



# AGENDA

Meeting of the  
Risk and Audit Committee

**Wednesday 26 June 2024**  
commencing at 1.30pm

*To be held:*  
Clocktower Chambers,  
Palmerston Street, Westport



## CORE COUNCILLOR ROLE AND RESPONSIBILITIES

The Governance role entails:

- Strategic planning and decision-making;
- Policy and strategy review;
- Community leadership and engagement, and stewardship;
- Setting appropriate levels of service;
- Maintaining a financially sustainable organisation; and
- Oversight/scrutiny of Council's performance as one team.

The governance role focusses on the big picture of 'steering the boat' - management's role focusses on 'rowing the boat'

Our commitments to best support each other and meet the challenges and opportunities of 2024 include:

### CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

Actively listening and not interrupting;

Remaining conscious of 'tone', body language, and amount of time speaking (allowing time for others);

Responding/answering in a timely manner; and

Being honest, reasonable, and transparent.

### TRUST AND RESPECT

We recognise that trust and respect must be earned and that a team without trust isn't really a team. Trust can be built by:

Valuing long-term relationships; being honest; honouring commitments; admitting when you're wrong; communicating effectively; being transparent; standing up for what's right; showing people that you care; being helpful; and being vulnerable.

### CONTINUOUS LEARNING AND IMPROVEMENT

Continuous learning and improvement are critical for growing together as a team.

We are committed to constantly reviewing what is going well and what needs to improve in relation to the way we work together, the processes we follow, and the outcomes we deliver.

NONE OF US IS AS SMART AS ALL OF US

# Risk and Audit Committee

<b>Reports to:</b>	The Council
<b>Independent Chairperson:</b>	<b>Sharon Roche</b>
<b>Membership:</b>	The Mayor, all Councillors and Māori
<b>Meeting Frequency:</b>	Representative Bi-Monthly
<b>Quorum:</b>	A majority of members (including vacancies)

---

## GENERAL PRINCIPAL

1. The work of this Committee will be in accordance with the priorities and work programme agreed by the Council.
2. This Committee has the powers necessary to perform the Committee's responsibilities, in accordance with the approved Long Term Plan and Annual Plan budgets. Subject to confirmation of compliance with the financial strategy.

## PURPOSE

The Risk and Audit Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Annual and Long Term Plans.
2. Monitoring Council's interests in its Council Controlled Organisations (CCOs).
3. Reviewing the Council's risk register and associated process for managing current and emerging risk.
4. Ensuring the independence and effectiveness of Council's External and Internal Audit processes.
5. Monitoring existing corporate policies and recommending new or amended policies as required.
6. Ensuring that Council policies and practices will prevent unethical, questionable or illegal activities.
7. Providing a communication link between management, internal auditors/external auditors and Council.
8. Supporting measures to improve management performance and internal controls.
9. Ensuring Council's Policies and Bylaws are fit for purpose and comply with all relevant legislation.
10. Guiding the development of Council's Climate Change Adaptation Plan

## TERMS OF REFERENCE:

### General

1. To receive regular reports regarding Council's financial and non-financial performance against Annual and Long Term Plans.
2. To consider reports related to significant expenditure outside of the Annual and Long Term Plans and make appropriate recommendations to Council.
3. To develop and monitor policy related to the following matters:
  - a) Financial management;

- b) Revenue generation;
  - c) Procurement and tendering; and
  - d) The appointment and remuneration of directors and CCOs
4. To monitor the probity of processes relating to policies developed by the Risk and Audit Committee.
  5. To provide clear direction to Council's CCOs on Council's expectations, including feedback on draft statements of intent.
  6. To receive Quarterly reports of Council's CCOs, including board performance.
  7. To undertake any reviews of CCOs and make appropriate recommendations for approval by Council.
  8. Review CCO requests for major transaction approval and recommend appropriate actions to Council.
  9. To monitor Council's debt and investments to ensure compliance with Council policy.
  10. To monitor the Council's outstanding debtors' positions.
  11. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
  12. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

**Internal Audit**

13. Agree the scope of internal audits.
14. Monitor the delivery of the internal audit work programme and results
15. Assess whether Internal Audit's recommendations have been properly implemented by management.
16. Review the annual Internal Audit Plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

**Strategy, plans and policy**

17. Develop and agree to strategies, plans and policies for the purposes of consultation and/or engagement with community.
18. Recommend to Council for adoption.
19. Monitor and review as and when required.

**Bylaws**

20. Develop and agree to the statement of proposal for new or amended draft bylaws for consultation.
21. Recommend to Council new or amended bylaws for adoption.

**Consultation and engagement**

22. Ensure appropriate, effective and transparent engagement with the community, tangata whenua and other stakeholders.
23. Conduct any public engagement required on issues before the Committee, in accordance with Council's Significance and Engagement Policy.
24. Conduct hearings, where appropriate, to consider submissions from members of the public and external organisations, making determinations on such matters unless they are reserved for Council to decide.

### **Submissions and legislation**

25. Approve submissions to external bodies/organisations on legislation and proposals, related to the Committee's areas of responsibility, that impact governance policy or matters.
26. Monitor and oversee strategic projects and programmes.
27. Monitor Council's Asset Management Plans/Strategic Infrastructure Plan.

### **Contracts**

28. Approve and monitor contracts and other legally binding arrangements provided that such contracts/arrangements:
  - a. Do not require the approval of the whole of Council; and
  - b. Fall within the budget approved under the Long Term Plan or Annual Plan and have a value exceeding the Chief Executive's financial delegation.

### **Reserves and Halls Subcommittees**

29. Monitor and oversee the Reserves and Halls Subcommittees.

### **Creative Communities Subcommittee**

30. Monitor and oversee the Creative Communities Subcommittee.

### **Other Matters**

31. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks
32. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy, and guidelines (including health and safety).
33. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
34. Provide an annual review of Council's risk management framework and amend as required.
35. Review and monitor business continuity planning.
36. Consider and make decisions which are within the Chief Executive Officer's delegations, and which the Chief Executive Officer has referred to the Committee for recommendation to Council.
37. Consider and make decisions on operational matters that fall within a Committee's area of responsibility that are outside of delegations to the Chief Executive Officer or other Council officers.
38. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
39. Monitor Audit recommendations and ensure completion.

### **The Committee is delegated the following powers:**

- The Committee may make recommendations to Council.
- The Committee will provide three-monthly reports to Council on its activities with appropriate recommendations.

**Special Notes:**

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- The Chairperson will be an independent appointment, not an elected member, to strengthen the independent nature of the Committee's monitoring responsibility of Council activities.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- The Chief Executive Officer and Chief Financial Officer are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the Committee meetings, as required.
- The Chairperson of the Committee shall review the travel and other reimbursed expenses of the Chief Executive Officer and confirm compliance with Council policies and practice. This information will be provided to the Chairperson on a monthly basis.
- The Chairperson shall review the travel and other reimbursed expenses of the Mayor and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chief Executive Officer (Principal Advisor) shall be responsible for drawing to the Committee's immediate attention to any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud or malpractice.
- The Chairperson shall present an annual Audit and Risk Self Review to Council summarising the Committee's activities during the year and any related significant results and findings.

# Risk and Audit Committee

Clocktower Chambers,  
Palmerston Street, Westport



26 June 2024 01:30 PM

<b>Agenda Topic</b>	<b>Page</b>
1. <a href="#">Apologies</a>	9
2. <a href="#">Members Interests</a>	10
3. <a href="#">Confirmation of Previous Minutes Report</a>	11
3.1 <a href="#">Attachment 1 - Risk and Audit Committee Public Meeting Minutes 17 April 2024</a>	12
4. <a href="#">Action Points Report</a>	20
4.1 <a href="#">Attachment 1 -Risk and Audit Committee Action Points</a>	21
5. <a href="#">Risk and Audit Committee Work Plan Report</a>	25
5.1 <a href="#">Attachment 1 - Risk and Audit Committee Work Plan</a>	26
6. <a href="#">Climate Change Adaptation/Future Buller Update Report</a>	27
6.1 <a href="#">Attachment 1 - Future Buller – Community Engagement Interim Report – Phase One</a>	36
6.2 <a href="#">Attachment 2 - BDC / UC Head Contract (including Scope of Work #1)</a>	44
6.3 <a href="#">Attachment 3 - Statements of Work #2</a>	54
6.4 <a href="#">Attachment 4 - BDC / Dexter Contract</a>	57
7. <a href="#">NEMA, IAF and Better Off Funding Project Status Report Summaries from Projects in Partnership</a>	58
7.1 <a href="#">Attachment 1 - NEMA Projects Status Report March 24</a>	61
7.2 <a href="#">Attachment 2 - Better Off Funded Projects Status Report March 24</a>	68
7.3 <a href="#">Attachment 3 - IAF Projects Status Report March 24</a>	74
7.4 <a href="#">Attachment 4 - Projects in Partnership – Confirmed Minutes 15 April 2024</a>	79
8. <a href="#">Reserve And Hall Subcommittees Update</a>	83

8.1	<a href="#"><u>Appendix 1 - Reserve Management Plan Timeline</u></a>	88
9.	<a href="#"><u>Statement Of Intent – Buller Holdings Ltd Group For The Year Ended 30 June 2025</u></a>	89
9.1	<a href="#"><u>Attachment 1 - BHL Group Combined Statement of Intent 2025</u></a>	95
10.	<a href="#"><u>Statement Of Intent – Westport Airport Authority</u></a>	113
10.1	<a href="#"><u>Attachment 1 - Westport Airport Authority Statement of Intent 2024-2025</u></a>	117
11.	<a href="#"><u>Buller Holdings Ltd - Financial Report To 31 March 2024</u></a>	123
11.1	<a href="#"><u>Attachment 1 - Financial Report (unaudited) for Buller Holdings Ltd for the period ending 31 March 2024</u></a>	126
11.2	<a href="#"><u>Attachment 2 - Letter from BHL December 2023 on Distribution Shortfall</u></a>	140
11.3	<a href="#"><u>Attachment 3 - Letter from BHL May 2024 on Distribution Shortfall</u></a>	141
12.	<a href="#"><u>Buller Holdings Update On Director Remuneration, Evaluation And Expressions Of Interest - June 2024</u></a>	142
12.1	<a href="#"><u>Attachment 1 - IOD 2024 Directors Fee Review</u></a>	146
12.2	<a href="#"><u>Attachment 2 - Expressions Of Interest For Directorship</u></a>	155
13.	<a href="#"><u>Port &amp; Dredge – May 2024 Operations Report</u></a>	156
14.	<a href="#"><u>Financial Report: 31 March 2024</u></a>	161
14.1	<a href="#"><u>Attachment 1 - Financial Report (Unaudited) for the period ending 31 March 2024</u></a>	164
15.	<a href="#"><u>Investments And Borrowings Report – As At 31 May 2024</u></a>	172
16.	<a href="#"><u>Debt Management Report 30 April 2024</u></a>	184
16.1	<a href="#"><u>Attachment 1 – Sundry Debtors Management Report</u></a>	189
16.2	<a href="#"><u>Attachment 2 – Rates Debt Management Report</u></a>	190
17.	<a href="#"><u>Bylaws And Policies</u></a>	191
17.1	<a href="#"><u>Attachment 1 - Buller District Council Operative Bylaws</u></a>	198
17.2	<a href="#"><u>Attachment 2 - Buller District Council Public Policies</u></a>	202
18.	<a href="#"><u>Strategic Risk Register Update</u></a>	206
18.1	<a href="#"><u>Attachment 1 – Buller DC Risk Register – Strategic Risks</u></a>	215
19.	<a href="#"><u>Public Excluded Report</u></a>	219



## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 1

**Prepared by** Paul Numan  
Group Manager Corporate Services

### APOLOGIES

---

**1. REPORT SUMMARY**

That the Risk and Audit Committee receive any apologies or requests for leave of absence from elected members.

**2. DRAFT RECOMMENDATION**

That there are no apologies to be received and no requests for leave of absence.

**OR**

That the Risk and Audit Committee receive apologies from *name* and accepts *name* request for leave of absence.

# RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 2

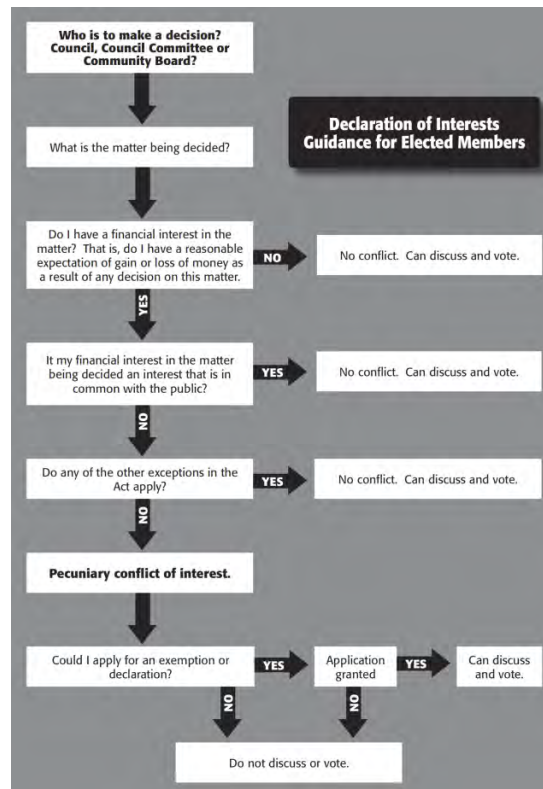
Prepared by Paul Numan  
Group Manager Corporate Services

## MEMBERS INTEREST

Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

Councillors are encouraged to advise the Governance Assistant, of any changes required to their declared Members Interest Register.

