



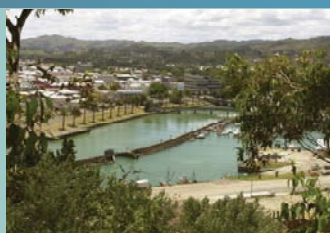
# GISBORNE District Council

## 2008 - 2009 ANNUAL PLAN and AMENDMENTS TO THE 2006-2016 COMMUNITY PLAN



GISBORNE  
DISTRICT COUNCIL

Adopted 26 June 2008



ISSN 1174 9253

# Mission Statement and Contents



## MISSION STATEMENT

To manage and enhance the district's physical, social, cultural and economic wellbeing efficiently, effectively and equitably.

## TE KŪPU TĀTAKI

Kia aata whakaaro, me te tiaki ano hoki i nga kura taonga a Papatuanuku me ona ao, kia whakapumau hei painga mo nga whakatupuranga katoa.

Me te tautoko ano i nga tikanga totika nei whai oranga, hei whakapakari i te tinana me te wairua kia noho pai tatou ki a tatou.

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## The Decision-Making Process

### THE DECISION MAKING PROCESS

#### CONSULTATION

Notify Draft 2008 - 2009 Annual Plan and  
Proposed Amendments to the  
2006 - 2016 Community Plan  
(9 April 2008)



Public Submissions  
(Close 4.00pm 16 May 2008)



Hearing and Consideration of Submissions  
(4 - 5 June 2008)



Adoption of the 2008 - 2009 Annual Plan  
and Amendments to the  
2006 - 2016 Community Plan  
(26 June 2008)

# Community Consultation



## What is Consultation?

Consultation is the genuine exchange of information, points of view and options for decisions between affected and interested people and decision-makers before a decision has been made.

It does not mean that the decision is delegated to those involved in the consultation process. Council's promise is to keep you informed, acknowledge your concerns and provide feedback about how your input influenced our decision.

### CONSULTATION ON THE DRAFT

The formal consultation period on the Draft 2008-2009 Annual Plan and Amendments to the 2006-2016 Community Plan was notified to run from 9 April to 4pm on 9 May 2008. A decision was made at the Council meeting on 24 April to extend the consultation period by one week to 16 May in response to new information on the Statement of Proposal (SOP) on the wastewater treatment project.

The SOP on the wastewater treatment project noted that the estimated total cost of the project at \$39.1m was subject to further work, and could change substantially. Council was presented with new information at its meeting on 24 April that indicated the estimated capital cost of the proposed wastewater treatment project is now \$84.4m (an increase of \$45.3m).

The new cost information, the extended consultation period and notice of an extra consultation meeting in the city was made known via a full page public notice in the Gisborne Herald. In addition all submitters who had made a submission prior to the public notice were sent a letter to inform them of the new cost information and invited to resubmit on the wastewater proposal or related proposals.

During the five week long consultation period the Mayor and senior staff held 21 public meetings attended by between 300- 400 people. Over 200 people attended the Wainui meeting. Rural communities and in particular the East Coast wards were again well represented. For the second year, requests for service (RfS) were invited at meetings, and 43 were received. In addition 32 RfS were received via a separate form attached to the Annual Plan Summary which was distributed to every household in the district. Requests covered a wide range of topics including culvert heights, disabled access, driveway flooding and a rotten park bench.

Public meetings were held in:

DATE	COMMUNITY	TIME	VENUE
14 April	Gisborne	5.30pm	Rose Room
15	Wainui	7.00pm	Wainui School Hall
16	Matawai	5.00pm	Fire Station
17	Waimata	5.30pm	Community Hall
21	Whangara Tolaga Bay	5.00pm 7.30pm	Whangara Marae Fire Station





