilience Project Taruheru River Shared Pathway

The Te Karaka Stopbank upgrade initiative aims to increase the flood protection of the township to match that of the recently upgraded Waipaoa scheme. This is a significant increase in level of service for the township which was flooded during Cyclone Gabrielle. The project includes raising the state highway in two locations as well as raising a local road. It also involves significant land acquisition and compensation.

The resource consent has been submitted and is currently under public notification until 7 August 2026. Detailed design is nearing completion and procurement documentation for construction has been prepared. Land access and acquisition negotiations are underway, with construction anticipated to commence in early 2027.

Tairāwhiti Flood Resilience Investigation Programme

Central Government has committed to providing Council with a pre-allocation of $64m for Category 2 risk mitigation investments.

Final preferred options have been identified for each project area through a detailed optioneering process. Elected members approved progression of each project to the design and consent stage, subject to final approval from National Infrastructure, Funding & Finance (NIFF).

Project status

Start date: March 2023

This project is ongoing

Dollars and cents

2025/26 budget **$16.9m** | 2025/26 actual **$13.3m**

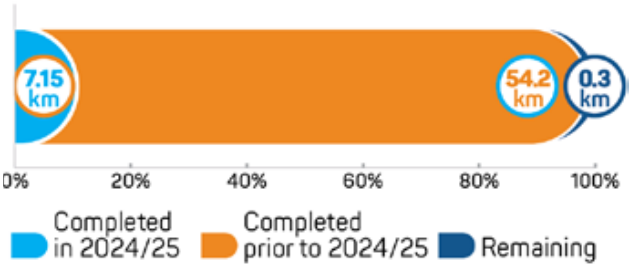
3YP budget **$66.3m**

The majority of work planned for the financial year on the Waipaoa Flood Scheme has been completed, with $9.7m spent, of which $7.6m was externally funded by NIFF. A completion of the final 300m of stopbank is expected in spring of the 2027 financial year. Te Karaka Resilience works are awaiting an approval of resource consent. Meanwhile, other flood resilience projects are currently in the investigation and planning stages.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Waipaoa stopbank upgrade progress







Roads to recovery

Our roads are our lifelines and without building in long-term resilience, our community's economic and social wellbeing will be significantly affected.

Our rural network was closed during Cyclones Hale and Gabrielle. Some communities were cut off for weeks with eight bridges destroyed, 54 suffering major damage and significant slips and dropouts, leaving a repair bill stretching into the hundreds of millions of dollars.

Our roading network in particular suffered significant damage, with over 3000 faults registered on our local roads, along with over 200 major dropouts. We still have a number of roads closed, including the Tiniroto Road and the Tiniroto Bluffs.

The total damage to our roading network has been assessed as $465m to get it back to where we were, but to build back stronger we need $725m. The Support Package from Central Government is $240.7m, with an additional $85m for initial emergency response costs.

This leaves us with a significant shortfall, where we will be needing to work in partnership with Central Government to address our damaged roading network. Alternatively, our recovery will take much longer, with reinstatement works focused on the greatest risks and the highest priorities in terms of people's safety.

3YP initiatives

Destroyed bridges

Construction is progressing well on three bridge rebuilds. St Leger Bridge in Tiniroto is 60% complete, Gray's Bridge near Te Karaka is 10% complete and Mata Bridge is 20% complete.

Damaged bridges

Repairs continue to progress across the bridge recovery programme. Of the 65 bridges requiring major repairs, 60 have been completed and a further five are under construction. Procurement is nearing completion, with 64 of the 65 bridges now contracted.

Minor works on bridges

The minor bridge repair programme is nearing completion, with 31 of the 35 bridges completed. Work is underway on the $9.9 million Bridge Resilience Programme, which will strengthen key bridges to improve their resilience to future severe weather events.

Tiniroto Road

Construction of the $45 million Tiniroto Bypass continues to progress well. Enabling works have been completed and construction of the northern bridge approach is now underway.

Slips and dropouts

Fix major slips and dropouts.
The non-complex dropout repair programme was completed in late 2025, restoring all 251 sites across the network.

The complex dropout programme is focused on repairing the region's 93 most significant and technically challenging dropouts. The programme is now 25% complete, with a further 26% of sites currently under construction. The remaining five construction packages will be released over the next six months.

Resilience partnership projects with iwi

Working in partnership with iwi on projects to provide greater resilience to communities.
The first two stages of the non-complex drainage programme have been completed, delivering repairs to more than 500 sites. Works included culvert upgrades, water tabling and extensive drainage improvements across more than 15 local roads. The community-led resilience planting project at Anaura Bay has also been completed, with more than 40,000 native plants across 10 species established to improve stormwater management and help protect surrounding infrastructure.

Planning continues on several major resilience projects. Complex works at the Tokomaru Bay seawall, Coates Corner and Tapuaeroa Road are progressing through the consenting process, with full construction expected to begin in October 2026.



Project status

Start date: March 2023
This project is ongoing

Dollars and cents

2025/26 budget **$76m** | 2025/26 actual **$52.5m**

3YP budget **$85m**

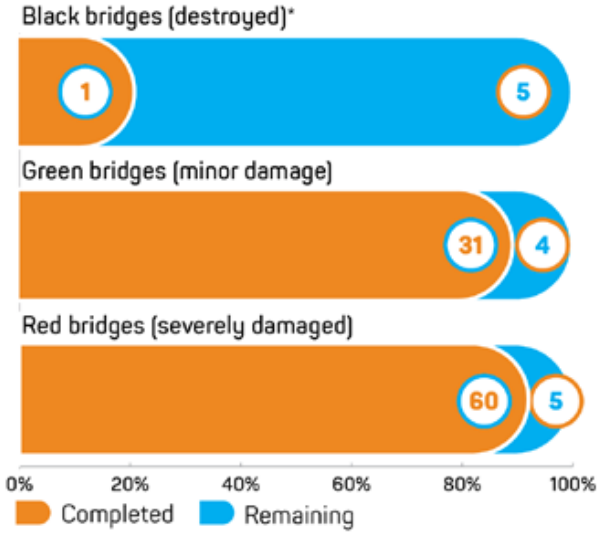
We had planned to complete more recovery work during 2025/26. However, the timing and scale of the programme means this work will continue to progress over the next 3–5 years.

All roading recovery projects are primarily externally funded, with funding from a mix of NIFF and NZTA, funded at different rates.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Bridge repair and rebuild progress





Waimatā Valley Road - Te Pahi Bridge - forest with multiple significant debris accumulations

Large woody debris (LWD)

Cyclone Gabrielle caused widespread damage to Tairāwhiti lands, waterways and infrastructure, resulting in an estimated 1.4 million tonnes of large woody debris littering our catchments. A substantial portion was addressed (over 500,000 tonnes in our high-risk catchments) through Government funding of $80m. This investment, showcased the significance of this woody debris programme and the scale, urgency and innovation applied to making a material difference to reducing the regions risk and contribute to the regions resilience going forward.

Key focus areas

A prioritisation framework, complemented with award winning AI assisted aerial imagery analysis, was able to prioritise targeted works in sub catchments to prioritise interventions where they would deliver the greatest risk reduction and community benefit. This ensured accurate debris detection, reliable cost estimation, and targeted interventions aligned with council priorities.

Moving forward, the LWD programme continues with the support of Ministry for Primary Industries (MPI) with the focus extending to establish and implement ways to work with forestry (owners, managers and companies) to treat sources of debris within forest gates and transitioning the highest risk sites into effective tree cover.

3YP initiatives

Protection of infrastructure and risk to property and life

Plan for the staged removal of woody debris in the immediate, medium, and long term.
Catchments successfully closed out and river works completed in Te Arai, Upper Waimatā, Hangaroa, Pakarae and Hikuwai. Sustainable delivery model for city beach clean ups was established and the Ūawa Domain was remediated.

Final remaining river projects are in the final stages in Waingaromia, Waihora, Waihoku, Waihuka and lower Waimatā.

Map catchment areas to support the development of a longer-term woody debris strategy.
We implemented a risk-based approach to identifying and prioritising large woody debris by combining AI-assisted aerial imagery, drone technology, advanced mapping and a bespoke risk assessment framework.

This approach supported the removal of more than 600,000 cubic metres of debris across seven major catchments and was recognised nationally through the 2026 Taituarā Local Government Excellence Awards.

Scope and define a longer-term strategy.
The next phase of the woody debris programme is targeting high-priority sub-catchments. Council, in collaboration with the Tairāwhiti Forestry Action Group (TFA Group) and the forestry sector, is addressing debris at its source, including beyond the forest gate, to reduce future impacts and build long-term resilience.

Project status

Start date: May 2023
This project is ongoing

Dollars and cents

2025/26 budget **$5.4m** | 2025/26 actual **$13.7m**

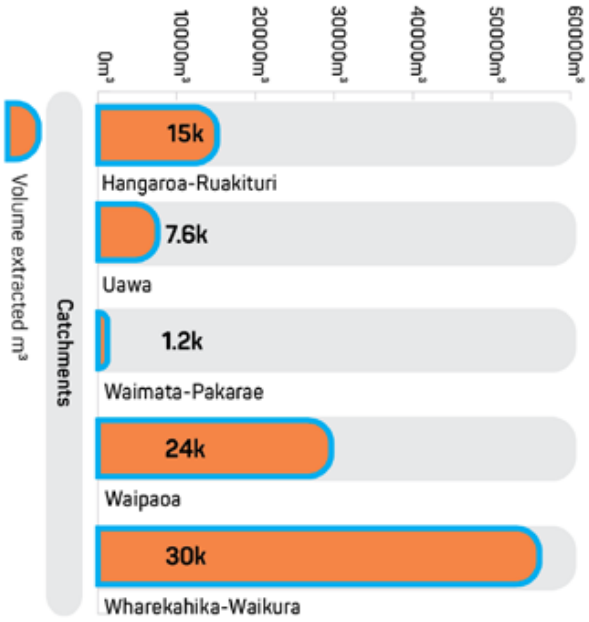
3YP budget **$21.7m**

The DIA-funded part of the project is complete. Further funding has been secured from the Ministry for Primary Industries (MPI), with work starting during the year and continuing into the next financial year.

Community wellbeings and outcomes

This major project contributes to the following community

Large woody debris extraction





Post storm large woody debris at Waikanae Beach



Safer communities

Nearly 2,000 properties across the region have been severely impacted by flooding, silt, and land erosion. To address this, Central Government introduced the Future of Severely Affected Land (FOSAL) framework, a targeted system to prioritise actions for at-risk properties.

- **Category 2:** These properties face manageable risks where targeted interventions like house lifting, drainage improvements, or stopbank upgrades can provide protection.
- **Category 3:** These are the highest-risk properties, deemed unsafe for habitation due to ongoing threats such as flooding or landslides. Owners are supported through voluntary buyouts because the sites were assessed as having unacceptable risk for residential use under the programme.

Government funding has enabled critical buyouts and mitigation projects, but additional costs, such as demolition and maintenance, will rely on rates funding. The house-lifting initiative aims to future-proof homes by raising them above flood levels, reducing the risk of damage in severe weather events.

3YP initiatives

Future of Severely Affected Land (FOSAL)

Completion of the FOSAL programme while providing support to affected communities, categorisation, buy-out negotiations, demolition, site remediation, and house lifting. The voluntary nature of the Category 3 buy-out process, together with the property-specific delivery of Category 2P mitigation works, requires a significant focus on homeowner engagement, communication, and practical support.

Key deliverables include progressing Category 3 property acquisitions and demolition or relocation works; administering the Category 2P mitigation fund for eligible works such as house lifting and retaining walls; implementing the Special Circumstances (Additional Funding) process for eligible homeowners experiencing genuine financial hardship in completing mitigation works; and overseeing programme completion and close-out activities.

Complete all voluntary buyouts of Category 3 properties

The Category 3 Buy-out Policy has been completed following a Council resolution. As at the end of June 2026, 58 of the 59 Category 3 properties had completed the voluntary buy-out process. The remaining property is subject to a dispute and is no longer eligible for the buy-out scheme.

Of the 58 completed buy-outs, 49 sites have been made safe, including 40 demolitions and the relocation of 9 properties to other sites.

To date, $32.6 million has been invested in buyouts, with a further $2.9 million spent on demolition and site remediation.

Lift all identified eligible Category 2 homes

To safeguard them against future flooding risks. Category 2 properties are divided into two groups:

- **Category 2P (property-level interventions)** - For properties affected by land instability or inundation. As at June 2026, mitigation works had been completed on 42 of 157 properties, enabling their removal from this category. Work on the remaining properties is ongoing.
- **Category 2C (community-level interventions)** - Involves wider-scale flood resilience solutions such as drainage upgrades and stopbank improvements. Engagement and planning for these interventions is ongoing.

Project status

Start date: March 2023
This project is ongoing

Dollars and cents

2025/26 budget **$1.3m** | 2025/26 actual **$14.7m**

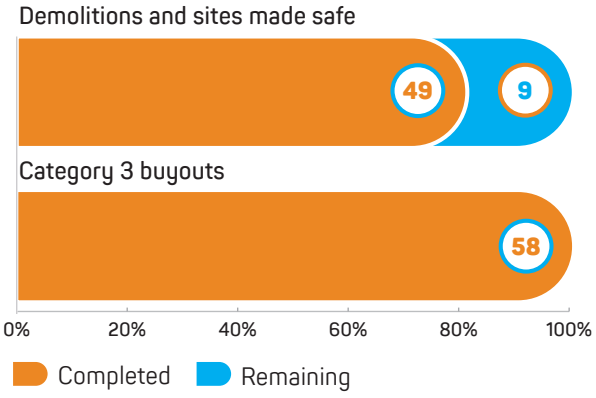
3YP budget **$21.8m**

Funding for Category 3 voluntary buyouts was originally $30m, shared equally between NIFF and Council. Demolition of Category 3 properties is fully Council-funded. In December 2025, central government approved an additional $1.3m, which Council matched to maintain the 50/50 cost-sharing arrangement. Additional properties increased spending in 2025/26, and work is now complete.

The Category 2P programme is fully externally funded.

Community wellbeings and outcomes

Category 3 buyouts and site remediations





Above and opposite: Category 2 house lift, Ūawa.



Community-led plans

We are actively supporting communities across our region to develop community plans that identify and prioritise recovery needs. These plans are crafted to reflect the unique aspirations of each community, ensuring that our recovery efforts are aligned with their specific expectations and requirements.

3YP initiatives

Recovery plan

Develop, prioritise, and share a recovery plan with key findings to guide recovery work and support coordinated action.

The community-led recovery planning framework has strengthened the alignment of recovery efforts across Council, iwi, government agencies and community partners, ensuring community priorities remain at the centre of decision-making. Twenty of the 23 community-led recovery plans have now been developed and are guiding recovery actions as living documents, with the remaining three plans progressing toward completion.

Meaningful community connections

Implement a new process to foster meaningful connections with communities.

Community partnerships continued to guide township planning and inform recovery initiatives, with engagement focused on ensuring projects reflect local priorities. This collaborative approach strengthened connections across Council, supporting coordinated project delivery and aligning recovery outcomes with community aspirations.

Recovery Office

Coordinate regional recovery planning and prioritisation, and facilitate engagement with iwi, community leaders, central government, agencies, and community groups to support recovery delivery.

Through its regional coordination and advocacy role, the Recovery Office continued to support recovery delivery across Tairāwhiti by working closely with iwi, hapū, government agencies and community organisations. Collaboration with mana whenua helped advance community-led recovery planning in Ngāti Porou communities, while partnerships across the region contributed to progressing the Roadside Drainage Supporting Iwi Communities programme and securing funding for the Te Karaka Flood Resilience project.

Townships

Rural township upgrades – Better Off Funding

Build new footpaths in Mātāwai, Ruatōria, Te Karaka, and Wharekahika, and install safety crossings in Ruatōria, Tikitiki, Te Araroa, Wharekahika, and Mātāwai.

The Cliff Road footpath in Te Karaka was completed, improving pedestrian access and safety for the community. Planning and delivery of new footpaths and safer crossings continued in Wharekahika, Te Araroa, Tikitiki and Rangitukia, while investigations into future improvements in Waiomatatini and Mātāwai progressed, subject to funding for proposed footbridge solutions.

Rural township upgrades

Partner with two rural communities annually for township upgrades, supporting them to develop and implement township plans with a focus on infrastructure priorities.

Communities in Pātūtahi, Te Puia Springs and Tokomaru Bay continued to progress locally identified priorities, including playgrounds, bus shelters, resilience and water security initiatives, memorial enhancements, and projects that celebrate local history and culture.

Project status

Start date: July 2021
This project is ongoing

Dollars and cents

2025/26 budget **$1.7m** | 2025/26 actual **$0.4m**

3YP budget **$4.3m**

As at 30 June 2026, spending on community-led projects totalled $0.4m, mostly funded by Council. Contracts have been awarded for Better Off Funding (BOF) works, which began in July 2026.

The underspend reflects weather-related delays, time required for community engagement and delays in progressing some planned crossing works. Delivery of this work will continue into 2026/27.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Our recovery levels of service and performance measures

We report on six measures within the recovery programme. These are multi-year targets running through to 2027 and 2031. The results shown here capture the second year's progress, giving a clear view of how recovery is advancing across flood protection, FOSAL, woody debris removal and road rebuilding.

Flood protection

Measure	Target	Result	Commentary
Implement flood mitigation strategies effectively to protect communities and infrastructure from future flood risks.			
Completion rate of flood mitigation projects, such as the Waipaoa Stopbank upgrades	100% completion by June 2031.	**38%**	7 km of the Waipaoa Stopbank upgraded this year. Construction on hold over winter. 38% result based on percentage spend of $79.9million flood resilience approved budget.

Safer communities (FOSAL)

Measure	Target	Result	Commentary
Reduce risk to life and where possible restore and enhance housing to support safe, resilient, and connected communities in the aftermath of cyclone events.			
All Category 3 properties settled and legally compliant	100% of those who choose to participate in buy back process	**100%**	**Completed** 58 of 58 properties settled.
Demolition of houses and residential improvements and sites made safe	100% (over 3 years) of those who choose to participate in buy back process	**84%**	**In progress** 49 of 58 sites made safe.
Property owners are satisfied with process, engagement and communication	Targeted Survey 80% overall satisfied	**82%**	**Target met**

Large woody debris

Measure	Target	Result	Commentary
Efficiently manage and clear woody debris from affected areas to restore environmental health and support community recovery efforts.			
Volume of woody debris extracted and treated from affected areas annually	Demonstrate progress in the volume of debris removed	**66,222m³ in 2025/2026**	**In progress** 618,324.6m³ treated since 2023

Roads to recovery

Measure	Target	Result	Commentary
Repair and rebuild transport infrastructure in line with recovery programme.			
Percentage of road repair and rebuild projects completed against the plan schedule	85% completion	**50%**	**In progress** Staged programme over multiple years.



Ētahi atu whakatakanga
Other projects

Tairāwhiti Resource Management Plan (TRMP) review

The purpose of the TRMP review was to ensure the plan continued to meet the needs of our communities and support the sustainable management of land, water and natural resources.

As Council's combined regional and district plan under the Resource Management Act 1991, the TRMP guides how development is managed, the environment is protected and community wellbeing is supported across Tairāwhiti.

Following the introduction of Plan Stop legislation in August 2025, Council closed the broader TRMP review and transitioned the work into successor programmes focused on delivering priority exempted plan changes and preparing Te Tairāwhiti for the new national planning system.

3YP initiatives

TRMP review

Progress the TRMP review and respond to changes in national resource management legislation
Council progressed priority planning and evidence work during 2025/26.

Following the introduction of Plan Stop legislation in late 2025, the broader TRMP review concluded in early 2026 and transitioned into two successor programmes:

- Plan Change Exemption Delivery
- Te Ara Hou - Planning for Readiness.

TRMP evidence base

Strengthen the scientific evidence base to support the TRMP
The TRMP evidence base was strengthened through technical assessments, research, modelling, environmental monitoring, expert input and engagement. This work provides a robust foundation for future planning, policy development and decision-making under the new resource management system.

Freshwater management and catchment planning

Develop the Regional Freshwater Plan and seven catchment plans in line with national requirements
Strong progress was made on the freshwater planning package, supported by technical research and engagement with Treaty partners, stakeholders and communities. Work included updated water-quality benchmarks, hydrological and groundwater modelling, ecological assessments, erosion-risk mapping and research into sediment, forestry and land-use impacts. Freshwater planning work was also affected by the Plan Stop legislation.



Regional Policy Statement (RPS)

Develop updated policy direction and supporting evidence across key regional resource management topic

Draft inputs and assessment criteria were completed and peer reviewed across key Regional Policy Statement topics. The work was developed with technical experts, mana whenua and stakeholders, providing a locally grounded evidence base that incorporates mātauranga Māori and can be adapted as national direction becomes clearer. Work on the RPS was also concluded due to the Plan Stop legislation.

Urban Plan Change 6

Update planning provisions for the Gisborne urban area to support housing and urban growth

Council received a Plan Stop exemption for Urban Plan Change 6 in February 2026. The plan change was subsequently notified, allowing the statutory submissions and hearings process to progress.