The attached flowchart may assist members in making that determination (Appendix A from Code of Conduct).



### DRAFT RECOMMENDATION:

That Members disclose any financial or non-financial interest in any of the agenda items.

## **RISK AND AUDIT COMMITTEE**

**26 JUNE 2024**

**AGENDA ITEM: 3**

**Prepared by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1. Risk and Audit Committee Public Meeting Minutes 17 April 2024

### **CONFIRMATION OF PREVIOUS MINUTES**

---

**1. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receive and confirm Public minutes from the meeting of 17 April 2024.**



**MEETING OF THE RISK AND AUDIT COMMITTEE, HELD AT 3.30PM ON WEDNESDAY 17 APRIL 2024 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.**

---

**PRESENT:** S Roche (Chair), Mayor J Cleine, Deputy Mayor A Basher, Councillors P Grafton, J Howard, A Pfahlert, G Neylon, R Sampson, G Weston

**ATTENDING VIA ELECTRONIC LINK:** Cr C Reidy, N Tauwhare (Iwi Representative)

**IN ATTENDANCE:** S Pickford (CEO), D Marshall (Chief Financial Officer), N Riley (GM Regulatory Services), P Bicknell (Programme Manager – Recovery), D Rossiter (Project Manager), C McDonald (Governance Assistant)

**Public Forum: Kevin Smith**

Mr Smith spoke to several agenda items to be addressed in today's meeting.

**MEETING DECLARED OPEN AT: 3.38pm**

---

**1. APOLOGIES (Page 9)**

**RESOLVED**

That the Risk and Audit Committee receive apologies from Cr T O'Keefe and Cr L Webb.

**Deputy Mayor A Basher / Cr R Sampson**

**11/11**

**CARRIED UNANIMOUSLY**

**2. MEMBERS INTEREST (Page 10)**

**Discussion: No members interests were declared.**

**RESOLVED** that Members disclose any financial or non-financial interest in any of the agenda items.

**S Roche / Cr P Grafton**

**11/11**

**CARRIED UNANIMOUSLY**

**3. CONFIRMATION OF MINUTES (Page 11)****Discussion:**

Amend the spelling of Cr C Reidy's name in March minutes.

**RESOLVED** that the Risk and Audit Committee receive and confirm minutes from the meeting 13 March 2024, subject to the above amendment..

**Cr Joanne Howard / Cr G Weston**

**11/11**

**CARRIED UNANIMOUSLY**

**4. ACTION POINTS (Page 20)****Discussion:**

ACTION POINT: Follow up for the Airport Statement of Intent *added to action point list as 241.*

**237: Statement Of Intent – Buller Holdings Ltd Group for the Year Ended 30 June 2025**

The meeting with the BHL Directors has been rescheduled for May, as weather prevented the meeting in April. S Roche will report to Councillors following the May meeting and will email Councillors with any updates.

**RESOLVED** that the Risk and Audit Committee receive the Action Point Report for information.

**Cr A Pfahlert / Deputy Mayor A Basher**

**11/11**

**CARRIED UNANIMOUSLY**

**5. RISK AND AUDIT WORKPLAN REPORT (Page 25)****Discussion:**

D Marshall spoke to the 2023 Annual Plan report adoption.

The Climate Change Adaption report is to be added to the Work Plan for Risk and Audit. Reports are to come to the Committee bimonthly.

**RESOLVED** that the Risk and Audit Committee receive the Risk and Audit Work Plan for information.

**Cr G Neylon / Cr G Weston**

**10/1**

**Cr C Reidy against  
MOTION CARRIED**

**6. REVIEW OF BDC PROCUREMENT POLICY (Page 27)****Discussion:**

D Marshall spoke to the paper. There is importance of reviewing this policy often and speaking with staff regularly about it.

Councillors gave some initial feedback regarding the policy with any further feedback on this paper to be emailed from Councillors to D Marshall by mid-May, with a report coming back in June to the Risk and Audit Committee.

D Marshall to update the document to include the procurement process and how the delegation works to procure.

The resolution below has been amended from:

**RESOLVED** *That the Risk and Audit Committee receives the report on the review of the BDC procurement policy.*

**RESOLVED** That the Risk and Audit Committee receives the report on the review of the BDC procurement policy and provides feedback to staff.

**Cr G Weston / Cr P Grafton**  
11/11

**CARRIED UNANIMOUSLY**

**7. BULLER HOLDINGS UPDATE ON DIRECTOR REMUNERATION AND APPOINTMENTS APRIL 2024 (Page 80)****Discussion:**

D Marshall spoke to the update and advised Councillors that their guidance is sought to what they would like to happen regarding the upcoming Director's positions.

Resolution two and three below have been added as new resolutions

**RESOLVED**

1. That the Risk & Audit Committee receive the report on directors' fees payable to the directors of Buller Holdings Limited and director appointments for information.

**Cr G Neylon / Deputy Mayor A Basher**  
11/11

**CARRIED UNANIMOUSLY**

2. That the Risk and Audit Committee direct the Chief Executive Officer to undergo a remuneration review through the Institute of Directors.

**Mayor J Cleine / Cr P Grafton**

8/3

**Cr P Grafton, Cr A Pfahlert, Mayor J Cleine, Cr G Weston, Deputy Mayor A Basher, N Tauwhare (Iwi Representative), Cr C Reidy, S Roche FOR Cr G Neylon, Cr R Sampson, Cr Joanne Howard AGAINST MOTION CARRIED**

3. The Risk and Audit Committee seek expressions of interest for Director Positions on Buller Holdings Ltd through local media and invite current incumbents to reapply.

**Cr G Neylon / Cr G Weston**

**11/11**

**CARRIED UNANIMOUSLY**

### **Agenda item 9 was addressed next**

#### **9. CLIMATE ADAPTATION PROJECT (Page 88)**

##### **Discussion:**

N Riley and D Rossiter spoke to the report and acknowledged that there is room for improvement and feedback.

There was a question around where the science behind this data comes from. The data provided is informed through our research institutes and ensures absolute confidence in the science and data.

D Rossiter to check if there has been report on Climate Adaptation brought before Council prior to this one.

There will be budget updates to go in bimonthly Risk and Audit Committee meetings.

**ACTION POINT:** D Rossiter is to follow up whether the terms of reference cover the partnership with University of Canterbury and bring the Terms of Reference to Risk and Audit with the next paper presented – *added to Action Point List as 242*

**ACTION POINT:** D Marshall to add to the next report with how funding is broken down for this project – *added to Action Point List as 243*

**RESOLVED** that the Risk and Audit Committee receive the attached Climate Adaptation Planning, Project Status Update as information.

**Deputy Mayor A Basher / Cr P Grafton**

**11/11**

**CARRIED UNANIMOUSLY**

D Rossiter and N Riley departed at 5.02pm

**8. LEASEHOLD PROPERTIES - 20% DISCOUNT OFFER (Page 83)****Discussion:**

It was stated that there has been plenty of time for this offer to have been taken up.

D Marshall to take the recommendation to April Council meeting.

**RESOLVED** That the Risk & Audit Committee recommend to Council that the twenty percent discount of the independently assessed market value of leasehold land be discontinued from 30 June 2024.

**Mayor J Cleine / Deputy Mayor A Basher**

**11/11**

**CARRIED UNANIMOUSLY**

**10. PORT & DREDGE – REPORTING ON INTEREST CHARGES (Page 95)****Discussion:**

This report is in response to Action Point 234

**RESOLVED** That the Risk & Audit Committee receive the Port & Dredge Operations report as of March 2024 for information.

**Cr G Neylon / Cr G Weston**

**10/1**

**Cr C Reidy against**

**MOTION CARRIED**

**11. INVESTMENTS AND BORROWINGS – AS AT 29 FEBRUARY 2024 (Page 99)****Discussion:**

N Riley returned 5.08pm

Cr C Reidy departed 5.08pm

Page 104 Maturity Date for first term deposit changed from 13 March 2023 to 13 March 2024 *noted and amended*

N Tauwhare (Iwi Representative) departed 5.10pm and was not present for vote.

Cr C Reidy returned 5.11pm

**RESOLVED** That the Risk and Audit Committee receive the Investments and Borrowings report as at 29 February 2024 for information.

**S Roche / Cr P Grafton**

**10/10**

**N Tauwhare (Iwi Representative) not present for the vote**

**CARRIED UNANIMOUSLY**



**12. CAPITAL RECEIPTS AND EXPENDITURE TO 31 DECEMBER 2023 UPDATE (Page 110)**

**Discussion:**

N Tauwhare (Iwi Representative) returned 5.15pm

Clarification was sought as to which Service Centre this carryover budget is for. It is for the new amalgamated Reefton Service Centre.

ACTION POINT: D Marshall to provide a report to the June Risk and Audit Committee meeting regarding the original proposal to amalgamate the Reefton Service Centre and the original budget breakdown *-added to the Action Point List as 244*

N Tauwhare (Iwi Representative) departed the meeting at 5.22pm

**RESOLVED** That Risk and Audit Committee approve a carryover of \$80k from the remaining available budget from the year ending 30 June 2023 for the Reefton Service Centre improvements completed during the 1 July 2023 to 30 June 2024 financial year.

**Cr C Reidy / Cr G Neylon**

**10/10**

**CARRIED UNANIMOUSLY**

**13. MORRISON LOW FOLLOW UP REPORTS (Page 111)**

**Discussion:**

**RESOLVED** That the report on progress in implementing the Morrison Low recommendations be received as at April 2024

**Cr A Pfahlert / Deputy Mayor A Basher**

**10/10**

**CARRIED UNANIMOUSLY**

**14. NEMA, IAF AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES FROM PROJECTS IN PARTNERSHIP (Page 117)**

**Discussion:**

P Bicknell spoke to the report and explained the Better off Funding cost breakdown.

The NEMA invoices are on hold waiting approval.

A question was asked around if there is a risk of not getting the claim for these invoices? It's possible that we may not get all of it, but P Bicknell is confident that it will be a good outcome.

**NEMA reports** – NEMA was consulted post 2022 flood regarding the channels that needed dredging in conjunction with the Port of Timaru. The dredging funding is designed to get the port condition back to standard for international export.

**Better off Funding** – The Airport relocation study report is going to the Senior Leadership Team next week.

Community Hub feasibility study has its group working out when they want to report to Council. There is an appointment time requested with the CEO to discuss this and there will be an update after that.

**IAF** – Kainga Ora are not concerned with staff turnover now the new CEO is in place.

**Reefton Cabins** – No updates so far.

Cr P Grafton departed 5.52pm  
Cr A Pfahlert departed at 5.54pm

**RESOLVED** That Risk and Audit Committee receive the Reports and Minutes from the January Projects in Partnership meeting.

**Cr Joanne Howard / Cr G Neylon**  
8/8

**CARRIED UNANIMOUSLY**

**PUBLIC FORUM RESPONSE**

Independent Chair Roche to draft a letter of response with information gathered in this meeting from D Rossiter and P Bicknell.

