



Matawai Taiao Environmental Scan

June 2023



Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

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Tirohanga whānui

Overview

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

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

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

The following implications arise from the cyclone recovery programme.

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



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

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

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

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

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

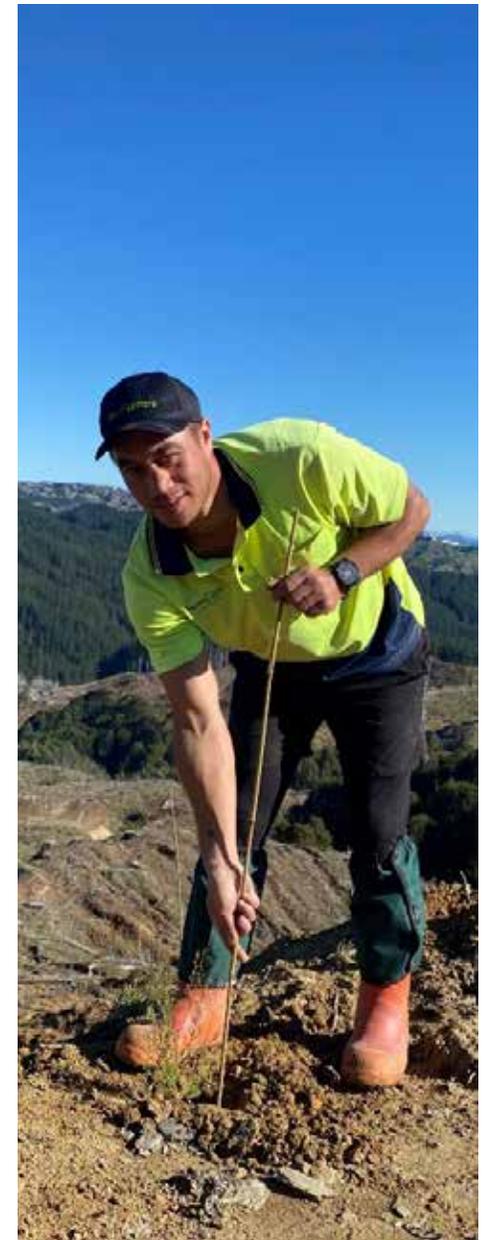
- Resource Management Reform: These reforms will bring in a completely new planning framework requiring the development of a regional spatial strategy and integrated resource management plan under a new legislative framework. Responsibility for development of the strategy and plan under these reforms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

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

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

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

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



Whakaritenga Approach

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

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

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

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



Ngā tūraru ināianeī me ngā ahunga Current risks and trends

GLOBAL RISKS

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

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

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

2 years

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

10 years

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

Risk categories

Economic

Environmental

Geopolitical

Societal

Technological

² World Economic Forum. 2023. The Global Risks Report 2023: 18th Edition. www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf



CURRENT GLOBAL GOVERNMENT TRENDS

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

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

Building resilience⁴

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

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

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

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

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

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

Fostering connectivity

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

Fostering connectivity requires the following types of approaches:

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



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

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

⁵ Science Advisory Group of the UN Climate Action Summit 2019. 2019. United in Science. [ane4bf-datap1.s3-eu-west-1.amazonaws.com/wmocms/s3fs-public/ckeditor/files/United_in_Science_ReportFINAL_0.pdf?XqiG0yszsU_sx2vOehOWpCOkm9RdC_gN](https://www.amazonaws.com/wmocms/s3fs-public/ckeditor/files/United_in_Science_ReportFINAL_0.pdf?XqiG0yszsU_sx2vOehOWpCOkm9RdC_gN)

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

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

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

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

Improving equity

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

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

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

⁹ Deloitte. 2022. Government trends.

¹⁰ Review in the Future of Local Government. 2022.



Ngā take tōrangapū

Political factors

CYCLONE GABRIELLE

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

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

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

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

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

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

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

to these locations and develop a suite of community and/or property-level interventions that will be effective at managing future severe weather event risk. This information will be used to develop hazard management plans, which will inform business case development if additional investment is needed.

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

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

¹¹ New Zealand Herald. 2 May 2023. Cyclone-hit communities to wait longer for consultation on rebuild or red-zone future. www.nzherald.co.nz/nz/politics/cyclone-hit-communities-to-wait-longer-for-consultation-on-rebuild-or-red-zone-future/ADQYIT3KXZF7JJGQGW5SkSB66Q/

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

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



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

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

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

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

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

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

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

CURRENT REFORMS

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

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

Affordable water reforms

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

Resource management

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

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

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

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

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

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

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

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

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

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

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



Local government

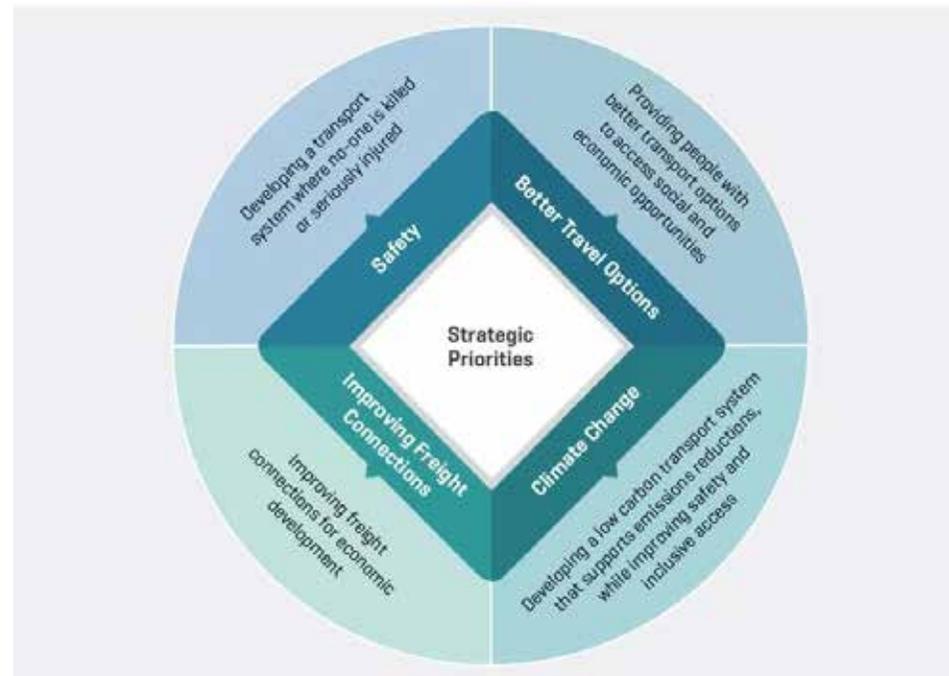
The Government established a Review into the Future for Local Government. The overall purpose of the review was to *“identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively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

The Future for Local Government Panel released its report to the public on 21 June 2023. There are five key integrated areas the report highlights which are required to ensure local government is fit for purpose into the future. Namely:

- embedding local government’s wellbeing purpose
- system renewal – Council-led reorganisation of local government and establishment of dedicated entities to support this
- increasing funding – greater central government contribution
- strengthening local democracy and leadership – including initiatives such as extending term for local elections

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

However, with the general election in October 2023, it’s unlikely the current government will have time to make significant policy shifts in this term. Any further work or change will most likely be picked up by the next government post-election.²³



Transport

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

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

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

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

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

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

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

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

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



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

Emergency management review: the Trifecta programme

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

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

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

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

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

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

management preparedness.

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

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

Waste management reform

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

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

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

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

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

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

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



PARTNERSHIP WITH MĀORI³²

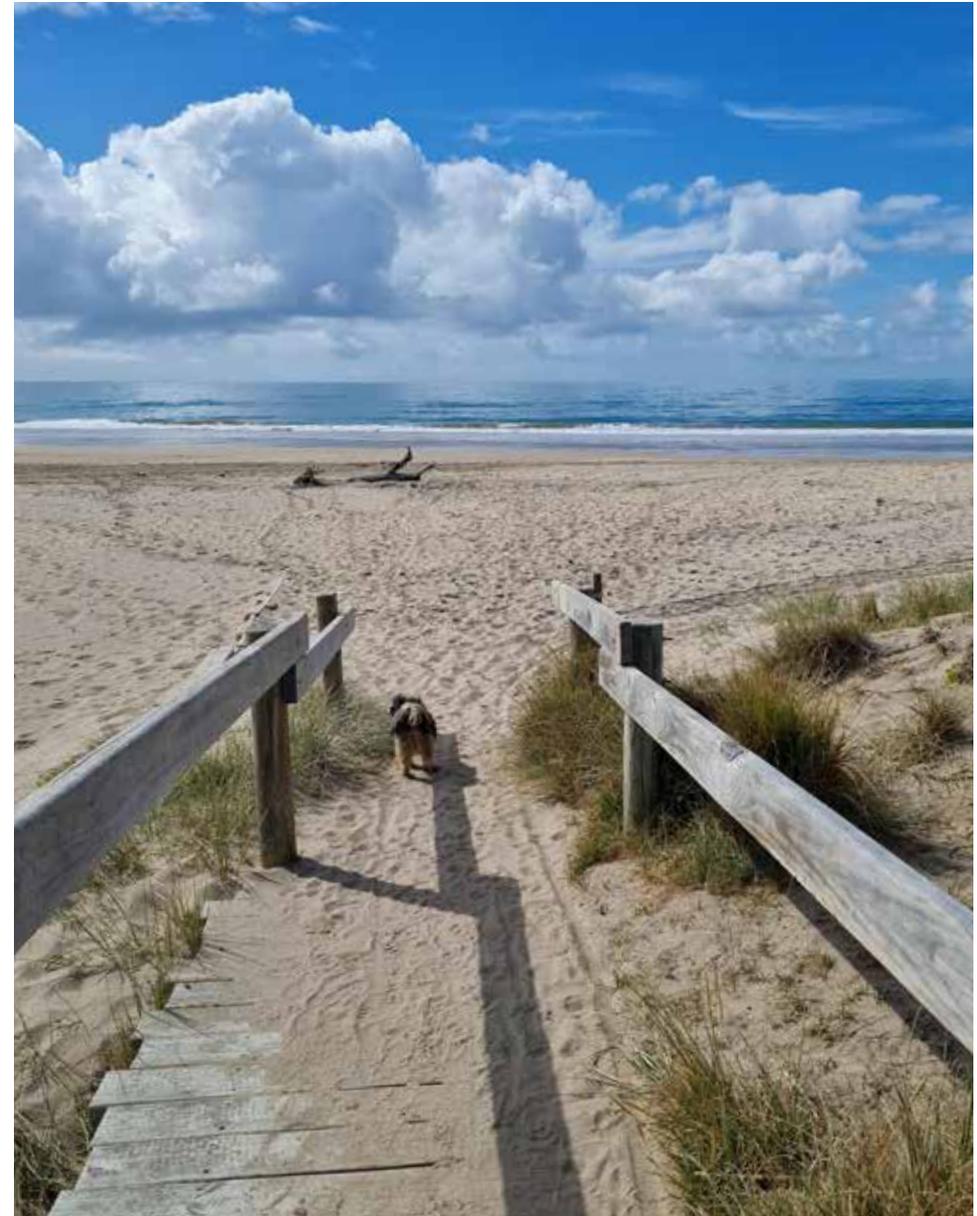
In 2022, Council adopted its Te Tiriti Compass, a tool to focus its intent to honour Te Tiriti and form expectations for how the Council approaches partnerships under Te Tiriti o Waitangi and acts as a Tiriti partner. The partnership journey begins with building trust and in some cases, rebuilding relationships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