## Community Consultation

DATE	COMMUNITY	TIME	VENUE
22	Tikitiki Te Araroa Hicks Bay	2.30pm 4.30pm 6.30pm	Waipu RSA Progressive Hall Onepoto Community Centre
23	Te Puia Tokomaru Bay	5.00pm 7.00pm	GDC Service Centre Senior Citizens Hall
24	Whatatutu Te Karaka	5.00pm 7.30 pm	Mangatu Marae Scout Hall
28	Gisborne Tiniroto	12.10pm 5.30pm	Rose Room Community Hall
29	Waerenga-a-hika	7.00pm	Community Hall
30	Waerenga-o-kuri	6.00pm	Community Hall
1 May	Manutuke	5.30pm	Whakato Marae
5	Patutahi Gisborne	5.00pm 7.30pm	Community Hall
6	Ruatoria	5.30pm	Uepohatu Marae

### Submissions

A total of 472 submissions were received, of which about 112 were presented in person. The table below gives an indication of the content of submissions:

Subject Category	Number of submissions
Wainui reticulation	422
Wastewater Treatment	21
Mander Road Landfill	19
Development Contributions Policy	17
Roading	14
Treasury Management Policy	10
Assistance to Industry Policy	9
Makorori carpark	4
Stock Effluent Disposal Site	3
Water meters	3

Note: The table includes the most frequently raised subjects. It does not include every subject raised in every submission. Many of the 472 submissions received covered multiple subjects therefore the number of submissions does not correspond to the total number received.

The most submissions were received on the Statement of Proposal for reticulation of wastewater and water in Wainui/Okitu and Sponge Bay and wastewater in Makorori. Of the 422 submissions received 403 were opposed to the proposal. 19 were in favour of reticulation but only under certain conditions such as funding from the wider community. Only one submitter supported the proposal going ahead as it stood.

## Community Consultation



The reasons cited by submitters opposed to the proposal included a flawed consultation process, no strong environmental evidence to suggest reticulation was needed and affordability. Submitters felt Council's agenda has been development, rather than the environment and health risks portrayed.

The next most commonly raised subject was the Statement of Proposal to change the wastewater treatment process from activated sludge to a consent compliant system. Of the 21 submissions received on the proposal, 17 submissions were opposed due to the estimated cost of the consented system and affordability.

Of the 19 submissions received on the Statement of Proposal to not proceed with the Mander Road Landfill, 12 submissions were clearly in favour of the proposal. One submitter suggested investigating sharing a site with Wairoa and 2 submitters queried whether we will have to go through the process of finding a local landfill site again in the future.

Of the 17 submissions received on the Statement of Proposal to adopt a new Development Contributions Policy, 15 were in favour. One submission was received opposed to the cost to develop sections in the city and one submission opposed the charges for low value in-fill properties.

Of the 10 submissions received on the Statement of Proposal to revise the Treasury Management Policy to increase borrowing limits, all but one submitter opposed the proposal. Reasons cited were Gisborne's low median income, debt and GDC's inability to operate within budget. All 9 submissions received on the Statement of Proposal to revoke the Assistance to Industry in Gisborne Policy were in favour of the proposal.

Copies of the submissions and the officer's reports are available on request.

### Amendments

The Council consulted on six Statements of Proposals to amend the 2006-2016 Community Plan. After careful consideration of submissions, Council resolved to adopt five of the six proposals and not proceed with one. The proposal not adopted is the proposal to provide for reticulation of wastewater and water in Wainui/Okitu and Sponge Bay and wastewater in Makorori.

Three of the proposals relate to policies and three are significant cost decisions. The policy amendments adopted are:

1. A new Development Contributions Policy
2. A revised Treasury Management Policy to increase borrowing limits
3. To revoke the Assistance to Industry and Commerce in Gisborne Policy and the related Rates Remission Policy: Economic Development.