15. **PUBLIC EXCLUDED REPORT: (Page 142)**  
**Discussion:**

**RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting.

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Douglas Marshall - Chief Financial Officer	Confirmation of Previous Public Excluded Minutes	<p><b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or</p> <p><b>(s 7(2)(j))</b> - prevent the disclosure or use of official information for improper gain or improper advantage.</p>

**S Roche / Cr G Neylon**

**8/8**

**CARRIED UNANIMOUSLY**

P Bicknell departed at 6.00pm

**Moved into Public Excluded at 6.00pm**

**RISK AND AUDIT COMMITTEE**

**26 JUNE 2024**

**AGENDA ITEM: 4**

**Prepared by** Paul Numan  
Group Manager Corporate Services

**Attachment:** 1. Action Points

**ACTION POINTS**

---

**1. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receive the Action Point report for information.**

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
218	<b>16 August 2023</b> <b>Pump Stations</b> Lifting of pump stations to be added to the Strategic Risk Register.	<del>D Marshall</del> P Numan	This item will remain on the action point report until it is transferred to the strategic risk register when it is completed in mid-2024 calendar year	<del>13 September 2023</del> <del>11 October 2023</del> 26 June 2024 14 August 2024
228	<b>15 November 2023</b> <b>Strategic Risk Register</b> D Marshall to bring first draft of updated SRR to March RAC.	<del>D Marshall</del> P Numan	Update report included in agenda Strategic Risk Register review due to be completed by June 2024	<del>26 June 2024</del> 14 August 2024
229	<b>15 November 2023</b> <b>Information Management Project</b> D Marshall to go back through LTPs from the beginning of this project to look at budget allocations.  D Marshall to provide the monetary value in 2024/25 Enhanced Annual Plan.	<del>D Marshall</del> P Numan	The following information has been updated to reflect the actual spend v budget spend to 29 February 2024, forecast spend to 30 June 2024.  From 1 July 2024, an allowance has been placed each year of \$40,000 per annum to continue the digitisation process of council files. Any funding unspent from the project budget to 30 June 2024 will be carried forward into the 2024/2025 financial year.	14 August 2024

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:																																																												
			<table border="1"> <thead> <tr> <th colspan="5" data-bbox="926 293 1577 315"><i>Information Management Programme</i></th> </tr> <tr> <th colspan="5" data-bbox="926 318 1577 339"><i>Financial summary as at 28 February 2024</i></th> </tr> <tr> <th data-bbox="926 342 1255 363"></th> <th data-bbox="1255 342 1367 363"></th> <th data-bbox="1367 342 1478 363"></th> <th data-bbox="1478 342 1577 363"></th> <th data-bbox="1577 342 1587 363"></th> </tr> <tr> <th data-bbox="926 367 1255 388"><i>Financial periods</i></th> <th data-bbox="1255 367 1367 388"><i>Forecast</i></th> <th data-bbox="1367 367 1478 388"><i>Actual</i></th> <th data-bbox="1478 367 1577 388"><i>Budget</i></th> <th data-bbox="1577 367 1587 388"></th> </tr> </thead> <tbody> <tr> <td data-bbox="926 391 1255 412"></td> <td data-bbox="1255 391 1367 412"></td> <td data-bbox="1367 391 1478 412"></td> <td data-bbox="1478 391 1577 412"></td> <td data-bbox="1577 391 1587 412"></td> </tr> <tr> <td data-bbox="926 415 1255 436"><i>To 30 June 2022</i></td> <td data-bbox="1255 415 1367 436">\$102,000</td> <td data-bbox="1367 415 1478 436">\$102,000</td> <td data-bbox="1478 415 1577 436">\$328,000</td> <td data-bbox="1577 415 1587 436"></td> </tr> <tr> <td data-bbox="926 440 1255 461"><i>July 2022 to June 2023</i></td> <td data-bbox="1255 440 1367 461">\$229,000</td> <td data-bbox="1367 440 1478 461">\$229,000</td> <td data-bbox="1478 440 1577 461">\$219,000</td> <td data-bbox="1577 440 1587 461"></td> </tr> <tr> <td data-bbox="926 464 1255 485"><i>July 2023 to 28 February 2024</i></td> <td data-bbox="1255 464 1367 485">\$64,000</td> <td data-bbox="1367 464 1478 485">\$63,829</td> <td data-bbox="1478 464 1577 485">\$70,000</td> <td data-bbox="1577 464 1587 485"></td> </tr> <tr> <td data-bbox="926 488 1255 509"><i>1 March 2024 to 30 June 2024</i></td> <td data-bbox="1255 488 1367 509">\$40,000</td> <td data-bbox="1367 488 1478 509"></td> <td data-bbox="1478 488 1577 509">\$30,000</td> <td data-bbox="1577 488 1587 509"></td> </tr> <tr> <td data-bbox="926 513 1255 534"><i>After 1 July 2024 - carry forward</i></td> <td data-bbox="1255 513 1367 534">\$212,000</td> <td data-bbox="1367 513 1478 534"></td> <td data-bbox="1478 513 1577 534"></td> <td data-bbox="1577 513 1587 534"></td> </tr> <tr> <td data-bbox="926 537 1255 558"><b>Total</b></td> <td data-bbox="1255 537 1367 558"><b>\$647,000</b></td> <td data-bbox="1367 537 1478 558"><b>\$394,829</b></td> <td data-bbox="1478 537 1577 558"><b>\$647,000</b></td> <td data-bbox="1577 537 1587 558"></td> </tr> <tr> <td data-bbox="926 561 1255 583"><i>LTP annual provision from 1 July 2024</i></td> <td data-bbox="1255 561 1367 583"></td> <td data-bbox="1367 561 1478 583"></td> <td data-bbox="1478 561 1577 583"></td> <td data-bbox="1577 561 1587 583">\$40,000</td> </tr> </tbody> </table>	<i>Information Management Programme</i>					<i>Financial summary as at 28 February 2024</i>										<i>Financial periods</i>	<i>Forecast</i>	<i>Actual</i>	<i>Budget</i>							<i>To 30 June 2022</i>	\$102,000	\$102,000	\$328,000		<i>July 2022 to June 2023</i>	\$229,000	\$229,000	\$219,000		<i>July 2023 to 28 February 2024</i>	\$64,000	\$63,829	\$70,000		<i>1 March 2024 to 30 June 2024</i>	\$40,000		\$30,000		<i>After 1 July 2024 - carry forward</i>	\$212,000				<b>Total</b>	<b>\$647,000</b>	<b>\$394,829</b>	<b>\$647,000</b>		<i>LTP annual provision from 1 July 2024</i>				\$40,000	
<i>Information Management Programme</i>																																																																
<i>Financial summary as at 28 February 2024</i>																																																																
<i>Financial periods</i>	<i>Forecast</i>	<i>Actual</i>	<i>Budget</i>																																																													
<i>To 30 June 2022</i>	\$102,000	\$102,000	\$328,000																																																													
<i>July 2022 to June 2023</i>	\$229,000	\$229,000	\$219,000																																																													
<i>July 2023 to 28 February 2024</i>	\$64,000	\$63,829	\$70,000																																																													
<i>1 March 2024 to 30 June 2024</i>	\$40,000		\$30,000																																																													
<i>After 1 July 2024 - carry forward</i>	\$212,000																																																															
<b>Total</b>	<b>\$647,000</b>	<b>\$394,829</b>	<b>\$647,000</b>																																																													
<i>LTP annual provision from 1 July 2024</i>				\$40,000																																																												
233	<b>14 Feb 2024</b> <b>PE: PIP IAF Funded Projects</b> Staff to ensure climate change adaptation is identified in SRR	<del>D Marshall</del> P Numan	Risk identified and will be included within the Strategic Risk Register review due to be completed by June 2024	<del>March 2024 RAC</del> <del>26 June 2024</del> 14 August 2024																																																												
235	<b>14 Feb 2024</b> <b>Slumpage in wharf back wall</b> Staff noted that harbour land adjacent to Cobden St has problem with slumpage in the wharf back wall. Council Engineers advised that the slumpage relates to a broken stormwater pipe and repair costs are not able to be claimed via the flood recovery process. The repairs will be funded from the Council stormwater and harbour accounts.	<del>D Marshall</del> P Numan	Staff to advise when work is complete	<del>26 June 2024</del> 14 August 2024																																																												

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
236	<p><b>14 Feb 2024</b></p> <p><b>Crack in Buller Coal Ltd shed floor</b></p> <p>Recent media coverage was discussed about this topic. The shed is located on council owned land and councillors were concerned there might be an exposure to the council if this cracking became a larger problem. Staff advised that the problem is not that of council, but councillors asked to keep the matter on the Action Points for future monitoring.</p>	<p><del>D Marshall</del></p> <p>P Numan</p>	Staff to advise if any further issues arise.	On Going
237	<p><b>13 March 2024</b></p> <p><b>Statement Of Intent – Buller Holdings Ltd Group For The Year Ended 30 June 2025</b></p> <p>D Marshall to find out about the tax, benefit to rate payer, director moving forward which way company operates.</p>	D Marshall	<p>Moved to June 2024 RAC.</p> <p>A report is included in this agenda.</p>	26 June 2024
240	<p><b>13 March 2024</b></p> <p><b>Buller District Council LGOIMA'S 2023</b></p> <p>The CEO is instructed to prepare a report back to full Council regarding potential charges for LGOIMA requests.</p>	CEO	A report is included in the Public Excluded Agenda	<p>April 2024</p> <p>26 June 2024</p>
241	<p><b>17 April 2024</b></p> <p><b>Statement of Intent – Airport</b></p> <p>Buller District Council staff to follow up on engaging the Ministry of Transport and report their views to Council prior to the 30<sup>th</sup> of June 2024</p>	BDC	A report is included in this agenda	26 June 2024
242	<p><b>17 April 2024</b></p> <p><b>Climate Adaptation Project</b></p> <p>D Marshall to provide a table of how funding is broken down for this project (including external funding)</p>	D Marshall	A report is included in this agenda	26 June 2024

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
243	<b>17 April 2024</b> <b>Climate Adaptation Project</b> D Rossiter to follow up whether the terms of reference cover the partnership with University of Canterbury and bring the Terms of Reference to Risk and Audit with the next paper presented	N Riley	A report is included in this agenda	26 June 2024
244	<b>17 April 2024</b> <b>Capital Receipts And Expenditure To 31 December 2023 Update</b> D Marshall to provide a report to the June Risk and Audit Committee meeting regarding the original proposal to amalgamate the Reefton Service Centre and the original budget broken down	<del>D Marshall</del> P Numan	Moved to August Risk and Audit, as the capacity of the Finance Team is limited with the preparation of the Enhanced Annual Plan.	<del>26 June 2024</del> 14 August 2024



## **RISK AND AUDIT COMMITTEE**

**26 JUNE 2024**

**AGENDA ITEM: 5**

**Prepared by:** Paul Numen  
Group Manager Corporate Services

**Attachments:** 1. Risk and Audit Committee Work Plan

### **RISK AND AUDIT WORK PLAN**

---

#### **1. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receive the Risk and Audit Work Plan for information.**

Risk and Audit Committee  
Proposed Programme 2024 Calendar Year

Categories/Reports Proposed	SLT Member	Reporting Officer	February	March	April	May	June	July	August	September	October	November	December
<b>Risk &amp; Assurance Items</b>													
Ernst & Young Report on BDC's Annual Report and its Preparation	CFO	Finance Manager		Moved to April	→√								
Strategic Risk Register Update	CFO	CFO		√	√		√				√		√
Strategic Risk Framework Review	CFO	CFO							√				
Health and Safety Report Update	CFO	HR		√			√		√				√
BHL Letter of Expectation	CFO												√
CCO Statements of Intent	CFO	Finance Manager		Draft			Final						
CCO Director Appointments and Remuneration	CFO	Finance Manager			Review Appointments and remuneration levels								
CCO Exemption Paper (required every 3 years)	CFO	Finance Manager	√										
BHL Quarterly Financials	CFO	Finance Manager	√				√				√		
BHL Annual Report (adopt is required under law by 30 Sept each year)	CFO	Finance Manager									√		
Westport Airport Authority Financials - 30 June	CFO	Finance Manager							√				
Westport Airport Authority Financials - Half year	CFO	Finance Manager	√						√				
Insurance	CFO	Management Accountant					Insurance Update Report				Insurance Update Report		Finalise
Review of Procurement Policy	IS	Manager Infrastructure Delivery/CFO			√		√						
Update on By-law review process	CEO	Community Services Manager											
Review of BDC Created Policy	CFO	CFO					√				√		
Review of Business Continuity Plan	CFO	CFO	√						√				
LGOIMA report	CEO	CEO	√				√		√				√
<b>Internal Audits</b>													
Dredge Activities	CFO	Project Accountant	√				√		√		√		
Harbour Activities	CFO	Project Accountant					√		√		√		
Follow-up on Ernst & Young Matters Raised in their Annual Report	CFO	Finance Manager					EY Closing Report		√				√
Follow-up on matters raised in Morrison Lowe report													
<b>Monitoring Items</b>													
BDC Quarterly / Half Yearly Financials	CFO	Finance Manager	√				√						√
BDC Monthly Financial Performance Report	CFO	Financial Accountant		Report to be issued pre meeting			√				√		√
BDC Investments and Borrowings	CFO	Finance Manager	√	√	√	√	√		√		√		√
BDC Debt Management - Sundry and Rates	CFO	Finance Manager		√			√		√				√
BDC Capital Receipts and Expenditure	CFO	Financial Accountant		√			√						√
PIP Report	CEO	CEO	√	√	√	√	√		√		√		√
Capital Report Multi-Year Projects													
KPMG Update	CEO	CEO					√		√		√		√
The following items are not directly related to the Risk & Audit work programme but are provided to note when staff have key programmes of work													
<b>Major Financially Based Reports to be Prepared in the 2024 Calendar Year</b>													
Annual Plan					Adopt draft & Consultation	Consultation & Hearings	Adoption						
Long Term Plan							Adoption		Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft
BDC Annual Report							Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Adoption Annual Report - Audit opinion issued	Publish Annual Report & Summary Document	
<b>Rating Policy Review</b>													
Rating Policy Review			Preparation and review - 3 waters rates	Preparation and review - 3 waters rates	Consultation part of Enhanced Annual Plan	Hearings part of Enhanced Annual Plan	Adoption part of Enhanced Annual Plan			Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates

## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 6

**Prepared by** Di Rossiter  
Climate Adaptation Project Lead

**Reviewed by** Nathan Riley  
Group Manager, Regulatory Services

**Attachments** 1. Future Buller – Community Engagement Interim Report – Phase One  
2. BDC / UC Head Contract (including Scope of Work #1)  
3. Statements of Work #2  
4. BDC / Dextera Contract

**Public Excluded:** No

### CLIMATE ADAPTATION PROJECT UPDATE

---

#### 1. REPORT SUMMARY

The purpose of this report is:

1. To respond to questions raised during this meeting including:
  - Previous Council reports and workshops regarding the Climate Adaptation Planning Project, and
  - Terms of Reference for the Climate Adaptation Project (publicly referred to as 'Future Buller'). (Refer Attached).
2. To provide Council with an update, for information purposes, on Project progress made since the last RAC Meeting held on 17 April 2024; including a preliminary summary of legal guidance received relating to the pending completion of the Risk Assessment and Explorer Tool related to this project.