Sustainable Land Use Plan Change 7

Strengthen the management of forestry and earthworks on highly erodible land

Council completed the scope of Sustainable Land Use Plan Change 7 and submitted a Plan Stop exemption application. Work continued on the supporting evidence, mapping and proposed provisions while awaiting the Ministerial decision. Following the end of the reporting period, on 31 July 2026, the exemption application was declined by the Minister meaning Plan Change 7 will not progress under the current legislation.

Transition to the new planning system

Preserve the value of completed TRMP work and prepare Council for national resource management reform.

Te Ara Hou – Planning for Readiness was established to carry forward relevant evidence, technical work, mātauranga Māori and engagement insights from the TRMP review, while preparing Te Tairāwhiti for the proposed Planning Act and Natural Environment Act.

Project status

Start date: July 2021

Completion date: August 2028 (revised to February 2026 following the closure of the TRMP Review programme and its transition to Te Ara Hou – Planning for Readiness, alongside delivery of the Plan Change 6 exemption).

Dollars and cents

2025/26 budget **$2.4m** | 2025/26 actual **$1.4m**

3YP budget **$7.7m**

This project is 100% Council funded.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:



Photo credit: Benoit Deschasaux on Unsplash

Indoor multipurpose centre

The Community Facilities Strategy identified a multipurpose indoor facility as a key regional priority, a need further reinforced through the 2021 Business Case submitted to Central Government. The proposed facility will support a range of community, sporting, and cultural activities while meeting the growing demand for shared indoor space across Tairāwhiti. It will also create economic opportunities for the region by attracting tournaments and events.

3YP initiatives

Indoor multipurpose centre

Undertake feasibility, design and planning work to progress the Indoor Multipurpose Centre Project to an investment ready point.

During 2025/26, Council began reassessing the preferred location for the Indoor Multipurpose Centre following consideration of alternative partnership opportunities.

Potential sites are being evaluated against cost, operational and partnership benefits. A final decision on the preferred site will be made before December 2026, with community consultation on the proposed capital contribution to take place through the Long-Term Plan process, subject to feasibility.

Project status

Start date: 2024

Dollars and cents

2025/26 budget **$500k** | 2025/26 actual **$0**

3YP budget **$2.5m**

This project is 100% Council funded.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:



Option 1 visual for Lowe Street Shared Space proposal

City centre revitalisation

We are working alongside Trust Tairāwhiti to explore opportunities to revitalise Gisborne's City Centre. This project will identify what's needed to support a vibrant, resilient city centre, and will undergo extensive community engagement to understand what people want improved to make the city centre a more appealing place to live, work and play.

3YP initiatives

Revitalisation of the city centre

Refresh and invigorate our city centre through a mixture of temporary and permanent initiatives such as streetscaping and planting.

During 2025/26, Council continued working with Trust Tairāwhiti, Rongowhakaata Iwi Trust and partners to build on the shared vision established through the City Centre Catalyst Initiatives and progress the revitalisation of Gisborne's city centre. Early-win initiatives included public art installations across eight vacant shopfronts, heritage façade grants, the CBD Custodian Programme and Downtown Lounge street music activations involving local rangatahi.

We began development of a 10-year Action and Investment Plan with key partners to guide the revitalisation of Gisborne's city centre. More than 20 community engagement opportunities were undertaken across three design options to help inform the revitalisation of the City Centre. The final Action and Investment Plan is expected to be completed in October 2026.

City centre cleaning and maintenance services were enhanced through the introduction of the CBD custodian role, while street lighting upgrades improved safety and the appeal of the city centre.

Project status

Start date: 2024

Dollars and cents

2025/26 budget **$2.2m** | 2025/26 actual **$0.5m**

3YP budget **$3m**

This project is partly funded by NZTA contribution. City revitalisation planning has begun and additional work is planned to continue into the following financial year.

Community wellbeings and outcomes

This major project contributes to the following community wellbeing and outcomes:

Ō tātau tauwhāinga, o tātau whakautu
Our challenges and responses

Council is making long-term decisions in a period of significant change. National reform, changing environmental risks and increasing financial pressures are reshaping the context in which Council plans, invests and delivers services. These pressures are closely connected and increasingly require choices about risk, affordability, levels of service and where limited resources will provide the greatest long-term benefit. This section outlines three enduring challenges shaping those decisions and the work underway in response.

Building resilience in a region exposed to continuing hazards

Challenge:

Te Tairāwhiti remains highly exposed to severe weather, flooding, erosion, coastal hazards and land instability. Recovery from Cyclone Gabrielle and other 2023 events continued throughout 2025/26, while further weather events caused new damage, disrupted access and placed additional pressure on communities, infrastructure and emergency response arrangements.

The remaining recovery programme includes some of the most complex and costly work, including major road and bridge repairs, flood protection, property mitigation, land-use transition and support for affected communities. This work must continue alongside everyday services and preparation for future events.

Climate change is expected to increase the frequency and severity of some hazards, adding pressure to ageing infrastructure and areas already vulnerable to repeated damage. In some locations, maintaining existing infrastructure, access or land uses may become increasingly difficult and expensive.

These pressures increasingly require choices about where risk can be reduced, where it must be managed, and where infrastructure, land use or levels of service may need to adapt over time.

Response:

During 2025/26, recovery and resilience work remained focused on restoring roads and bridges, strengthening flood protection, progressing property mitigation, managing sediment and large woody debris, and supporting communities affected by the 2023 severe weather events.

Strengthening flood resilience

Council progressed the $79.9m regional flood resilience programme, supported by $71.9m from central government and $7.99m from Council. Work included further upgrades to the Waipaoa flood control scheme, planning and consenting for improved protection at Te Karaka and investigations into flood resilience options for specific communities and waterways across the region (Te Arai, City, Tolaga Bay, Tokomaru Bay, Makarika and Tikitiki).

Flood modelling, river surveys, technical evidence, mātauranga and local knowledge are being used to identify and prioritise options that reduce risk to life and property, protect critical infrastructure and support the continued insurability of homes. These projects will reduce flood risk, although they cannot remove it entirely. Community preparedness, evacuation planning, land-use controls and other non-structural measures will therefore remain important.

Improving emergency readiness

The review of the Tairāwhiti Civil Defence Emergency Management Group Plan continued during the year, supported by an updated regional hazard and risk assessment. This work will help identify regional priorities and guide how risks are managed across reduction, readiness, response and recovery.

Operational readiness also continued to strengthen through community relationships and coordination with iwi, emergency services, government agencies and other partners. This work is occurring alongside national emergency management reform, which is expected to change roles, standards and local arrangements as new legislation is finalised and implemented.

Planning for climate adaptation

Work continued to build a stronger evidence base for long-term climate adaptation. This included developing a Climate Scenario Policy, progressing a community climate risk and vulnerability assessment, and working with Ngāti Oneone to incorporate cultural values into the Wainui Coastal Adaptation Plan.

Early engagement also began to inform wider regional and local adaptation planning. Internally, guidance is being developed to embed climate considerations into activity and asset management planning, procurement, investment decisions and project delivery. This will support more consistent decisions about future development, infrastructure and community resilience

Building more resilient lifeline infrastructure

Road and bridge recovery continued alongside planning for the longer-term resilience and affordability of the transport network. The Strategic Roading Network Resilience Programme Business Case provides a 30-year framework for directing limited funding towards routes that provide the greatest social, cultural and economic benefit.

The approach places greater emphasis on proactive drainage, bridge maintenance, lifeline access and targeted resilience improvements. It also recognises that different service levels, staged investment or alternative work continued to build a stronger evidence base for long-term climate adaptation. This included developing a Climate Scenario Policy, progressing a community climate risk and vulnerability assessment, and working with Ngāti Oneone to incorporate cultural values into the Wainui Coastal Adaptation Plan.

Early engagement also began to inform wider regional and local adaptation planning. Internally, guidance is being developed to embed climate considerations into activity and asset management planning, procurement, investment decisions and project delivery. This will support more consistent decisions about future development, infrastructure and community resilienceolutions may be required for some lower-use roads where repeated reinstatement is becoming increasingly difficult to sustain.

Together, this work is shifting Council from repeated repair towards more coordinated risk reduction and clearer long-term choices about where resilience investment will provide the greatest benefit.



Balancing affordability, service levels and long-term investment

Challenge:

Council faces increasingly difficult choices about how much to invest, where to invest it and what levels of service can be sustainably maintained over time. A large and geographically dispersed network of roads, bridges, water systems, flood protection assets and community facilities must be maintained and renewed while Council also responds to recovery needs, natural hazards, regulatory requirements and future growth.

Ageing assets, higher construction costs, constrained delivery capacity and increasing regulatory expectations are adding to the cost of providing services. At the same time, the ability of households and businesses to absorb ongoing increases is limited, and external funding cannot be assumed for every future investment.

Available funding will therefore need to be increasingly targeted towards the assets and services that provide the greatest long-term benefit and manage the most significant risks. This will require choices about the timing and scale of investment, which assets are prioritised, and whether existing levels of service remain affordable across every network and community.

These decisions must balance reliability, safety and resilience with affordability, debt capacity and fairness between current and future ratepayers.

Response

During 2025/26, Council continued to prioritise the infrastructure and services communities rely on every day. Investment remained focused on roads and bridges, drinking water, wastewater, stormwater, flood protection, solid waste and essential community facilities.

Recovery work continued to compete with asset renewals, regulatory requirements and long-term resilience needs. Council used its Infrastructure Strategy, Financial Strategy and activity and asset management planning to identify the most important work, sequence delivery and keep investment within available financial and organisational capacity.

Establishing sustainable water services

A major milestone during the year was the adoption and government approval of Tō Tātau Wai, Tō Tātau Mana - Our Water, Our Way, Council's Water Services Delivery Plan. The plan confirms that drinking water, wastewater and stormwater services will remain within Council through a financially ring-fenced Water Services Business Unit from 1 July 2027.

The plan provided for an estimated $214m of water infrastructure investment over 10 years, including renewal of nearly 50 kilometres of underground mains. The investment is intended to support the renewal of ageing assets, compliance with drinking water and environmental standards, greater network resilience and capacity for future urban growth, while supporting the long-term financial sustainability of water services.

Council established an Interim Water Management Committee and appointed a project manager to oversee the implementation of the new delivery model. Work also began on the Water Services Strategy, Strategic Asset Management Plan, activity management plans, investment and delivery planning, and separate financial reporting arrangements. These workstreams are being developed alongside the 2027–2037 Long Term Plan to ensure that future service levels, affordability, charges and investment priorities are considered as part of an integrated long-term approach to water services

Resetting how we invest in the roading network

Council approved the Strategic Roading Network Resilience Programme Business Case in August 2025. The business case provides a 30-year framework for making evidence-based decisions about maintenance, renewals and resilience investment across the 1,893km local road network.

The preferred Balanced Reach approach directs funding towards routes that provide the greatest social, cultural and economic benefit, including roads that connect communities with schools, health services, marae and economic centres. It also recognises that historical levels of service may no longer be affordable or practical across the entire network. Some lower-volume roads may require different maintenance approaches, reduced service levels, seal reversions, seasonal restrictions or other long-term solutions.

Implementation work began during the year, including reviewing technical standards and policies, strengthening programme governance and incorporating the new approach into asset management planning. Further decisions about road priorities and levels of service will be developed through the Regional Land Transport Plan and 2027–2037 Long Term Plan, supported by engagement with tangata whenua, communities, industry and Waka Kotahi NZ Transport Agency.

Renewing networks and improving service reliability

Council continued to renew and improve critical three waters infrastructure during 2025/26, strengthening network reliability, resilience and performance. Wastewater renewals delivered 5.47 kilometres of pipeline lining, refurbishment of 80 access holes and installation of 309 lateral junctions, while stormwater renewals and the Public Drains on Private Property programme continued to reduce inflow, infiltration and localised flood risk.

Drinking water renewals were also completed across priority areas, including full renewal of the Te Karaka reticulation network, improving network performance, reducing leakage and increasing operational efficiency. These programmes, alongside DrainWise investigations and targeted network improvements, are helping extend asset life, reduce the risk of service failures and progressively address ageing infrastructure across the district.

The Water Services Strategy (WSS) will continue to support Council's established approach to long-term renewal and investment planning across drinking water, wastewater and stormwater. Ongoing improvements in asset information, condition assessment and investment planning will continue to inform renewal priorities, target funding to areas of greatest need, and proactively manage the risk of asset failure and service disruption.

Prioritising and staging major investment

Staged delivery, business cases and external partnerships continued to be used for major projects that cannot be funded through rates alone.

The Resource Recovery Centre progressed to its next design phase, with work focused on making greater use of existing infrastructure, delivering priority services early and allowing later stages to proceed as funding becomes available. This provides flexibility while project scope, procurement options and funding pathways are developed.

For the proposed Indoor Multipurpose Centre, work continued on site, delivery, operating and partnership options. The project requires substantial external capital, and further decisions will be considered through the Long Term Plan. Discussions with Trust Tairāwhiti, community organisations and potential operating partners are intended to reduce the amount that would need to be funded directly by Council and ratepayers.

Strengthening asset and investment planning

Activity and asset management planning progressed across Council during the year in preparation for the 2027–2037 Long Term Plan and its 30-year Infrastructure Strategy. This work brings together information about asset condition, renewal needs, growth, regulatory requirements, climate risk, service performance and future operating costs.

The plans will help identify the consequences of different funding levels and support clearer decisions about service levels, project timing and risk. They will also provide the basis for prioritising investment across activities, rather than considering major projects and asset classes in isolation.

The work completed during 2025/26 is strengthening the evidence Council will use through the 2027–2037 Long Term Plan to make choices about investment priorities, service levels and affordability.



Planning and delivering through national reform and uncertainty

Challenge:

Council is operating through a period of major national legislative and policy change. Reform programmes covering resource management, water services, emergency management and the wider local government system are changing Council responsibilities, governance arrangements, funding settings and the way services are planned and delivered.

Resource management reform will have particularly wide-ranging effects for Te Tairāwhiti. The current Tairāwhiti Resource Management Plan will eventually transition to a new planning framework, affecting spatial planning, land use, freshwater, coastal management, natural hazards, environmental protection, growth and infrastructure sequencing.

Council must continue to make decisions and provide regulatory services under the existing system while preparing for requirements that are still developing. This creates risks of duplicated work, changing priorities, additional costs and pressure on specialist staff and partner capacity.

The transition must also preserve the technical evidence, mātauranga Māori and engagement already developed through local planning processes. Council needs enough flexibility to respond to national decisions while maintaining effective services, meeting current statutory obligations and ensuring the needs, rights and interests of Te Tairāwhiti communities and tangata whenua continue to shape local implementation.

Response:

During 2025/26, Council actively monitored national reform and advocated for arrangements that reflect the circumstances of Te Tairāwhiti.

Council approved its submission on the proposed Planning Bill and Natural Environment Bill and agreed key messages for submissions on the Emergency Management Bill, development levies, simplifying local government and rates capping. Council also considered the implications of proposed changes to public works legislation. This provided a formal way to bring the perspective of a geographically isolated unitary authority, with substantial environmental, infrastructure and Treaty responsibilities, into national decision-making

Preparing for the new planning system

The Government's Plan Stop legislation, introduced in August 2025, prevents councils from notifying most plan reviews and plan changes until 31 December 2027 unless an exemption is granted. It also restricts the notification of freshwater planning instruments, including Council's catchment plans and Regional Freshwater Plan.

In response, Council reshaped the Tairāwhiti Resource Management Plan (TRMP) review into two linked programmes. Plan Stop Exemption Delivery focuses on urgent plan changes that Council considers should continue under the current system. Te Ara Hou, Planning for Readiness, is preparing Te Tairāwhiti for the new national planning framework.

Te Ara Hou has preserved and consolidated the technical evidence, mātauranga Māori and engagement insights already developed through the TRMP review. This will allow relevant information to be adapted and reused once the structure and requirements of the new system become clearer, reducing the risk that previous investment and local knowledge are lost.

Progressing urgent local planning priorities

Council sought exemptions from Plan Stop for two priority areas, Urban Plan Change 6 and the Sustainable Land Use Plan Change.

An exemption for Urban Plan Change 6 was granted in February 2026. Council then formally notified the proposed changes and received public submissions between March and May. The plan change updates urban zoning rules to enable a wider range of housing in safe, well-serviced locations, support city centre revitalisation and give effect to the Future Development Strategy.

Council also applied in December 2025 for an exemption to continue developing the Sustainable Land Use Plan Change. This work focuses on land with the highest erosion and slope-failure risk and is intended to support the long-term transition of the most vulnerable land to more sustainable cover. The exemption had not been determined by the end of the reporting period, but was declined on 31 July 2026.

Maintaining current planning and regulatory services

The existing TRMP remains operative during the transition. Council continued to process resource consent applications, monitor environmental effects, undertake compliance and enforcement work, and provide planning advice under the current legislation.

Some longer-term planning work was paused or rescheduled to avoid unnecessary duplication. Freshwater planning was paused while greater clarity about the replacement system was awaited. Supporting technical work continued where it could provide enduring value, including environmental monitoring, evidence development and technical guidance for matters such as sustainable gravel management.

Responding to wider reform

Reform is also changing the way other core Council functions are governed and delivered. During the year, Council moved into implementation of its new water services arrangements under Local Water Done Well, while preparing for proposed changes to emergency management and wider local government settings.

As a unitary authority, Gisborne District Council already carries out both regional council and territorial authority functions. Council continued to assess what wider reform could mean for local representation, regional coordination, shared services, environmental responsibilities and relationships with iwi and hapū.

Strengthening strategic alignment and reform readiness

Council completed a stocktake of its strategies, plans, policies and bylaws to support development of the 2027–2037 Long Term Plan. The review identified duplication, unclear relationships between documents, legacy strategies developed under earlier assumptions, gaps in integrated climate and resilience planning, and risks arising from national reform.

The findings will be used to sequence future policy and strategy reviews, clarify which documents provide enduring direction, and improve alignment between strategy, funding and delivery. Council has also developed a 10-year Strategic Planning Work Programme so reviews can be timed around legislative change, affordability and organisational capacity.

This approach is intended to preserve valuable local work, avoid unnecessary duplication and give Council enough flexibility to respond as national requirements become clearer.

Preparing for local government reform

During 2025/26, Council monitored the Government's local government reform programme and considered what proposed structural changes could mean for Te Tairāwhiti.

In May 2026, the Government announced the Head Start pathway, allowing councils to develop voluntary reorganisation proposals ahead of wider Government-led reform. Gisborne District Council did not submit a Head Start proposal and, as at the date of this Annual Report, was not included in one.

As an existing unitary authority, Council already carries out both regional council and territorial authority functions. However, wider reform could still affect regional coordination, shared services, environmental responsibilities, infrastructure planning, local representation and relationships with iwi and hapū.

The Government has indicated that Head Start proposals will be considered during 2027, with wider structural changes expected to follow after the 2028 local government elections. The outcome, scope and timing of the reforms remain uncertain, and Council will continue to monitor developments and retain flexibility in its planning as further direction becomes available.



Ā mātau whakatutukinga mahi
Our performance

How did Council do this year?

Council measures and monitors the quality and effectiveness of our services to ensure we are delivering on our commitments and continuously seeking opportunities to improve. As part of this process, performance measures were established during the adoption of our 2024–2027 Three Year Plan to track the delivery, efficiency, and effectiveness of our services.

Our year in performance

Council maintained solid performance despite the ongoing demands of recovery, meeting 78% of its 93 performance measures and matching last year's result. Strong results were recorded across regulatory services, water supply, consenting, community facilities and commercial operations. All enforcement and compliance targets were met, water loss reduced, consent processing improved, community facility use remained high, and investment returns increased.

Opportunities for improvement remain in waste reduction and recycling, solid waste service delivery, road safety, public facility cleanliness and public transport patronage. These results provide a clear focus for strengthening service reliability, community confidence and future performance.

Recovery programme measures

Council also tracks six performance measures within our recovery programme. These targets are due for completion between 2027 and 2031. In this 2025/26 Annual Report we have recorded progress updates against each measure, but they are not included in the overall performance totals and cannot be recorded as complete at this point. They provide a snapshot of progress in areas such as flood protection, property buy-outs and demolitions, woody debris removal and road rebuilding. See page 28 for full results.

Mandatory measures

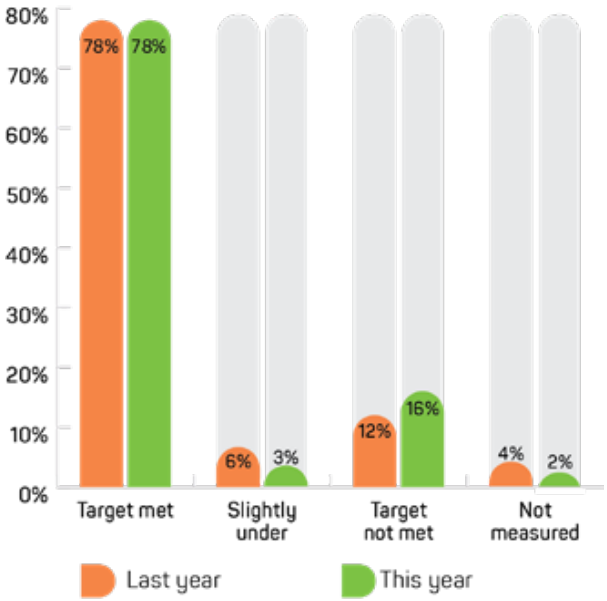
A total of 33 performance measures are mandated by Central Government, covering our three waters (stormwater, wastewater, and water supply), land, rivers, coastal areas, and the provision of local roads and footpaths. These measures are consistent across all councils, enabling the public to compare service levels nationwide. In 2025/26, Council achieved 27 of the 33 mandatory measures (82%). Three measures were slightly under target, and three were not met. The following information outlines the results for each mandatory performance area.