Council intends to reset, refocus, and return its energy to enhancing its Tiriti partnership mahi with mana whenua, while finding a path through the challenges currently being faced. Using the compass, Council aims to redirect itself towards the goal of enduring Tiriti partnership. This may mean revisiting co-governance discussions over key kaupapa - such as resource management planning and recovery, while formalising the relationships between Council and hapū/marae, and jointly responding to emerging opportunities and priorities.³³

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

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

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



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

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

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

KEY IMPLICATIONS FOR COUNCIL

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

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

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

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

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



Ngā take ā-iwi Social factors

CYCLONE GABRIELLE³⁵

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

- As at June 2023, 202 properties have been yellow stickered and 30 red stickered.

- As at 27 April 2023, 177 whānau were registered with the Temporary Accommodation Service with the Ministry of Business, Innovation & Employment.
- The Ministry of Housing and Urban Development has repurposed existing funding through Toutū Tairāwhiti Housing Ltd to use part of their Whai Kāinga Whai Oranga prototype funding

to build and deliver 100 temporary homes for impacted whānau. This provides immediate housing for directly affected whānau.

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

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



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



TE TAIRĀWHITI'S DEMOGRAPHICS³⁶

Population forecasts

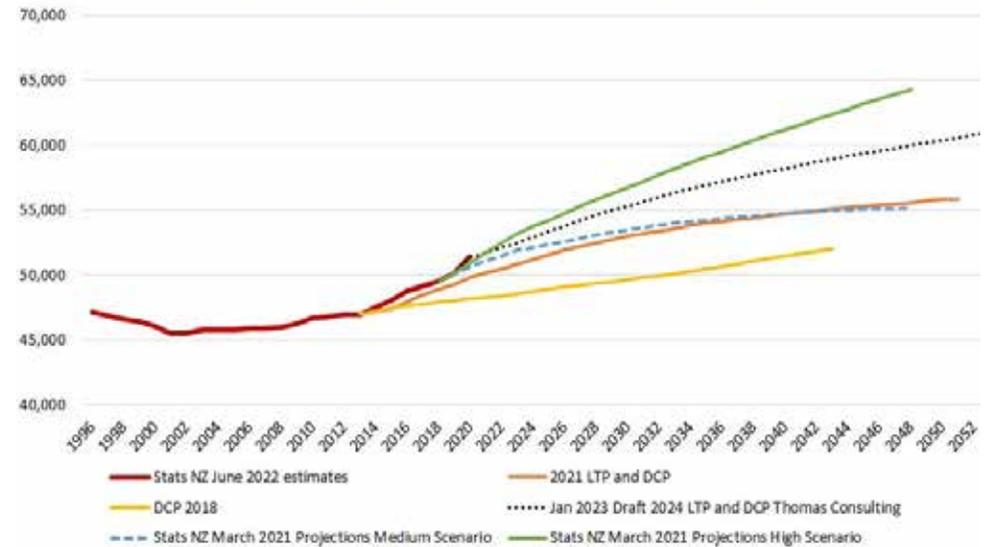
The usually resident population of the Te Tairāwhiti was 47,517 at the time of the 2018 census. This represents an increase of 3,864 people from the 2013 census, or 1.7% increase pa. The estimated resident population (provisional at 30 June 2022) was 52,100.³⁷ Growth has exceeded forecasts prepared prior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

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

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

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

Population estimates and forecasts Te Tairāwhiti



³⁶ This section primarily uses data from the 2018 census.

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

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

³⁹ Thomas Consulting. January 2023.

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



Age

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

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

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

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

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

Disability

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

Māori population

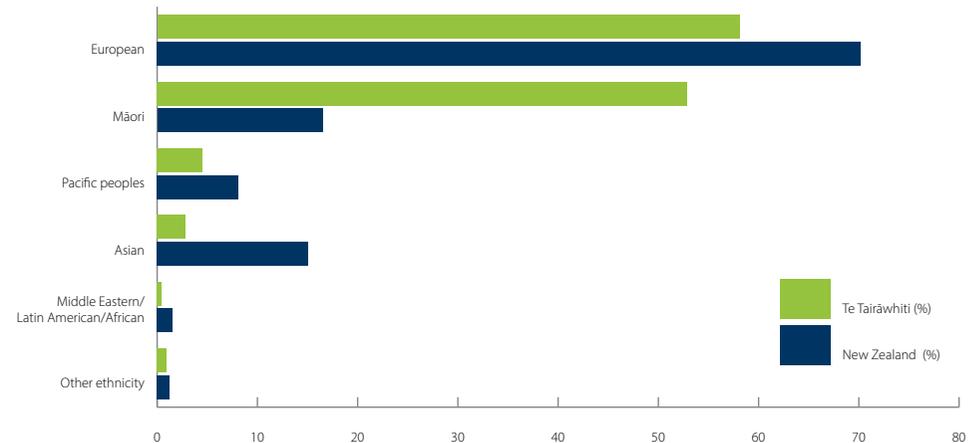
52.9% of the population identify as Māori, far above the national average of 16.5%. Stats NZ is forecasting an annual increase of the Māori population of between 0.5% and 2.3% to 2043.

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

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

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

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



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

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

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

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

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

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

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

⁴⁸ Stats NZ. 2018 Census Place Summaries: Gisborne District



URBANISATION AND GROWTH

Housing supply

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

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

Regional housing strategy⁵¹

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

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

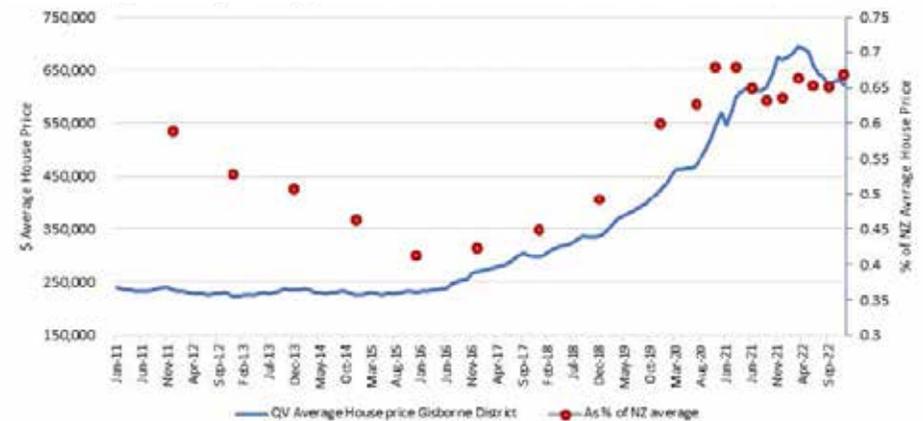
- funding and programming the infrastructure needed to support housing development
- addressing financial barriers to home ownership and tenancy
- developing partnerships that harness collective resources for greater impact.

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

Housing affordability

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

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



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

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

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

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

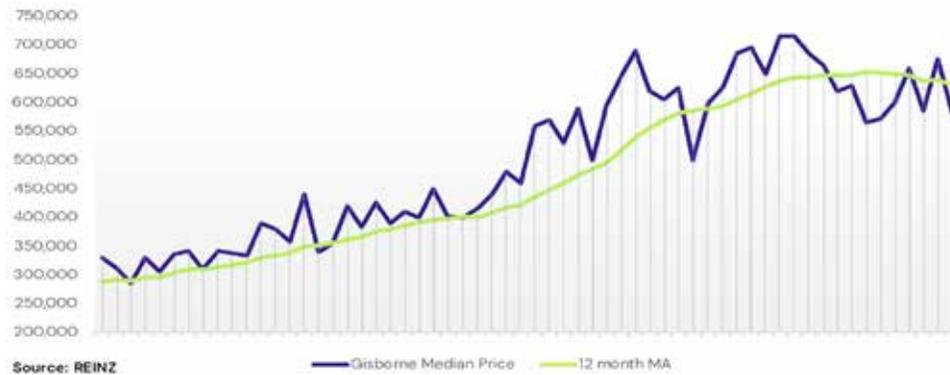
⁵¹ Manaaki Tairāwhiti. June 2022. Te Tairāwhiti Regional Housing Strategy 2022-2027.