#### PREVIOUS PROJECT COUNCIL REPORTS AND WORKSHOPS

The Project has provided the following reports and workshops to Council since inception in March 2022:

- Project inception workshop for Councillors – 24 March 2022
- Project update workshop for Councillors – 20 October 2022
- Project update report for Mayor Cleine and Councillor Howard – 8 March 2023
- Project update workshop for Councillors – 13 October 2023

- Project report to RAC – 17 April 2024

In addition, a related Environment Select Committee Submission workshop was held on 19 October 2023.

## **TERMS OF REFERENCE**

The Project's Terms of Reference takes the form of a Head Contract between the Buller District Council and the University of Canterbury, in junction with multiple Statements of Work (SOWs). The detailed planning for the Project is contained within the SOWs which are developed on a staged basis, thus retaining a flexible approach to project planning and delivery.

The Head Contract, SOW #1 and SOW #2 are provided as attachments to this report.

An initial Contract (no longer current) was established between the Buller District Council and Dextera which directed the establishment phase of the Project. The Contract scope is also provided as an attachment to this report.

## **2. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receives the Climate Adaptation Project Update Report for information.**

## **3. ISSUES & DISCUSSION**

### **BACKGROUND**

New Zealand is experiencing, and is likely to continue to experience, more frequent, and more intense weather events.

To be able to plan for and prioritise the District's adaptation needs, Council is delivering a research-based Climate Adaptation Planning Project based on guidance released by the Ministry for the Environment in September 2021.

### **PROJECT PROGRESS**

The project is broadly divided into three work programmes:

1. Risk Assessment,
2. Community Engagement
3. Adaptation Planning

An update on progress to date on each of these work programmes is now provided:

## 1. Risk assessment

In accordance with the key principles identified within the LTP 2021 – 2031, the project is taking a research-based risk approach to identify key climate-related impacts, and the likelihood of these occurring.

A high-level risk screening process was undertaken in 2022 with the outputs from this currently being used as a foundation to build the interactive Risk Explorer tool and detailed district-wide risk assessment.

The Risk Explorer tool and supporting detailed risk assessment report is scheduled for delivery in July 2024.

## 2. Community engagement

Effective and ongoing community engagement is vital for climate adaptation. Community engagement can empower the decision-making process and provide an avenue to work collectively for a shared vision of the future. Accordingly, this is not considered a ‘one-off’ process, but a series of ongoing conversations with communities.

The community engagement approach for this project is structured in four rounds.

Round 1 of the project’s community engagement commenced in November 2023 and an interim report on Round 1 is provided as an appendix to this report.

Round 2 will build on the foundations set during Round 1 and is scheduled to commence later this year. Council staff are also working towards facilitation and engagement improvements for these future rounds of community discussions, following constructive feedback received in Round 1.

Table 1 summarises the project’s approach to community engagement.

**Table 1: Community engagement rounds**

Round	Title	Description
Round 1	<i>What do you value?</i>	Raise awareness of the project and identify what is valued. Setting the scene and understanding communities. Questions focused on what is important, rather than what might be lost.
Round 2	<i>What is at risk?</i>	Understand climate risk and share information from the detailed risk analysis. Provide opportunities for questions and feedback.
Round 3	<i>What are our options?</i>	Explore adaptation options and pathways. Provide a platform for community ideas on adaptation options.

<b>Round 4</b>	<i>Make it happen</i>	Confirm 'Preferred Options'. Feedback on draft adaptation plans, pathways, or decision points.
----------------	-----------------------	--

### 3. Adaptation planning

Scoping the adaptation plans and the process for their development has commenced and will be progressed this year.

The adaptation plans will be developed following a 'best practice' community-led approach that aims to take strong direction from the district's at-risk communities: This will be underpinned by the research-based risk assessment.

Council is considered to have a significant role in facilitating adaption discussions and planning on behalf of its communities, rather than as a decision-maker.

## 4. CONSIDERATIONS

### 4.1 Strategic Impact

The project directly supports three of Council's Community Outcomes identified in Council's LTP 2021 - 2031, as follows:

**Table 2: Alignment with Community Outcomes**

<b>Community outcome</b>	<b>Description</b>	<b>Relevant priority or project</b>	<b>How is the Project achieving this?</b>
<b>Social</b>	Our communities are vibrant, healthy, safe, and inclusive.	N/A	Contributes to building future-fit, safe, and resilient communities.
<b>Affordability</b>	Our communities are supported by quality infrastructure, facilities and services that are efficient, fit-for-purpose, affordable, and met our current and future needs.	Develop partnerships or enable solutions that increase affordability.	The cost-sharing partnership with the University of Canterbury through the Building Innovation Partnership (BIP).
<b>Environment</b>	Our distinctive environment and natural resources are healthy and valued.	Develop strategies for climate change and natural hazard preparedness	Direct delivery of this priority.

## 4.2 Significance Assessment

The community was engaged regarding climate change and the need for adaptation planning through the LTP 2021 – 2031 consultation process, subsequent engagement on strategic issues in 2023, and most recently through its enhanced annual planning process in 2024.

Feedback received from the community through its LTP 2021 – 2031 process prioritised investment into climate resilience and adaptation planning. Council responded accordingly by prioritising a stepped approach across several years within the LTP 2021 – 2031.

In addition, Council staff are also working towards facilitation and engagement improvements for future rounds of community discussions, following constructive feedback received.

Accordingly, given this report is for the information of Council only, and no decision is required to be made, acceptance of this information is not deemed to be significant under Council’s Significance and Engagement Policy.

## 4.3 Risk Management Implications

Climate change will continue to introduce significant intergenerational risks to our social, cultural, economic, and environmental wellbeing at the district level in the long term.

The Climate Change Adaptation Planning Project is the response to these risks.

Specific risks will be identified, and adaptation plans developed to address these risks, within a strategic framework.

## 4.4 Values

**Table 3: Alignment with Council Values**

Council value	Project alignment
<b>Community Driven</b>	<p>The establishment of the Project is in response to feedback from the community supporting climate adaptation planning.</p> <p>A strong community engagement component is embedded within the Project structure, as evidenced by the Community Engagement Strategy.</p> <p>Feedback received from the community criticising the Project has been considered and community engagement planning has been adjusted accordingly.</p>

	Adaptation plans (3 <sup>rd</sup> phase of the project) will be developed in close collaboration with the community as it is very important that each community feels the plan belongs to them, not the Council.
<b>One Team</b>	<p>A key driver for the Project is to work in with interdependent project teams (such as the TTPP, Resilient Westport Project, and Westport Master Planning Project) to ensure effective alignment and integration and limit confusion and consultation fatigue across the community.</p> <p>Council has also formed a 'One Team' approach with the University of Canterbury to enable superior, research-based outcomes at a reduced cost for the ratepayer.</p>
<b>Future Focussed</b>	<p>The very nature of the Project is about preparing the Buller district and its communities for the future and provide support for generations to come.</p> <p>There is very strong alignment with this Value.</p>
<b>Integrity</b>	<p>Key Project Principles that support 'Integrity' include:</p> <ul style="list-style-type: none"> <li>• Engage openly and transparently – be honest about what we know, what we are doing, and what our constraints are.</li> <li>• Engage with a genuine desire to listen and incorporate community concerns and ideas.</li> <li>• Deliver on commitments made.</li> <li>• Build strong local partnerships with Tangata Whenua, relevant agencies, and community groups.</li> <li>• Ensure duty of care to participants and the engagement team.</li> </ul>
<b>We Care</b>	<p>Key Project Principles that support 'We Care' include:</p> <ul style="list-style-type: none"> <li>• Engage with a genuine desire to listen and incorporate community concerns and ideas.</li> <li>• Ensure duty of care to participants and the engagement team.</li> <li>• Be responsive and flexible - engagement is not a one size fits all programme.</li> </ul>

## 4.5 Policy / Legal Considerations

### 4.5.1 Current Legislative Obligations

Council has received legal guidance regarding the upcoming project milestone, being the delivery of the Risk Assessment and Risk Explorer tool (likely in July 2024).

A preliminary summary of this advice includes:



1. There are expectations in Central Government guidance and Auditor-General reports that Council informs the public of the risks posed by natural hazards and climate change. Of note, several Councils have developed and released similar explorer-type platforms in line with Central Government guidance.
2. There are no imminent statutory requirements to deliver either the Risk Assessment or the Explorer tool, and they are not statutory instruments under any Act.
3. Accordingly, there is no decision for Council to make at this stage, in terms of receipt of the project deliverables; and therefore, it is not considered necessary for Council to adopt them in any formal sense.
4. However, it is recommended as good practice, given its importance, for Council to note receipt of these project deliverables (once complete) for its information (at a future Council meeting; likely August 2024).

#### **4.5.2 Future Legislative Obligations**

Importantly, legal advice received also highlighted some key developing obligations upon Council to generate, release and consult the public with up-to-date information about hazards and the effects of climate change.

Again, whilst there is no imminent or express statutory requirement, both project deliverables (the Risk Assessment and the Risk Explorer tool) will be crucial resources which contribute to Council's fulfilment of future obligations to comply with legislation.

Further information on this, including examples, will be provided within the next update to this Risk and Audit Committee; as well as incorporated within a report to Council, to underpin the receipt and acknowledgement of the project deliverables.

#### **4.6 Tangata Whenua Considerations**

Engagement with Ngāti Waewae has been ongoing since project inception with their representation at the Risk Screening workshops held in 2022. Since this time, update reports (written and verbal) are provided on a regular basis.

The Project is seeking specific input from iwi regarding Mātauranga Māori and Māori values-at-risk under the Kaupapa Māori Risk Domain.

It is important to note that the process of engagement with iwi sits apart from the process of consultation and communication that will be undertaken with the community and stakeholders, in recognition of Council's commitment to working in partnership with Ngāti Waewae.

#### **4.7 Views of Those Affected**

Significant community engagement is needed to deliver meaningful outcomes for our communities at risk.

Round 1 of the Project’s community engagement commenced in November 2023. An interim report noting the findings and outcomes from Round 1 are provided in “*Future Buller – Community Engagement Interim Report – Phase One*” contained as an Appendix to this report.

As above, Council staff are also working towards facilitation and engagement improvements for future rounds of community discussions, following constructive feedback received after Round 1.

#### 4.8 Costs

Project budget has been made available through the LTP 2021 – 2031 and Business Innovation Partnership (BIP) with the University of Canterbury, as shown in the below table.

**Table 4: Project financing**

Schedule of Work	Amount	BIP co-funding	Package of work
Jun-23	\$130,000	\$86,666.67	1
Jul-23	\$100,000	\$66,666.67	1
Feb-24	\$111,000	\$74,000.00	2
Jul-24	\$53,000	\$35,333.33	2
Feb-25	\$53,000	\$35,333.33	3
Jul-25	\$54,000	\$36,000.00	3
Feb-26	\$54,000	\$36,000.00	4
	<b>\$555,000</b>	<b>\$370,000</b>	

#### 4.9 Benefits

The benefits to Council and community are as follows:

1. Taking a science and research-based risk approach will enable Council to make informed prioritisation decisions for adaptation planning for its communities. Given the scale of the district’s climate exposure, hard decisions will need to be made regarding what actions to prioritise.
2. By understanding what is at risk, to what extent, and by when, Council will be acting responsibly and doing what it can today to prepare for tomorrow’s challenges, rather than passing the burden to tomorrow’s generations.
3. Adaptation planning and action will only become more complex into the future. This Project enables Council to prepare and ‘get out in front’ to reduce the cost of climate disasters.

#### 4.10 Media / Publicity

There has been local and regional media interest in climate adaptation since the Project commenced.

Future media releases, community engagement and related discussions will be undertaken in close collaboration with Council’s Manager Communications, to provide

an appropriate degree of quality assurance, consistency, and co-ordination with other Council projects.