Overall performance metrics

We track a total of **93** measures, consisting of:

- **33** mandatory measures set by Central Government
- **16** measures derived from our Annual Survey
- **44** measures developed by Council for the 2024-2027 Three Year Plan

Overall, 78% of our performance measures met their targets, matching last year's result. The proportion of targets not met increased from 12% to 16%, while measures rated slightly under decreased from 6% to 3%.



Targets met

Land, Rivers, Coastal

Council achieved its flood protection target in 2025/26, inspecting more than 25 percent of the stopbank network and maintaining the required 1-in-100-year level of protection.

Roading

Roading performance was strong with customer service response times exceeding target at 87 percent against a target of 80 percent. The quality of ride on sealed local roads also exceeded target, with 89 percent of the network meeting the required smooth travel standard. Footpath condition remained high, with 97 percent of footpaths meeting the service standard set out in the Engineering Code of Practice.

Wastewater

Council met most wastewater performance targets. There were no compliance enforcement actions, and response times for wastewater overflows remained within target for both attendance and resolution. Sewage discharges to rivers and streams remained within the allowable annual limit.

Water Supply

Council met the microbiological monitoring requirements for Gisborne and Te Karaka. All response time targets for water supply faults were achieved, with urgent and non-urgent callouts attended to and resolved within the required timeframes. The water loss target was met at 11.5 percent, below the 15 percent threshold. Council also met the drinking water complaints target, recording 8.20 complaints per 1,000 connections, and average daily drinking water consumption remained within target at 223 litres per person per day.

Stormwater

Stormwater services performed strongly, with all performance targets achieved. There were no recorded flooding events affecting habitable floors and no compliance or enforcement action relating to stormwater discharge consents. Response times remained within target, and the number of complaints about stormwater system performance remained below the required threshold.

Targets not met (3 measures)

Roading

The road safety target was not met, with four fatalities and nine serious injury crashes recorded in 2025/26, compared with one fatality and 10 serious injury crashes in the previous year.

Wastewater

Whilst the target was not met, performance improved from the previous year. The number of complaints about odour, system faults, blockages and Council's response to wastewater issues was 16.49 complaints per 1,000 connections, down from 18.5 in the previous year. This continues the downward trend in wastewater complaints following the impacts of Cyclone Gabrielle.

Water supply

The target for the distribution system rule was not met. Whatatutu completed 11 of the 12 required annual surveillance samples, resulting in compliance being evaluated at 91.7%. All completed samples met the required water quality standards.

Slightly under target (3 measures)

Roading

The resurfacing measure was slightly under target, with 4 percent of the sealed local road network resurfaced against a target of 5 percent. This improved from 3 percent in the previous year, while roading resources continued to balance recovery and resilience priorities alongside planned network maintenance.

Water supply

Two drinking water compliance measures were below target. Bacterial and protozoal compliance for Te Karaka and Whatatutu was almost met, with results ranging from 99.3 to 99.5 percent following data loss caused by a lightning strike.

Responding to community views

We carry out independent resident satisfaction surveys to understand how well our resources, facilities, and services are meeting community expectations, always looking for opportunities to improve. The survey process includes quarterly online surveys, quarterly reports, and an annual analysis that feeds into this Annual Report.

Just over 400 residents across the Gisborne District participated, representing a range of ages, ethnicities, areas, and genders. We acknowledge, however, that the survey's sample size and the nature of online data collection mean results may not fully represent our 51,135 residents. Online surveys can be less accessible to some groups, which may lead to underrepresentation.

To address this, we use additional surveys and consultation feedback to check the pulse of our services. Where the sample size from the Resident Satisfaction Survey is not statistically significant, these sources are used to supplement overall performance results.

Online and service-user surveys

Online and service-user surveys are conducted at key sites, including the Library and Kiwa Pools. These are accessible through onsite kiosks or QR codes and provide valuable insights into customer experience and service delivery.

Kiwa Pools

Customer feedback for Kiwa Pools was positive throughout the year. Council received 100 survey contributions from 80 customers between November 2025 and June 2026, providing additional insight into the experience of people using the facility.

87% rated Kiwa Pools as welcoming and inclusive, 84% rated opening hours and safety and supervision positively, and 82% rated staff friendliness and professionalism positively. 80% said they were likely to recommend Kiwa Pools to others.

These results complement Council's wider resident satisfaction survey, where satisfaction with swimming pools increased from 77% to 82%, exceeding the 80% target.

Feedback also highlighted opportunities to continue improving value for money, amenities for older children and teenagers, and locker, shower and changing facilities.





Performance highlights and areas for improvement

Performance highlights

1 Enforcement and compliance

All targets were met across animal control, licensing, noise control, and maritime safety, ensuring community safety and compliance.

2 Water services callouts

Urgent and routine callouts were attended and resolved within target timeframes across water supply, wastewater, and stormwater services.

3 Cultural facilities

Cultural facilities performed strongly. HB Williams Memorial Library recorded four times its target for online visits and 99,447 onsite visitors. The museum and theatres also met their resident satisfaction targets.

4 Consenting compliance

Building and resource consent processing both exceeded 95% compliance with the statutory timeframe of 20 working days. Building consent performance reached 99%, while resource consent performance reached 97%.

5 Commercial performance

Investment returns increased to 4.1% of Council revenue, reaching the top of the target range. Satisfaction with Council accommodation and services increased to 98%, exceeding the 95% target.

Areas for improvement

1 Public transport patronage

Bus patronage declined following major service changes but returned to pre-change levels after six months. Live tracking and real-time information will support future growth.

2 Waste reduction and recycling

While waste to landfill remains high, education and behaviour-change programmes under the 2026–2032 Waste Management and Minimisation Plan provide a clear pathway towards reducing waste and increasing recycling.

3 Solid waste services

While collection satisfaction and response times have room to improve, a continued focus on collection reliability and timely customer service will help strengthen confidence in solid waste services.

4 Road safety

Four fatalities and nine serious injury crashes were recorded during the year. Road safety remains an important area of focus, with ongoing initiatives supporting safer travel across the local road network.

5 Public facility cleanliness

Satisfaction with public facility cleanliness improved slightly but remains below target. This progress provides a positive foundation, recognising that sustained work and investment are needed to achieve further improvement.

Ngā āhuatanga pūtea
Finances at a glance

This section provides an overview of Council's financial results for 2025/26.

For further detailed information on the Council and the Group's financial results, refer to the full financial statements in the ''Our Finances" section.

Details of Council's Statement of Involvement in Council Controlled Organisations (CCOs) and other companies are also included in the "Our Finances" section.

Council's financial reporting complies with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Tier 1 PBE Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These requirements prescribe the way we recognise and disclose all financial transactions in our financial accounts.

Council's financial position remains healthy, with debt remaining within Council's borrowing limits.

Financial Prudence Benchmarks are shown in Note 37: Disclosure Statement under the "Our Finances" section of the report. These benchmarks compare Council's actual financial performance with planned limits and measures. They help assess whether Council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

Performance was largely on track, with all benchmarks met and within planned measures, except for the operations control benchmark. This was not achieved due to the timing of capital grants and when costs were incurred. For information refer to "note 37".

Financial position overview

Council holds long-term assets of $3.0b, including operational and infrastructure assets. When investing in infrastructure, we borrow funds so repayments can be spread across the generations who benefit from these assets.

At the end of this financial year our financial position remains healthy. Debt remains within our overall borrowing capacity and planned recovery projections.

At year end our total external debt was $237.8m or 164% of debt to revenue, within overall debt limits of 175%.

Central Government awarded Council an initial $204m "recovery package" for roads and flood protection following Cyclones Hale and Gabrielle. Delivery of this programme continued during 2025/26 and will carry on as the remaining recovery projects are completed. Following adoption of the 2024–2027 Three Year Plan, Council secured further government funding, including funding for Future of Severely Affected Land (FOSAL) Category 2P house lifting and property resilience, an additional $127m from the New Zealand Transport Agency Waka Kotahi for the roading recovery programme, and $27m for large woody debris removal.

During 2025/26, Council recognised $128.6m of grants and subsidies. This included $75m from NZTA Waka Kotahi and $53.7m from other Central Government sources. Of the total, $84.3m related to capital projects, primarily roading recovery, flood resilience and FOSAL property initiatives.

Financial performance

Our 2025/26 Annual Report covers Year 2 of the 2024–2027 Three Year Plan. Our Three Year Plan was heavily focused on recovery while still delivering business as usual.

We recorded a net surplus after taxation of $61.8m, compared with a budgeted surplus of $95.2m. The $33.4m difference was primarily due to the timing and delivery of externally funded roading recovery, flood resilience and other recovery projects.

When the Three Year Plan was prepared in December 2023, many severely damaged roads remained closed or inaccessible. Without final engineering assessments, the scale and timing of the recovery and capital reinstatement programme were necessarily estimated at a high level.

Since then, the roading programme has been assessed, refined and phased to align with practical delivery timeframes, contractor capacity and the sequencing of complex and non-complex works. While expenditure differs from the Annual Plan, the recovery programme remains aligned with the overall project schedule.

The lower-than-planned surplus does not mean the associated government funding has been lost. Revenue from conditional grants is recognised as project conditions are met and the underlying work is completed.

This timing variance does not indicate that the associated grant funding has been lost. Funding will be recognised as the relevant conditions are met and the recovery programme is delivered.

The overall net surplus after taxation was $61.8m. This represents the difference between income received and expenses incurred during the year. Capital grants and subsidies are recorded as revenue even though they are used to fund capital projects rather than day-to-day operating activities. These net surplus funds contribute towards the cost of capital investment and reduce Council's need to borrow.

Total revenue was $254m, $10.8m less than the Annual Plan. Capital grants and subsidies were $31.1m below plan, mainly reflecting the timing and phasing of the roading recovery programme. This was partly offset by higher operational grants, a $6.3m accounting gain arising from the fair-value recognition of the government's interest-free concessionary loan, and additional dividends and other revenue.

Total expenditure was $193m, $22.6m above the Annual Plan. This was mainly due to higher operating costs relating to the grant-funded recovery work, including FOSAL Category 2 house lifting, large woody debris removal, roading maintenance and reinstatement. Some of these higher costs were partially offset by lower than planned Employee benefit costs and depreciation costs.

A further $3.6m expense was recognised for losses on recovery property buyouts and the disposal or write-off of

assets. This primarily reflects the difference between the purchase price paid for FOSAL Category 3 properties and their written-down value following cyclone damage.

Total capital expenditure of $117.3m, spent mostly on critical infrastructure and Category 3 Voluntary Property Buy Outs. The capital works completed this year is the highest level of investment Council has completed in any one year.

Other favourable and unfavourable variances from the Annual Plan arose during the year. More detailed analysis of Council's activities is included in the "Our Activities" section of this report.

Recovery cost summary	Actual 2025 $000s	Actual 2026 $000s
Funding received		
New Zealand Transport Agency (Waka Kotahi)	10,726	1,046
Other grants	30,081	20,496
NEMA proceeds	98	-
	40,905	**21,543**
Recovery works incurred		
Roading - Reinstatement	12,831	3,159
Recovery	783	1,442
Large Woody Debris and Silt Removal	24,612	13,105
Commercial Sediment and Debris	146	-
FOSAL category 3 buyouts	8,220	5,028
Loss FOSAL category 3 buyback	7,847	3,724
Three waters + flood control	164	230
	54,602	**26,687**
Total surplus/(deficit)	**(13,696)**	**(5,144)**
Capital Expenditure		-
Roading - Reinstatement	31,290	53,689
Recovery FOSAL category 3 buyouts	11,548	4,322
Three waters + flood control	664	13,449
	43,502	**71,459**
Funded by		-
New Zealand Transport Agency (Waka Kotahi)	21,736	37,461
NEMA	399	-
Other grants	15,169	30,224
Council Contribution	6,199	3,774
	43,502	**71,459**

Financial relief and remedies

Our recovery efforts have been greatly assisted by the overwhelming support our community has received through the Mayoral Relief Fund and the Disaster Relief Trust. These funds, which consist mainly of public donations, have been used to assist those whose homes were red or yellow stickered, and who experienced substantial damage to their properties or possessions due to Cyclones Gabrielle and Hale, and other adverse weather events. We made paid grants totaling $322k in the past year, mostly assisting those facing loss arising from significant weather event that occurred in late January. There was widespread disruption across parts of the Coast, particularly around Te Araroa, Onepoto and Wharekahika.



	Budget 2025/26 $000s	Actual 2025/26 $000s	Variance Favourable/ (Adverse) $000s
Revenue from Rates	96,952	97,762	810
Grants and Subsidies - Operational	33,115	44,465	11,350
Grants, Donations, Subsidies and Contributions - Capital	115,342	84,253	(31,089)
Revenue from Operating Activities	18,796	20,823	2,027
Interest received	-	474	474
Other finance income	-	6,705	6,705
Other Gains/(Losses)	850	(183)	(1,033)
Total Operating Income	**265,054**	**254,299**	**(10,755)**
Employee Benefit Expenses	38,370	36,817	(1,553)
Depreciation and Amortisation	32,857	32,194	(663)
Operating Activities	90,873	111,172	20,299
Financing costs	8,078	9,035	957
Loss FOSAL category 3 buyback	-	3,573	3,573
Total Operating Expenditure	**170,178**	**192,791**	**22,613**
Net surplus/(deficit) before taxation	**94,876**	**61,507**	**(33,368)**
Subvention Income	350	350	-
Income Tax Expense (Benefit)	-	-	-
Net Surplus/(Deficit) after Tax	**95,226**	**61,857**	**(33,368)**
Gains/(Losses) on Asset Revaluation	68,751	2,360	(66,392)
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	**163,977**	**64,217**	**(99,760)**

Significant changes contributing to the underlying variance compared to the 2025/26 Budget

	$000s
Higher finance and interest income	7,179
Lower employee benefit expenditure	1,553
Lower depreciation expenses	663
Lower revenue from operating activities	2,027
Lower revenue from Rates	810
Total Positive Variances	**12,233**
Less	
Lower revenue from grants and subsidies	(19,739)
Higher operating expenditure	(20,299)
Higher Finance costs	(957)
Higher loss from infrastructure assets valuations	(66,392)
Higher Losses from FOSAL category 3 buyback	(3,573)
Lower revenue from Other gains / (losses)	(1,033)
Total Negative Variances	**(111,993)**
TOTAL FACTORS CONTRIBUTION TO THE UNDERLYING VARIANCE	**(99,760)**

The variance in asset revaluation movements reflects a change in the timing of revaluations. While the LTP budget assumed revaluations would occur every three years in June, the revaluation timing was revised to match the actual revaluation date, resulting in the variance to budget.

Asset revaluation

The table below outlines the total movement in assets from impairment and revaluation, which has a recorded gain of $2.4m.

Roading assets were externally revalued during 2025/26, while an internal CGPI uplift was applied to the other relevant infrastructural asset classes. This resulted in an $8.0m increase in water infrastructure values, partly offset by a $5.6m decrease in roading values, primarily due to lower land values.

Significant changes in gains/(losses) on revaluations

	$000s
Higher values from	
Revaluation on Water Infrastructure	8,009
Lower values from	
Roading Revaluation	(5,649)
Overall net revaluation	**2,360**

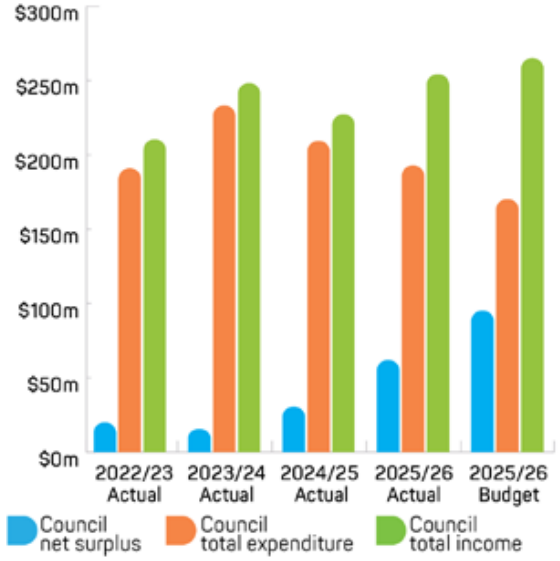
Council's budgeted and actual net surplus for 2025/26 is shown below.

Council sets its operating income at a level sufficient to meet each year's operating expenditure. In some cases, this may not be practical or prudent because of the long-term nature of an activity, such as wastewater, forestry and soil conservation nurseries, or where grants and subsidies are received to fund capital projects, such as the NZTA Waka Kotahi contribution towards replacing roading assets

The net surplus for 2025/26 was $61.8m. The overall net surplus is lower than the Annual Plan, mainly due to the timing of capital grants received when recovery work is completed. The average net surplus over the last four years is $32m.

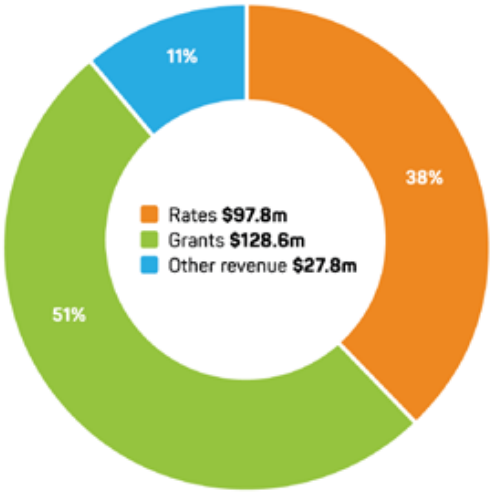
Our surplus is mostly due to the receiving of capital grants and capital subsidies. We record the capital grants as income, even though these funds are not used to fund operational costs. This surplus goes towards capital projects and reduces the need to borrow.

Total net surplus 2025/26



Council income

In 2025/26, Council recognised revenue of $254m, compared with the Annual Plan of $265m. Most of the $10.8m variance relates to the timing of recovery roading capital projects. Grant revenue is recognised as the associated work is completed, with the remaining funding recognised as these projects progress.



In 2025/26, rates income represented 38% of Council's total revenue, while grants and subsidies accounted for 51%.

Across the 2024–2027 Three Year Plan, total revenue is forecast to comprise an average of 37% rates income, 10% other revenue and 53% grant income. Before Cyclone Gabrielle and the adoption of the Three Year Plan, rates income represented approximately 60% of Council's total revenue.

The lower proportion of rates funding during the Three Year Plan reflects the significant external funding received to support emergency response, recovery and infrastructure reinstatement. While these grants do not leave Council fundamentally better off (as they are largely being used to restore damaged assets), they significantly reduce the recovery costs that would otherwise fall on ratepayers.

A key direction of Council's financial strategy is to reduce reliance on rates income. The 2025/26 result remains consistent with the Three Year Plan Financial Strategy, although the current revenue mix primarily reflects temporary government recovery funding.

Council expenditure

Council expenditure includes the day-to-day costs necessary to run the organisation. These costs support the maintenance, management and delivery of a diverse range of services and facilities across the district.

The cost of Council's day-to-day activities is influenced by several factors, including inflation, debt and interest rates, employee costs, the number and value of assets Council must maintain, and changes in the level of services provided to the community.

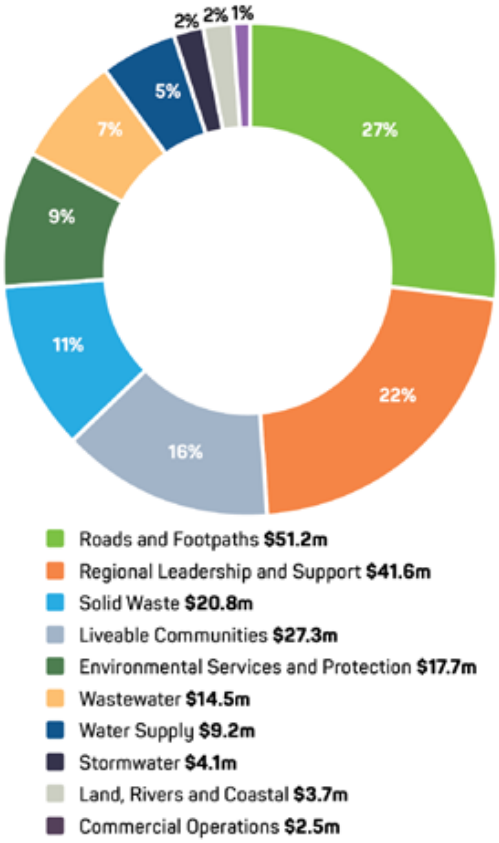
As shown in the graph, Journeys, Four Waters, Solid Waste and Environmental Services accounted for approximately 61% of Council's total expenditure. Journeys was the largest individual activity, accounting for 27%, or $51.2m, of total expenditure.