⁵² Thomas Consulting. January 2023.

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



Gisborne region median price past 5 years



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

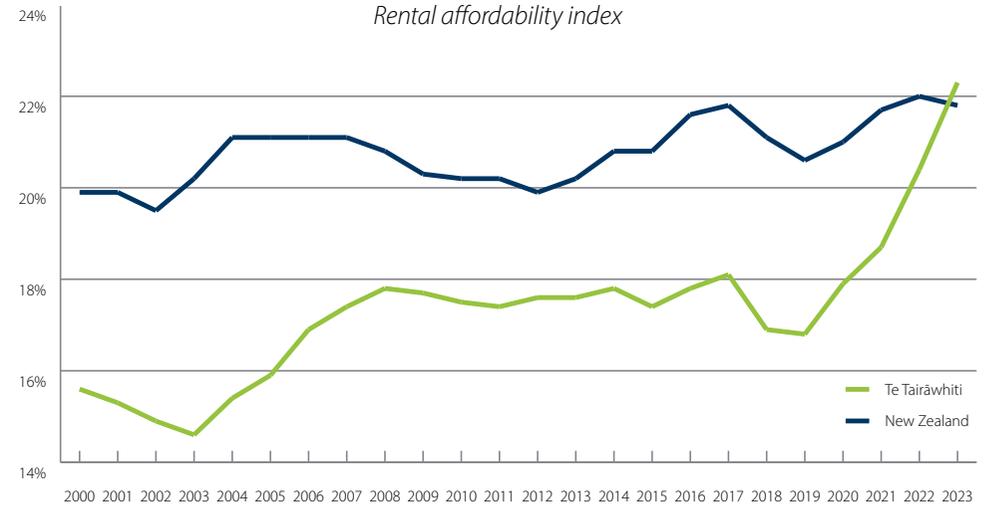
Weekly rent to average household income is worse in Te Tairāwhiti than for New Zealand as a whole.

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

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

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

Rental affordability index



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

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

⁵⁴ Infometrics. Regional Economic Profile: Tairāwhiti.

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

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

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

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

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



Housing condition

Housing condition is an issue in Te Tairāwhiti.

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

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

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

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

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

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



WELLBEING

Wellbeing insights

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

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



Photo by: Phil Yeo

⁶⁴ Trust Tairāwhiti. 2022. Tairāwhiti Wellbeing Survey.

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

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

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

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

Deprivation

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

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

Education

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

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



ARTS, CULTURE AND RECREATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

⁷⁴ Gisborne District Council. 2022-2023 Annual Plan.



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

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

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

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

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

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

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

Council has combined its aspirations with Trust Tairāwhiti and Sport Gisborne Tairāwhiti to develop the Tairāwhiti Sports Facilities Business Case. This serves as a master plan and investment proposal to source capital funding for the sport and recreation facilities projects required throughout the region. This business case has been submitted to central government seeking an investment of around \$90m.⁷⁶

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

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

KEY IMPLICATIONS FOR COUNCIL

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

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

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

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

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

Ngā take ōhanga

Economic factors

CYCLONE GABRIELLE⁷⁷

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

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

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

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

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

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

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

⁷⁹ Tairāwhiti Trust Survey March 2023. Cyclone Gabrielle Insights.

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



INTERNATIONAL ECONOMIC TRENDS

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

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

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

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

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

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

Annual average wage increase to October 2022 of 3.7%.

NATIONAL ECONOMIC CONTEXT

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

TE TAIRĀWHITI REGIONAL ECONOMY

Overview

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

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

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

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



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

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

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

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

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

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

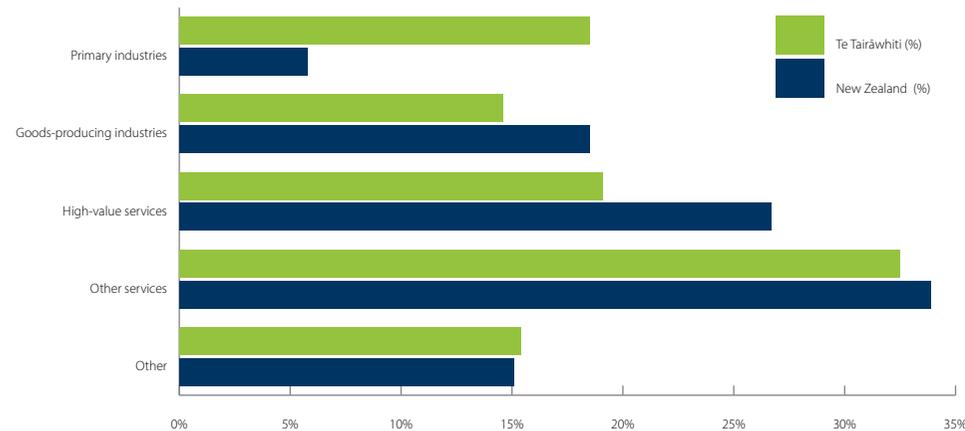
⁹⁶ Infometrics. September 2022. Quarterly Economic Monitor – Tairāwhiti. p1.



Structure of the regional economy⁹⁷

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

Share of total GDP



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

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

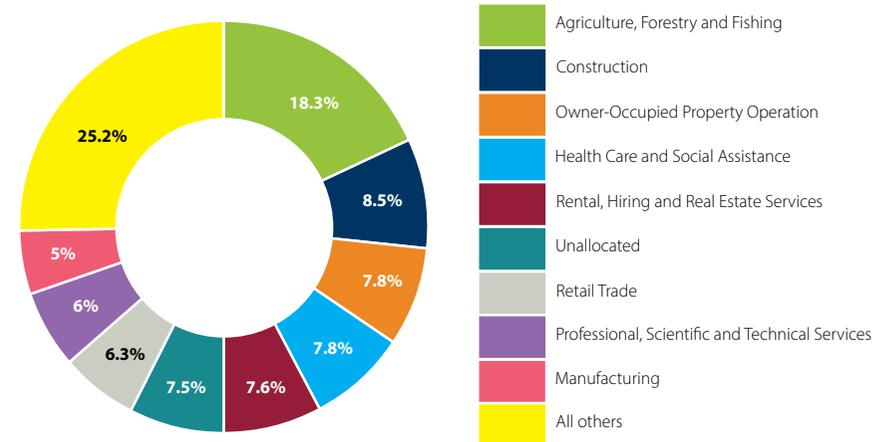
- Sheep, Beef Cattle and Grain Farming: \$110m (4.5%)
- Horticulture and Fruit Growing: \$65m (2.6%)
- Fishing and Aquaculture: \$14m (0.6%)

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

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

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

Proportion of total GDP



⁹⁷ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

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

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

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



Productivity

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

Employment¹⁰²

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

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

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

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

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

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

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

¹⁰¹ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

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

¹⁰³ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

¹⁰⁴ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

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

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

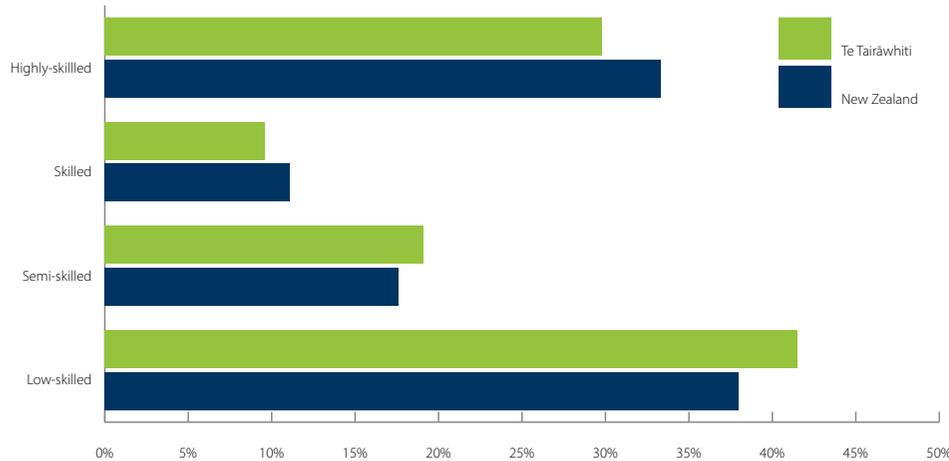
¹⁰⁷ Ministry of Business, Innovation & Employment. 2021. The emissions exposure of workers, firms and regions. www.mbie.govt.nz/dmsdocument/13781-the-emissions-exposure-of-workers-firms-and-regions Ministry of Business, Innovation & Employment. 2022. The Impacts of Economic Transitions on Firms, Workers,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



Skill levels and youth opportunities

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

Workforce skills



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

The NEET (not in employment, education, or training) rate for those aged 15 to 24

in Te Tairāwhiti is 13.2%, which is a little higher than the national average of 11.7% (for the year ending Sept 2022). Meanwhile, unemployment at 3.9% is also a little above the national average of 3.4%.¹¹⁰

Business growth

There were 5,463 businesses in Te Tairāwhiti in September 2022, with an annual increase of 3.5%, compared to an increase of 4.8% nationally. Over the 10 years to 2022, the average annual rate of growth of new businesses in Te Tairāwhiti has been 0.8%, compared to 1.9% nationally. The biggest contributors to the growth of new businesses in the 10 years to September 2022 were Rental, Hiring and Real Estate (150), Construction (140) and Professional Scientific and Technical Services (108).¹¹¹

The biggest contributors to the growth of new businesses were Rental, Hiring and Real Estate, Construction and Professional Scientific and Technical Services.

60% of the workforce are employed in low or semi-skilled jobs.