## Future Buller – Community Engagement Interim Report – Phase One

*Authors: Alyssa Ryan, Di Rossiter, Tracy Hatton*

*May 2024*

### Project Overview

Future Buller is a joint long-term project between Buller District Council and the University of Canterbury, working in collaboration with the local community to find ways to respond to the changing climate and related events, for now, and into the future.

Future Buller's primary objective is to develop a robust climate adaptation plan for the Buller district.

### Community Engagement

#### The Importance of Engagement

Effective and ongoing community engagement is vital for climate adaptation. Community engagement can empower the decision-making process and provide an avenue to work collectively for a shared vision of the future. This is not a one-off process but a series of ongoing conversations with communities across the next decades.

The key principles that underpin our approach to engagement design can be summarised as:

#### Open and Accountable:

- Engage openly and transparently – be honest about what we know, what we are doing, and what our constraints are.
- Deliver on commitments made.
- Ensure duty of care to participants and the engagement team.
- Provide accessible, applicable (relevant to the community), and actionable information and outputs.

- Ensure one common language across all engagement.

Inclusive:

- Engage early and keep engaging.
- Be responsive and flexible – engagement is not a one size fits all programme.
- Provide a sense of agency/self-efficacy.

Collaborative:

- Engage with a genuine desire to listen and incorporate community concerns and ideas.
- Build strong local partnerships with Mana Whenua, Māori, relevant agencies, and community groups.

What does successful engagement look like for Future Buller?

1. **Inclusive Engagement:** Ensuring that a wide range of community members with diverse perspectives actively participate in the project.
2. **Acceptance of Adaptation:** Achieving community acceptance, even if reluctant, of adaptation strategies and trigger points for future actions.
3. **Community Behaviour Change:** Evidencing proactive steps taken by the community to adapt to challenges and changes.
4. **Positive Community Sentiment:** Maintaining an optimistic and positive outlook within the community.
5. **Integration into Decisions:** Integrating community engagement into decision-making processes.

## Phases

Our community engagement approach is based around four phases aligning with the broader project goals. This report focuses on the preliminary findings derived from Phase One.

Phase	Phase 1	Phase 2	Phase 3	Phase 4
Title	<b>What do you value?</b>	What is at risk?	What are our options?	Make it happen
Description	<b>Raise awareness of the project &amp; identify what is valued. Setting the scene &amp; understanding communities. Questions focused on what is important, rather than what might be lost.</b>	Understand climate risk & share information from the detailed risk analysis. Provide opportunities for questions & feedback.	Explore adaptation options & pathways. Provide a platform for community ideas on adaptation options.	Confirm 'Preferred Options'. Feedback on draft adaptation plans, pathways, or decision points.

Aim	<b>Listen and building relationships.</b>	Education & providing space for dialogue.	Collaborating with community & stakeholders to define options & outcomes.	Listen & gather feedback. Ensure a draft plan is submitted to council.
-----	---	---	---	--

### Phase One Activities

In November and December 2023, Future Buller hosted eight community drop-in sessions across the Buller District to start raising awareness of the project and begin a dialogue with the Buller community. Alongside these sessions, an online platform ([Future Buller: Adapting to climate change \(bullerdc.govt.nz\)](https://futurebuller.govt.nz)) was launched to enable those unable to attend a face-to-face session to share their voice and engage with the project.

Approximately 90 participants attended the drop-in sessions:

- Karamea 17
- Ngakawau 18
- Mōhikinui 5
- Carter's Beach # 1 6
- Carter's Beach #2 20+
- Charleston 8
- Punakaiki 15
- Reefton 1

These drop-in sessions were informal with posters and opportunities to talk to the project team about the Buller District and community values. As the intent was to listen to, and build relationships, there was no formal presentation about the project, rather a brief overview was provided with scope to explain during the conversations. The online platform continues this approach with community members able to add notes through the Buller District Council website detailing what they value and like about the district.

Two of the face-to-face engagements were shared with the West Coast Regional Council as part of their roadshow about amendments to the natural hazard layers in the the Te Tai o Poutini Plan (TTPP). Given the shared messaging and cross-over in engaging and communicating with various communities, it was agreed that Future Buller would work with WCRC and share part of their space.

All face-to-face sessions were held in community facilities and to minimise expenditure, the project team attended multiple sessions on each day, and on consecutive days. This reduced the flexibility around the 'when' each workshop was held and 'for how long'. We are aware this led to some non-optimal timing for communities and will seek to better address this withing our budgetary constraints in phase two.

## Phase One Findings – What do we value?

Post-it notes collected at face-to-face engagements and contributions to the online platform were analysed to reveal the following key values:

### **The importance of the natural environment**

*“I like the clean rivers, bush and beaches” (Charleston resident)*

*“Sounds of bird life and little traffic” (Karamea resident)*

Across many contributors, the importance of the connection and ease of access to the natural environment was noted. From clean rivers, natural bush, and the sounds of the sea through to the inverse of little traffic, few people and bird rather than car noise. Also noted was the dynamic nature of the environment with on-going adaptation needed.

### **The importance of community**

*“A living community with local shops and a pub” (Ngakawau resident)*

*“Small community that supports each other” (Charleston resident)*

Many contributors noted the sense of belonging including historical ties to place, along with community connectivity and social ties. Also, within this theme it was noted that non-conformity was OK. Reduced crime was mentioned, along with distance from larger communities being a good thing.

### **The importance of affordability**

*“Affordable property and people moving here from big cities” (Ngakawau resident)*

*“Price of property is a big driver” (Karamea resident)*

Affordability went hand in hand with amenity of space and natural environment. Also noted under environmental was the need to maintain a local economy, and links to tourism between local amenity and the natural environment. Also noted was the need to enable community members to make good investment choices across adaptation pathways.

### **Concerns around this project’s aims and cost**

*“The decision of BDC to spend \$538,000 developing a ‘climate policy’ is yet another grotesque waste of ratepayer funds” (Westport resident)*

*“Money should only be spent on identified problems” (Westport resident)*

A minority of community members expressed very strong concerns about the wisdom and expense of this project. Concerns included whether climate change exists, historical occurrences of expensive reports commissioned but no action taken, the focus on future rather than current problems, issues around equity and conflicts of

interest in how decisions are made in the region, and concerns about agendas to take people's land.

## Summary

Phase one of community engagement was intended to generate awareness of the Future Buller project and begin the discussions about what the community values, and as a means to inform future dialogue. These four themes represent the community feedback to date. These are the things that we must ensure are retained and considered to enable successful climate change adaptation.

## Community Engagement Reflections

Some aspects of the first round of engagement proved challenging with opportunities for our team to learn and adapt.

## Key Issues & Challenges

- Strategic integration and prioritisation of communications and community engagement across multiple projects (with interdependencies) that enables:
  - Best use of resources, and
  - Best outcome for communities.
- Building trust across our communities following a turbulent post-disaster period.
- Best use of available budget to avoid sub-optimal outcomes e.g., events with little participation.
- Developing best practice as we work through the process i.e., there are currently no “off the shelf templates” for the delivery of climate risk assessments and adaptation plans in Aotearoa, nor for engaging with diverse communities.
- Working effectively under the challenge presented by Buller's significant climate risk profile, in the absence of central government policy for these already highly exposed and impacted communities.
- Working effectively to communicate the considerable and increasing risk to our built environments and social structures, as well as the complex indirect and cascading risk profile.
- Keeping our most vulnerable communities safe while we face the reality of no 'good' options (for some).

## Lessons Learned

The first round of community engagement had some limitations and unpredicted responses that led to a refocus from hosting community members towards managing safety for the female project team in the different community spaces. The following points reflect on the lessons learned from Phase One – What do we value? They also highlight the key takeaways for subsequent iterations of community engagement as we progress through the risk and adaptation phases.



**1. If possible, avoid earlier than planned engagement:**

Future Buller was pulled into early engagement due to TTPP engagement on coastal hazards. As there was the desire to align the interdependencies of approaches and messaging, Future Buller began the community engagement with a different plan than originally intended. To address this, Future Buller will:

- Ensure engagement is scheduled months in advance so we can build awareness of what is happening and what potential conflicts may arise.
- Ensure alignment between project schedules well in advance by maintaining effective communication and informing the different projects.

However, consideration for the moving parts to coordinate means the need to remain flexible may inevitably require adaptation in our engagement planning.

**2. Community does not care which organisation we are from (BDC or WCRC or other):**

Future Buller is associated with other projects as there is a similar message or theme of climate change, exposure, and resilience. To manage this cross-over, Future Buller will:

- Ensure there is a joined-up approach (both Councils), and if possible, with other agencies and departments – no ‘passing the buck’.
- Align messaging, the communications strategy, and schedule as it is all one project (Buller district future resilience).

**3. We need to keep working on community awareness and participation:**

Lower community participation impacts the diversity of views and reduces process robustness and legitimacy. We need to do better to:

- Ensure multiple opportunities and mechanisms are provided for engagement and offered over a period of time, including the various awareness-building activities and promotion of online engagement.
- Ensure support mechanisms (e.g., transport or online support at the library) are provided so all community members are given the opportunity to engage, whether that is at a workshop or through other methods.
- Target already established community networks and groups and community events and use these to propagate communications.
- Engage directly with youth forums and schools to ensure a diverse range of voices are heard.
- Consider fewer workshops but at more convenient times for community e.g., group Karamea / Northern Buller workshop and hold in, say, Ngakawau, from 3pm – 7pm.
- Use community connectors to connect people and help build awareness of the project, and the process. Part of this includes establishing a relationship with the various community connectors so there is a willingness to participate and support the process in some instances.

- Budget availability will impact on the number (but more importantly timing) of in-person workshops that can be held. This may affect attendance as people may be less willing or able to travel longer distances to attend workshops.

**4. There is misinformation, climate change denial, and mistrust regarding incompetence or hidden agendas of the Future Buller project:**

To address this, Future Buller will:

- Start communicating and keep communicating (even if we have nothing new to share) through proactive engagement with The Westport News, other print media and social media, to fill the gap with facts and counter misinformation with science.
- Develop and manage a wide range of community relationships which can alleviate some of the pressure and spread of negative perceptions.
- Budget availability will impact on communications resourcing but there is the option to maintain a presence through Council's website and the Future Buller engagement platform.
- Maintain our key principles of openness and transparency, noting where there is uncertainty in the science.

**5. Confrontations at events are off putting for attendees and project team members:**

- Individual community members intent on derailing the process and female project team members reported feeling unsafe.
- Consider security to manage escalations for safety of the project team and other community members attending the workshops.
- Develop mixed community engagement approaches to have a wider reach throughout the community.

### Next Steps

Activities already underway to address our lessons learned include:

- Planning for greater awareness and reach for Phase Two engagement via engagement with community connectors, greater advance planning, and the use of a variety of communication channels.
- Continuing to work with aligned projects to ensure integration.

### Summary

Community engagement is an iterative process that needs to be flexible and adaptive in the style and approaches used. There is no clear guide to effective inclusive engagement and there is always scope to reflect and evaluate on the next steps. Future Buller needs to establish rapport to build trust and develop lasting relationships, which will help to bring awareness to the project but also help to inform the adaptation planning and decision-making. We continue our efforts to gather data

on 'What is valued', to ensure that adaptation plans keep the things that matter most to Buller communities.



## Research Contract

UC Ref: E7841

Funder Ref:

### Key Details

#### Parties

Between	University of Canterbury, an educational institution incorporated under the University of Canterbury Act 1961, governed in accordance with the Education and Training Act 2020, with offices situated at Ilam Road, Christchurch, New Zealand. (UC)
And	Buller District Council, a local authority with its principal office at 6 Brougham Street, Westport (Funder)

#### Research Title

**Climate Adaptation in the Buller District**

Start Date	1 June 2023	End Date	30 December 2023
UC Key Personnel	Dr Tom Logan	Funder Contact	Douglas Marshall

### Background

The Funder wishes to engage UC to undertake the Research and provide the Deliverables, and UC agrees to the same, on the terms set out in this Contract.

Funding	\$230,000	payable in New Zealand Dollars plus GST (as applicable) in accordance with the Payment Schedule in the Statement of Work.
---------	-----------	---

#### The documents forming this Contract are:

1. Key Details Page 1
2. General Terms Schedule 1
3. MoU Schedule 2
4. Statement of Work Schedule 3
5. Any other attachments described as below

The above documents apply in the descending order of precedence above, except that in the event of inconsistency between the General Terms and SOW, the SOW prevails.

List attachments or if nil, insert N/A  
N/A

### Acceptance

#### Authorised Signatory – UC

Signature	
Name	<b>Rebecca Hurrell</b> Deputy Director Te Rōpū Rangahau Research & Innovation
Title	
Date	28/6/2023

#### Authorised Signatory – Funder

Signature	
Name	Sean Judd
Title	Acting CEO
Date	6 June 2023

**SCHEDULE 1 - GENERAL TERMS**

The Parties agree that the Contract applies to the Research and the Funding, to the exclusion of all other terms.

**1. DEFINITIONS AND INTERPRETATION**

1.1 Capitalised terms used in this Contract have the meanings ascribed to them in the Key Details or SOW, unless otherwise defined below:

**Background IPR** means all IPR owned or licensed by a Party at the date of this Contract or developed or acquired by a Party during the term of this Contract.