Regional Leadership and Support accounted for 22%, or $41.6m, of total expenditure. This includes recovery-related expenditure associated with FOSAL Category 2 house lifting and Category 3 voluntary property buyouts, including a $3m accounting loss arising from the write-down of properties purchased through the buyout programme. It also includes costs relating to interest, rates remissions, Civil Defence, democracy, tourism and economic development.

Council has approximately $3.0b invested in assets. These assets are mainly used to provide essential services to our communities, including roads, water supply, stormwater, wastewater, flood protection, parks, open spaces and community facilities. Council must maintain and replace these assets when necessary so the services they provide can continue now and into the future.

Maintaining and replacing Council's assets represents a significant cost. In 2025/26, depreciation and amortisation totalled $32.2m, representing approximately 17% of Council's total expenditure.

The total cost of Council services in 2025/26 was $192.8m



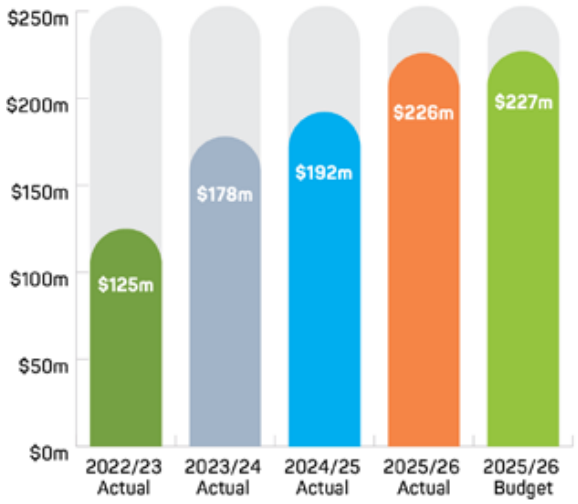
Council debt

At year end, Council's borrowings had a carrying value of $226.5m, compared with an Annual Plan budget of $227.1m. Total external debt at face value was $237.8m. The difference primarily reflects the $11.3m unamortised fair-value discount on Council's interest-free concessionary loan.

Council received a $30m concessionary loan from Central Government as part of the $204m recovery package. The loan is interest-free for 10 years and is being applied towards Council's share of the FOSAL Category 3 Voluntary Property Buyouts, flood protection works and roading recovery costs. At 30 June 2026, the full $30m facility had been drawn.

For accounting purposes, the concessionary loan has a carrying value of $18.7m, reflecting its $30m face value less an unamortised fair-value discount of $11.3m.

Refer to Note 22 in the "Our Finances" section.



Council capital expenditure

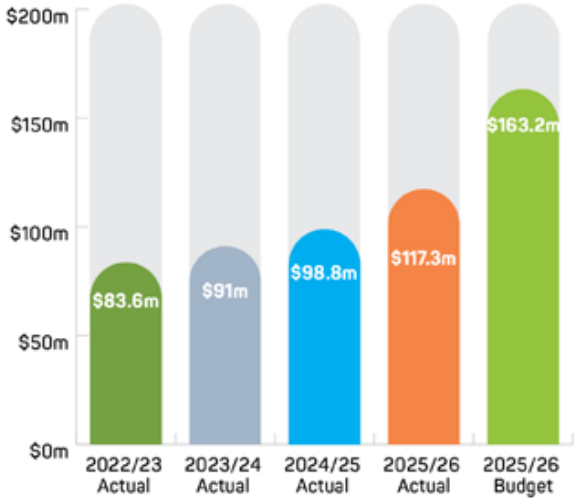
During the year, Council invested $117.3m in existing and new assets, compared with the Annual Plan budget of $163.2m.

Capital expenditure was below budget primarily because of the timing and phasing of the recovery programme, including roading reinstatement, flood resilience projects and FOSAL Category 3 Voluntary Property Buyouts, The recovery programme is on track to deliver within the overall 3-5 years recovery programme timeframe.

Of the $117.3m capital programme, approximately $111.5m, or 95%, was invested in critical infrastructure and FOSAL Category 3 Voluntary Property Buyouts.

Key areas of investment included:

- $10.9m on three waters infrastructure, including wastewater, water supply and stormwater.
- $75.4m on roads and footpaths, including the reinstatement of damaged roads and bridges and the renewal of existing assets.
- $13.3m on the flood resilience programme.
- $12.0m primarily relating to FOSAL Category 3 Voluntary Property Buyouts.



Summary statement of comprehensive revenue and expenses

	Council			Group	
	Actual 2025/26 $000s	Budget 2025/26 $000s	Actual 2024/25 $000s	Actual 2025/26 $000s	Actual 2024/25 $000s
Revenue					
Rates (Including Metered Water Rates)	97,762	96,952	87,624	97,430	87,333
Grants & Subsidies	128,717	148,456	123,035	128,747	123,035
Development Contributions	2,016	1,878	1,698	2,016	1,698
Dividends and interest	8,157	-	8,414	7,196	8,120
Other Revenue	17,829	16,918	14,542	27,269	28,266
Other Gains/(Losses)	(183)	850	(246)	12,295	7,303
Total Revenue	**254,299**	**265,054**	**235,067**	**274,953**	**255,756**
Expenses					
Employee Benefit Expenses	36,817	38,370	34,293	40,381	37,428
Depreciation and Amortisation	32,194	32,857	30,262	33,337	31,348
Expenditure on Operating Activities	111,172	90,873	122,223	115,590	129,529
Finance Costs	9,035	8,078	10,575	9,522	11,138
Loss FOSAL category 3 buyback	3,573	-	7,847	3,573	7,847
Total Expenditure	**192,791**	**170,178**	**205,200**	**202,403**	**217,289**
Net surplus/(Deficit) before Tax	**61,507**	**94,876**	**29,867**	**72,550**	**38,467**
Subvention Payment GHL	350	350	629,441	-	-
Income Tax Expense (Benefit)	-	-	-	2,702	1,743
Net Surplus/(Deficit) after Tax	**61,857**	**95,226**	**659,307**	**69,849**	**36,723**
Other Comprehensive Income					
Gains/(Loss) on Property Revaluations	2,360	68,751	(1,508)	2,360	(3,486)
Impairment	-	-	(2,584)	-	(2,584)
Deferred Tax on Building Revaluations	-	-	-	-	71
Total Other Comprehensive Income	**2,360**	**68,751**	**(4,092)**	**2,360**	**(5,999)**
Total Comprehensive Income	**64,217**	**163,977**	**655,215**	**72,208**	**30,724**

Summary statement of financial position

	Council			Group	
	Actual 2025/26 $000s	Budget 2025/26 $000s	Actual 2024/25 $000s	Actual 2025/26 $000s	Actual 2024/25 $000s
Total Current Assets	54,206	67,695	43,523	57,312	44,314
Total Non-current Assets	3,025,019	3,258,513	2,941,060	3,138,619	3,053,089
Total Assets	**3,079,224**	**3,326,209**	**2,984,583**	**3,195,931**	**3,097,403**
Total Current Liabilities	117,292	79,869	68,146	123,874	69,760
Total Non-current Liabilities	156,128	220,029	174,850	173,203	198,589
Total Liabilities	**273,420**	**299,899**	**242,996**	**297,077**	**268,349**
Total Equity	**2,805,804**	**3,026,310**	**2,741,587**	**2,898,854**	**2,829,053**

Summary statement of changes in equity

	Council			Group	
	Actual 2025/26	Budget 2025/26	Actual 2024/25	Actual 2025/26	Actual 2024/25
	$000s	$000s	$000s	$000s	$000s
Equity at the beginning of the year	**2,741,587**	**2,862,333**	**2,715,183**	**2,829**	**2,798,332**
Total Comprehensive Income	64,217	163,977	26,404	72,205	30,724
Transfer to Retained Earnings	-	-	-	-	-
Total Changes in Equity	**64,217**	**163,977**	**26,404**	**72,205**	**30,724**
Accumulated Funds and Retained Earnings	639,354	763,606	577,014	654,134	583,810
Special Funds and Reserves	56,380	32,330	55,403	56,380	55,403
Revaluation Reserves	2,110,070	2,230,375	2,109,170	2,190,747	2,189,840
Total Equity Closing Balances	**2,805,804**	**3,026,310**	**2,741,587**	**2,901,261**	**2,829,053**

Summary cashflow statement

	Council			Group	
	Actual 2025/26	Budget 2025/26	Actual 2024/25	Actual 2025/26	Actual 2024/25
	$000s	$000s	$000s	$000s	$000s
Net Cash from Operating Activities	90,414	126,577	35,981	89,579	38,780
Net Cash from Investing Activities	(125,342)	(162,362)	(78,269)	(126,589)	(79,820)
Net Cash from Financing Activities	40,371	35,784	20,061	42,780	18,768
Net Increase/(Decrease) in Cash	5,443	-	(22,227)	5,770	(22,272)
Cash at the beginning of the year	(676)	14,522	21,551	211	22,481
Cash at the end of the year	**4,767**	**14,522**	**(676)**	**5,981**	**210**

Council's Five Year Financial Performance Summary

	2022	2023	2024	2025	2026
Public Debt* ($000)	85,700	124,800	157,800	191,831	134,163
Net Surplus/(Deficit)	38,796	19,841	15,276	30,496	61,857
Total Comprehensive Revenue and Expenses	374,180	(195,755)	156,564	26,404	64,217
Net debt as a % of equity <10%	3.11%	4.88%	6.55%	7.00%	5.48%
Net interest as a % of income <10%	1.30%	1.75%	2.52%	2.52%	2.52%
Total debt per capita <$1700	$1,664	$2,395	$3,029	$3,682	$2,575
Working Capital (excluding current portion of public debt)	(4,450)	(751)	(3,378)	571	(2,174)
TOTAL CAPITAL EXPENDITURE	**$79,010**	**$83,562**	**$91,049**	**$99,605**	**$99,605**

How do we compare?

	Gisborne 2026	Gisborne 2025	Nelson 2025	Tasman 2025	Marlborough 2025
	$000s	$000s	$000s	$000s	$000s
Total Operating Income	254,299	235,067	175,760	212,505	259,819
Income from Rates	97,762	87,624	98,998	111,577	99,379
Total Operating Expenditure	192,791	205,200	174,796	209,706	241,921
Total Liabilities	273,420	242,996	306,796	404,374	284,967
Total Assets	3,079,224	2,984,583	2,567,819	3,081,752	2,724,000
External Debt	226,479	191,831	265,400	368,593	247,785

Notes: This summary has been prepared in accordance with PBE Financial Reporting Standard 43: Summary Financial Statements. The disclosures included in this summary have been extracted from the full financial statements in the Annual Report and cannot be expected to provide as complete an understanding as the full report. The full Annual Report adopted by Council on 21 October 2026 has received an unqualified audit opinion. The full Annual Report is available free of charge from Council's website (www.gdc.govt.nz). A copy of the full report is held at the Council offices, Te Puia Springs service centre and the HB Williams Memorial Library. The Council has complied with Tier 1 PBE Standards, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These standards represent generally accepted accounting practice in New Zealand. They prescribe the way we must recognise and disclose all financial transactions in our financial accounts. A statement of compliance can be found in the full Annual Report on page 142. Gisborne District Council is a unitary authority governed by the Local Government Act 2002. These summary financial statements of the Group are for the year ended 30 June 2026. The summary financial statements were authorised for issue by the Chief Executive on 21 October 2026. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).



TE WHAKARAUORATANGA
O TŌ TĀTAU ROHE
MŌ ĀPŌPŌ

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FOR OUR FUTURE

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Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

Title: **26-238 Request to Waive Development Contributions for Toitū Tairāwhiti Hospital Housing Development**

Section: Sustainable Futures

Prepared by: Charlotte Knight - Strategic Planning Manager

Meeting Date: Wednesday 21 October 2026

Legal: Yes	Financial: Yes	Significance: **Low**

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to seek a decision from Gisborne District Council (Council) on whether to provide financial support towards the development contributions associated with 79 units in the Tūranga Tangata Rite affordable housing development, through a remission under the Development Contributions Policy, a separate discretionary grant, or both. The development contribution assessments have previously been reconsidered and confirmed. This report does not reopen that assessment. It only requests whether Council wish to exercise their discretion to provide financial support through a remission under the Development Contributions Policy and/or a discretionary grant.

SUMMARY - HE WHAKARĀPOPOTOTANGA

Toitū Tairāwhiti Housing Ltd (Toitū Tairāwhiti) has requested that the development contributions required for 79 units in the Tūranga Tangata Rite development at 425 Back Ormond Road be waived. The total value of the development contributions for the 79 units is $985,449.95 (including GST).

Council staff have reconsidered the development contribution assessments after the request from Toitū Tairāwhiti **(Attachment 1)**. That process confirmed that the contributions were correctly assessed and that the infrastructure provided as part of the development did not provide a basis for reducing the liability. The outstanding question for Council is therefore whether it wishes to provide financial support towards the correctly assessed contributions.

Tūranga Tangata Rite is an iwi-led affordable rental housing development. In its deputation to Council, Toitū identified the affordability, housing, social and economic benefits of the development and advised that meeting the development contribution costs would require additional borrowing, with consequences for the affordability and delivery of the remaining homes.

Clause 4.12 of the Development Contributions Policy enables Council to consider remission where a development is undertaken by a non-profit organisation and provides benefits to the public. The development provides identifiable public benefits. However, evidence confirming that Toitū itself meets the Policy's non-profit requirement has not yet been provided in previous correspondence. Any remission under clause 4.12 would therefore be conditional on Council receiving satisfactory evidence that this requirement is met.

Council has five options ranging from declining the request through to providing financial support equivalent to the full development contribution liability. The options provide different levels of support to the development and have correspondingly different financial, policy and equity implications. Staff have not recommended a preferred option given the discretionary nature of the decision. The implications of each option are set out in this report to support Council's decision.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. **Notes the contents of this report, in particular:**
    a. **the assessment of the proposal against the Development Contributions Policy;**
    b. **clause 4.12 of Council's Policy provides discretion to consider remission where a development is undertaken by a non-profit organisation and provides benefits to the public;**
    c. **there is $11,300 (excluding GST) budgeted for in Council's remission fund this financial year;**
    d. **there is around $40,000 (excluding GST) available in Council's discretionary grants and donations fund this financial year;**
    e. **in 2019 Council waived ($10,000 excluding GST) or 7.6% of development contributions for a Te Rūnanganui o Ngāti Porou affordable housing development; and**
    f. **any amount waived above the amount available in the remission fund and discretionary grants and donations fund will create a deficit in Council's development contributions reserves that would require debt funding.**
2. **Agrees to:**
    a. **decline the request to waive or provide any grants for the development contributions associated with the Tūranga Tangata Rite development;**

    OR

    b. **waive the total development contributions assessed to date for the Tūranga Tangata Rite development and use the funds available in Council's remissions fund $11,300 (excluding GST) and Council's discretionary grants and donations fund $40,000 (excluding GST), and loan-fund the remaining amount that is above the available budget (up to $934,000);**

OR

c. waive $11,300 (excluding GST) of the development contributions associated with the Tūranga Tangata Rite development using Council's remissions fund;

OR

d. waive $11,300 (excluding GST) towards the development contributions associated with the Tūranga Tangata Rite development using Council's remissions fund; and

e. provide an additional $40,000 (excluding GST) using Council's discretionary grants and donations fund;

OR

f. provide financial assistance equivalent to 7.6% ($74,894.20 including GST) towards the development contributions payable for the Tūranga Tangata Rite development, comprising:

i. a remission of $11,300 (excluding GST) funded from Council's development contributions remission fund;

ii. a discretionary grant of $40,000 (excluding GST), funded from the Council's discretionary grant and donations fund; and

iii. an additional discretionary grant of up to $24,000 (including GST) to be funded through borrowing, as this amount exceeds the budgeted funding available in the 2026/27 financial year.

Authorised by:

Nedine Thatcher Swann - Chief Executive

Keywords: Development Contributions Policy, development contributions, Toitū Tairāwhiti Housing, Tūranga Tangata Rite

BACKGROUND - HE WHAKAMĀRAMA

Tūranga Tangata Rite is a joint affordable housing project between Toitū Tairāwhiti and central government

1. Tūranga Tangata Rite is an affordable housing development by Toitū Tairāwhiti in partnership with central government. It is located on Back Ormond Road adjacent to Gisborne Hospital. It is being delivered by Toitū Tairāwhiti, which is owned by entities representing Rongowhakaata, Ngāti Porou, Te Aitanga a Māhaki and Ngāi Tāmanuhiri.
2. The development forms part of a wider Government–iwi housing partnership and is expected to provide approximately 150 homes. Toitū Tairāwhiti advised Council during its August 2026 deputation that the development is intended to provide affordable rental housing, with rents approximately 20% below comparable market rents.
3. They also advised that the development involves significant iwi and Crown investment and has wider housing, employment, economic and social benefits for Tairāwhiti. These matters are considered further in the Discussion section of this report.

Development contributions have been assessed and reconsidered under Council's policy

4. Development contributions are required under Council's Development Contributions Policy to contribute towards the capital cost of infrastructure and reserves required to service growth. The Tūranga Tangata Rite development is within the Gisborne urban and reticulated services catchments and is subject to development contributions for reserves, land transport, water supply, wastewater and stormwater.
5. Development contribution assessments were issued as building consent applications for the development were processed between October 2025 and June 2026. The 15 assessments relevant to this report cover 79 net household unit equivalents.
6. Council has received a request from Toitū Tairāwhiti to waive the development contributions associated with 79 housing units in the Tūranga Tangata Rite development. A letter received on 20 July 2026 was treated as a request for reconsideration under clause 4.20 of the Development Contributions Policy effective from 1 July 2024 (Policy) and section 199A of the Local Government Act 2002 (LGA) **(Attachment 1)**. Toitū Tairāwhiti sought recognition of infrastructure provided through the development, including roads and a wastewater pump station, and raised the wider public, social, economic and regional benefits of the development.
7. Staff completed the statutory reconsideration on 4 August 2026 under section 199A of the Local Government Act 2002 and clause 4.20 of the Development Contributions Policy. The reconsideration confirmed that the development contributions had been correctly assessed, subject to a $3 correction. It found that the infrastructure provided by Toitū Tairāwhiti did not replace growth infrastructure funded through the Development Contributions Policy or otherwise provide a basis for reducing the assessments. The applicable development contribution per unit is therefore $12,474.05 (including GST) and the total payable across all the 79 units covered by the waiver request is $985,449.95 (including GST).
8. The reconsideration did not determine whether a remission should be provided. It identified that the development's public and regional benefits could instead be considered through a separate request under clause 4.12 of the Development Contributions Policy. Toitū Tairāwhiti was also advised that it could ask elected members to consider providing a grant in support of the development.

9. There were three options presented to Toitū Tairāwhiti in response to their request for reconsideration:

    a. **Object to the reconsideration decision:** Any objection must be received within 15 working days, beginning on the day after they received Council's reconsideration response letter. The objection would be considered by an independent development contributions commissioner.

    b. **Request under clause 4.12:** Toitū Tairāwhiti may also make a separate request for a remission under clause 4.12 of the Development Contributions Policy. A remission request would need to address the criteria in that clause, including evidence of non-profit status.

    c. **Request to elected members:** ask Council to consider providing a grant in support of the development to be considered and decided by the Council at a Council meeting. Any grant request would be considered separately from the development contributions decision.

10. This report follows the deputation made by Willie Te Aho on behalf of Toitū Tairāwhiti at the 27 August Council meeting requesting elected members consider this matter.

Toitū Tairāwhiti subsequently requested full remission from Council

11. The deputation by Toitū Tairāwhiti to Council in August 2026 requested financial relief from the development contributions, including full remission of the amount payable. In support of their request, they outlined the affordable rental housing outcomes sought through the development, the infrastructure and investment already provided, and the wider housing, social and economic benefits of the programme.

12. They also advised Council that meeting the development contribution liability would require additional borrowing and that these costs would ultimately affect the affordability of the rental housing. Toitū Tairāwhiti also advised that payment of development contributions was affecting the timing of code compliance certificates for completed homes.

13. Council is therefore being asked to determine whether it wishes to provide financial support towards the development contributions. This is separate from the previous reconsideration of the development contribution assessments and does not alter the outcome of that process.

14. Council may consider a remission under clause 4.12 of the Development Contributions Policy where the relevant policy requirements are met. Council may also consider providing financial support through its Discretionary Grants and Donations Fund. The eligibility, funding implications and options available to Council are considered in the options analysis below.

Development contributions help Council fund infrastructure and reserves for growth

15. Development contributions are a tool available to local government under the Local Government Act 2002 to assist fund the capital cost of infrastructure and reserves needed to provide for growth over the long term. They are based on the principle that growth should pay for growth, which is also the current Government's stated position. Otherwise, existing ratepayers have to contribute to the costs of new users of infrastructure networks.