The significant cost decision amendments adopted are:

4. To not proceed with reticulation of wastewater and water in Wainui/Okitu and Sponge Bay and wastewater in Makorori
5. To not proceed with the Mander Road Landfill



## Community Consultation

6. To change the wastewater treatment plant process technology from activated sludge to a consent compliant system.

### Other Issues

As a result of submissions Council resolved to:

- ▶ Increase the grant to the Gisborne Crime Prevention Camera Trust by \$6,000 to \$18,700 to cover monitoring of the CCTV cameras.
- ▶ An \$11,000 surplus of rates funding for the CBD 101 Patrol in 2007 has funded the monitoring of CCTV cameras and part of the 2009 101 Patrol costs.
- ▶ Provide \$10,000 to the Ngatapa Sports Club for drainage works to be funded from the parking reserve.

In total the decision to not proceed with the wider Wainui reticulation proposal and the above Council resolutions resulted in a reduction in the proposed rates rise from 6.63% in the draft Annual Plan to 6.58% in the final Annual Plan. This is largely due to a reduction in interest costs from not proceeding with the Wainui reticulation.

Council also supported a number of submissions with no financial implications determined at this stage including:

- ▶ Improving pedestrian access for disabled and elderly in the CBD.
- ▶ Lobbying Transit New Zealand regarding lighting around the Wheatstone Road/Wainui Road intersection.

In addition, Council referred a number of submissions to the relevant Council Committee for investigation and follow-up.

Amongst other things, Council declined to:

- ▶ Cap the Development Contributions charge for low value properties
- ▶ Install street lighting for the backpacker parking area at 836 Rangitukia Road.
- ▶ Abolish GST on rates.

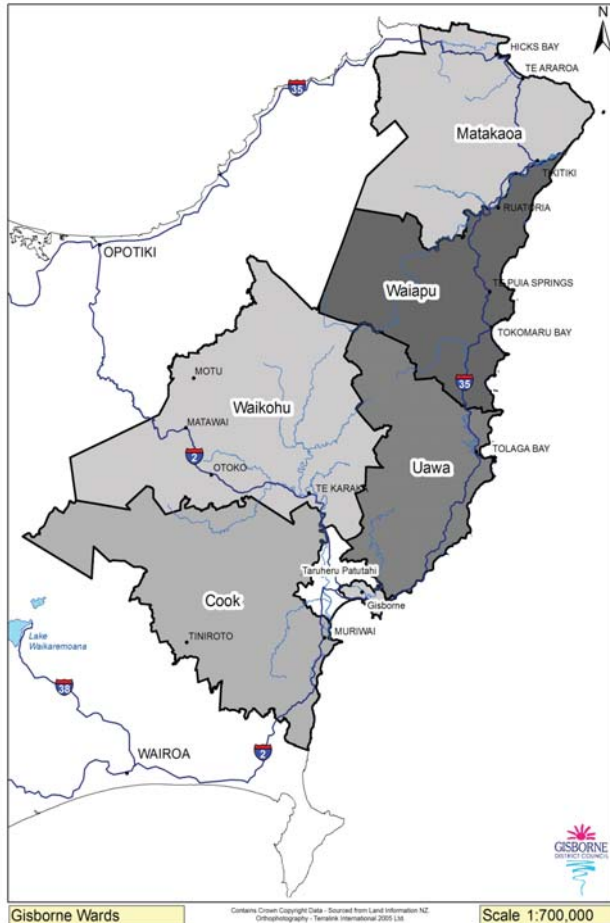
All submitters were sent a written response on their submission.



# Gisborne Today

## Gisborne District Today - the first to see the light

### GISBORNE DISTRICT WARDS



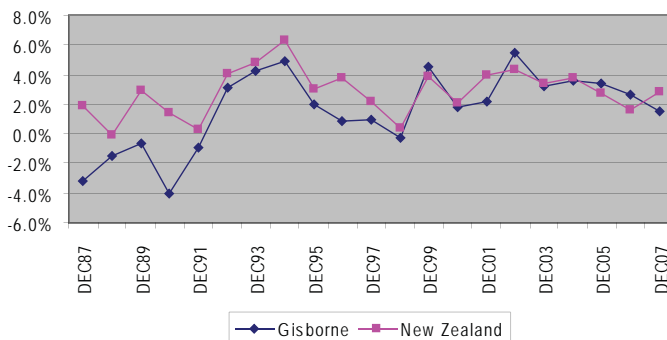
**THE PEOPLE** ■ The Māori name for the district is Tairāwhiti which means “The coast upon which the sun shines across the water”. Kaiti beach, near the city, was where the Māori immigrational waka, Horouta, landed; and is also the first European landing place in New Zealand.