The average annual earnings per filled job of \$60,355 is considerably (13%) lower than the national average of \$69,585.

¹⁰⁸ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

¹⁰⁹ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

¹¹⁰ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

¹¹¹ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.



ECONOMIC DEVELOPMENT

A Māori perspective¹¹²

Māori make up more than 50% of Te Tairāwhiti's population (27,330 people out of the total of 50,700 in 2020).¹¹³ The region has a significant number of Māori businesses, ranging from Māori authorities, large Māori-owned businesses, small and medium enterprises, and Māori-in-business (self-employed). In 2019, Māori enterprises, with a GST turnover of greater than \$30,000, employed around 700 people (a decline from a high point of around 810 employees in 2016).¹¹⁴

28% of Te Tairāwhiti is Māori land. A 2011 Te Puni Kōkiri report¹¹⁵ identified a wide range of owner aspirations for their land, including the importance of retaining the land, utilising it within the context of Māori cultural values (such as kaitiakitanga and manaakitanga), and achieving a balance between managing the land as a viable business, while also maintaining cultural connection. Other aspirations include maximising financial return for current and future generations and achieving the best economic potential.

A number of barriers to achieving these aspirations were also identified, including lack of capital. Funding is being provided to address some of these barriers. For example, Te Rimu Trust in Te Araroa have been funded by the Te Puni Kōkiri Te Ringa Hāpai Whenua Fund to install a 500kW solar farm. Stage 1 of the plans will generate more than 805 Megawatt hours to power a proposed Marine Access Facility and the recently developed Aerodrome. Stage 2 of the Solar Farm is planned for the future expansion of Te Araroa across the 4-hectare site. The Trust's Chair Richard Clarke has commented that "this solar farm is going to open up a huge part of our whenua for development, including a planned papakāinga project".¹¹⁶

The Tairāwhiti Māori Economic Development Report provides insights and options to support and enhance te ao Māori economy within Te Tairāwhiti. The report identifies four focus areas:

- A focus on people, including for example, rebuilding rural communities, building entrepreneurial capability and capacity, building new work

opportunities, providing digital and information technology connectivity, and supporting iwi to provide and support cultural connectedness. Areas such as education and training fall within this focus area.

- A focus on enhancing big project economic opportunities related to traditional primary industries, as well as newer industries and added value initiatives. New approaches, a focus on incentivising development in rural communities, and encouraging new ways of thinking about economic development were also identified as important.
- A focus on building entrepreneurial capacity and capability in small communities, through for example, start-up funding for small businesses.
- A focus on a deliberate and coordinated approach to empowering Māori economic development, including the formation of a specialist entity fully resourced to provide all forms of enterprise assistance to Māori.

The report concludes by stating "*the need for a policy re-alignment in respect of creating a more conducive economic development context that enhances social and economic returns from iwi, rural and small-town communities*".

28% of Tairāwhiti is Māori land.

While the Treaty settlements have increased the economic strength of iwi, the Tairāwhiti Māori Economic Development Report provides a caution against viewing settlement funding as a supplement to (or even replacing) public spend.

¹¹² This sub-section draws heavily on information from Kimihia He Oranga. Tairāwhiti Māori Economic Development Report. 2017.

¹¹³ Trust Tairāwhiti. 2021. Tini nga hua maha nga huarahi Creating Pathways: Workforce Development Plan. p18.

¹¹⁴ Stats NZ. New Zealand business demography statistics: At February 2019. www.stats.govt.nz/information-releases/new-zealand-business-demography-statistics-at-february-2019

¹¹⁵ Te Puni Kōkiri. 2011. Owner Aspirations Regarding Utilisation of Māori Land.

¹¹⁶ Te Puni Kōkiri. 8 November 2022. Harnessing the Tairāwhiti sun for solar farm. www.tpk.govt.nz/en/mo-te-puni-kokiri/our-stories-and-media/harnessing-the-tairawhiti-sun-for-solar-farm



The following iwi have reached Treaty settlements in Te Tairāwhiti, and one claim is still under negotiation.¹¹⁷

CLAIMANT	NEGOTIATION STATUS
Ngāti Porou	Legislation for this settlement was passed on 29 March 2012.
Ngāi Tamanuhiri	Legislation for this settlement was passed on 31 July 2012.
Rongowhakaata	Legislation for this settlement was passed on 31 July 2012.
Iwi and hapū of Te Rohe o Te Wairoa	Legislation for this settlement was passed on 6 September 2018. While the substantive portion of the iwi and hapū of Te Wairoa's settlement rests within the Hawke's Bay region, they also have statutory acknowledgments and financial redress from the Crown within Te Tairāwhiti.
Te Aitanga a Mahaki, Te Whānau a Kai and Ngā Ariki Kaiputahi	While included in the collective Tūranga Iwi settlement package agreed to in principle in 2008, Māhaki, Whānau a Kai and Ngā Ariki have yet to complete negotiations with the Crown. It is likely their joint settlement negotiations will proceed at pace over the coming 1-3 years. These will all form part of one piece of settlement legislation with specific and individual redresses to each.

While the Treaty settlements have increased the economic strength of iwi, the Tairāwhiti Māori Economic Development Report provides a caution against viewing settlement funding as a supplement to (or even replacing) public spend.

He Huarahi Hei Whai Oranga: Tairāwhiti Economic Action Plan (TEAP)

The Tairāwhiti Economic Action Plan, adopted in 2017 and refreshed in 2019 sets out priorities for a five-year period.¹¹⁸ The intention is now to re-set the strategy post-COVID-19 and Cyclone Gabrielle with a recovery lens.¹¹⁹

There are nine priority action areas and a list of actions where Council is identified as the lead agency (noting that there are other actions in the TEAP where Council is identified as a supporting agency).

- Realising the value of our forestry assets
- Driving sustainable value-added horticultural production
- Unlocking the potential of whenua Māori
- Growing our tourism sector
- Improving our transport connections
- Maximising tech opportunities
- Growing our people
- Becoming a business enabled region
- Future-proofing our prosperity



¹¹⁷ The Office for Māori Crown Relations – Te Arawhiti. 2022. Treaty Settlements Year-to-Date Progress Report: 1 July – 31 December 2022. www.govt.nz/assets/Documents/OTS/Quarterly-reports/Quarterly-report-to-31-Dec-2022.pdf

¹¹⁸ This Plan synthesises the 2017 Tairāwhiti Economic Action Plan and the Tairāwhiti Māori Economic Development Report into one document.

¹¹⁹ Gisborne Herald. 17 January 2023.



SPECIFIC INDUSTRIES

Existing and emerging contributors to Te Tairāwhiti's economy include the following:

- **Forestry** - around 7.4% of the region's GDP comes from Forestry and Logging, compared to 0.6% nationally. Forestry and Logging in Te Tairāwhiti accounts for 11.6% of the industry in New Zealand and previous studies indicate that 14% of New Zealand's log exports come from Te Tairāwhiti. A recent study reported a number of historical impediments to the development of the forestry industry in the region. However, forest harvests have significantly increased since 2007.¹²⁰ Most produce

is exported as raw logs, which have low margins. Very little value-added processing occurs locally, 80 although actions prioritised under the Tairāwhiti Economic Action Plan seek to address this. But forestry also comes at a cost, as considered in the ministerial inquiry into the issue of forestry slash undertaken post-Cyclone Gabrielle. Previously, the Council has succeeded in prosecuting forestry companies for breaches of the RMA in their work practices, extracting more than \$1.3m in fines and reparation from five foresters following slash damage after storms in June 2018.¹²¹

- **Horticulture** - this sector generates \$65m in GDP annually and employs over 1,366 people. Irrigation is a major constraint to current production, as well as future growth. Actions under the Tairāwhiti Economic Action Plan seek to address the issue of water sustainability and resilience.
- **Tourism** - tourism had steadily grown over the 10 years to 2020, reaching around 5% of total economic activity. It was an emerging industry, with a range of untapped and under-developed opportunities, including authentic cultural tourism. Post-COVID-19, the opportunity for growth has re-emerged.

There are a number of actions identified in the Tairāwhiti Economic Action Plan, which are aimed at growing the tourism sector. The promotion of a regulatory environment that provides for and encourages tourism can bring positive economic outcomes and benefits. In particular, enabling the hosting of events through supportive provisions within the Tairāwhiti Resource Management Plan would provide an incentive for event organisers to host events within the region. Such provisions could also be supported by a positive regulatory (licensing) and event permit process.



¹²⁰ Agfirst. 2017. Analysis of Drivers and Barriers to Land Use Change. p21

¹²¹ New Zealand Herald. 9 March 2023. Cyclone Gabrielle: Prosecutors widen investigations into forestry slash. www.nzherald.co.nz/nz/cyclone-gabrielle-prosecutors-widen-investigations-into-forestry-slash/XOCDAX3BERCSTKXGWROXYROITU/



INVESTMENT

Provincial Growth Fund

In 2018, Government committed to investing \$3b over three years in regional economic development, through its Provincial Growth Fund (PGF). The PGF aims to lift productivity in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.¹²²

The PGF was reset in 2020 to assist with the New Zealand's post-COVID-19 recovery by creating jobs in shorter timeframes through at least \$600m being refocused on projects with more immediate economic benefits.