16. Council's Development Contributions Policy is included in the Three Year Plan and is available on Council's website. The policy sets out when and how development contributions are calculated. Section 4.12 of the policy outlines a process for considering requests to waive development contributions. Under the policy, Council will consider requests for remission of development contributions if the development is by a non-profit organisation and will provide benefits to the public. These criteria are considered further in the Discussion section of this report.

17. Requests to waive development contributions are usually determined by the Director Sustainable Futures or Director Lifelines. This request has been referred to Council because a substantial remission has been requested.

Council has a set precedent

18. Council has previously agreed to waive development contributions in one instance creating an existing precedent.
19. In 2019, Council agreed to waive $10,000 (excluding GST) of development contributions for Te Rūnanganui o Ngāti Porou for the Te Tini o Porou development using Council's development contributions remission fund (remission fund) – see report 19-106. This represented 7.6% of the development contributions for that development.
20. Council declined to use the discretionary grants and donations fund to waive an additional $50,000 (excluding GST) of the Te Tini o Porou development contributions.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Eligibility for remission under the Development Contributions Policy has not yet been established

21. To qualify for a remission under clause 4.12 of the Development Contributions Policy, the development must be undertaken by a non-profit organisation, as defined in the Policy. This means the organisation must not operate for the profit or financial gain of its members, and its governing rules must prohibit the distribution of money or property to its members.
22. Toitū Tairāwhiti is a joint venture between Te Aitanga a Māhaki, Ngāi Tāmanuhiri, Rongowhakaata and Ngāti Porou. The shareholders listed with the Companies Office are:
    a. Rongowhakaata Iwi Trust – the post-settlement governance entity that represents the collective interests of Rongowhakaata
    b. Te Rūnanganui o Ngāti Porou Trust – Te Rūnanganui o Ngāti Porou represents the collective interests of Ngāti Porou iwi members and is a large organisation consisting of several entities, some of which are commercial whilst others have a community and social benefit focus.
    c. Te Aitanga a Māhaki Trust – a registered charity that represents 12 marae and promotes education, social, health and other services within Tūranganui a Kiwa which will benefit people of Te Aitanga a Mahaki descent
    d. Hinenui Whanui Charitable Trust – the objects of this trust are to promote the education and wellbeing of the members of Ngāi Tāmanuhiri, develop and implement environmental policies to safeguard taonga, promote Tāmanuhiri tikanga and assist in maintaining, establishing and improving cultural and community facilities.
23. The development's affordable housing purpose and the status of Toitū Tairāwhiti's shareholders do not, by themselves, establish that the applicant meets the Policy's definition of a non-profit organisation. That requires consideration of the applicant's governing documents and arrangements against the definition in the Policy. Eligibility has not yet been confirmed.

The criteria are met for the remission fund to be used to waive a portion of the development contributions

24. The policy directs that requests for a remission should be assessed against the following criteria:
    a. The level of public benefits provided by the activity and the extent of access to those benefits; and
    b. The funding available in Council's remission fund and any other likely claims on the fund in that financial year.

Table 1: Assessment of request from Toitū Tairāwhiti against Council's Development Contributions Policy

Factor	Comment	Assessment	Risk
Public benefits provided by the activity	Toitū Tairāwhiti is seeking to provide quality housing at an affordable price. The development is intended to provide affordable rental housing, with rents approximately 20% below comparable market rents.	The development does provide a public benefit. Access to quality housing at affordable prices is an issue in Gisborne and throughout much of New Zealand. The average household income in Tairāwhiti is $138,500 compared to $141,700 nationally.* Toitū Tairāwhiti has stated that paying the development contributions will require additional borrowing and this will ultimately affect the affordability of the rental housing.	Granting this waiver may raise expectations that future developments seeking to provide affordable housing can access remission of development contributions. Further waivers will have financial implications, particularly for the funding of infrastructure delivery.
Extent of access to the public benefits	Access to the 79 housing units covered by the request is via application to Toitū Tairāwhiti. Staff do not have sufficient information on application criteria.	The proposed development will help meet housing demand across the community. This benefit is not limited to those that can access the affordable housing.	See above.
Funding available in Council's remission fund	$11,300 (excluding GST) per year is included in Council's remission budget for development contributions. This is separate to the fund used to waive resource consent application fees. The fund has not been used this financial year.	There is insufficient budget to waive the entire development contribution. A waiver of $11,300 can be made without impacting the budgets established in the Three Year Plan. Any amount waived above $11,300 is unbudgeted and will create a deficit in the development contributions reserves that will require debt funding.	Waiving up to $11,300 creates no financial risk. Waiving an amount above $11,300 is not budgeted for within the Three Year Plan and places pressure on Council's ability to fund infrastructure projects.
Other likely claims on the remission fund	No other requests to waive development contributions have been received or discussed to date in the 2026/27 financial year.	$11,300 is currently available for waiver of development contributions in this financial year.	Given it is still 8 months until the end of the financial year on 30 June 2027, it is possible further requests could be received within this financial year.

*Source: MBIE Regional Economic Activity Report

The discretionary grants and donations fund can also be used

25. Council also has a discretionary grants and donations fund. This fund was established to enable Council, at its discretion, to consider one-off requests for funding from the public or community organisations that were not received during Long Term Plan consultation.

26. The fund totals $75,000 (excluding GST) per financial year. To date, about $35,000 has been allocated to projects this financial year, leaving $40,000 to be spent this financial year. Money from this fund could be used to offset an additional waiver of development contributions over and above the $11,300 available in the remission fund.

27. There is no agreed criteria or policy to guide allocation of funds from the discretionary grants and donations fund.

Options for Council to consider in response to the request for financial support

28. Council has five options in response to the request from Toitū Tairāwhiti:

    a. Option 1 – Decline the request to waive the development contributions.

    b. Option 2 – Grant the request to waive the development contributions in full using $11,300 from the remission fund plus $40,000 from the discretionary fund plus up to $934,000 debt funding.

    c. Option 3 – Agree to waive $11,300 (excluding GST) of the development contributions using Council's remission fund.

    d. Option 4 – Agree to waive $11,300 (excluding GST) of the development contributions using Council's remission fund plus $40,000 using Council's discretionary grants and donations fund.

    e. Option 5 – Agree to waive 7.6% ($74,894.20 including GST) of the development contributions using $11,300 from the remission fund and $40,000 from the discretionary fund plus up to $24,000 debt funding.

29. Staff have assessed these options in Table 2 below for Council's consideration. Final amounts of debt funding required will be calculated if Council chooses either Option 2 or Option 5.

Table 2: Analysis of options

Option	Advantages	Disadvantages
Option 1 – Decline the request in full	Retains $856,913.00 (excluding GST) of revenue – this is about 47% of the projected revenue from development contributions for the 2026/27 financial year.	Perception that Council does not support provision of affordable housing in Tairāwhiti.
Option 2 – Grant the request in full	Supports provision of affordable housing in Tairāwhiti. Sends a clear signal that Council wishes to support such development.	Loss of about 47% of the projected revenue from development contributions for the 2026/27 financial year. This is largely unbudgeted and will require significant debt funding to offset the loss of revenue. Likely to be seen as precedent setting and encourage further applications to waive development contributions from Toitū Tairāwhiti and other developers.
Option 3 – Waive $11,300 (excluding GST) using the remission fund	Budgeted for in the Three Year Plan remission fund. No impact on debt funding. Supports the provision of affordable housing in Tairāwhiti. Consistent with the amount waived for Te Rūnanganui o Ngāti Porou in 2019.	Perception that Council is not providing an appropriate level of support to the provision of affordable housing in Tairāwhiti.
Option 4 – Waive $51,300 (excluding GST) $11,300 (excluding GST) from the remission fund + $40,000 (excluding GST) from the discretionary grants and donations fund	Budgeted for in the Three Year Plan remission fund and discretionary grants and donations fund. No impact on debt funding. Further supports the provision of affordable housing in Tairāwhiti. Consistent with the amount staff recommended be waived for Te Rūnanganui o Ngāti Porou in 2019.	Limits Council's ability to provide support from the discretionary fund to other worthy projects for the remainder of this financial year (November 2026 to June 2027). Potentially sets a precedent for the remainder of Tūranga Tangata Rite and future affordable housing projects, which may expect a similar level of support. The lack of agreed policy to guide decision-making in relation to allocation of funds from the discretionary fund means that any allocation of funding may be perceived as unfair.
Option 5 – Waive 7.6% ($74,894.20 excluding GST) $11,300 (excluding GST) from the remission fund + $40,000 (excluding GST) from the discretionary grants and donations fund + up to $24,000 debt funding	Further supports the provision of affordable housing in Tairāwhiti. Consistent with the percentage waived for Te Rūnanganui o Ngāti Porou in 2019.	Up to $24,000 impact on debt funding. Further limits Council's ability to provide support from the discretionary fund to other worthy projects for the remainder of this financial year (November 2026 to June 2027). Potentially sets a precedent for the remainder of Tūranga Tangata Rite and future affordable housing projects, which may expect a similar level of support. The lack of agreed policy to guide decision-making in relation to allocation of funds from the discretionary fund means that any allocation of funding may be perceived as unfair.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Medium** Significance
This Report: **Medium** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Medium** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Medium** Significance
This Report: **Medium** Significance

The effects on individuals or specific communities
Overall Process: **Medium** Significance
This Report: **Medium** Significance

The level or history of public interest in the matter or issue
Overall Process: **Medium** Significance
This Report: **Medium** Significance

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

31. Access to affordable housing has been a topic of discussion at a regional and national level for some years. Significant central government effort is being directed at addressing housing supply through funding and reform programmes such as *Going for Housing Growth* and the new planning system.

TREATY COMPASS ANALYSIS

Kāwanatanga

32. Council is exercising its discretion under the Development Contributions Policy to consider a remission of development contributions for the Tūranga Tangata Rite development. Council needs to apply the policy transparently and consistently, including consideration of the public benefits of the development, the level of remission sought and funding available for remissions. This supports accountable decision-making while recognising Council's broader responsibilities to enable community wellbeing and sustainable development.

Rangatiratanga

33. The Tūranga Tangata Rite development is intended to deliver affordable housing and associated benefits for whānau in Tairāwhiti. Supporting Māori-led solutions to local housing needs is consistent with enabling Māori to determine and progress outcomes for their communities. A remission of development contributions would reduce the cost associated with delivering the development and may therefore support the ability of Toitū Tairāwhiti to progress these outcomes.

Oritetanga

34. Housing affordability, access to suitable housing and the ability to develop land can have different impacts across communities. The remission provisions in the Development Contributions Policy provide Council with a mechanism to recognise developments that deliver wider public benefits. In considering this application, Council can take into account the contribution Tūranga Tangata Rite is expected to make to housing and community outcomes.

Whakapono

35. Council is acting in good faith by considering the application transparently and in accordance with Council's adopted policy. Clear communication is required about the basis for the decision, including the limitations on the funding available for remissions.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

36. Council has been in discussions with Toitū Tairāwhiti regarding Tūranga Tangata Rite development contributions over several months. No other engagement with tangata whenua regarding the waiver request has been undertaken.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

37. Consultation on the Development Contributions Policy occurred as part of the Three Year Plan process. Council has not undertaken any community engagement on the request from Toitū Tairāwhiti to waive development contributions.

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

38. A decision to remit development contributions does not in itself have any direct climate change impacts. The Tūranga Tangata Rite development may have climate change implications associated with the location, design and construction of the development, including infrastructure requirements and exposure to climate-related hazards; however, these matters have been addressed through the relevant planning and consenting processes. Granting a remission would provide financial support for the development but would not alter the applicable requirements relating to climate change, natural hazards or infrastructure resilience.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

39. The Three Year Plan anticipates revenue of $1.82 million (excluding GST) from development contributions in the 2026/27 financial year. The development contributions for the 79 Tūranga Tangata Rite units represent around 47% of this. This revenue has been allocated to historic and future expenditure on infrastructure and reserves in the Gisborne urban area. In the financial year to date, revenue from development contributions is $520,281.00 (28.6% of the budgeted amount).

40. Without development contributions, the cost of providing increased infrastructure in response to private development will fall on Council, meaning that ratepayers pay for the benefit that developers receive.

41. The Three Year Plan includes a remission fund of $11,300 per financial year. This fund has not been used this year. Therefore, the development contributions calculated for the 79 Tūranga Tangata Rite units covered by the Toitū Tairāwhiti request can be reduced by $11,300 without affecting the budgets set in the Three Year plan or requiring increased use of debt funding for infrastructure projects.

42. The Three Year Plan also includes a discretionary grants and donations fund of $75,000 per financial year. This fund is intended to be used to support community projects. About $35,000 of this fund has been allocated to date in the current financial year. Therefore, the development contributions calculated for the 79 Tūranga Tangata Rite units covered by the Toitū Tairāwhiti request can be reduced by up to $51,300 without affecting the budgets set in the Three Year Plan or requiring increased use of debt funding for infrastructure projects.

Legal

43. There are no legal implications arising from the matters discussed in this report.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

44. The risk has been assessed against the Development Contributions Policy included in the Three Year Plan. Adoption of Option 3 would be consistent with the financial strategy and Development Contributions Policy contained in the Three Year Plan. There is currently no policy to guide decision-making in relation to distribution of funding from the discretionary grants and donations fund.

RISKS - NGĀ TŪRARU

45. The risks associated with the matters discussed in this report are considered in the Discussion section above.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
October 2026	Advise Toitū Tairāwhiti of Council's decision	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Development Contributions – Tūranga Tangata Rite [**26-238.1** - 3 pages]

TOITŪ TAIRĀWHITI HOUSING LTD

48 Aerodrome Road, Maanga, Gisborne

20 July 2026

Nedine Thatcher Swann
Chief Executive Officer
Gisborne District Council

By email:

Subject: Development Contributions – Tūranga Tangata Rite (Back Ormond Road), Gisborne Seeking a Final Determination Required Prior to CCC

Tēnā koe e Nedine

As you will likely be aware, I met with Rhette, the Mayoress and your Chief Financial Officer, accompanied by our Programme Director / Strategic Advisor, where we discussed the Development Contributions (DC) position for the Tūranga Tangata Rite development at Ormond Road.

At that meeting, it was agreed that we would revisit and resolve the DC position at the point of issuing Code Compliance Certificates (CCCs). I now write to seek your direct support in progressing that resolution, as we have reached that stage of delivery with the project development moving quickly through to present Stage 1

It was subsequently agreed that:

- while those payments would be accepted by Council,
- the application of development contributions would be placed on hold, and
- the matter would be revisited and resolved at the point of CCC, recognising that a fuller assessment could then be undertaken in light of the infrastructure delivered.

As a result, those funds are currently held by Council in credit, and CCC issuance was agreed as the appropriate point for final reconciliation and determination. We are now at that point.

Infrastructure Contribution and Policy Alignment

As part of the Tūranga Tangata Rite development, TTHL has delivered, and will vest to Council:

- Roading infrastructure constructed to Council standards; and
- A significant wastewater pump station, designed to service not only this development but a wider catchment of over 100 homes.

These assets are not limited to internal servicing. They are growth-enabling infrastructure that directly reduces the need for Council-funded capital works.

Under the Development Contributions Policy, we consider that:

- These works fall squarely within **Section 4.11(c) (on-site infrastructure)** and should be applied as a **direct offset against DC liability**; and
- The scale, nature, and circumstances of the project meet the threshold for **Section 4.11(b) (special circumstances)**, requiring a **non-standard assessment**.

To apply full development contributions in addition to the vesting of this infrastructure would, in our view, **result in Council recovering twice for the same growth demand**, which is inconsistent with both the intent of the policy and the underlying funding principles.

Position on Remission

While we also acknowledge that **remission (Section 4.12)** is available and may be appropriate from Council's perspective in this case; we wish to be clear that:

Remission should only be considered after the Development Contributions calculation has properly accounted for the infrastructure already delivered and vested.

We could not agree to any approach which relies solely on remission risks *bypassing proper policy application* and does not adequately recognise the extent to which this development has already met infrastructure demand.

Public Benefit and Regional Contribution

Tūranga Tangata Rite is part of a wider programme through which TTHL has delivered **over 400 homes across the region in the past five years**, including emergency housing and direct contributions to cyclone recovery.

The Ormond Road development itself:

- Delivers approximately **150 homes**
- Represents an investment of approximately **$92 million**
- Has been significantly funded by iwi through borrowing and reinvestment
- Converts underutilised land into **rateable, productive assets**
- Provides ongoing **employment, economic and social benefits** to the region

These outcomes align strongly with Council's objectives for ***housing supply, community wellbeing, and regional resilience,*** and reflect a genuine partnership approach between iwi and Council.

Request for Determination

Given the prior agreement and the current stage of delivery, we now seek a clear and timely determination.

We request that Council confirm the DC assessment at CCC stage, consistent with previous agreement to:

1. Apply **appropriate infrastructure offsets** for assets vested
2. Reconcile this against the **funds currently held in credit**
3. Confirm the resulting **net position**, including any balance payable or credit/refund due.

Given the need to progress CCC issuance, we consider this matter time critical for our *staged development,* which we intend to open Stage One on 21 August 2026.

We would appreciate confirmation of the process and timeframe for reaching a final decision, with urgency to conclude this matter.

We remain committed to working constructively with Council, but it is important that the final position gives recognition to the agreements already reached to date through the partnership with Toitū Tairāwhiti Housing Limited and the associated iwi membership, with the substantial infrastructure and housing outcomes delivered and the contributions made.

Ngā mihi nui,

Annette Wehi
Managing Director
Tūranga Tangata Housing Ltd

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

Title:	**26-242 Board Appointments and Remuneration Policy Update for Adoption**
Section:	Democracy & Support Services
Prepared by:	Julian Rangihuna-Tuumuli - Principal Advisor to the Chief Executive
Meeting Date:	Wednesday 21 October 2026

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

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to adopt an updated Board Appointments and Remuneration Policy (Policy) to align it with Gisborne District Council's (Council) current governance arrangements.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The Board Appointments and Remuneration Policy sets out Council's process for appointing and remunerating board members to Council organisations.

Council's Governance Structure and Terms of Reference were updated in December 2025, including the governance arrangements and delegations applying to the Appointments Committee.

The Policy has subsequently been reviewed to ensure that the appointment process accurately reflects those arrangements.

The proposed amendments are procedural and governance-related. They clarify the respective roles of the Appointments Committee and Council within the appointment process and do not alter the underlying principles governing the selection or remuneration of board members.

Attachment 1 is the updated Board Appointments and Remuneration Policy.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. **Adopts the updated Board Appointments and Remuneration Policy attached as Attachment 1.**

Authorised by:

Anita Reedy-Holthausen - Director Engagement & Maori Partnerships

Keywords: appointment trustees, directors, policy, remuneration, review, GHL, Trust Tairawhiti, substantive, non substantive

BACKGROUND - HE WHAKAMĀRAMA

1. Section 57 of the Local Government Act 2002 (LGA 2002) requires Council to adopt a policy setting out an objective and transparent process for the identification and consideration of candidates for appointment as directors of Council organisations and for the remuneration of directors.
2. Council's Board Appointments and Remuneration Policy provide the governance framework for appointments to the boards of organisations in which Council has appointment responsibilities or interests. This includes Gisborne Holdings Limited and Trust Tairāwhiti, together with other organisations identified in the Policy.
3. The Policy has been amended periodically to reflect changes to Council's governance arrangements and appointment processes. The most recent amendment was adopted in December 2025 and related principally to the remuneration provisions within section 13 of the Policy.
4. Council's Governance Structure and Terms of Reference were subsequently updated in December 2025. A review of the Policy has identified that amendments are required to ensure the appointment process described in the Policy is consistent with the current role and delegations of the Appointments Committee.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

5. The proposed amendments update the Policy to reflect Council's current governance arrangements for board appointments.
6. In particular, the amendments clarify the respective decision-making roles of the Appointments Committee and Council and align the procedural steps within the Policy with the Appointments Committee's current Terms of Reference and delegations.
7. The amendments are intended to remove any inconsistency between the Policy and Council's Governance Structure and Terms of Reference and provide a clear process for future board appointment rounds.
8. The amendments do not change the fundamental purpose of the Policy, the criteria applying to board appointments, or the remuneration framework adopted by Council in December 2025.
9. Adoption of the updated Policy will ensure Council has a clear and internally consistent governance framework for future board appointment processes.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Low** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Low** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **Low** Significance
This Report: **Low** Significance

The level or history of public interest in the matter or issue
Overall Process: **Low** Significance
This Report: **Low** Significance

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

TREATY COMPASS ANALYSIS

Kāwanatanga

11. The Policy supports transparent and accountable governance arrangements for appointments made by or on behalf of Council.

Rangatiratanga

12. The existing Policy recognises the importance of appropriate representation, skills and diversity in board appointments. The proposed amendments do not change these provisions.

Oritetanga

13. The amendments do not alter the existing provisions relating to diversity and participation within Council-appointed boards.