Captain Cook first set foot here in 1769. European settlement was established in 1831 and the town which developed was named after Hon. William Gisborne, the Colonial Secretary, in 1870. Prior to this the settlement was known as Turanga but confusion with Tauranga, Bay of Plenty, led to the name change. To pre-European Māori the Poverty Bay area was known as Turanganui-a-Kiwa “The stopping place of Kiwa”. Gisborne became a borough in 1877 and a city in 1955.

The Gisborne region has the highest proportion of people with conversational Māori skills in New Zealand, with 32% speakers compared to the national average of 24%. Source: Ministry of Social Development, 2007.

**THE ECONOMY** ■ Recent job growth has been driven by solid growth in the Gisborne economy. Economic growth has been positive since 1999. Gisborne experienced a 3.0% growth for the year ended December 2007, which is similar to the national growth rate.

Annual growth





## Gisborne Today

The Gisborne district is predominately a district of primary produce with the emphasis on pastoral farming, fishing, forestry and horticulture. Subsequently 9% of employment is related to these activities. The other main areas of employment are manufacturing (14%), retailing (16%), education (12%), and community services (12%). Tourism has been targeted as an industry of high potential growth. Source: National Bank.

**TOURISM** ■ The Gisborne region is a popular tourist destination. Since 2002 commercial guest nights have increased by 36.6%, well above the New Zealand average increase of 26.9%. Total visits by travellers to Gisborne are forecast to rise from 752,100 in 2006 to 793,100 in 2013 – an increase of 5.5% (41,000) or 0.8% p.a. Source: Ministry of Tourism.

**CLIMATE** ■ Gisborne is renowned for its Mediterranean style climate. The total sunshine hours are 2200 per annum, with a variation in rainfall from about 1000mm near the coast to over 2500 in the higher inland country. On average 65 days a year have a maximum of over 24°C and temperatures of 38°C have been recorded. Source: National Institute of Water and Atmospheric Research Ltd.

**Land Area: 8,331 sq km**  
**Percentage of Total NZ Land Area: 4.9%**  
**Reserves: 6,500 hectares**

**Population: 44,499 (2006 census)**  
**Capital value: \$8,449,372,200**  
**Land value: \$5,444,427,700**

**Average population density:  
5.3 persons per sq km**  
**Number of dwellings: 18,828**  
**Number of rateable properties: 21,372**

## Mayor's and Chief Executive's Foreword



# Mayor's and Chief Executive's Foreword

Tena koutou katoa - Our greetings to you all

Thank you all for your input into Council's plans. The 2008-2009 Annual Plan and amendments to our Community Plan that we proposed to the district's ratepayers and its citizens generally, have been influenced by your submissions. The proposal to allow water and wastewater to be reticulated to Wainui/Okitu, Sponge Bay and for wastewater to be reticulated to Makorori is not proceeding. The revised financial implications are set out. The steps to allow the new wastewater treatment plant to be built are still included.

As time has gone on Council has received better project cost estimates for these and other works. Needless to say, the costs have increased but there is now a better basis for making an informed choice about the works – at the individual property level and for the community. The wastewater treatment plant project costs have increased because all aspects of the project are now in the estimate. Council is now working on how to reduce those costs yet still achieve the outcomes that the community desires by treating the City's wastewater. The new estimated cost of the proposed Wainui/Okitu/Sponge Bay and Makorori reticulation that we publicised allowed you and Council to decide on the costs and benefits. As we said, that proposal is not proceeding.

Consultation on the Mander Road landfill was really a formality. The Council resolved to not proceed with this project in August 2007 and is now required to amend its plans and finances to show that the capital and operating costs for the site are not now needed. You supported that.