BERL assessed the contribution the Provincial Growth Fund (PGF) has made, and will continue to make, to the economy of Te Tairāwhiti. The introduction of the PGF provided a strong, much needed boost to employment and growth in some of the traditional sectors, such as forestry and farming. However, equally

importantly, the funding also encouraged the establishment, and growth, of organisations in non-traditional industries such as medical research and engineering technologies. The funding allowed various businesses and organisations in the region to collectively boost innovation, employment, economic opportunities, and the resilience of the region.¹²³

BERL's modelling showed that, allowing for multiplier effects, the increase will be just over 1,500 Full Time Equivalent (FTE) jobs (6.6 percent of all FTEs in the region, as of February 2021), and the increase in GDP will be \$176m (7.6 percent of Gisborne's GDP, as of March 2020). This is a significant outcome for a region like Te Tairāwhiti, which has historically experienced slow growth and limited opportunities. It also highlights how PGF investment in a large variety of sectors and industries has enabled the whole region to pull itself out of the low-growth and low-investment cycle.¹²⁴

¹²² Grow Regions. The Provincial Growth Fund. www.growregions.govt.nz/about-us/the-provincial-growth-fund/

¹²³ BERL. 2022. The Impact of the Provincial Growth Fund on the Gisborne Economy. pi. www.gdc.govt.nz/data/assets/pdf_file/0028/39943/BERL-Report.pdf

¹²⁴ BERL. 2022. The Impact of the Provincial Growth Fund on the Gisborne Economy. pii. www.gdc.govt.nz/data/assets/pdf_file/0028/39943/BERL-Report.pdf

KEY IMPLICATIONS FOR COUNCIL

Cyclone Gabrielle: the economic impact of Cyclone Gabrielle is being felt widely across Te Tairāwhiti's economy and the effect will likely last for many years. The impacts include reduced income, additional cost associated with rebuilding public and private infrastructure destroyed by the cyclone and changed investment priorities to address resilience to climate change.

Economic uncertainty post-COVID-19: rising prices, higher interest rates and an economy moving quickly from rapid expansion to recession can all be expected to lead to a moderating influence on households' and firms' spending and investment decisions in the short to medium term. This may have a negative effect on Council finances, through reduced revenue from user charges and potentially business rates, while debt servicing has become more expensive.

Supporting industry: being heavily reliant on primary industry means that Te Tairāwhiti's economy is sensitive to external factors such as flooding and droughts, the availability of the roading network, and the availability of water resource.

- Ongoing investment in core infrastructure (such as transport, water, and wastewater) will continue to have significant financial implications for Council.
- Alternative transport options, such as a rail connection to the Hawke's Bay, could provide support to industry, recognising the need for a mode change from road to rail to handle the growth in containerised produce, meat, and processed timber. Given ongoing weather events, this is an area that could warrant further investigation.
- Labour availability remains a significant challenge to Te Tairāwhiti's economy, which was already facing labour shortages, although the recent immigration changes and dramatic increase in new arrivals may change this situation. Stats NZ notes that arrivals for the year to February 2023 are much higher than the long term average of 118,884. Similar comments can be made about the net gain of 52,000 to February 2023.¹²⁵ It will be important to investigate ways to continue to attract additional working age residents as well as making better use of available labour, to help offset any risk to labour supply associated with an ageing population.¹²⁶
- There may also be opportunities to consider how the infrastructure rebuild might be used to help attract more mobile workers who can work remotely, such as through better and/or more reliable internet access. This could assist in attracting service activities that will add materially to the region's prosperity whilst supporting diversification from the primary sector. The recent strong growth in employment in the Professional, Scientific and Technical Services indicates potential here.¹²⁷
- It will be beneficial to consider the opportunities for realising greater value from industries with the largest comparative advantage (forestry and logging, horticulture and fruit growing and sheep, beef cattle, and grain farming) through for example, more processing activity being undertaken within the region, as well as exploring options to attract high-wealth-generating businesses.
- Planning provisions and permitting options can be explored to incentivise and support economic

development in targeted locations, as well as for key industries (such as the growing tourism sector).

- The Tairāwhiti Economic Action Plan allocates several actions to Council to support industry and the regional economy. Some of these may already be budgeted and funded, while some are proposed initiatives. The financial and resourcing implications of these will need to be considered, particularly considering the demands of funding recovery.

Developing the workforce: the region has a high rate of youth not in employment, education, or training. Ongoing investment will be needed in programmes that support the younger population into training and jobs. Other initiatives could focus on ways to incentivise growth in the working-age population. The Council could draw on Te Tairāwhiti's distinct cultural and recreational advantages as a way of retaining its current workforce and attracting new skilled workers to the area.

¹²⁵ Paul Spoonley. 21 April 2023. The Spinoff. thespinoff.co.nz/society/21-04-2023/immigrants-are-back-and-so-are-the-challenges-of-population-growth

¹²⁶ Gisborne District Council. 2019. Tairāwhiti 2050: Background Information.

¹²⁷ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

Ngā take taiao

Environmental factors

CYCLONE GABRIELLE¹²⁸

Cyclone Gabrielle caused widespread severe flooding, river channel changes, landslides and landslide dams, and the mobilisation of large woody debris. Quantifying the impacts and finding solutions to the issues that arise is a complex task that will take several years.

Early focus is on getting the data needed to inform the recovery process and establishing priorities. This includes understanding future risks from flooding and riverbank erosion, the risk to the water supply, and the risk to communities from landslide dam breach. The cumulative effects of nine weather events in 18 months since June 2021 also needs to be understood, particularly when considering managed retreat options.

The built environment has suffered significant damage, particularly the local road network with over 3,000 sites and 180 roads affected. The cyclone caused major damage to Gisborne's primary water supply and while the pipeline has been repaired, the network remains incredibly vulnerable. The flood protection network has also been severely damaged.

Asset management has been assessed as a significant risk based on the impact of not only the cyclone, but also previous flooding to the road network, stopbanks and water infrastructure. Reduced capacity to maintain existing levels of service is an emerging risk.¹²⁹

¹²⁸ Office of Recovery Tairāwhiti. 24 May 2023. Our road to recovery – Tairāwhiti.

¹²⁹ Gisborne District Council. 17 May 2023. 23-70 Council's Strategic Risk Management Repoer. www.gdc.govt.nz/_data/assets/pdf_file/0019/52048/Agenda-Audit-and-Risk-17-May-2023.pdf



Immediate funding of \$5.16m has been requested from the Government for the natural environment and \$534m for the built environment. Resilience funding has also been requested for \$66.2m for the natural environment and \$547m for the built environment.

The Severe Weather Emergency Legislation Act passed into law on 20 March 2023. It made changes to several existing laws including three main changes to the Resource Management Act.¹³⁰

- For owners or occupiers of rural land in the severe weather-affected areas, the Act allows emergency or remedial actions to be carried out without a resource consent.
- For infrastructure providers and those carrying out public works, the RMA changes provide more time to notify councils and apply for retrospective consents for emergency work.
- The Act makes changes to notice requirements for councils who are

exercising emergency powers under the RMA to enter properties and prevent serious harm from occurring.

The Severe Weather Emergency Recovery Legislation Act allows several laws to be changed to help communities continue their recovery from recent severe weather events through the development of Orders in Council. Areas where these are likely to assist include:

- removing barriers that might prevent temporary housing

- assisting waste management
- fast tracking the repair and restoration of significant infrastructure like roads, powerlines and pipes, and streamline planning requirements while ensuring infrastructure is 'built back better' where possible
- enabling urban landowners and occupiers to carry out certain emergency works to help them recover and rebuild
- altering some existing resource management planning requirements.



¹³⁰ Ministry for the Environment. 13 April 2023. Recovering from recent weather events. [environment.govt.nz/what-government-is-doing/areas-of-work/recovering-from-recent-severe-weather-events/#changes](https://www.environment.govt.nz/what-government-is-doing/areas-of-work/recovering-from-recent-severe-weather-events/#changes)



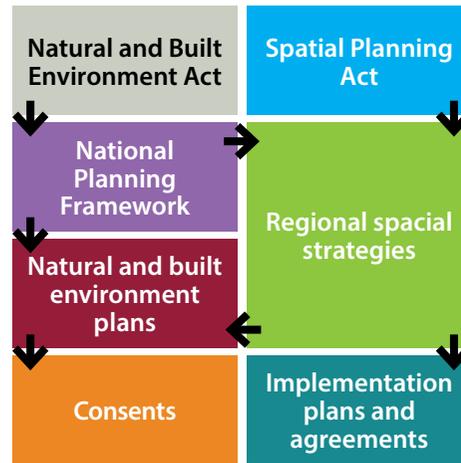
ENVIRONMENTAL POLICY AND REGULATION

Resource management reform

The resource management system is currently being reformed with the key components of the future system set out below.

- The National Planning Framework (NPF) will provide national policy direction on matters of national significance, environmental limits, and targets, as well as direction on conflict resolution.
- The SPA will provide for longer term, spatially based regional planning. It will introduce new requirements for a regional spatial strategy (RSS) and an implementation plan to integrate environment, land use, infrastructure, the coastal marine area, and other planning.
- The NBA will be the primary legislation to replace the Resource Management Act 1991 (RMA). It will focus on protecting and restoring the environment, and on enabling land use that provides for growth and change while meeting environmental outcomes.¹³¹

Under the proposed resource management reform, Te Tairāwhiti will need to form a regional planning committee, with Council and Māori membership (and a central



government member for the regional spatial strategy). This committee will need to develop a regional spatial strategy (as required by the SPA) and then a resource management plan (as required by the NBA). It is not yet known when the process to establish an RPC will commence.

The reforms bring a new approach to resource management planning, with a move from effects-based planning to an outcomes-based approach. The NBA *“draws on te Oranga o te Taiao, a te ao Māori concept that speaks to the health of the natural environment, the essential*

*relationship between the health of the natural environment and its capacity to sustain life, and the interconnectedness of all parts of the environment”.*¹³²

A staged approach is anticipated for transition to the new system. Existing RMA plans will continue to apply until a new NBA plan is adopted.

The NBA “draws on te Oranga o te Taiao, a te ao Māori concept that speaks to the health of the natural environment, the essential relationship between the health of the natural environment and its capacity to sustain life, and the interconnectedness of all parts of the environment”.