Whakapono

14. Clear appointment processes support confidence in the integrity and transparency of Council's governance arrangements.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

15. There is no requirement for engagement with Tangata Whenua/Maori when updating this Policy as the updates are procedural in nature. The Policy when updated will be publicly available on Council's website.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

16. There is no requirement for community engagement when updating this Policy as the updates are procedural. The Policy when updated will be publicly available on Council's website.

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

17. There are no climate change impacts or implications arising from updating the Policy.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

18. There are no financial implications in updating the Policy.

Legal

19. The requirement for a Board Appointments and Remuneration Policy is outlined in section 57 of the LGA 2002.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

20. There are no policy and planning implications arising from updating the Policy.

RISKS - NGĀ TŪRARU

21. Having the Policy, reviewing it and updating it mitigates the risk of board appointments not reflecting Council's vision, values and strategic objectives.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Draft Board Appointments and Remuneration Policy 2026 - with Track Changes [**26-242.1** - 20 pages]

Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

Board Appointments and Remuneration Policy

~~December~~ August 202~~5~~6



Table of Contents

1. Purpose 1
2. Interpretation 1
3. Policy Objectives 2
   Board Diversity and Inclusion 2
4. Appointments to Organisations 3
   Background 3
   Gisborne Holdings Limited - CCTO 3
   Trust Tairāwhiti - CO 4
   4.1 Appointment of Elected Members 4
   4.2 Appointment of Council staff, including Managers and the Chief Executive 5
   4.3 Other Exclusions 5
5. Board Competencies, Skills and Knowledge 5
   5.1 Core Competencies 5
   5.2 Board Chair Competencies 6
   5.3 Role of the Board Chair and Deputy Chair 6
6. Terms of Appointment 7
7. Appointment Process 7
   7.1 Strategic review and needs assessment 7
   7.2 Candidate search 8
   7.3 Screening and Short-Listing 8
   7.4 Interviewing and Assessment of Candidates 8
   7.5 Council Decision 9
   7.6 Appointment Process Flowchart 9
8. Review of Board Member Performance 10
9. Consent and Conflicts of Interest 10
10. Chair Succession Planning 11
11. Removal of Board Members 12
12. Board Members Standing for Political Office 12
13. Remuneration 13
   13.1 Fee Setting 13
   13.2 Ordinary Fees 14
   13.3 Remuneration for Consultancy Services 14
14. Glossary 15
   Definitions 15

Appendix One 16
   Organisations to which this Policy Applies 16

1. Purpose

The purpose of this policy is to set out, in accordance with Section 57(1) of the Local Government Act 2002 (LGA) an objective and transparent process for the:

a) Identification and consideration of the skills, knowledge and experience required of directors of an Organisation.

b) Appointment of directors to an Organisation.

c) Remuneration of directors of an Organisation.

This policy applies to the appointment of directors to Gisborne Holdings Limited and trustees to Trust Tairāwhiti. This policy applies in principle to the appointment of trustees to Eastwoodhill Trust, Tairāwhiti Museum Trust Board, Barrington Miller Trust, and the Walter McLean Trust as the Policy is secondary to their Trust Deed/Act. In the event where other Organisations (see interpretation below) are established, – the policy also applies and should be revised to reflect the new entity as soon as practicable.

2. Interpretation

This policy uses the definitions for Council Organisation, Council Controlled Trading Organisation (CCTO) and Council Controlled Organisation (CCO) described in section 6 of the LGA and summarised here as:

An **Organisation** is the broadest category. For the purpose of this policy - is as an entity in which Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies, including private trusts where the founding document requires a Council appointment to the governance board. This is aligned with LGA definition of a Council Organisation.

A **Council Controlled Organisation** (CCO) is an entity in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the members of the governing body.

A CCO can be a company, trust, partnership, incorporated society, joint venture, or other similar profit-sharing arrangement.

A CCO that operates a trading undertaking for the purpose of making a profit is referred to as a **Council Controlled Trading Organisation** (CCTO). Not-for-profit entities are CCOs.

This policy uses 'Organisation' to refer to all three categories, unless the point is specific to a CCTO, in which case CCTO is used.

3. Policy Objectives

The objectives of this policy are to ensure that:

a) The process of appointing board members is undertaken in an objective and transparent manner, while protecting individual privacy.

b) Diversity and inclusion in the boards of Organisations is increased so there is a larger - more diverse - pool of experienced board members serving on boards across the whole Tairāwhiti-Gisborne district.

c) There is continuity through the smooth succession of board members and board chairs.

And that Board appointments:

- Are made on the basis of an assessment of skills knowledge and experience, having regard to the nature of scope of the organisation's objectives and activities.
- Consider the contribution that Directors can make to the Board as a whole and to the achievement of the organisation's objectives and activities.
- Take into account the context in which Council, as a publicly accountable body, operates.
- Build a diverse pool of experienced board members for Tairāwhiti-Gisborne organisations and companies.

This policy takes precedence when the foundation documents are silent. In the event of a conflict, the respective constitutions or trust deeds of Organisations take precedence over this policy.

Organisations that are companies are also subject to the Companies Act 1993.

There may be circumstances where it's not appropriate to adhere to this Policy. Should Council decide not to comply with any provision, the decision should be recorded by way of resolution (which should also include the reason for deviation from the policy).

This Policy is subject to annual review and may be modified by Council at any time.

Board Diversity and Inclusion

Council values and supports the benefits that diversity of gender, thought, experience and skills bring to our Organisation Boards. We recognise that increasing diversity and fostering inclusive Board culture is an essential element in supporting high performing Boards, driving long-term success and delivering better outcomes for the communities of Tairāwhiti - Gisborne.

The people appointed to the Boards of Organisations need to be capable of representing the interests of the community as a whole. This includes, but is not limited to Māori – who make up 49 percent of our District's population (the highest proportion in New Zealand) and women – who make up 52 percent.

Through our Policy *Tairāwhiti Piritahi: Fostering Māori Participation in Council decision-making* we recognise that Tangata whenua have a long historical settlement connection to Tairāwhiti and an equally long-term role in the future planning and decision making for the region.

A diverse Board will include and make good use of differences in the skills, experience, perspectives, backgrounds, demographics and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

All Board appointments will be made on the basis of the skills, knowledge and experience which the Board as a whole requires to be effective with due regard to the benefits of diversity on the Board.

Council is committed to supporting and providing initiatives that:

- lead to an inclusive recruitment and selection process for board appointments
- support a diverse range of aspiring directors to develop skills, knowledge, boardroom experience and to establish relationships and networks
- foster Māori participation in Council decision-making
- build a diverse pool of experienced directors for Tairāwhiti-Gisborne Organisations and companies.

4. Appointments to Organisations

Background

Council has an interest in numerous entities (Appendix One). This may have been sought by Council or requested by the entity. In some cases, Council's involvement may be a statutory requirement or provided for in the Organisation's founding document (such as a trust deed, rules, or constitution).

This Policy applies the principles of good governance to guide the way that Council sets up, operates and monitors Organisations in the Gisborne district, in accordance with the requirements of the LGA.

Gisborne Holdings Limited - CCTO

Council is the 100% shareholder of Gisborne Holdings Limited (GHL). GHL was established as a CCTO for the purpose of operating profitably and providing a non-rates income stream to Council.

GHL is Council's only CCTO as at September 2018.

GHL's constitution contains a number of provisions relating to the appointment of Directors. These include the need for there to be at least three and no more than nine Directors at any time, and a limit of one Director who can be a member or employee of any Local Authority. GHL's constitution prohibits a Director from taking up a job at Council as an employee or as Councillor. All other provisions relating to the appointment of Directors are included in this Policy.

Trust Tairāwhiti - CO

Trust Tairāwhiti (TT) is the custodian of a public wealth trust held for the general benefit of Tairāwhiti residents and ratepayers. It was established on 7 May 1993 through a Trust Deed. The purpose of TT includes *"supporting business, community and other initiatives which - in the opinion of the Trustees - are likely to encourage or sustain economic growth within the district…"*

Council, as the capital beneficiary of TT, has the power to appoint Trustees and the period of time that person is to hold office. TT is Council's only major Organisation.

The Trust Deed is the ultimate document of reference for all activities conducted by TT trustees in pursuing Trust business. It contains a number of provisions relating to the appointment of Trustees. These include the role of Council in fixing the number of Trustees and the requirement that there be at least five and no more than seven Trust members, at any time.

The Trust Deed specifies that the Mayor of Gisborne or an elected member of Council who is appointed by the Mayor is one of the trustees of the Trust. That person (the Mayor, or their Nominee) is the only trustee who is also a currently elected member of Council. They are to remain a trustee until the Mayor leaves office or the nominee resigns.

4.1 Appointment of Elected Members

Appointment of elected members (Councillors or the Mayor) to an Organisation, while permitted, should be the exception rather than norm. This is because elected members may be unable to participate in Council decision-making on matters about the Organisation because of their interest as a Director. The founding document may provide guidance about the circumstances when the appointment of elected members may be appropriate.

If Council wishes to appoint elected members, then the appointment must be open and transparent, and subject to the same selection criteria as for independent Directors.

Where the Mayor or Councillor is being appointed to a Board because it is a specific requirement that the appointee be the Mayor, or a Councillor nominated or appointed by the Mayor (for example the Trust Tairāwhiti Trust Deed), there is an understanding that the appointment will cease:

- In the case of the Mayor- when the Mayor ceases to hold office.
- In the case of the Councillor who is the nominee of the Mayor - when either the Councillor or the Mayor who nominated or appointed the Councillor ceases to hold office.

For the purposes of this policy, a Mayor or Councillor who is not re-elected shall have ceased to hold office on polling day.

A Mayor or Councillor who accepts an appointment to a board is expected to comply with this policy.

4.2 Appointment of Council staff, including Managers and the Chief Executive

Gisborne District Council employees are not normally eligible to apply to be on the Board of an Organisation unless there is a compelling reason to do so. Any Council employee applying for a Director role on a Board may be required to resign from Council immediately following an offer of appointment.

Board members should be independent from management and should not hold executive positions in the Organisation unless this is a requirement of the trust deed, a Council resolution or the equivalent founding document to do so.

4.3 Other Exclusions

Immediate family members, of elected members, of the Chief Executive, and of second-tier Managers of the Gisborne District Council are also prohibited from serving as Organisation board members. Board members should not serve on the board of more than one Organisation but may be eligible for appointment to another Organisation board following retirement.

Persons who are disqualified from being appointed or holding office as a Director of a company under section 151(2) of the Companies Act 1993 (for example - a person who is an undischarged bankrupt) may not be appointed as a Board member to an Organisation.

5. Board Competencies, Skills and Knowledge

Organisation Board members are expected to meet a number of core competencies as well as relevant industry, technical, or specialist skills required for that Board.

5.1 Core Competencies

The core competencies expected on Organisation boards are:

- sound judgement and decision-making
- commercial acumen
- public service ethos and awareness of a public media profile
- an understanding and commitment to Council's obligation to Te Tiriti o Waitangi
- a high standard of personal integrity
- clear communication and an ability to debate in a reasoned manner
- effective teamwork and collaboration
- the ability to think strategically
- risk assessment and contingency management
- commitment to the principles of good corporate citizenship
- understanding of the wider interests of Council as a publicly accountable shareholder
- experience in governance, preferably corporate governance.

The mix of skills and experience on the Board will be taken into account through a skills matrix, and consideration given to complementing and reinforcing existing skills and reducing skill gaps where necessary.

Appointees to Organisation Boards should undergo, or have undergone formal governance training, or have the requisite experience.

Council may waive the corporate governance requirement in order to attract a wider range of Board members and to further its diversity policy if these skills and experience are already well represented on the Board. Organisation Boards are expected to provide Director training for Directors with limited corporate governance experience.

5.2 Board Chair Competencies

In addition to demonstrating the core competencies listed in section 5.1 the following skills and competencies are required for the Chair and will be sought in the succession planning process (described at 10 in the policy):

- Board experience
- strong leadership skills
- political acumen
- strong interpersonal and relationship building skills
- sophisticated, analytically based, decision-making skills
- effective communication skills
- integrity and credibility within relevant sectors.

5.3 Role of the Board Chair and Deputy Chair

The role of the Board Chair is to provide effective leadership and:

- harness the collective skills of the board and executive team to achieve business objectives and maintain the confidence of the shareholders
- maximise the contribution of board members in board meetings
- maintain the trust of the Council
- maintain a close, but independent, working relationship with the Organisation Chief Executive
- lead the board review process
- lead the director induction process
- ensure that there is a succession plan in place for the board
- be the spokesperson for the Organisation
- work productively and openly with colleagues to achieve results and resolve problems
- to retain the confidence of the region and build relationships within the region's networks.

The role of the Deputy Chair which includes the ability to take on the Chair's role, as and when required, is to:

- provide effective leadership
- work productively and openly with colleagues to achieve results and resolve problems
- retain the confidence of the region and build relationships within the region's networks.

6. Terms of Appointment

Board members are to serve a maximum of three three-year terms, with the option of further reappointment possible where appropriate. In the event of a conflict, the respective constitutions or trust deeds of Organisations take precedence over this Policy. To reflect current national and international best practice, Council's Policy regarding Board tenure is as follows:

Tenure of three years: Board members shall hold office for a term of up to three years from the date of appointment.

Expiry of tenure: Upon expiry of that three-year term, the Board member retires from the Board and, subject to the Board members' performance and skills continuing to be relevant to the Board may be eligible for reappointment.

Board members should not be given any expectation that they will be offered a subsequent term of office.

Any Board member reappointed for a third term retires upon expiry of the additional three-year term.

Tenure exceeding nine consecutive years: For circumstances where there are good reasons for extension, a Board member retiring from a third tenure of three years may be reappointed for a further term but the Board member's total tenure on the Board must not exceed twelve years. Each case will be considered on its own merits and is at the sole discretion of the Council. The types of circumstances that could require this include, the:

- Board member has a particular skill that would be hard to replace
- Board has undergone substantial change and stability is needed
- Board member has institutional knowledge not held by other directors
- Board member is a likely successor as a chair.

Board members hold office at the discretion of the Council and may be removed at any time by Council resolution.

7. Appointment Process

7.1 Strategic Review and Needs Assessment

Once a vacancy has been established, Council will identify the skills, knowledge and experience required for the position, including whether knowledge of Tikanga Māori may be of relevance to the governance of that Organisation (as required by section 60(3) of the LGA 2002), with the assistance of Council's Internal Partnerships Hub. This should involve discussions with the Chair, consideration of the current composition and skill profile of the Board and a strategic review of future skill requirements – including succession planning.

7.2 Candidate Search

Candidates may be sought through a combination of the following search methods: advertising of the position, executive recruitment search, a review of Companies Office register of directors, nominations from the Mayor, governing body and local board members and crown agencies such as the Ministry of Women's Affairs and Te Puni Kokiri, on the advice of the board chairperson, and by invitation.

A complete list of candidates will be compiled with the assistance of Council's executive recruitment consultant if used.

Determination for enlisting an external recruitment agent will reside with the Chief Executive.

7.3 Screening and Short-Listing

The Appointments Committee will be appointed by Council and will be serviced through the Chief Executive. The Committee undertakes short-listing of candidates to be interviewed by the Committee. They will ensure due diligence has been carried out in preparation of a short-list, including candidate's declaration of interests.

The Appointments Committee will screen the list to ensure that the candidates have the required core competencies (see 5.1 of the Policy) as well as the specific skills and expertise required for the position. The names of all candidates from the long list will be included in a Public Excluded report to Council~~.~~

~~The Committee will comprise of the Mayor, two elected members, the Chief Executive, the independent recruitment Consultant (ex-officio) and, if appropriate, relevant external people including the Board Chair. The composition of the Committee will be as provided for in Council's adopted Governance Structure and Terms of Reference~~

A summary of skills or CVs will be included in the report to Council with the public excluded.

7.4 Interviewing and Assessment of Candidates

The Appointments Committee will interview and assess shortlisted candidates against the required skills, knowledge and experience and may take into account other factors such as:

- Council's Board diversity and inclusion Policy (see Policy objectives).
- Candidates with knowledge of Te Ao Māori and established Māori networks.
- Alignment with the Council's objectives for that entity.
- Board dynamics and stakeholder relationships.
- The capacity of candidates to attend regular board meetings and fulfil the other requirements of the directorship.
- Chair and Deputy Chair succession planning.

7.5 Council Decision

The Appointments Committee will interview candidates from the short-list with the public excluded to protect the interests and privacy of the candidates. This process will include a discussion of whether any actual or perceived conflicts of interest have been identified.

The Appointments Committee will determine and appoint the preferred candidate(s) in accordance with its delegated authority.

~~The Appointments Committee will then make a recommendation to Council to appoint the preferred candidate.~~

~~A decision on the appointment of Board members will be a decision for the whole Council. Under Standing Orders, this vote is required to be taken by division.~~

~~Council~~ The Appointments Committee will undertake this process in private and in accordance with the provisions of the Local Government Official Information and Meetings Act 1987.

The successful candidate(s) can be decided at an Appointments Committee meeting ~~Council meeting~~ (tenure effective immediately). All appointments will specify a term.

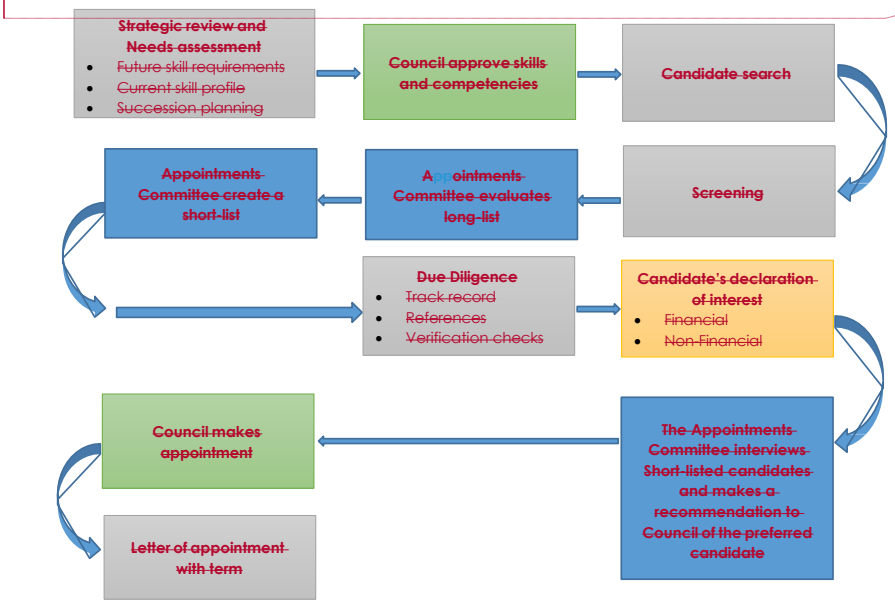
Public announcement of the appointment will be made as soon as practicable after the meeting where ~~Council~~ Appointments Committee has made its decision.

Unsuccessful candidates will be notified.

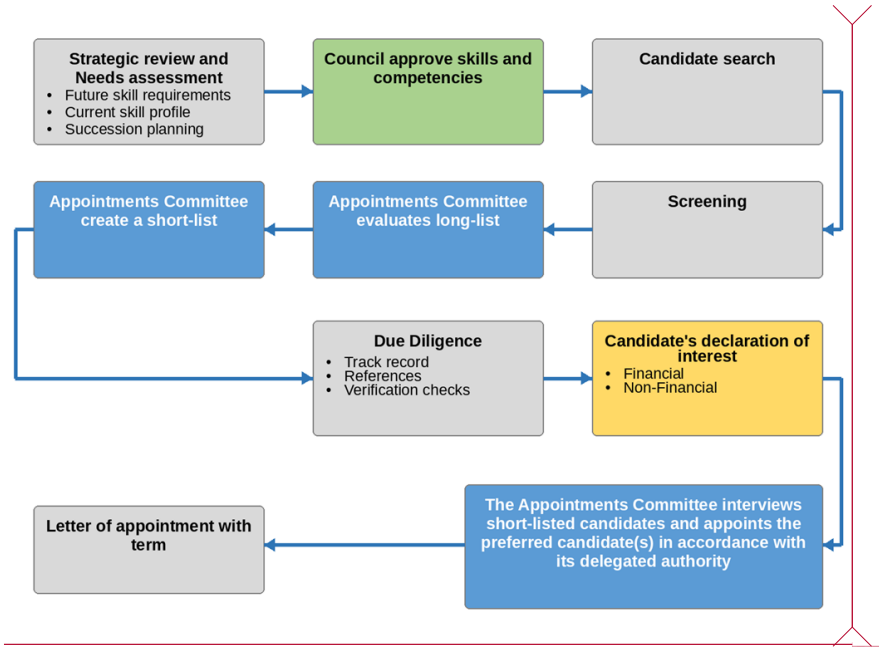
The Appointments Committee ~~Council~~ may wish to signal to its Chief Executive other candidates who on interview, have presented with appropriate skills that match or are of benefit to Organisations for future vacancies within the next twelve-month period.

7.6 Appointment Process Flowchart

The diagram below provides an overview for the process for appointments.