In this foreword we have focused on the Council's capital works programme because of the effect that the programme has on future rates through interest, depreciation charges and operating costs. When thinking about these costs, it is easy to forget why the works are being undertaken.

The investment in the wastewater treatment plant is necessary to comply with the consent conditions but more importantly than that, will improve the water quality in Poverty Bay and help restore the mauri of Moana nui a Kiwa. The wastewater treatment plant will bring Gisborne into line with the rest of New Zealand in terms of the standard of conduct expected when discharging sewage effluent to the environment.

The approach to water and sewage at Wainui/Okitu, Sponge Bay and Makorori will need to be one of sustainable onsite wastewater disposal and water supply self sufficiency. Council will assist with that where it can.

We still have a duty to protect our pristine coastal environment.

Council is under pressure with increased operating costs as well. The cost of delivering the programme of work in year 3 of the Community Plan, which is what the 2008 – 2009 Annual Plan is about, is higher than was estimated when the original community plan was prepared in 2006.





## Mayor's and Chief Executive's Foreword

Having said that, the total rates requirement of 6.58%, is close to the estimate of 6.32% in the Community Plan.

You will know that there is no such thing as the average ratepayer. Your rates will depend on your property value, your property value relative to others in the district, the services that you receive and pay for through targeted rates and the Council's funding policies and needs.

These needs are - rates income \$41.35M, operating expenditure \$64.26M and capital expenditure \$22.85M.

We know that there are community concerns about the affordability of Council's rates. While Council is able to show that its rates levels, debt and the like are reasonable compared to similar councils, this does not make them affordable. Rates affordability is a national issue but is felt more in the Gisborne District than most places. A project team has been set up to consider how Council's strong asset base can be used to reduce the impact of the cost of our large capital works programme on the community.

There is a fine line between under and over investment in infrastructure and other programmes that build the district's economic base and support its people. We think we have the balance about right and would appreciate your thoughts.

The future continues to hold promise. Council's past planning and land development decisions has seen Hikurangi Forest Farms apply for consents to develop a processing plant in the western industrial area. Few weeks go by without other developers and industries inquiring about land. We also look forward to the Turanganui a Kiwa claimants settling their Treaty of Waitangi claims and ultimately Ngati Porou doing the same. These settlements promise a real boost to the district – economically, socially and in terms of the relationships between the Crown, Tangata Whenua, our community and Council.

We look forward to working with you during the year.

Meng Foon  
**MAYOR**

L R McKenzie  
**CHIEF EXECUTIVE**



# Introduction and Commentary



## Introduction

In June 2006 Gisborne District Council adopted its second Long Term Council Community Plan (Community Plan). The Community Plan is a requirement of the Local Government Act 2002 (LGA). It is a long term planning document covering a period of 10 years.

Under the LGA the purpose of Local Government is to enable democratic local decision-making and action by, and on behalf of, communities and to promote the four wellbeing of communities. The four wellbeing are social, economic, environmental and cultural. The Community Plan sets out the Council's priorities from 2006 – 2016, and establishes how Council intends to contribute to the community's wellbeing.

The Annual Plan is a document adopted each year by Council. It sets out the budget for the year and the sources of funds for the year. The Annual Plan also provides an update by exception against the Community Plan. The Community Plan remains the substantive reference document.

This Annual Plan confirms Year 3 of the 2006 - 2016 Community Plan's work programme, subject to the amendments and minor variations noted below. The Annual Plan rates rise for 2008-2009 is 6.58%. This varies slightly from the 6.32% rates increase originally projected for Year 3 in the 2006 - 2016 Community Plan.

Running concurrently with the consultation on the draft 2008-2009 Annual Plan, was consultation on a number of more significant issues which affect not only the 2008-09 year, but more fundamentally the strategic direction of Council in certain areas over the 10 year life of the Community Plan. These are also detailed below under the Amendments Section.

### Cautionary Note

The Annual Plan is forecast information. It is prepared on the basis of best-estimate assumptions as to future events which the Council expects to take place from July 2008.