Tairāwhiti Resource Management Plan¹³³

The Tairāwhiti Resource Management Plan (TRMP) covers all Council’s resource management plans, including the regional policy statement, regional coastal plan, regional plan, and district plan. It is currently under review (as required by the Resource Management Act), with the first phase of work focusing on:

- The development of a new Regional Policy Statement to provide the overarching direction and set the scene for the rest of the TRMP.
- Continued implementation of regional freshwater planning provisions and catchment plans required under the National Policy Statement for Freshwater Management 2020.
- Implementation of the National Policy Statement on Urban Development 2020 to support urban growth and development planning, including housing outcomes.

Public notification of the proposed Regional Policy Statement, proposed urban chapters, and proposed plan change for the Regional Freshwater Plan is planned for 2023-24.

¹³¹ Ministry for the Environment. 2022 Our Future Resource Management System: Overview. environment.govt.nz/assets/publications/RM-reform/Our-future-resource-management-system-overview.pdf

¹³² Ministry for the Environment. 2022. p15.

¹³³ Gisborne District Council. Review of the Tairāwhiti Resource Management Plan. www.gdc.govt.nz/council/review-of-tairawhiti-resource-management-plan



Phase 2 will start in early 2024 and include the coastal plan, the remainder of the regional plan provisions and the remaining parts of the district plan, with public notification in 2028.

The implications of the transition to the new resource management system will need to be considered as this work continues.

National Policy Statement for Urban Development and Future Development Strategy

The Council is preparing a 30-year Future Development Strategy (FDS) under the National Policy Statement - Urban Development (NPS-UD) which is intended to:

“set the high-level vision for accommodating urban growth over the long term, and identifies strategic priorities to inform other development-related decisions, such as:

- district plan zoning and related plan changes

- priority outcomes in long term plans and infrastructure strategies, including decisions on funding and financing
- priorities and decisions in regional land transport plans under Part 2 of the Land Transport Management Act 2003.”¹³⁴

The FDS is one tool to respond to Te Tairāwhiti’s housing crisis. It is projected that Te Tairāwhiti will need nearly 30% (5,300) new houses over the next 30 years.¹³⁵ The FDS sets out the broad locations for where new housing via intensification will be located in and around Gisborne. In addition, it identifies new and/or upgraded infrastructure that is required to support and service this new housing. As part of the FDS, the areas that have been identified as being appropriate for supporting some level of housing intensification will have infrastructure implications.¹³⁶

The FDS is due to be notified for public consultation in late 2023. It is planned to be reviewed every three years and replaced every six years.¹³⁷

Other national policy statements

The National Policy Statement – Highly Productive Land 2022 (NSP-HPL) came into effect on 17 October 2022. It aims to identify and protect highly productive land for primary production, both now and for future generations. The Council has categorised highly productive land, although more detailed mapping and identification will be undertaken for the Regional Policy Statement. The national policy statement is being considered for resource consent applications relating to highly productive land.¹³⁸

National Policy Statement – Freshwater Management 2020 (NPS-FM) requires freshwater to be managed in a way that ‘gives effect’ to Te Mana o te Wai. This ***“is a concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and wellbeing of the wider environment. It protects the mauri of the wai. Te Mana o te Wai is about restoring and preserving the balance between***

the water, the wider environment, and the community.”¹³⁹ Local authorities are also required to give effect to National Environmental Standards for Freshwater, stock exclusion regulations, and water measurement and reporting regulations.¹⁴⁰

The Proposed National Policy Statement – Indigenous Biodiversity (NPS-IB) has an objective to “protect, maintain and restore indigenous biodiversity in a way that recognises tangata whenua as kaitiaki, and people and communities as stewards, of indigenous biodiversity and provides for the social, economic and cultural wellbeing of people and communities, now and into the future”.¹⁴¹ It covers all land (public, private and Māori owned) and will require all councils (working with iwi and landowners) to identify, map and manage the protection of all significant natural areas (SNAs). SNAs would be identified by councils and ecologists working with landowners, using standard significance criteria outlined in the NPS-IB and which are already widely used by councils.

¹³⁴ Ministry for the Environment. Fact Sheet: Future Development Strategies. environment.govt.nz/assets/publications/Files/FDS-Fact-sheet-updated.pdf

¹³⁵ Gisborne District Council. 23 June 2022. Workshop: Property Strategy – 22-139 Direction for Property Development.

¹³⁶ Gisborne District Council. Future Development Strategy. www.gdc.govt.nz/council/review-of-tairawhiti-resource-management-plan/future-development-strategy

¹³⁷ Ministry for the Environment. 2020. National Policy Statement on Urban Development. Clause 3.7.

¹³⁸ Gisborne District Council. National Policy Statement for Highly Productive Land. www.gdc.govt.nz/council/tairawhiti-plan/national-policy-statement-for-highly-productive-land

¹³⁹ National Policy Statement for Freshwater Management 2020. p5. environment.govt.nz/assets/publications/National-Policy-Statement-for-Freshwater-Management-2020.pdf

¹⁴⁰ Ministry for the Environment. National Policy Statement for Freshwater Management. environment.govt.nz/acts-and-regulations/national-policy-statements/national-policy-statement-freshwater-management/#requirements-of-the-freshwater-nps

¹⁴¹ Ministry for the Environment. National Policy Statement for Indigenous Biodiversity: Exposure Draft Summary. environment.govt.nz/assets/publications/npsib-exposure-draft-summary.pdf



TE TAIRĀWHITI'S NATURAL ENVIRONMENT

Natural hazards

Te Tairāwhiti is subject to a number of identified hazards, including tsunami, coastal erosion, soil stability, susceptibility to liquefaction and flooding.

A natural hazard research review undertaken in July 2022 identified the following natural hazards as higher priority matters for further investigation.¹⁴²

- Earthquake (liquefaction) – Since the Canterbury earthquake, significant advances have been made in the field of liquefaction science. Most town centres have been mapped. There is a need to undertake high level mapping across areas of the region not currently covered.
- Landslides - The historic impacts of landslides on the built and natural environment in Te Tairāwhiti is well documented and the hazard is a significant issue for the region. Existing information is limited in extent. Some mapping is available in Gisborne City but only commentary is available in other areas.

- Flooding - Existing information generally relates to only Gisborne/Poverty Bay Flats. The Council has been upgrading the existing stopbanks of the Waipaoa Flood Protection Scheme. This major infrastructure project is designed to protect communities, Gisborne City, and more than 10,000 hectares of fertile land on the Poverty Bay Flats from a 100-year flood event. This \$32-35m upgrade is expected to be completed by 2031.¹⁴³

A three-day workshop held in September 2022, focused on the risk impact for a magnitude 9 Hikurangi trench earthquake and tsunami hitting Tūrangānui-a-Kiwa and the coastal zones in Te Tairāwhiti. A detailed regional plan is being prepared for a catastrophic event based on a Hikurangi M9 earthquake and tsunami, with a major focus being on preparedness.

¹⁴² Tonkin & Taylor. July 2022. Natural Hazard Research Review – Summary Report.

¹⁴³ Gisborne District Council. Waipaoa Flood Protection Scheme Upgrade. Retrieved on 8 April 2020 from www.gdc.govt.nz/the-waipaoa-river-flood-control-scheme/



Climate change

Te Tairāwhiti's climate is changing. By 2040 it is expected to be:¹⁴⁴

- Between 0.5 to 1oC warmer (average mean temperature), rising to up to 3oC by 2090 for some parts of the region.
- Slightly dryer, with annual rainfall expected to decrease by between 0 - 5%
- Droughts are likely to increase in intensity and duration.
- Extreme, rare rainfall events will become more severe in the future. Short duration rainfall events have the largest relative increases compared with longer duration rainfall events.
- Ex-tropical cyclones will get stronger and cause more damage as a result of heavy rain and winds.

Climate change is expected to have the following implications for Te Tairāwhiti.¹⁴⁵

- Increasing temperatures are likely to bring biosecurity threats as a result of changes in pests and diseases in the region. This will impact the primary sector and the natural environment. Human health will also be affected by hot conditions and heatwaves.
- Warmer temperatures, a longer growing season, and fewer frosts could provide opportunities for new crops, and lengthen the tourist season.
- Increased rainfall intensity is likely to

cause erosion and flooding, resulting in damage to infrastructure, the forestry sector, agricultural land productivity, and crops. This is likely to affect regional connectivity.

- Future reductions in rainfall and increases in drought severity may cause fire risk affecting forestry, the natural environment, and the tourism sector. It may affect the available water take for irrigation and urban supply, and also affect freshwater ecosystems.
- While the impacts will vary from location to location along the coast, there will be increased risk to coastal roads and

infrastructure from coastal erosion and inundation. Coastal flooding is also likely to affect primary sector activities, as well as cause habitat loss at the coastal margins where ecosystems are not able to move further inland.

- Increased concentrations of carbon dioxide should increase forest, pasture, crop, and horticulture productivity, if not limited by water availability.

The risk identification stage is complete for the Regional Climate Change Risk Assessment resulting in a long list of climate change risks for the region. Scoping is underway the next phase, which is a detailed assessment of priority risk areas. This will ensure the Council has the right information to support a regional adaptation planning and alignment with recovery.¹⁴⁶ Council is also starting to progress place-based adaptation plans.

Biodiversity

The Council has a four-year Biodiversity Work Plan, which focuses on biodiversity action while a regional biodiversity strategy is being developed. The biodiversity actions contained in this document include plant

and animal pest control, revegetation planting/natural regeneration, and partnerships with other organisations and groups. The Tairāwhiti Biodiversity Work Plan ensures that the current national biodiversity targets are translated into local action.¹⁴⁷

Freshwater

Council plays a central role in improving freshwater in Te Tairāwhiti. It is working with community groups, agencies, and iwi and hapū on a number of freshwater projects including:¹⁴⁸

- **Freshwater Improvement Fund**
A programme of work encompassing 32 sub-projects that include riparian planting, wetland restoration, the removal of fish passage barriers, enhancing fish spawning, and reducing erosion in Gisborne's urban and peri-urban waterways.
- **Freshwater Farm Plan – Regional Pilot**
Te Tairāwhiti has been selected as one of three regions to test the freshwater farm planning process with a small selection of farms from each of these regions. The pilot will be undertaken during September through to November.