**Confidential Information** means all information and materials disclosed by one Party to another which is by its nature confidential or which the discloser advises the recipient is confidential and includes the terms of this Contract;

but does not include:

- (a) information which at the date of this Contract is in the public domain or subsequently enters the public domain without fault on the part of the recipient;
- (b) information that is received in good faith by the recipient from a third party not owing (directly or indirectly) any obligation of confidentiality to the disclosing Party; or
- (c) information which is at the date of this Contract, independently acquired or developed by, or already properly in the possession of, the recipient and which the recipient can demonstrate by written record to be previously known to the recipient.

**Contract** has the meaning given to it in the Key Details.

**Deliverables** mean any deliverables described in the SOW.

**Funder Property** means the Items listed in the SOW which the Funder owns or otherwise has a right to use and which will be provided to UC for the purposes of carrying out the Research.

**General Terms** means these General Terms, which form Schedule 1 to the Contract.

**HSW Act** means the Health and Safety at Work Act 2015 (and any amending or substituting legislation)

**IPR** means all intellectual property rights and industrial property rights (whether protectable by statute, at common law or in equity, and whether or not registered or registrable) including copyright, patent rights in relation to an invention and design rights in relation to a design.

**Key Details** means the terms set out on page 1 of the Contract.

**New IPR** means any new IPR arising from the performance of the Research (including any such new IPR in the Deliverables), but excludes Background IPR and (unless expressly provided otherwise herein) improvements to the same.

**Reports** mean any Reports described in the SOW.

**Research** means the Research described in the SOW, or any agreed variations.

**SOW** means the Statement of Work, which forms Schedule 3 to this Contract, and any further SOW agreed by the parties from time to time.

**Working Day** means any day other than a Saturday, Sunday, public holiday in New Zealand, and any day from 24 December to 5 January inclusive in any year.

**2. RESEARCH CONDUCT**

2.1 UC will undertake the Research (which includes meeting any Milestones) and use all reasonable endeavours to provide the Deliverables within the timeframes specified in the SOW, or otherwise by the End Date.

2.2 UC agrees to exercise reasonable skill, care and diligence in undertaking the Research, consistent with standards generally accepted in the scientific and engineering professions.

2.3 UC will carry out the Research in compliance with applicable laws and regulations. UC will use its reasonable endeavours to obtain all consents required to carry out the Research. UC will, whenever requested by the Funder, produce documentation showing the necessary consents have been obtained. UC will notify the Funder if any required consent is not able to be obtained, expires, is withdrawn, or otherwise lapses. UC reserves the right to terminate this Contract if any consent required for the Research is not able to be obtained.

2.4 UC is responsible for supplying its own materials, instruments and equipment for the performance of the Research. Unless agreed otherwise, ownership of such materials belongs to UC.

2.5 UC will keep all Funder Property safe and secure and not dispose of any such property without the prior written authority of the Funder.

**3 HEALTH & SAFETY**

3.1 Both Parties undertake to comply with their respective obligations under the HSW Act in relation to the Research to be carried out under this Contract. This includes an obligation to co-operate and consult with each other in relation to worker health and safety where they have overlapping obligations as a Person in Control of a Business or Undertaking (PCBU) under the HSW Act.

3.2 UC (as provider of the Research), and both parties (in the case of activities that are being undertaken jointly or with access to each other's site(s)):

- (a) warrant that they have appropriate Health and Safety policies and procedures in place for the duration of this Contract including:
  - i. safety plan covering specific hazards identified and control measures applied where appropriate;
  - ii. a process for identifying and managing new hazards;
  - iii. personal protective equipment available and used when required;
  - iv. procedures in place for dealing with emergencies;
  - v. accident recording and investigation procedures in place.
- (b) will notify the other of serious harm incidents which arise out of or during this Contract and such bodies and/or persons required under the HSW Act, or any amending or substituting legislation, as soon as possible after the incident occurs.
- (c) will notify the other in writing of all accidents or incidents notified, arising out of or during this Contract.
- (d) Where either Party's personnel conducts activities at the premises of the other Party, that Party who is in control of those premises will ensure a proper Health and Safety induction before any activities are carried out.

**4 PERSONNEL**

4.1 The Key Personnel will be engaged to carry out the Research in the manner described in the SOW, however the Funder recognises that other UC personnel may be involved in undertaking the Research. UC will ensure that all personnel involved in the Research have the necessary skills, experience,

- training, equipment and resources to successfully perform the Research and produce the Deliverables.
- 4.2 UC will not delegate nor replace the Key Personnel specified in the Statement of Work to perform its obligations under this Contract without the Funder's prior written consent (not to be unreasonably withheld or delayed).
- 5 REPORTING AND PROGRESS**
- 5.1 UC will keep records in relation to the Research in accordance with the Public Records Act 2005 and, subject to any prohibitions at law, will make them available to the Funder as reasonably required.
- 5.2 In addition to any Reports required under the SOW, UC will supply the Funder with updates on the progress of the Research at such times reasonably requested by the Funder. The Parties will also meet as specified in the SOW to review UC's progress in undertaking the Research.
- 6 CHANGE EVENTS**
- 6.1 In relation to the SOW the following matters constitute change events ("Change Event"):
- It becomes apparent to a Party that a Deliverable cannot be, or is unlikely to be, completed and delivered by the dates specified in, or in the manner contemplated by, the SOW;
  - the Funder (acting reasonably) is not satisfied with the progress UC has made in relation to the delivery of a Deliverable, or any significant aspect of the Research; or
  - there is a change in involvement of Key Personnel and an adequate replacement is unable to be found within a reasonable time.
- 6.2 A Party must give the other Party written notice as soon as reasonably practicable after it becomes aware that a Change Event has occurred, or is likely to occur.
- 6.3 Where a variation to the SOW is proposed as a result of a Change Event, the Parties will do everything necessary to give effect to that variation in writing, including agreeing to any variation to the SOW.
- 6.4 Where a variation to the SOW is proposed and UC does not agree to that variation, either Party may terminate this Contract on thirty (30) days' written notice to the other Party.
- 6.5 The Parties agree neither Party may raise a dispute under clause 13 if a Change Event is notified under clause 6.2.
- 7 PAYMENT**
- 7.1 The Funder will pay UC the Funding for the Research upon receipt of a valid invoice, as detailed in the Payment Schedule in the SOW. Any payment above the stated maximum in the SOW must have express, prior written approval of the Funder unless those amounts are specified to be estimates (but UC will consult with the Funder if it becomes apparent that any cost estimate will or is likely to be exceeded).
- 7.2 UC invoices will be paid by the Funder no later than 30 days following invoice, unless a dispute arises in connection with that invoice. In that case, the Funder may withhold the disputed amount (but not any amount which is not in dispute).
- 8 INTELLECTUAL PROPERTY RIGHTS**
- 8.1 Background IPR owned by a Party will remain with that Party. Each Party acknowledges and agrees that it will not have any claim, ownership or interest in another Party's Background IPR or any improvements in such Background IPR other than expressly set out herein.
- 8.2 All New IPR will automatically vest in UC on creation. UC grants the Funder a royalty free, non-exclusive licence to the New IPR (and any relevant Background IPR embodied in the Deliverables) to enable the Funder to have the benefit of the Deliverables, and to use, copy and distribute (but not modify) the Deliverables, solely for the purposes for which the Deliverables were commissioned. For the sake of clarity, the licence granted in clause 8.2 does not include, other than with UC's prior written consent a right for any person other than the Funder to rely on a Deliverable for any purpose.
- 8.3 The Funder grants UC a royalty-free, non-exclusive licence to use its relevant Background IPR for the purposes of carrying out the Research.
- 8.4 No representations or warranties are made or given by either Party in relation to Background IPR. However, each Party making available Background IP acknowledges that as far as it is aware, such Background IPR when used in accordance with this Contract will not infringe any third party Intellectual Property rights
- 9 TERM AND TERMINATION**
- 9.1 Irrespective of the date of signing, this Contract will commence on the Start Date and terminate on the End Date, unless terminated earlier in accordance with this clause 9.
- 9.2 This Contract may be terminated by either Party on notice in writing to the other Party if such other Party is in breach of this Contract and does not remedy the breach within thirty (30) days from the date of service of a notice in writing specifying the breach and requiring its remedy.
- 9.3 Where termination of this Contract before completion of the Research is due to the Funder being in breach of this Agreement, the Funder will pay to UC the full Funding as outlined in the SOW. However, where termination is due to a circumstance other than the Funder being in breach of this Agreement, the Funder will pay to UC that portion of the Funding which is equal to the portion of Research completed to date plus the cost of any labour, materials, services or committed funds undertaken, made or ordered by UC in anticipation of full performance of the Research and expenses incurred at the date of termination (and UC may set off any unspent Funding against this amount).
- 9.4 On termination of this Contract, UC will return to the Funder any unspent Funding which is not attributable to any committed expenses or other costs incurred in accordance with this Contract.
- 9.5 Termination of this Contract will be without prejudice to the rights and remedies of the Parties that have accrued prior to termination, including for any prior breach of this Contract.
- 10 CONFIDENTIALITY**
- 10.1 The recipient of Confidential Information will:
- keep it in the recipient's possession and treat it as confidential regardless of when disclosed;
  - not use any Confidential Information belonging to the other Party for any purpose other than as required in terms of this Contract; and
  - only disclose Confidential Information to employees, officers, students, approved subcontractors or professional advisers on a need to know basis and will be liable to the discloser for any breach by those persons of these confidentiality obligations.
- 10.2 The obligation of confidentiality will not, however, apply to information that:
- is already known to the party to which it was disclosed;
  - is in, or becomes, part of the public domain without a breach of this Contract;
  - is obtained from third parties which have no obligation to keep confidential to the contracting parties;
  - is agreed in writing between the parties not to be confidential; or



- (e) is required to be disclosed by law.
- 10.3 The recipient will, on demand by the disclosing Party at the option of the disclosing Party promptly:
- (a) return to the disclosing Party Confidential Information which is reasonably capable of being returned; and/or
  - (b) destroy Confidential Information;
- (including copies or reproductions of the same) which is in the possession or control of the recipient.
- 10.4 The Parties acknowledge that any breach of these confidentiality obligations may result in damages for which monetary compensation would not be an adequate remedy. The affected Party is entitled to specific performance or injunctive relief in addition to any other remedies at law or in equity.
- 11 PUBLICITY / ENDORSEMENT**
- 11.1 Neither Party will use the name or logo of the other Party or the names of any staff or employees of the other Party in relation to this Contract, in the media or publicity or in any endorsement, without the prior written permission of the other Party.
- 12 PUBLICATION**
- 12.1 The Parties recognise the importance of publishing the Research on an open source or otherwise public basis, as further described in clause 18. Publications are encouraged, subject to a copy of any proposed publication being supplied to the Funder for review at least one (1) month prior to its submission or presentation. The Funder may require the removal of any commercially sensitive Confidential Information. The Funder has ten (10) Working Days to inform UC of such commercially sensitive Confidential Information and no response will be deemed approval and acceptance of the proposed publication. Following the removal of such commercially sensitive information, the Funder will have no further right to object to the proposed publication.
- 12.2 The Parties agree that there will be no constraints applied to the publication of these. In exceptional circumstances, publication of a thesis may be subject to an embargo for a period of time to be determined by UC to allow for the filing of applications to protect any New IPR.
- 13 DISPUTE RESOLUTION**
- 13.1 If any dispute arises as to the terms of this Contract, then either Party may give written notice to the other Party of that dispute. The Parties will endeavour to resolve it quickly and fairly in good faith.
- 13.2 If the dispute or difference cannot be settled by good faith negotiation between the Parties within ten (10) Working Days of the dispute or difference arising, such dispute or difference may be referred by either Party to the mediation of a single mediator agreed to by both Parties, or failing that, appointed by the President for the time being of the New Zealand Law Society or his/her nominee.
- 13.3 If the dispute or difference cannot be settled within thirty (30) Working Days (or such other period agreed by the Parties) of the dispute or difference being referred to mediation pursuant to clause 13.2, either Party may commence court proceedings and will be entitled to exercise all rights and remedies available to it at law.
- 13.4 Nothing in this clause 13 will prevent either Party from commencing court proceedings for the purposes of seeking urgent interlocutory relief or non payment of undisputed debts.
- 14 FORCE MAJEURE**
- 14.1 Neither Party will be responsible for any failure or delay in complying with the terms of this Contract, other than an obligation to make payment, where such failure or delay results from events beyond its reasonable control. The frustrated Party is to resume its obligations under this Contract as soon as it reasonably can after the force majeure event ceases. If such force majeure is not remedied within thirty (30) Working Days of its initial occurrence the other Party may terminate this Contract with immediate effect on written notice to the frustrated Party.
- 15 LIABILITY**
- 15.1 To the extent permitted by law:
- (a) neither party gives any warranties, representation or undertakings to the other except as expressly set out herein;
  - (b) neither party will be liable for any consequential or indirect loss, liability or damage of the other, or loss of income, revenue, profit, or savings; and
  - (c) UC's total aggregate liability to the Funder in connection with this Contract, the Research and the Deliverables, whether arising in contract (including under any indemnity), tort (including negligence), statute or otherwise at law or in equity will not under any circumstance exceed in amount the total remuneration received by UC, as specified in SOW.
- 15.2 The Funder acknowledges that UC's liability under this Contract is solely to the Funder, and the Funder indemnifies UC against any costs, losses, claims or damages incurred by UC as a result of the Funder's or any third party's use of (or reliance on) the Research or the Deliverables.
- 16 PBRF**
- 16.1 The Parties agree that, where appropriate, the total amount of the Funding under this Contract will, for Performance Based Research Funding purposes, be excluded by the Funder as External Research Income but may be recorded and reported as such by UC.
- 17 GENERAL**
- 17.1 No amendment to this Contract is binding unless in writing and signed by an authorised representative of both Parties.
- 17.2 Nothing in this Contract will create, constitute or evidence any partnership, joint venture, agency, trust or employer/employee relationship between the Parties.
- 17.3 A failure by a Party to enforce a provision of this Contract will not constitute a waiver of any right to future enforcement of that or any other provision.
- 17.4 If any part of this Contract is unenforceable, invalid or illegal, the other terms will remain in force.
- 17.5 All clauses of this Contract that are intended to continue after termination, including clauses 7 (Payment), 8 (Intellectual Property Rights), 9 (Termination), 10 (Confidentiality), 13 (Dispute Resolution), 15 (Liability), 16 (PBRF) and 17 (General) will continue in full force and effect.
- 17.6 Any notice to a Party under this Contract will be deemed to have been delivered immediately upon hand delivery to the address of that Party in the specific terms, five (5) Working Days after posting within New Zealand to the address of that Party in the specific terms, ten (10) Working Days after posting overseas to the address of that Party in the specific terms, or immediately on receipt by the sender of evidence the notice has been successfully emailed to the contact person of that Party in the SOW.
- 17.7 UC may not assign its liabilities or rights under this Contract to any other person without the prior written consent of the Funder.
- 17.8 This Contract (including the SOW and any further SOWs agreed under it) records the entire understanding and Contract between the Parties regarding its subject matter and supersedes and extinguishes all prior agreements, statements, correspondence and undertakings, whether written,