A number of assumptions need to be made about the economic and financial conditions, which will apply over the lifetime of the model. The major assumptions underpinning the Plan are set out in the section entitled "Assumptions".

## Variations to Year 3 of the 2006-2016 Community Plan

The variations in the 2008-2009 Annual Plan are minor, and result from either the reordering of priorities, or the refinement of budgets based on better/additional information regarding workload or cost of providing service.

Variations that have been reflected in the 2008-2009 Annual Plan are:





## Introduction and Commentary

### Operational

Increase in lifeguards to meet Pool Safety Standards	\$63,000	
Increased pool admission / waterslide fees	<u>\$17,500</u>	\$45,500
Increased grant to Museum		\$99,000
Preparatory work for Waerenga-o-Kuri Reserve		\$40,000
Community consultation - LTCCP printing, meetings, summary		\$50,000
Increased cost of external audit - Annual Report		\$38,000
Increased cost of external audit - LTCCP		\$29,000

### Capital

Makauri Three Waters design - Plan change		\$60,000
Connect Makaraka water to western industrial		\$369,000
UV treatment reactor - Waipaoa		\$90,000
Whatatutu refuse storage pit		\$140,000
Blackpool Reserve - basketball court		\$50,000
Revetment wall Waimata River		\$125,000

All of the above variations to Year 3 of the Community Plan are considered necessary in order to maintain current levels of service.

## Amendments to the 2006-2016 Community Plan

Since the 2006-2016 Community Plan was adopted in June 2006 a number of changes have arisen to what was intended at the time the Plan was adopted. Section 93 of the Local Government Act 2002 allows a local authority to amend its Long Term Council Community Plan (Community Plan) at any time through the use of the special consultative procedure.

The Local Government Act 2002 prescribes what changes give rise to an amendment. Amendments tend to be level of service changes or policy changes deemed to be significant. An amendment has the legal status of a "mini-Community Plan" and has to meet most of the same content and procedural requirements of the full Community Plan including audit.

The Gisborne District Council consulted on 6 amendments to the 2006 - 2016 Community Plan. The financial implications arising from these proposals have been included in the 2008 - 2009 Annual Plan. This will ensure consistency between the Annual Plan and the Community Plan.

The 6 amendments are:

1. To not proceed with the reticulation of wastewater and water in Wainui/Okitu, Sponge Bay and wastewater in Makorori.
2. To adopt a new Development Contributions Policy.



## Introduction and Commentary



3. To revise the Treasury Management Policy to increase the borrowing limit.
4. To cover the details associated with not proceeding with the development of the Mander Road landfill.
5. To change the wastewater treatment plant process technology from the activated sludge plant to the consented Biological Trickling Filter plant.
6. To revoke the “Assistance to Industry and Commerce in Gisborne Policy” and the “Rates Remission Policy : Economic Development”.

For more information on any of the 6 amendments please refer to the section on amendments at the back of this document.

### Combined Responsibilities

The Gisborne District Council is a unitary authority governed by the Local Government Act 2002.

The Gisborne District Council is one of four Councils which combine the functions, duties and powers of a territorial authority with those of a regional council. This status has arisen from the isolation of the district and the very strong community interest within it, which suggest regional control from outside the area is inappropriate.

Regional Councils are primarily regulatory bodies while territorial authorities are primarily service-delivery bodies. There is a statutory requirement to separate regulatory functions from other functions. Because of this the Gisborne District Council has designed its management and committee structures to reflect the separation requirements.

### Meetings

All Committee and Council meetings are publicly advertised in the Gisborne Herald towards the end of the preceding month. Members of the public are invited to attend meetings. The meetings are held at the Council Administrative Centre in Fitzherbert Street, Gisborne.

A public forum opportunity is advertised for every Council meeting. A similar provision is made at all committee meetings. During the forum members of the public may address the Committee on any matter that concerns them. Times and dates are advertised monthly or can be obtained by contacting the Council.