¹⁴⁴ NIWA. November 2020. Climate Change Projections and Impacts for Tairāwhiti and Hawke's Bay. Ministry for the Environment. Climate change projections for the Gisborne and Hawke's Bay region. www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/gisborne

¹⁴⁵ NIWA. November 2020.

¹⁴⁶ Gisborne District Council. Chief Executive Activity Report June 2023.

¹⁴⁷ Gisborne District Council. 2022. Tairāwhiti Regional Biodiversity Work Plan 2022-2026.

¹⁴⁸ Gisborne District Council. 8 September 2022. Report to Sustainable Tairāwhiti Committee for Information.



- **Integrated Catchment Management Plan (ICMP)**

Council's utilities team is developing an ICMP as a requirement under the Tairāwhiti Resource Management Plan (TRMP). The ICMP will be developed alongside the freshwater planning workstream and will be completed by July 2025.

- **Lower Waimatā Restoration Plan**

The Waimatā Catchment Group and Council have engaged consultancy Isthmus to develop a Catchment Restoration Plan for the lower Waimatā river.

- **Taruheru River Restoration Project**

This project is included as a non-regulatory project in the Waipaoa Catchment Plan. Staff have been recently working with mana whenua to collect more information about the river and are working towards the development of an implementation plan.

Council has infrastructure assets of \$2,537m.

Roading assets are around 80% of the total asset value.

TE TAIRĀWHITI'S BUILT ENVIRONMENT

Infrastructure generally

Council has infrastructure assets of \$2,537m (replacement cost).¹⁴⁹ This includes the roading network, community facilities, and four waters infrastructure (water, wastewater, stormwater, and land drainage and flood control). Roding assets are around 80% of the total asset value, of which over half is the value of land.

Council is moving from an age-based renewal strategy to one based on condition and risk (asset criticality and probability of failure).¹⁵⁰ Asset management and the capacity to maintain levels of service have been assessed as a serious risk to Council.

Four waters

Te Tairāwhiti is predicted to get increasingly hotter and drier because of climate change. While extreme weather events (such as ex-tropical cyclones) are likely to become more intense, the region is predicted to increasingly experience more days in drought as this century progresses. This will place increasing pressure on water, a resource that is already showing signs of strain in some areas, with shortages to drinking water, irrigation, and businesses during times of drought. Across the Tūranga (Poverty Bay) flats, most water resources are over or fully allocated with little capacity for additional irrigation available. Demand for water for crop irrigation on the Poverty Bay Flats remains strong and is expected to increase.¹⁵¹

The existing authorisation to take water from Te Arai River for the municipal water supply expires in 2026. This authorisation was granted prior to the Resource Management Act. A new consent for the Te Arai water take is likely to be subject to more stringent regulatory measures, such as a minimum sustainable flow. Currently Te Arai is a 100% take. Managing the impact of these requirements on Council's ability to operate the water supply service requires careful planning.¹⁵²

Projects are underway within the region to manage the ongoing security of water supply. One major project is the managed aquifer recharge trial which aims to inject water from the Waipaoa River into the Makauri aquifer for use on 3000 hectares

of irrigated horticultural farmland. A successful pilot has proven its feasibility and work is underway to proceed with Stage 2, which will fully investigate all potential risks. This is proposed to run over two and a half years and inject up to 360,000m³ per year, depending on river flows. Once the trial is completed, Council's role will be a regulatory one.

Council is competing for water. While Council is implementing water use reduction strategies ultimately additional storage (dams), or an alternative water source will be required. If storage is an option, consideration will be given to sharing for irrigation as well as drinking water. An alternative water source from the Waimata River may be viable.

¹⁴⁹ Gisborne District Council. 2021. 2021-2031 Long Term Plan. www.gdc.govt.nz/_data/assets/pdf_file/0019/25354/Long-Term-Plan-Volume-2.pdf

¹⁵⁰ Gisborne District Council. 2021. Long Term Plan.

¹⁵¹ Gisborne District Council. 2021. Long Term Plan.

¹⁵² Gisborne District Council. 2021. Long Term Plan



Roads

Council is responsible for 1,893km of the region's roading network, of which 13% is urban and 87% is rural, with 46% sealed and 54% unsealed.¹⁵³ The region is relatively isolated from the rest of the North Island and relies heavily on two state highway corridors to connect within the region, as well as to neighbouring regions and the rest of the country. SH2 provides the only viable road connection to the south, while SH2 and SH35 connect Gisborne to the Bay of Plenty. The state highways also provide important connections for rural and urban communities.

The 2021-2031 Regional Land Transport Plan identifies the three priority areas for investment.¹⁵⁴

- **Safety** - Investment in safety infrastructure interventions for high-risk areas, speed management and safety

promotion programmes targeted at reducing deaths and serious injuries.

- **Reliability and resilience** - Target investment in projects that enable growth and improve travel time reliability and resilience.
- **Access** - Planning and investment in programmes and infrastructure targeted at providing and promoting transport choice.

Council is responsible for 1,893km of the region's roading network, of which 13% is urban and 87% is rural, with 46% sealed and 54% unsealed.

Coastal roads will also become more vulnerable as rising sea level drives shoreline retreats and increases the risk of coastal flooding. More land erosion and slips are expected due to changing rainfall patterns. This is likely to have greater impacts on rural roads with poor geology. Hotter temperatures (25°C and over) are likely to make roads 'melt' more often and increase maintenance costs. This occurs when the bitumen below the chipseal melts and rises to the road surface.¹⁵⁵

Alternatives to the road network

Te Tairāwhiti has a limited number of public transport services, targeting accessibility rather than journeys to work.¹⁵⁶

Other transport options, particularly to support the movement of freight, include the reinstatement of the rail connection between Gisborne and Hawke's Bay.

BERL has undertaken a feasibility study (funded by the PGF),¹⁵⁷ which found that reinstatement of the rail line is feasible from an engineering perspective, there is a prima facie case of sufficient demand for rail freight services, and there are numerous environmental, social, and cultural wellbeing advantages for reinstatement option. Reinstatement of the Gisborne to Wairoa rail line was not included in the New Zealand Rail Plan 2021-24. However, the Council will continue to advocate for the project's inclusion in later years.¹⁵⁸

A coastal shipping route put in place between Napier and Gisborne due to road closures caused by Cyclone Gabrielle ran 13 trips in its first month of operation. The government provided a \$2.75m subsidy for the freight ship *Rangitata* to run for three months.¹⁵⁹

¹⁵³ Gisborne District Council. 2021. Regional Land Transport Strategy 2021-2031. www.gdc.govt.nz/_data/assets/pdf_file/0019/25831/05ea94fb0b1a850fa39c026ebf1ac190208ca2cf.pdf

¹⁵⁴ Gisborne District Council. 2021. Regional Land Transport Strategy.

¹⁵⁵ Gisborne District Council. 2021. Long Term Plan.

¹⁵⁶ Gisborne District Council. 2021. Regional Land Transport Strategy.

¹⁵⁷ BERL. (2019). Tūranga ki Wairoa Rail: Feasibility Study into Reinstatement of Rail Line. Whiringa-ā-rangi 2019. www.berl.co.nz/sites/default/files/2019-12/T%C5%ABranga%20ki%20Wairoa%20Rail%20-%20Feasibility%20Study%20Into%20Reinstatement%20of%20Rail%20Line.pdf

¹⁵⁸ Gisborne District Council. 2021. Regional Land Transport Plan.

¹⁵⁹ Radio New Zealand. 4 May 2023. Coastal shipping route between Napier and Gisborne 'a success'. www.rnz.co.nz/news/business/489281/coastal-shipping-route-between-napier-and-gisborne-a-success



KEY IMPLICATIONS FOR COUNCIL

Infrastructure recovery and resilience: Te Tairāwhiti is facing a major infrastructure recovery effort over several years. It is not yet known how much of this the Council will be required to fund. This recovery must be managed alongside resilience, asset renewal and growth requirements. This will require careful prioritisation. It may also be necessary to revisit the net debt-to-revenue limit of 130% set in the 2021-2031 Long Term Plan.

Climate change: the environmental and infrastructure implications of climate change remain a significant issue for the Council, particularly given the region's vulnerability to natural hazards and sea level rise. Ongoing regional planning will be required.

Environmental reform: central government is undertaking a significant programme of environmental reform. These reforms will require significant ongoing funding and resourcing from the Council through the development of a regional spatial strategy and a regional plan that is compliant with the new legislation, as well as government policy statements and standards. The implications for the TRMP are not yet known.



Ngā take hangarau

Technological factors

CYCLONE GABRIELLE

Cyclone Gabrielle placed the electricity and telecommunications networks under severe stress.

Loss of communications has demonstrated the need for portable wireless mobile networks that can operate in emergency situations.

The Napier to Gisborne core fibre connection sustained five direct breaks and another

four between Gisborne and Ōpōtiki. While immediate repairs have been made, long term upgrades will be needed as other infrastructure is reconstructed. Long term resilience planning is also required.

The recent announcement of the partnership between One NZ and SpaceX to provide 100 percent mobile coverage by the end of 2024 could dramatically increase

resilience during emergency events.¹⁶⁰

While cyclones Hale and Gabrielle tested the electricity network and caused multiple outages, it didn't reduce the resilience of the network. Resilience is likely to improve over coming months as a result of recovery and remedial work scheduled and already undertaken. This includes investment into generators and tankers to be able to keep the

lights on during outages and strengthening of walls around transmission towers to prevent slips. Some future resilience work will include a few more stationary generators (e.g. in Raupunga), non-network solutions for remote areas (e.g. solar powered sites with battery and generator near Tairāwhiti and Hokoroa) and reconfiguration of the network in some places.