- oral or both made between the Parties relating to the same subject matter. The Parties agree that in entering this Contract, they have not relied on any representation (including pre-contractual representations) other than those which are set out in this Contract.
- 17.9 This Contract will be read subject to any variations specified in the part of the SOW entitled "Variation to General Terms".
- 17.10 This Contract may be signed in counterparts, including by email, all of which, when taken together, will constitute one and the same document.
- 17.11 This Contract will be governed by New Zealand law and the Parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 18 BIP CO-FUNDING**
- 18.1 The Research is co-funded by the Ministry of Business, Innovation and Employment's (MBIE) Building Innovation Partnership (BIP). Accordingly, the Funder hereby:
- (a) consents to UC providing other project co-funder(s) a copy of all Deliverables and providing information about the Research to MBIE and other funders of, and the participants in, the Building Innovation Partnership programme;
  - (b) acknowledges that UC is obliged by MBIE to use its best endeavours to maximise the benefit of the New IPR to New Zealand and where possible, to make the New IPR available on an appropriate open-source basis for the benefit of UC, the Funder, other project co-funders and the building industry more generally, and the Funder will not interfere with UC fulfilling such obligation;
  - (c) acknowledges that, where the Background IPR or New IPR incorporate material derived from open source or creative commons licences, such Background IPR and/or New IPR are licensed subject to the terms of the relevant licences and the parties agree to co operate to ensure that the relevant licence terms are complied with (eg attributed obligations); and
  - (d) agrees to comply with any reasonable requests by UC to enable it to comply with its funding agreement with MBIE.



SCHEDULE 2 – MEMORANDUM OF UNDERSTANDING

**Statement of Intent**

The Buller District Council acknowledges the important contribution research makes to realise effective local government. However, the primary purpose of Buller’s Climate Adaptation Project is to support the district’s communities, particularly those most vulnerable to climate effects, through the continuous adaptation cycle. To achieve this, it is of utmost importance that community wellbeing is prioritised ahead of research objectives throughout the life of this project. This specifically means that where communities may be adversely affected by research findings, the Buller District Council has authority to control the public release or wider dissemination of all project-related research outcomes that makes identifiable the Buller district and/or those communities.

This project is being co-funded by the Building Innovation Partnership. This means that for every \$6 of funding from Buller DC attracts an additional \$4 from the MBIE Science Partnership Scheme. These additional funds will be used directly in the project to employ additional resources, namely a postdoctoral research fellow and postgraduate students. These resources will support several research publications on multi-hazard and multi-criteria adaptation planning and ensure that the Buller community is provided with the best-available methods.

**Multi-Phase Adaptation Planning Process**

Climate Adaptation in Buller is a multi-year process. However, to ensure BDC maintains complete control as to how it funds the project, the contract will be completed in distinct packages. This MoU provides visibility for the entire process. The SoW in Schedule 3 is for the first package.

Buller’s Climate Adaptation Project is being delivered within a wider context of national and regional legislative and funding uncertainty. The Project will support the 5<sup>th</sup>, 6<sup>th</sup>, and 7<sup>th</sup> stages of the Buller District Council’s climate adaptation planning programme:

- Stage 5 – Detailed Risk Assessment
- Stage 6 – Risk Ranking
- Stage 7 – Adaptation Action Planning

For the purposes of this contract, these stages will be addressed in four distinct packages of work:

- Package 1: June 2023-December 2023. The detailed risk assessment and risk prioritisation.
- Package 2: February 2024-December 2024. The draft adaptation plans developed.
- Package 3: February 2025-December 2025. The final adaptation developed.
- Package 4: February 2026-July 2026. The monitoring and evaluation recommendations developed.

Note, these timeframes have shifted from those shown in Figure 1.



Figure 1. Buller District Council’s Climate Adaptation Planning Programme. Interdependencies with national and regional legislative planning and financing timeframes are shown. Note that the timeframe has shifted and is detailed in this document.

**Package 1: Detailed Risk Assessment and Prioritisation**

Key deliverables for this work package include:

- Risk Explorer 2 data platform with integrated quantitative climate risk data and Council asset and infrastructure networks
- Presentation of Risk Explorer functionality and findings to BDC Mayor and CE
- Presentation of Risk Explorer functionality and findings to Council
- Risk prioritisation workshops with Council staff
- Risk Explorer 3 data platform with integrated quantitative climate risk data and Council asset and infrastructure networks
- Technical Risk Assessment and Prioritisation Report
- Engagement Strategy and Plan
- Communications Plan
- Delivery of Engagement Portal
- Round One engagement package, including collateral
- Round One engagement Summary Report

**Package 2: Initial Adaptation Planning**

Key deliverables for this work package include:

- Draft Community Adaptation Action Plans
- Presentation of Community Adaptation Action Plans to Council
- Round Two engagement package, including collateral
- Round Two engagement Summary Report

**Package 3: Final Adaptation Planning**

Key deliverables for this work package include:

- Final Community Adaptation Action Plans with DAPPs
- Presentation of Community Adaptation Action Plans to Council
- Round Three engagement Summary Report
- Round Three engagement package, including collateral

**Package 4: Monitoring and Evaluation Process Development**

Key deliverables for this work package include:

- Monitoring and Evaluation Recommendations Report
- Round Four engagement Summary Report
- Round Four engagement package, including collateral
- Integration of adaptation engagement into Council BAU – Recommendations Report

**ESTIMATED COUNCIL PAYMENT SCHEDULE**

SCHEDULE	AMOUNT	BIP co-funding	Package of work
June 2023	\$130,000	\$86,666.67	1
July 2023	\$100,000	\$66,666.67	1
February 2024	\$111,000	\$74,000.00	2
July 2024	\$53,000	\$35,333.33	2
February 2025	\$53,000	\$35,333.33	3
July 2025	\$54,000	\$36,000.00	3
February 2026	\$54,000	\$36,000.00	4



## SCHEDULE 3 – STATEMENT OF WORK PACKAGE #1

UC Ref: E7841  
 Funder Ref:

**Description of Research**

In October 2022, the Associate Minister of Local Government (Hon Kieran McNulty) released a report<sup>1</sup> on vulnerable communities exposed to flood hazard. Vulnerability was assessed using four criteria:

1. Socio-economic vulnerability – where the community achieves a score of 10 (most vulnerable) in the New Zealand Index of Deprivation<sup>2</sup>,
2. Flood hazard – where the community is currently exposed to flood hazards,
3. Flood protection infrastructure – where no flood protection infrastructure is planned, and
4. Community ability to pay – where the Council's (and wider district's) financial capacity is insufficient to achieve essential adaptation.

Within the report, 44 of New Zealand's communities (>50+ people) were deemed most vulnerable. Of these, three communities (Urban Westport, Granity, and Hector) are within the Buller district. Additionally, the report identified seven Territorial Authorities from across Aotearoa that have a significant proportion of their populations that are both socio-economically vulnerable and exposed to flood hazards, with the Buller district being the only district of the seven in the South Island.

Buller's vulnerability profile is exacerbated by its heavy reliance on primary sector industries, such as coal mining and dairy farming, which themselves are vulnerable to climate transition imperatives. It is also a district with an extensive exposed coastline, vulnerable roading network and aging infrastructure, and communities at risk of prolonged post-disaster geographical isolation.

Adapting to climate change is therefore an urgent issue for the Buller district but is a process still presenting significant research questions. These questions involve how to make decisions and engage communities when there are significant uncertainties (particularly around 'who pays'), multiple hazards, interdependent infrastructure, and cascading and interconnected societal impacts.

Existing guidance on climate change adaptation is based on high-level, qualitative risk assessments. This is insufficient to support the consequential decisions that communities must make today and is unable to leverage the rapidly improving, place-based, multi-hazard, quantitative risk assessments being developed by researchers internationally. **The goal of this project is to develop an adaptation planning methodology that leverages the latest research findings and risk assessment techniques to support communities making decisions today.**

Due to the uncertainty inherent in climate change, decision-making must be adaptive. Adaptive management involves flexible planning that recognises that interventions can fail once certain environmental conditions are reached. For example, an X-metre sea wall may only be suitable for less than Y centimetres of sea level rise; as SLR nears Y centimetres, this would signal that a new option is necessary and further increases would trigger a shift in strategy. Several approaches for decision-making under uncertainty are available (Lawrence et al., 2021), and there is ongoing research around the strengths and limitations of each for New Zealand communities. However, these techniques have never fully been tested within a community in a manner that considers all infrastructures and wider societal impacts.

Additional to managing uncertainty, interventions must be evaluated across a range of considerations. These considerations include an intervention's risk-reduction effectiveness, cost feasibility, emission-reduction potential, and their impacts (co-benefits or trade-offs) across all the societal wellbeing domains. Engaging with the affected communities, especially those who have lost trust in the government, is a critical issue that must be managed.

These issues raise significant challenges, both in practice and theory. Ultimately, developing a plan that can communicate these challenges, incorporate and reflect the community's input, and maximise synergies across multiple domains and sectors, all while minimising maladaptive potential, is a hugely complex and impactful issue, one with significant learning opportunities.

**Key Personnel & FTE:**

Tom Logan – 0.15 FTE  
 Post doc fellow – 1.0 FTE

<sup>1</sup> [Vulnerable-Communities-Exposed-to-Flooding-Report- Oct2022.pdf](#)

<sup>2</sup> NZDep 2018

Deliverables (including specific Milestones):

**Package 1: Detailed Risk Assessment and Prioritisation**

The first phase of work covered by this contract includes the

- Detailed Risk Assessment
- Risk Prioritisation
- Preparation of the Engagement Portal
- First stage of community engagement

The key deliverables for this work package include:

Deliverable/Reporting	Due date
Risk Explorer 2 data platform with integrated quantitative climate risk data and Council asset and infrastructure networks	August 2023
Presentation of Risk Explorer functionality and findings to BDC Mayor and CE	August 2023
Presentation of Risk Explorer functionality and findings to Council	August 2023
Risk prioritisation workshops with Council staff, Iwi, and other relevant stakeholders	August-September 2023
Risk Explorer 3 data platform with integrated quantitative climate risk data and Council asset and infrastructure networks	November 2023
Technical Risk Assessment and Prioritisation Report	November 2023
Engagement Strategy and Plan	July 2023
Communications Plan	July 2023
Delivery of Engagement Portal	August 2023
Round One engagement package, including collateral	August 2023
Round One engagement Summary Report	November 2023

Funder Property to be used by UC in the Research: N/A

Funding	Totals
Package 1	\$230,000
<b>Total (GST exclusive)</b>	<b>\$230,000</b>

**Payment Schedule**

Invoices will be issued as follows:

Date	Amount NZ\$
On signing agreement	\$130,000
30 July 2023	\$100,000
Total	\$230,000

**Variation to General Terms**

The following clause is incorporated into the General Terms

**19 Statements of Work**

19 UC acknowledges that the Funder wishes to engage UC on a staged basis under separate SOWs. After completion of the SOW outlined above, further work may be commissioned at the Funder's discretion, and will be actioned by the parties agreeing further SOW(s) by way of contract variation. Any further SOW is not valid until executed by both parties and once so executed, will be deemed to incorporate the General Terms (and any variations).