Commented [JR1]: This is the old version



Commented [JR2]: The updated version following the new process

8. Review of Board Member Performance

The review of Board member performance will be conducted by Council within a sufficient timeframe in relation to board appointment rounds.

The review will be conducted by Council with the cooperation of the Organisation Chairperson. The process for that review will be:

- An interview with the Chairperson - with the objective of assessing individual Director performance and contribution or in the case of reviewing the Chairperson an interview with the deputy Chair.
- Peer review summaries (this may include written questionnaires) – conducted six weeks before Board appointment rounds.
- An assessment of the Board's performance against stated objectives, quality of strategic initiatives, the implementation of those initiatives, and overall communication with the shareholder.

The review criteria for individual board members will include:

- preparedness for and attendance at meetings
- strategic perspective
- the ability to identify emerging trends and take action on a proactive basis
- understanding and performing governance functions
- constructive input to discussion.

Chairperson review (additional criteria):

- leadership of the Board 'team'
- consistency and even-handedness
- judgement and decision-making
- communication and mentoring.

9. Consent and Conflicts of Interest

Board members are required to declare any real or potential conflicts of interest that may arise during the course of carrying out their duties for Organisations. Likewise, all candidates will be required to complete a Consent Form and to declare any relevant interests, prior to being interviewed for a position on a Board, so that the potential for a conflict of interest can be assessed.

In making appointments to Boards, Council will take into consideration a candidate's existing directorships, and any other potential conflicts of interest.

In the event of a real or potential conflict of interest (where the person involved has an "interest in a proposed transaction" for example may derive a personal financial benefit) the Director must exclude themselves from participation in any debate with respect to the transaction and any resulting dealings with the third parties or approval of transactions. In the rare event where exclusion is not deemed to be practicable, Directors must obtain formal written permission to proceed from the Chair of the Board.

In considering any appointment or reappointment where a potential conflict of interest has been identified, Council needs to be confident that:

- The Board member or candidate will be able to make an effective contribution, even if their interest means they cannot participate in an activity of the Organisation that relates to a particular matter.
- The Board member, or their parent, spouse or child will not derive a personal financial benefit from the transaction.
- Measures can be put in place to manage the conflict.

Further guidance on conflicts of interest can be found in sections 139 to 149 of the Companies Act 1993.

The Office of the Auditor-General also provides guidance on the management of interests and conflicts: www.oag.govt.nz/managingconflictsofinterest:guidanceforpublicentities

10. Chair Succession Planning

These provisions are specifically for the position of chairperson of the GHL and Trust Tairāwhiti Boards.

The purpose of succession planning is to provide for smooth transition of leadership in the event of a planned or unexpected retirement of an incumbent chair.

A person appointed as Chair in their second term may be appointed for a further three-year term as Chair, however their tenure as Chair must not exceed six years. Council will generally consider the need for a potential successor as they make each Board member appointment.

The selection panel will be responsible for managing the succession planning process, which may (but not necessarily) be initiated by the Board. The process will include discussions with the Chairperson, assessing the skills, knowledge and expertise required for the role, and identifying any Board members who may be possible candidates. This must commence at least six months before the settling-in period referred to below, and one year before the proposed retirement of the current Chairperson.

If the proposed candidate is new to the Board there must be time for a settling-in period of at least one year before that person can be nominated for the role of chairperson.

The qualities expected of the Chairperson include (but not exclusively) the ability to develop and maintain a:

- Sound relationship with Council based on mutual trust and confidence.
- Close but independent working relationship with the Organisation's Chief Executive.
- And, use the collective skills of the board and executive team for the purpose of achieving the Council's objectives (described in the 2018-2028 Long Term Plan).

It's expected that the Board Chair will identify potential successors or signal to Council if there are no candidates for future Chair.

11. Removal of Board Members

Board members hold office at the pleasure of Council and may be removed at any time by Council resolution.

Without limiting the right of Council, the following are likely reasons for Council to remove a Board member, where that Board member:

- is regularly absent from Board meetings without good justification
- no longer has the confidence of the Board or Council
- has breached ethical standards and this reflects badly on the Board or Council
- does not act in the best interests of the Organisation
- breaches the confidence of the Board in any way, including speaking publicly on Board issues without the authority of the Board; or
- does not act in accordance with the principles of collective responsibility
- is now disqualified from being appointed or holding office as a director of a company under section 151(2) of the Companies Act 1993.

Where the Board has concerns regarding the behaviour of one of its members it should be considered by the Board in the first instance and, where necessary, the Board may recommend the removal of the Board member to Council.

No payment will be made - by way of compensation - to Board members who have been removed from Boards.

12. Board Members Standing for Political Office

Board members who have been selected to stand as a candidate in a local body or general election should advise the Chair of their Board immediately. Chairs need to advise Council, through the Chief Executive as soon as any members of their Boards have been identified as candidates.

Any Board member who is formally selected to stand as a candidate for election at a local body or general election, or placed on any political party's list, must stand down from their Board position from nomination day until the election results are notified or such earlier day as may be determined. This measure aims to ensure that governance of the Organisation is not distracted by the Board member's election activity, and to prevent the possibility of any conflicts of interest, real or perceived.

In the event that the Board member is successful in their bid for political office, they must formally retire from their Board position. They may be eligible for appointment to another Organisation Board following retirement.

13. Remuneration

Board members' fees will compensate board members fully for their normal contribution to the Board, including attending Board and Committee meetings, meeting preparation, stakeholder management and any other agreed tasks.

Board members' fees will reflect the annual Institute of Directors Fees report.

To ensure transparency, fees will be set by Council for the Board members and Chairs, rather than allocating a pool to be distributed by the Board. Fees are to be met from the Organisation's own resources.

Where Council is the sole shareholder (for example GHL) Council will set the remuneration by resolution at the Annual General Meeting of the Organisation or by resolution of Council. Such resolution shall state whether the remuneration is to be allocated by the Board or is to be specified for Directors and Chairperson.

In the instance of Trust Tairāwhiti Trustees, the Trust Deed requires prior approval of Council before any changes are made to trustee remuneration.

There is no provision for the payment of retiring or other gratuities to Board members.

13.1 Fee Setting

Board members' remuneration will be reviewed once per triennium following local body elections. A full review will be conducted and will include benchmarking against comparative entities. The review will consider the annual Institute of Directors Fee report. The final decision on Board members' remuneration will be made by a resolution of Council. Fees will be set taking into consideration the following:

- The size and scale of the Organisation (for example turnover, value of assets, number of employees).
- Complexity and scope of operations (for example complexity of issues, level of guidance for decision-making, relationship management responsibilities).
- Accountability (for example scale of market risk, public interest and profile, potential risk to board member reputation, and other key risks).
- Skills - the type of expertise and specialisation needed.

Special considerations may also be included in setting fees, such as a temporary increase in workload for the board, or difficulties in recruiting particular skills.

13.2 Ordinary Fees

Ordinary fees are calculated based on:

- The designated base fee per Board member.
- Board Chairs will be remunerated at 1.5 the designated base fee.
- 1.25 times the designated Board member base fee for the Deputy Chair, to reflect either an actual appointment, or to provide the capacity for the council committee to later make such an appointment.
- 1.15 times the designated Board member base fee for those members with duties as Chair.

There are no additional fees for Board committee meetings.

Council supports the payment by Organisations of their board members liability insurance and indemnity.

13.3 Remuneration for Consultancy Services

Council expects that no Board member will undertake consulting work for the Organisation. In the event that an exception to this rule appears appropriate, the Chair should seek the Chief Executive's approval in advance.

Authorised by Nedine Thatcher Swann – Chief Executive

Date of Approval:

14. Glossary

Definitions

Organisation

An entity in which Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies, including private trusts where the founding document requires a Council appointment to the governance board. This is aligned with the definition in section 6 of the LGA of a Council Organisation.

Council-Controlled Organisation

A council-controlled organisation (CCO) is defined in section 6 of the LGA as an organisation in which the council controls, directly or indirectly, 50% or more of the votes or has the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers.

Council-Controlled Trading Organisation

A council-controlled trading organisation (CCTO) is defined in Section 6 of the LGA as a CCO that operates a trading undertaking for the purpose of making a profit.

Director

An appointed member of the board of directors of an Organisation who, with other directors, has the responsibility for determining and implementing the Organisation's policy. Directors also assist the Organisation to meet its objectives and the requirements in its Statement of Intent. The Director's role is defined in S58 (1) of the LGA 2002.

Directors have responsibilities to their company and shareholders, and under the Companies Act 1993 must be registered with the New Zealand Companies Office.

Trustee

A trustee is a person that holds and administers property or assets for the benefit of a third party.

Directors and Trustee remuneration - Payments made to Directors and Trustees in accordance with this Policy.

Board and Board Member

Refers to a Company Board, Trust Board and any other governing body, however it may be referred to. The term Board Member includes Directors, Trustees, Managers or office holders (however described by that entity) and is applied in this Policy to mean role of Director – as described in the LGA.

Candidate

Is a person who has been nominated, submitted a written application, or identified through search activities.

Appendix One

Organisations to which this Policy Applies

As at March 2020

1. Council-controlled Trading Organisation (CCTO) in which Gisborne District Council are the 100% shareholder:
   - Gisborne Holdings Limited
2. Organisations in which Gisborne District Council appoints board members by virtue of an Act of Parliament or Trust Deed:
   - Trust Tairāwhiti
3. Organisations in which Gisborne District Council appoints board members by virtue of an Act of Parliament or Trust Deed but are non-substantive:
   - Eastwoodhill Trust.
   - Tairāwhiti Museum Trust Board.
   - Barrington Miller Trust.
   - Walter McLean Trust.

Te Kaunihera o Te Tairāwhiti
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Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

26-222

Title:	**26-222 Update on Planning Legislation and Spatial Planning Progress**
Section:	Strategic Planning
Prepared by:	Kelsey Goldsmith - Policy Planner
Meeting Date:	Wednesday 21 October 2026

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

Report to COUNCIL/TE KAUNIHERA for information

PURPOSE - TE TAKE

The purpose of this report is to update elected members on the new planning system and progress on regional spatial planning.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The Planning Act 2026 and Natural Environment Act 2026 became law on 30 September 2026. The new system will be introduced in stages through to 2030, with the RMA continuing in modified form during the transition. Transitional consenting changes take effect from 30 October 2026 and are being managed through Gisborne District Council's (Council) wider reform implementation programme. Council's first major plan-making task is the development of a new statutory regional spatial plan, which will set long-term direction for growth and change and guide the land use and natural environment plans that follow.

Council has a substantial base of existing planning, evidence and engagement work that can be reused, although targeted work is needed to fill gaps. Staff are progressing the governance, participation, evidence and delivery arrangements needed for regional spatial planning. Council staff are also progressing conversations with iwi on participation arrangements and identifying what will be needed for delivery. National policy direction, regulations and standards are still to come and will influence the detailed work programme and transition to the new system.

This report provides a high-level update only. Council is expected to consider the spatial planning committee and process agreement in December. Funding, delivery and other substantive decisions will return to Council as the statutory planning programme progresses.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. Notes the contents of this report.

Authorised by:

Charlotte Knight - Acting Director Sustainable Futures

Keywords: resource management, spatial planning, regional, TRMP, Tairawhiti Resource Management Plan, FDS, Future Development Strategy, Tairāwhiti 2050, spatial plan, regional spatial plan, RSP, Planning Act, Natural Environment Act, RMA, reform, transitional consenting

BACKGROUND - HE WHAKAMĀRAMA

The new Acts are now law, with several changes since Council's earlier briefings

1. The Planning Act 2026 and Natural Environment Act 2026 ("The Acts") were enacted on 30 September 2026. The Planning Act manages land use and development, while the Natural Environment Act manages the use, protection and enhancement of the natural environment. The Acts replace the resource management system under the Resource Management Act 1991 (RMA) and will operate together through national instruments and a regional combined planning framework.

2. The diagram below shows the key planning documents required under the new system, and the relationship between them.

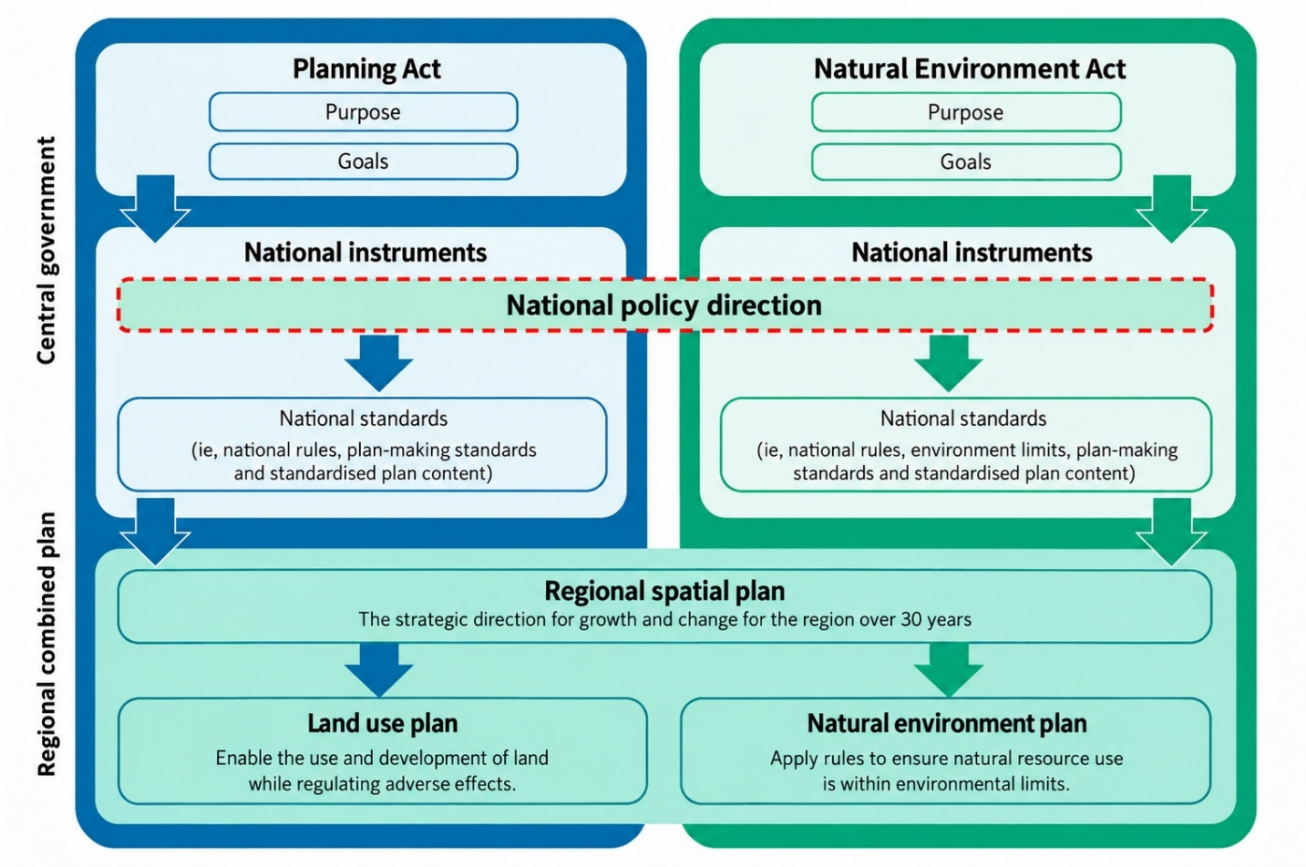


Figure 1 Overview of planning framework

3. Council has received several previous updates on the Government's planning system reforms as the new system has developed. Previous reports have covered the proposed Planning and Natural Environment legislation, Council's submissions on the reforms, changes to national direction and preparations for regional spatial planning[1].

[1] See here for further detail on the replacement Acts.

4. A list of previous reports to Council is outline below:

Previous report	What Council was told/decided	Why it matters now
Report 26-5 **January 2026**	Council received an update on the TRMP Review and the shift to Te Ara Hou – Planning for Readiness, focused on protecting transferable evidence, maintaining relationships and building readiness for the new planning system.	Established the foundation for Council's current readiness work and the reuse of earlier TRMP Review evidence and investment.
Report 26-10 **January 2026**	Council considered and approved its submission on the Planning Bill and Natural Environment Bill.	Establishes Council's earlier position on the proposed system.
Report 26-194 **August 2026**	Council received an update on regional spatial planning preparation and agreed that staff would continue working with TRONPnui and MCERT.	Provides the starting point for the current regional spatial plan readiness update.
Report 26-157 **September 2026**	Council received an update on national direction changes.	Provides context for the national direction component of this report.

5. The Acts retain most of the system architecture and key policy settings introduced in the Bills. This includes the regulatory relief framework[2] and an approach to Te Tiriti o Waitangi that addresses Māori interests, participation and Treaty settlement arrangements through specific provisions rather than a general Treaty-principles duty.

6. The select committee recommended several changes that were carried into the Acts. These included longer first-generation plan-making timeframes, changes to Regional Spatial Plan (RSP) requirements and clearer provision for using information from existing RMA documents in the first RSP. The draft legislation changed further following the select committee process, the intent of the tabled amendments was to improve workability and further clarify key Government policy matters. **Attachment 1** summarises the material changes since Council's earlier briefings.

DISCUSSION - WHAKAWHITINGA KŌRERO

7. The transition will occur over several years. During this period, the RMA will continue to apply, with some modifications, while national instruments are issued and the new regional spatial plan, land use plans and natural environment plan are prepared.

8. The new system will affect more than plan-making. Consenting, monitoring, infrastructure and investment planning, data and systems, engagement and corporate support will also need to adapt. The first immediate operational change is transitional consenting, which applies from 30 October 2026. Council is developing an organisation-wide work programme for the wider transition. This report focuses on regional spatial planning readiness and plan-making.

9. **Figure 2** shows the main statutory milestones for preparing the first generation of plans. National Policy Direction must be issued within 12 months of Royal Assent, followed by the RSP and then the land use and natural environment plans. The new system will be introduced in stages through to 2030. National Policy Direction and standards for RSPs are due in 2027, draft RSPs must be notified within 21 months of enactment, and the land use and natural environment plans follow once the RSP is decided. The full transition is expected to take four to five years.

[2] Regulatory relief requires councils to assess whether specified planning rules have a significant adverse impact on the reasonable use of land and, where the statutory criteria are met, provide relief through the framework set by the Planning Act.

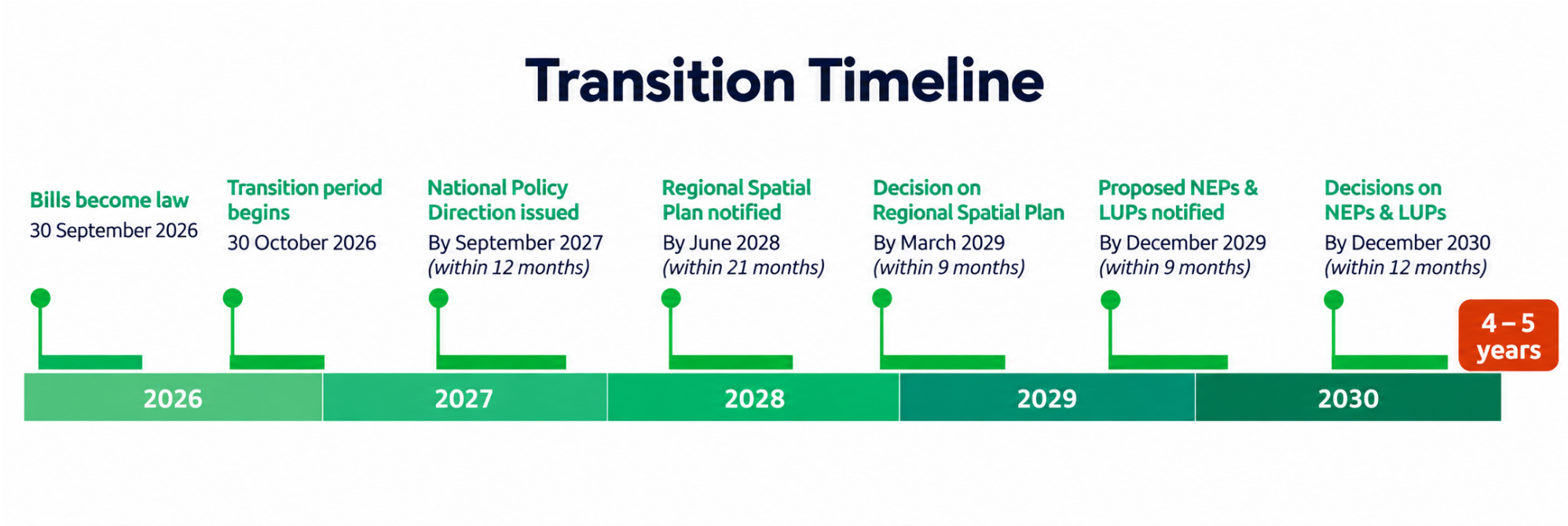


Figure 2 Timeline of first-generation plans

National policy direction will shape regional spatial planning and the plans that follow

10. National Policy Direction (NPD) will translate the Acts into more specific direction for regional and local planning. The NPD will sit above and influence the Regional Combined Plan, which is the combined plan document consisting of the RSP, the Land Use Plans (LUPs) and the Natural Environment Plan (NEP). This means Council cannot finalise the detail of its future planning programme by looking at the Acts alone.