ENERGY

The bulk of the electricity consumed in Te Tairāwhiti is generated outside of the region and supplied via transmission lines which are operated by Transpower from Wairoa. While there are smaller diesel generation plants in Te Araroa, Ruatōria and Tokomaru Bay, these are not of sufficient capacity to supply those towns as a whole. This puts a high level of dependency for

the region on the high-voltage power supply network.¹⁶¹

Firstlight Network (formerly Eastland Network) is the electricity lines company for Te Tairāwhiti and Wairoa, delivering power to nearly 26,000 customers across 12,000km². Eastland Group and its sole shareholder Trust Tairāwhiti sold Eastland

Network to Firstgas for \$260m. The proceeds from the sale will be split with sole shareholder Trust Tairāwhiti, which will receive \$80m. The sale is intended to *“release significant capital for Eastland Group’s strong pipeline of projects, including local and national renewable energy opportunities”*.¹⁶²

Achieving the Government’s 2050 net-zero carbon emissions targets will require industry and consumers to shift to new technologies like electric vehicles. Investment in clean renewable electricity generation will be required and there is likely to be an increased in distributed energy resources like roof-top solar panels and wind turbines.¹⁶³

¹⁶⁰ One NZ. 100% mobile coverage. Launching 2024. one.nz/why-choose-us/spacex/

¹⁶¹ Tairāwhiti Lifelines Group. 2017. Lifeline Utilities Vulnerability Study.

¹⁶² Eastland Group. 22 November 2022. Eastland Group and shareholder Trust Tairāwhiti announce sale of Eastland Network to Firstgas Group, owned by Igneo Infrastructure Partners, for \$260 million. www.eastland.nz/2022/11/22/eastland-group-and-shareholder-trust-tairawhiti-announce-sale-of-eastland-network-to-firstgas-group-owned-by-igneo-infrastructure-partners-for-260-million/

¹⁶³ New Zealand Infrastructure Commission. Rautaki Hanganga o Aotearoa. New Zealand Infrastructure Strategy 2050.



DIGITAL CONNECTIVITY

Ultra-fast broadband has been rolled out to Gisborne, Ruatōria, Tolaga Bay, Manutuke, and Te Karaka providing access for over 15,000 end users and a population of around 37,000.¹⁶⁴

However, digital connectivity remains an issue for rural and remote communities. A number of initiatives have either been completed or are underway to improve digital connectivity in Te Tairāwhiti. In 2022, the Government announced further funding for upgrades to rural connectivity to upgrade existing towers and establish new connections. Te Tairāwhiti is an area targeted for investment.¹⁶⁵

The introduction of Starlink into New Zealand has the ability to revolutionise digital connectivity to all parts of New Zealand. The recently announced partnership with One NZ has the potential to provide digital access to all parts of Te Tairāwhiti.¹⁶⁶

However, affordability remains a significant issue affecting digital accessibility for low-income New Zealanders, which raises equity issues.

The HB Williams Memorial Library provides free internet access.¹⁶⁷ It has teamed up with the Digital Inclusion Alliance Aotearoa to offer Skinny Jump. This is designed for eligible households who don't have a broadband connection. Participants receive a free wifi modem and 35GB of data for \$5 on the pre-pay service with no fixed contract.¹⁶⁸

The Government has also released a 10-year vision for digital connectivity, 'Lifting Connectivity in Aotearoa',¹⁶⁹ with a vision of *"enabling Aotearoa New Zealand's people, communities, economy, and environment to flourish and prosper in the digital era"*. The following objectives are particularly relevant to Te Tairāwhiti:

- By 2032, all people in Aotearoa New Zealand will be able to access networks that provide high-speed broadband and reliable voice connections.
- By 2032, every rural and remote resident and worker in New Zealand will have the ability to access the connectivity they need.



¹⁶⁴ Crown Infrastructure Partners. Ultra-Fast Broadband Programme: Full City/Town List and Schedule – June 2022. www.crowninfrastructure.govt.nz/wp-content/uploads/CIP-UFB-Programme-Schedule-JUNE-2022.pdf

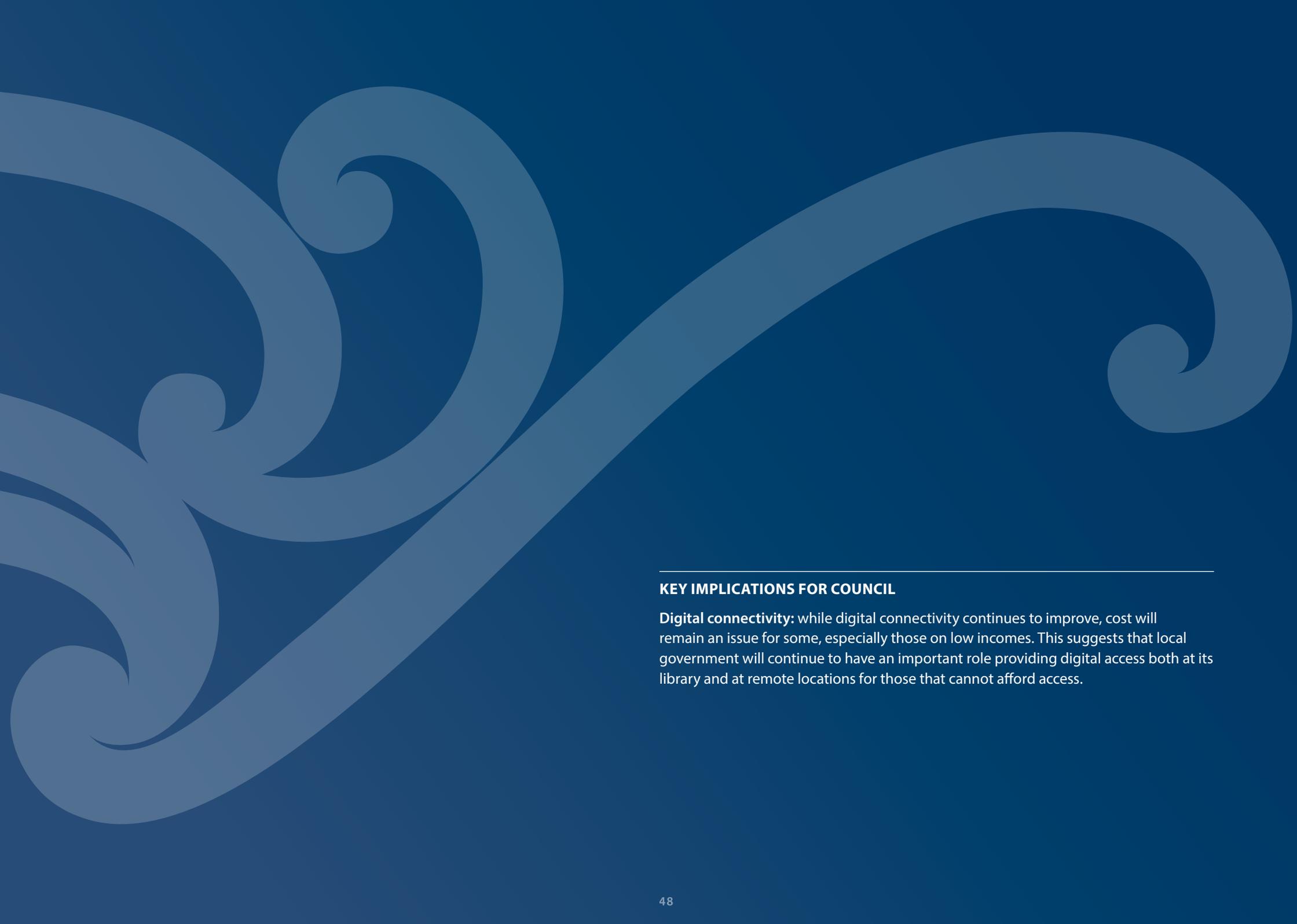
¹⁶⁵ New Zealand Reseller News. 2 December 2022. Twenty-one New Contracts Inked to Expand NZ's Rural Broadband Base. www.reseller.co.nz/article/703780/twenty-one-new-contracts-inked-expand-nz-rural-broadband-base/

¹⁶⁶ One NZ. 100% mobile coverage. Launching 2024.

¹⁶⁷ This is provided through the Aotearoa People's Network Kaharoa (APNK) which offers computer hardware and high-speed internet for New Zealand public libraries so that all New Zealanders can be connected online. natlib.govt.nz/librarians/apnk/about-apnk

¹⁶⁸ HB Williams Memorial Library. Skinny Jump. gpl.govt.nz/services/skinny-jump/

¹⁶⁹ Ministry of Business, Innovation, & Employment. 2022. Lifting Connectivity in Aotearoa New Zealand. www.mbie.govt.nz/assets/lifting-connectivity-in-aotearoa-new-zealand-december-22.pdf



KEY IMPLICATIONS FOR COUNCIL

Digital connectivity: while digital connectivity continues to improve, cost will remain an issue for some, especially those on low incomes. This suggests that local government will continue to have an important role providing digital access both at its library and at remote locations for those that cannot afford access.



Te Kaunihera o Te Tairāwhiti

GISBORNE
DISTRICT COUNCIL

-  PO Box 747
Gisborne 4040 NZ
-  15 Fitzherbert Street Gisborne
Waiaapu Road, Te Puia Springs
-  06 867 2049
0800 653 800
-  service@gdc.govt.nz
-  www.gdc.govt.nz
-  @Gisborne DC
-  GDC Fix app