11. The Government released an illustrative NPD on 25 August 2026 to test how national direction could operate under the new system. It covers housing and development, infrastructure, the primary sector and rural economy, resources, public values and system-wide matters. The illustrative NPD is not statutory and may change through the formal process. Formal consultation on proposed NPD is expected in 2027, with the first NPD required no later than 12 months after Royal assent.

12. **Attachment 2** provides a high-level summary of the illustrative NPD, how its main areas of direction relate to the RSP, LUPs and NEP, and the current level of RSP readiness in Te Tairāwhiti.

Council must notify the first regional spatial plan by mid-2028, and it will set the long-term direction for Te Tairāwhiti

13. The RSP is the first major planning component Council must prepare under the new system. It will set long-term strategic direction for growth and change across Te Tairāwhiti for at least 30 years. At a regional level, the RSP will bring together growth, infrastructure, natural hazards, climate adaptation, environmental constraints and Māori interests.

14. The RSP will also influence Council's wider planning and investment decisions. The land use and natural environment plans must implement the RSP, while transport and long-term planning will need to align with its direction. The RSP can therefore provide the long-term spatial direction for how Council plans, invests and delivers across the region.

15. An implementation plan must also be prepared for the RSP. It will identify the actions needed to implement the RSP, their priority, who is responsible, when actions are expected and how they will be funded. Progress against the implementation plan will be monitored and reported.

Council can reuse substantial existing planning work, although gaps remain before it will meet the new requirements

16. Council is not starting the new planning programme from scratch. The Tairāwhiti 2050, Future Development Strategy (FDS) and Tairāwhiti Resource Management Plan (TRMP) have been considered against the new RSP requirements and the 17 illustrative NPD directives that speak directly to RSPs. The assessment found that Council can carry a significant amount of existing work into the new system.

17. Council can also draw on evidence, spatial information, previous policy analysis, engagement findings and implementation work. Staff are identifying what can be carried forward, what needs updating and where new work is required.

18. Existing work will not meet every requirement. Further work is required in climate adaptation, coastal and marine planning, and the spatial integration of Māori interests and Treaty settlement information. There are also areas where Council currently has limited information, including renewable energy opportunities, energy transition planning, strategic mineral resources, customary marine rights and aquaculture settlement areas. Some of this information exists but needs to be consolidated, updated or mapped; other areas will require new evidence or engagement.

19. Given the first-generation plan-making timeframes, Council will need to reuse fit-for-purpose existing evidence wherever possible and focus new work on the most important gaps. The amount of new evidence that can be developed will also depend on available resourcing.

Council has already started preparing for regional spatial planning

20. Council started preparing for the new system before the legislation was enacted (see **Report 26-5**). Following the reset of the TRMP review, Te Ara Hou shifted the focus from developing provisions that could require substantial rework to protecting transferable evidence, maintaining relationships and building readiness for the replacement system. That approach allowed staff to continue useful planning work while national requirements remained uncertain. The work prioritised spatial planning, natural hazards, freshwater and coastal matters where Council already had evidence, statutory responsibilities or established commitments.

21. Council is now moving from broad readiness into specific regional spatial planning preparation. Staff are working on governance and secretariat arrangements, the process agreement, and consolidating and cataloguing existing evidence and spatial data.

22. Council is working with iwi and central government on how spatial planning will operate in Te Tairāwhiti. In August 2026 (**Report 26-194**) Council agreed that staff would continue working with Te Rūnanganui o Ngāti Porou (TRONPnui) and the Ministry for Cities, Environment, Regions and Transport (MCERT) on the Ngāti Porou Rural Growth Partnership proposal. The proposal includes developing Ngāti Porou rohe-specific spatial planning content that can contribute to the wider Te Tairāwhiti regional spatial plan.

23. Council is also planning discussions with other iwi in October to understand how they want to participate in the regional spatial planning process. This will inform the participation and governance arrangements developed for the regional spatial plan that staff are aiming to present to Council at its December meeting.

Delivering the next phase will require clear priorities and resourcing trade-offs

24. Delivering the Regional Combined Plan will require sustained input from across Council alongside existing statutory planning and strategy responsibilities. As a unitary authority, Council carries both regional and territorial planning responsibilities. The programme will require input from infrastructure, transport, water services, GIS, science, climate change, Legal, Māori Partnerships and governance support.

25. Strategic Planning has mapped the work it expects to lead over the 2027–2037 LTP period. Most of this work is driven by statutory requirements or the need to maintain existing strategies and plans. Funding and capability requirements for the Regional Combined Plan are therefore being considered through the 2027–2037 LTP.

26. Any proposal to stop or rationalise existing statutory reviews or required strategies and plans would need an impact assessment with the affected service-delivery teams. The relevant governance body would then need to decide which work would no longer be delivered. Funding and delivery requirements for the Regional Combined Plan programme are being considered through the 2027–2037 LTP process.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation
Overall Process: **Medium** Significance
This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan
Overall Process: **Medium** Significance
This Report: **Low** Significance

Inconsistency with Council's current strategy and policy
Overall Process: **Low** Significance
This Report: **Low** Significance

The effects on all or a large part of the Gisborne district
Overall Process: **High** Significance
This Report: **Low** Significance

The effects on individuals or specific communities
Overall Process: **High** Significance
This Report: **Low** Significance

The level or history of public interest in the matter or issue
Overall Process: **Medium** Significance
This Report: **Low** Significance

27. The matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy. The report is for information and asks Council only to note the update. It does not approve spatial planning options, commit Council to new expenditure, amend an existing policy or plan, or make decisions that directly affect communities.

28. The wider Regional Combined Plan programme is considered to be of **High** significance under the Significance and Engagement Policy. The RSP will apply across Te Tairāwhiti and will provide long-term direction for matters including growth, infrastructure, land use, natural hazards and environmental management. It will also connect with Council's LTP, infrastructure and transport planning and future investment decisions.

TREATY COMPASS ANALYSIS

Kāwanatanga

29. Council is developing the governance and process arrangements for regional spatial planning alongside engagement with tangata whenua and other statutory participants. The governance and process arrangements will need to recognise differences in statutory arrangements, interests and capacity to participate across iwi and hapū. These arrangements will need to recognise existing Treaty settlements and joint management obligations and provide clear pathways for iwi and hapū to participate in future planning and decision-making.

Rangatiratanga

30. Regional spatial planning will affect places and resources where iwi and hapū exercise kaitiakitanga and hold statutory and customary interests. Council is working with iwi to develop participation arrangements that reflect their aspirations, interests and statutory contexts, including how mātauranga is used and protected.

Oritetanga

31. Iwi and hapū have different statutory arrangements, interests and capacity to participate in the new planning system. An equitable approach may therefore require different participation arrangements rather than applying one model across the region. As the process agreement and governance arrangements are developed, Council will consider these differences, mitigate barriers to participation as much as possible and manage the timing and demands placed on iwi and hapū.

Whakapono

32. Collectively, the Regional Combined Plan will address land, water and other natural resources that have cultural and spiritual significance for tangata whenua. Māori interests and Treaty settlement information require integration into the future planning framework. The planning process will need to recognise tikanga, mātauranga and iwi and hapū worldviews, while protecting any mātauranga shared with Council in accordance with the expectations of those who hold it.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

33. No separate tangata whenua engagement was undertaken to prepare this information report. As outlined earlier, Council is engaging with iwi and hapū through the wider regional spatial planning programme, including current work with TRONPnui and planned discussions with other iwi and hapū.

34. This engagement is informing participation, governance and process arrangements for regional spatial planning. Iwi and hapū have not been asked to comment specifically on the contents of this report.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

35. No community engagement was undertaken specifically to prepare this information report. The report provides an update on legislative change and Council's readiness work and does not seek a substantive decision from elected members. Council has existing community input from previous planning processes, including Tairāwhiti 2050, the FDS and the TRMP review. This existing engagement forms part of the information Council can draw on as it prepares for the new planning system, alongside evidence, spatial information and previous policy work.

36. Further community and stakeholder engagement will be required as Council prepares the RSP. The process agreement will set out how Council and the spatial plan committee will involve infrastructure providers, sector groups, communities and other parties in the regional spatial planning process. The timing and form of that engagement is currently being developed.

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

37. This information report does not have any direct climate change impacts. Climate change will, however, be an important consideration in regional spatial planning. The RSP is required to identify priority locations for climate change adaptation planning. Proposed amendments to the Climate Change Response Act 2002 (CCRA) would then require councils to prepare adaptation plans for identified priority locations.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

38. This information report does not seek additional funding and has no immediate financial impact. Current readiness work is being progressed through existing work programmes and budgets. Funding and capability requirements for the Regional Combined Plan are being considered through the 2027–2037 LTP.

39. If plan-making cannot be delivered within available resources during the transition period, other work will need to be transferred to other teams or deferred where possible. Any proposal to stop or rationalise existing statutory or strategic planning work would require a further impact analysis. Any resulting funding or reprioritisation decisions will return to the appropriate governance body.

Legal

40. This report is for information and does not seek a decision that creates any immediate legal implications. The Acts now place new statutory planning responsibilities on Council, including requirements associated with regional spatial planning and the plans that follow.

41. Council will need to comply with the statutory processes, timeframes and transitional requirements in the new legislation as the planning programme progresses. This includes the requirements for regional spatial planning governance, the process agreement and preparation of the regional spatial plan. Legal advice will be sought where required as these arrangements are developed and substantive decisions are brought back to Council.

42. The Acts also provide for ministerial intervention where a local authority fails to exercise or perform its statutory functions. This can include investigation and recommendations and, following the prescribed process, appointment of another person to perform functions in place of the local authority. Council will therefore need to maintain sufficient capability and resourcing to meet its incoming statutory responsibilities and timeframes alongside the current RMA requirements.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

43. This information report is consistent with Council's current strategic and planning direction and does not require changes to an existing policy or plan. Existing plans and strategies will continue to inform Council during the transition where they remain relevant. The TRMP will cease to apply when the new planning system takes full effect, while the future role of Tairāwhiti 2050 and the FDS will need to be considered as the new framework develops.

44. The reform also creates an opportunity to better connect Council's spatial planning, investment and service delivery. Existing statutory documents will retain their own purposes, but the RSP can provide long-term spatial direction, with the LTP, Annual Plans, infrastructure and transport planning, water services planning and asset management providing key investment and implementation pathways.

RISKS - NGĀ TŪRARU

45. There are no significant risks arising directly from receiving this information report. The main risks relate to Council's transition to the new planning system and delivery of the statutory planning programme. These risks will be managed through the programme in accordance with Council's Risk Management Policy and Framework.

46. The main risks identified at this stage are set out below.

Council risk category	Risk	Mitigation / controls
Regulatory and legal compliance / Planned delivery of commitments	Council may not meet statutory requirements or timeframes if key work cannot be progressed within the required sequencing and timeframes. The short implementation timeframes require governance, process, evidence, engagement and technical work to progress in parallel. Changes or delays to national direction and standards could also create rework or affect Council's ability to meet statutory milestones.	Staff are monitoring legislative and national direction requirements, progressing work ahead of final national instruments, and developing the governance, process agreement and delivery programme early. Legal and technical advice will be obtained where required, and significant changes to programme timing or requirements will be escalated.
People / Planned delivery of commitments	Insufficient internal capacity or specialist capability could delay delivery of the statutory programme or require other work to be reprioritised. The programme will require input from multiple Council teams, as well as specialist external support.	Staff are identifying the capability and resource needed for the programme, using existing work and evidence where appropriate, and identifying where specialist external support is required. Resourcing requirements and trade-offs will be brought back to Council as the delivery programme becomes clearer.
Regulatory and legal compliance / Environment	Existing evidence and planning material may be out of date or not meet the new requirements. Relying on unsuitable material could create gaps or rework and weaken the evidence supporting future planning decisions.	Staff are assessing what existing evidence, spatial information and planning work can be reused, what needs updating or integration, and where new work is required. Existing material will be checked against the Acts, national direction and national standards before it is relied on.
Partnership / Reputation	Participation arrangements that do not adequately reflect iwi and hapū interests, statutory arrangements or capacity could affect trust and confidence and delay the regional spatial planning process.	Council is engaging early with iwi and hapū and developing participation arrangements as part of the wider spatial planning programme. Current work includes engagement with Ngāti Porou and other iwi, supported by Māori Partnerships, and development of the process agreement and governance arrangements.
Financial / People / Planned delivery of commitments	The cost and resource requirements of the new system may be greater than Council can absorb within existing budgets and work programmes. Short statutory timeframes may increase reliance on external technical expertise and require Council to progress several workstreams at the same time.	Staff will refine costs and resource requirements as the programme and national requirements become clearer. Where existing resources are insufficient, staff will identify the implications for other work and bring funding or reprioritisation decisions back to Council.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
October–December 2026	Complete the foundations for regional spatial planning.	Staff will continue work on the process agreement, governance arrangements, iwi participation, evidence and spatial data.
10 December 2026	Council considers the spatial planning committee and process agreement.	These decisions will establish the governance, secretariat and other process arrangements for spatial planning.
December 2026–June 2027	Progress the regional spatial planning work programme.	Detailed preparation of regional spatial plan content in accordance with the requirements set out in the process agreement.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Key changes folowing the select committee process [**26-222.1** - 2 pages]
2. Attachment 2 - Illustrative National Policy Direction - high-level overview [**26-222.2** - 2 pages]

Attachment 1: Key changes following the select committee process

This attachment summarises the material select committee changes most relevant to Council. The changes include longer first-generation timeframes, clearer reuse of existing RMA information, unitary-authority governance options and stronger transition provisions. Council's requests for a broader Treaty/Tiriti clause and removal of regulatory relief were not adopted.

Area	What changed	What this means for Council
First-generation planning timeframes	The first-generation timetable was extended. NPD moved from 9 to 12 months; key national standards moved to 12, 18 and 21 months; RSP notification moved from 15 to 21 months (or 9 months after the first NPD, if later); and RSP decisions moved from 6 to 9 months after notification.	Council has more time than under the Bills as introduced, but the programme remains compressed. Governance, evidence, engagement and resourcing work still need to progress before all national instruments are finalised.
Regional spatial plan scope and content	RSP requirements were reframed around clearer core obligations. RSPs must map or record the region's broad spatial layout for at least 30 years, identify priority locations for growth and change, drivers of change, significant infrastructure and constraints, and priority locations for climate adaptation. Specified Māori and Treaty-related matters must also be recorded where they apply.	The changes clarify the scope of the first RSP and the evidence Council needs to assemble. They also reinforce the RSP's role as the strategic direction for later land use and natural environment plans.
Use of existing RMA information	A transitional provision allows the first RSP to incorporate information about the state and characteristics of the environment from existing RMA national direction, policy statements and plans. Strategically important existing designations can also be shown in the RSP.	Council can reuse fit-for-purpose information from the TRMP and other existing planning work rather than recreate all evidence. Existing information will still need to be checked for currency and fit with the new requirements.
RSP governance, process agreement and secretariat	Process agreement requirements were expanded. Councils must agree on decision-making responsibilities, how they will work with and engage others, how applicable iwi participation legislation will be reflected, and how the secretariat will be established and managed. An existing statutory committee can be used if it has a regional planning function and is modified to meet the new requirements. Central government participation in the secretariat is required.	These changes directly affect Council's decisions on the spatial plan committee, process agreement and secretariat. They require early clarity about participation, engagement and decision-making roles.
Māori participation and Treaty arrangements	The general Treaty/Tiriti provision was not materially broadened. Targeted changes were made to Treaty settlement and participation provisions. Transitional arrangements were added for Mana Whakahono ā Rohe, and spatial plan committees must include at least one member with knowledge, skill and experience relating to te ao Māori and Māori development.	Council will need to recognise existing settlement and participation arrangements and work with iwi and hapū on how they participate in regional spatial planning. Different statutory contexts may require different arrangements.
National Policy Direction and national standards	The respective roles of NPD and national standards were clarified. NPD provides high-level policy direction, particularises the statutory goals and addresses tensions between them. National standards provide procedural or regulatory consistency and can direct plan content.	Council cannot finalise detailed plan content from the Acts alone. The planning programme will need to respond to NPD and national standards as they are issued.

Area	What changed	What this means for Council
RSP implementation and review	The select committee renamed 'coordination documents' as 'implementation plans' and clarified that they support delivery of the RSP, including by identifying required actions. Spatial plan committees must also consider new information over time and determine whether an RSP review is needed.	The RSP is not a stand-alone strategy. Its implementation will need to connect with Council's investment, infrastructure, service delivery and monitoring programmes, and the plan may need to respond as environmental information changes.
Natural hazards and existing use protections	Specified natural hazard rules can override existing-use protections and related building-work protections. A continuation mechanism was also added so affected existing activities can continue on an interim basis while a proposed hazard rule is tested.	This gives the new system a clearer pathway to manage existing development in hazard-prone areas. It is particularly relevant to Te Tairāwhiti's natural hazard and climate adaptation work.
Transition, consenting and enforcement	Transition provisions were expanded and clarified. The transitional consenting framework begins one month after Royal Assent. Continuity was clarified for RMA enforcement processes, enforcement orders and abatement notices, and targeted updates to RMA district-plan provisions relating to out-of-scope effects were enabled.	Council will continue operating the RMA during transition, with modifications, while preparing the new plans. Regulatory, consenting and compliance teams will need to adapt processes as the transitional provisions take effect.

Attachment 2: Illustrative National Policy Direction – high-level overview

The illustrative National Policy Direction (iNPD) was released on 25 August 2026 to test how national direction could operate under the new planning system. It is not final statutory national direction. The table below summarises its main areas of direction and how they relate to the regional spatial plan (RSP), land use plans (LUPs) and natural environment plan (NEP).

iNPD area	What the direction is about	RSP / LUP / NEP roles	Te Tairāwhiti RSP readiness
Cross-cutting direction	Growth, land-use conflicts, sequencing and balancing development, environmental and cultural values.	**RSP:** strategic choices and sequencing. **LUP:** manages land-use conflicts. **NEP:** gives effect to relevant environmental direction.	Strong base in growth planning and constraints information; integration is still required.
Housing and development	Provides for sufficient housing and business land and well-functioning urban and rural areas.	**RSP:** identifies growth locations. **LUP:** zoning and development provisions. **NEP:** manages interaction with environmental limits and values.	Strong. The FDS provides a substantial starting point.
Infrastructure	Enables and protects strategic infrastructure and supports resilience, investment and energy security.	**RSP:** strategic infrastructure priorities. **LUP:** protects infrastructure and manages land-use effects. **NEP:** manages environmental and resource effects.	Strong existing infrastructure base; renewable energy and energy-transition work is less developed.
Primary production and rural economy	Supports productive land, forestry, aquaculture and marine production while managing conflicts.	**RSP:** identifies strategic areas and opportunities. **LUP:** manages land-use conflicts. **NEP:** manages natural-resource and environmental effects.	Productive-land information is useful; marine production and aquaculture need further work.
Resources	Provides for strategically important mineral resources, waste and resource recovery.	**RSP:** identifies strategic resource locations. **LUP:** protects locations and manages associated land use. **NEP:** manages environmental effects.	Regionally significant mineral resources are a current evidence gap.

iNPD area	What the direction is about	RSP / LUP / NEP roles	Te Tairāwhiti RSP readiness
Public values	Protects environmental, landscape, heritage, biodiversity and human-health values.	**RSP:** identifies strategic constraints and values. **LUP:** detailed land-use management. **NEP:** environmental limits, overlays and resource management.	Substantial existing TRMP information; consolidation and integration are required.
Māori interests	Treaty settlement arrangements, Māori participation, significant sites and opportunities on Māori land.	**RSP:** strategic interests, opportunities and participation. **LUP/NEP:** give effect to relevant spatial direction and values.	Significant information exists; further iwi/hapū work is required on currency, mapping and confidentiality.
Natural hazards and climate adaptation	Directs growth away from unacceptable risk and identifies areas where adaptation should be prioritised.	**RSP:** growth, infrastructure and adaptation priorities. **LUP:** land-use controls. **NEP:** relevant environmental and resource-management responses.	Strong hazard evidence; a region-wide adaptation framework and priority locations still need development.

The iNPD contains 106 illustrative directives. Council's readiness assessment considered the 17 directives that speak directly to regional spatial plans. The readiness column above therefore relates to RSP readiness only; Council has not assessed LUP or NEP readiness through this work. The iNPD is illustrative and may change through the statutory national direction process.

13. Public Excluded Business

RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, LOCAL GOVERNMENT OFFICIAL INFORMATION and MEETINGS ACT 1987

That:

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

   Confirmation of Confidential Minutes

   Item 4.1 Confirmation of Confidential Minutes 27 August 2026

   Item 4.2 Confirmation of Confidential Minutes 23 September 2026

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

Item 4.1	7 (2)(i)	Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 4.2	7 (2) (a)	Protect the privacy of natural persons, including that of deceased natural persons.