**Notices – UC**

Name	Post-Award Team
Department	Research & Innovation
Postal Address	University of Canterbury Private Bag 4800 Christchurch 8140
Physical Address	20 Kirkwood Road Ilam, Christchurch
Phone	+64 3 369 5858
E-mail	<a href="mailto:researchcontracts@canterbury.ac.nz">researchcontracts@canterbury.ac.nz</a>

**Notices – Funder**

Name	Douglas Marshall
Department	Corporate Services
Postal Address	P O Box 21 Westport 7866
Physical Address	6 Brougham Street Westport 7866
Phone	0800 807 239
E-mail	<a href="mailto:Douglas.marshall@bdc.govt.nz">Douglas.marshall@bdc.govt.nz</a>

## Schedule 3 – Statement of Work Package #2

UC Ref:	E7841
Funder Ref:	

### Description of Research

In October 2022, the Associate Minister of Local Government (Hon Kieran McAnulty) released a report<sup>1</sup> on vulnerable communities exposed to flood hazard. Vulnerability was assessed using four criteria:

1. Socio-economic vulnerability – where the community achieves a score of 10 (most vulnerable) in the New Zealand Index of Deprivation<sup>2</sup>,
2. Flood hazard – where the community is currently exposed to flood hazards,
3. Flood protection infrastructure – where no flood protection infrastructure is planned, and
4. Community ability to pay – where the Council's (and wider district's) financial capacity is insufficient to achieve essential adaptation.

Within the report, 44 of New Zealand's communities (>50+ people) were deemed most vulnerable. Of these, three communities (Urban Westport, Granity, and Hector) are within the Buller district. Additionally, the report identified seven Territorial Authorities from across Aotearoa that have a significant proportion of their populations that are both socio-economically vulnerable and exposed to flood hazards, with the Buller district being the only district of the seven in the South Island.

Buller's vulnerability profile is exacerbated by its heavy reliance on primary sector industries, such as coal mining and dairy farming, which themselves are vulnerable to climate transition imperatives. It is also a district with an extensive exposed coastline, vulnerable roading network and aging infrastructure, and communities at risk of prolonged post-disaster geographical isolation.

Adapting to climate change is therefore an urgent issue for the Buller district but is a process still presenting significant research questions. These questions involve how to make decisions and engage communities when there are significant uncertainties (particularly around 'who pays'), multiple hazards, interdependent infrastructure, and cascading and interconnected societal impacts.

Existing guidance on climate change adaptation is based on high-level, qualitative risk assessments. This is insufficient to support the consequential decisions that communities must make today and is unable to leverage the rapidly improving, place-based, multi-hazard, quantitative risk assessments being developed by researchers internationally. **The goal of this project is to develop an adaptation planning methodology that leverages the latest research findings and risk assessment techniques to support communities making decisions today.**

Due to the uncertainty inherent in climate change, decision-making must be adaptive. Adaptive management involves flexible planning that recognises that interventions can fail once certain environmental conditions are reached. For example, an X-metre sea wall may only be suitable for less than Y centimetres of sea level rise; as SLR nears Y centimetres, this would signal that a new option is necessary and further increases would trigger a shift in strategy. Several approaches for decision-making under uncertainty are available (Lawrence et al., 2021), and there is ongoing research around the strengths and limitations of each for New Zealand communities. However, these techniques have never fully been tested within a community in a manner that considers all infrastructures and wider societal impacts.

Additional to managing uncertainty, interventions must be evaluated across a range of considerations. These considerations include an intervention's risk-reduction effectiveness, cost feasibility, emission-reduction potential, and their impacts (co-benefits or trade-offs) across all the societal wellbeing domains. Engaging with the affected communities, especially those who have lost trust in the government, is a critical issue that must be managed.

These issues raise significant challenges, both in practice and theory. Ultimately, developing a plan that can communicate these challenges, incorporate and reflect the community's input, and maximise synergies across multiple domains and sectors, all while minimising maladaptive potential, is a hugely complex and impactful issue, one with significant learning opportunities.

### Key Personnel & FTE:

Tom Logan – 0.15 FTE  
 Post doc fellow or equivalent Research Assistants – 1.0 FTE

<sup>1</sup> [Vulnerable-Communities-Exposed-to-Flooding-Report- Oct2022.pdf](#)

<sup>2</sup> NZDep 2018

Deliverables (including specific Milestones):

**Package 2: Finalisation of first detailed risk assessment, commencement of draft adaptation plans and ongoing community engagement**

This 2nd phase of work covered by this contract includes the

- Finalisation of the first full Detailed Risk Assessment
- Integration of any updated hazard or asset information
- Analysis of Round One engagement feedback
- Preparation and launch of Round Two engagement -risk information
- Analysis of Round Two engagement feedback
- Commencing draft adaptation plans
- 
- The key deliverables for this work package include:

Deliverable/Reporting	Due date
Risk Explorer 3 data platform	April 2024
Risk Assessment Technical Report	April 2024
Presentation of Risk Explorer functionality and adaptation area summary findings to Council	June 2024
Round Two engagement package, including collateral	June 2024-October2024
Adaptation areas overview report	April – June 2024
Draft adaptation plans	April 2024-November 2024

Funder Property to be used by UC in the Research: N/A

Funding	Totals
Package 2	\$164,000
<b>Total (GST exclusive)</b>	<b>\$164,000</b>

#### Payment Schedule

Invoices will be issued as follows:

Date	Amount NZ\$
1 Feb 2024	\$111,000
30 July 2023	\$53,000
<b>Total</b>	<b>\$164,000</b>

#### Variation to General Terms

The following clause is incorporated into the General Terms

##### 19 Statements of Work

19 UC acknowledges that the Funder wishes to engage UC on a staged basis under separate SOWs. After completion of the SOW outlined above, further work may be commissioned at the Funder's discretion, and will be actioned by the parties agreeing further SOW(s) by way of contract variation. Any further SOW is not valid until executed by both parties and once so executed, will be deemed to incorporate the General Terms (and any variations).



**Notices – UC**

Name Post-Award Team  
 Department Research & Innovation  
 Postal University of Canterbury  
 Address Private Bag 4800  
 Christchurch 8140  
 Physical 20 Kirkwood Road  
 Address Ilam, Christchurch  
 Phone +64 3 369 5858  
 E-mail [researchcontracts@canterbury.ac.nz](mailto:researchcontracts@canterbury.ac.nz)

**Notices – Funder**


Name Douglas Marshall  
 Department Corporate Services  
 Postal PO Box 21  
 Address Westport 7866  
 Physical 6 Brougham St  
 Address Westport 7866  
 Phone  
 E-mail [Douglas.marshall@bdc.govt.nz](mailto:Douglas.marshall@bdc.govt.nz)

**Acceptance**

**Authorised Signatory – UC**

Signature   
 Name **Elizabeth Hopkins**  
 Kaihautū | Director  
 Title Research & Innovation  
 Date 18 Dec 2024

**Authorised Signatory – Funder**

Signature   
 Name Douglas Marshall  
 CFO  
 Title  
 Date 31/1/2024



Buller District Council / Dextera contract – project establishment (no longer current)

### Short Form Agreement for Consultant Engagement

*Between: Buller District Council ('Client') and Dextera Limited ('Consultant')*

Collectively referred to herein as the "Parties" and individually as a "Party"

**Project:** *Climate Change Adaptation Planning Project*

**Location:** *Westport*

**Objective:** *To establish and deliver a strategic approach to identifying and managing the Buller District's risks associated with climate change through the development of a climate change adaptation strategy, comprising a series of detailed action plans for priority risks and opportunities.*

**Scope & nature of the Services:** *Professional services relating to the delivery of a climate change adaptation strategy and plan.*

*Specifically, this will include:*

- 1. Developing and project managing the climate change adaptation planning process for the Buller District, on behalf of the Buller District Council, based on the Local Climate Change Risk Assessment guidance, including scope, quality, budget, schedule, and outcome needs,*
- 2. Working with Council governance and iwi, via the Regulatory and Hearings Committee, to achieve engagement and endorsement,*
- 3. Engaging with Ngāti Waewae directly to ensure iwi perspectives are appropriately represented in the climate change strategy and plan,*
- 4. Engaging with MfE, WCRC and other relevant organisations to achieve project support,*
- 5. Consulting with the community and stakeholders to engage the community, identify social, cultural, economic, and environmental values at risk and provide opportunity for community feedback into the adaptation planning process,*

*We will provide other services as may be required and requested by Council in relation to the above deliverables, as requested by Sharon Mason.*

## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 7

**Prepared by** Penny Bicknell  
Programme Manager – NEMA & BoF

Steve Garner  
Programme Manager - IAF

**Reviewed by** Douglas Marshall  
Chief Financial Officer

**Attachment**

1. NEMA Projects Status Report March 24
2. Better Off Funded Projects Status Report March 24
3. IAF Projects Status Report March 24
4. Projects in Partnership – Confirmed Minutes 15 April 2024

### **NEMA, IAF AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES FROM PROJECTS IN PARTNERSHIP**

---

#### **1. REPORT PURPOSE**

The purpose of this report is to bring the Risk and Audit Committee a summary of the Project Status Reports for NEMA, IAF and Better Off Funded projects for month end March 2024 (February 2024 financials) and the Minutes of the February 15 April 2024 Projects in Partnership Meeting.

#### **2. DRAFT RECOMMENDATIONS**

**That the Risk and Audit Committee receive the Reports and Minutes from the March Projects in Partnership meeting.**

### **3. SUMMARY**

Key points to note from each of the Programmes of Work for February/March:

#### **3.1 NEMA Projects**

- 3 Waters work package 1-5. Closing out of the final project
- Wastewater Betterment project – the raising of 3 pump stations – installation of the first 3 completed with offsite manufacture of the fourth pump station.
- Stormwater Betterment project – Coates Street. Contractor to commence work.
- Westport Port Repairs – Continuing Procurement process for Tender evaluation

#### **3.2 IAF Projects**

- Water main extension design work now complete. Wastewater preliminary design has commenced.
- Wastewater treatment plant design 60% complete. NEMA funding used to purchase long lead equipment.
- Procurement RFP for Transport and Stormwater design approved and in market. Closed tender approved and closed 5 April.
- Community meeting with Alma and McPadden Road residents to discuss IAF and capture questions and issues.

#### **3.3 Better Off Funded Projects**

- All projects approved by DIA including Ngakawau Swimming Pool improvements and funding agreement signed with Community.
- Good progress on 3 Waters projects with Westport Was top project completed.
- All projects progressing well.

### **4. CONSIDERATIONS**

#### **5.1 Strategic Alignment**

Not relevant to this report

#### **5.2 Significance Assessment**

Not relevant to this report

#### **5.3 Tangata Whenua Considerations**

The contents of the report are not a matter requiring consultation with tangata whenua.

**5.4 Risk Management Implications**

All projects/initiatives carry a low-risk threshold for Council and a full risk register for each project is completed.

**5.5 Policy Framework Implications**

Council must comply with the relevant policy and legal requirements of the “Better Off” funding agreement, including the Water Services Act 2021, Health Act 1956, the Health and Safety at Work Act 2015, the Resource Management Act 1991, Local Government Act 2002 and Council’s own Procurement Policies and Delivery Guidelines.

**5.6 Legal Implications**

No legal implications are foreseen.

**5.7 Financial / Budget Implications**

All eligible costs for these projects are funded through NEMA and DIA funding agreements.

**5.8 Media/Publicity**

Publicity is expected across these projects through the delivery phases.

**5.9 Consultation Considerations**

The team will work to ensure affected parties and stakeholders will be included and consulted throughout the programme delivery process.

## Project Status Report – NEMA Projects overview – March 2024



### Programme/Project Details

<b>Location and Region:</b>	Buller District
<b>Contracted Amount:</b>	\$17.1 million of which \$10.6 million is for 'out of policy' repairs. Eligible infrastructure repairs are covered under the normal policy of 60% Govt/40% Council. Cabinet approved 'out of policy' for Betterment projects, Dredging and the 40% Council share. BDC share is the threshold payments for each event and any insurance claim deductions.
<b>Reporting Period:</b>	March 2024 (Financials to 28 February 2024)
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	NEMA
<b>Programme Manager:</b>	Penny Bicknell
<b>Programme Outcomes:</b>	<p>Flood Recovery Infrastructure repairs relating to the July 2021 and February 2022 weather events. The Programme of Works covers Infrastructure repairs approved by Cabinet for Tranche 2 in June 2022.</p> <p>The Programme of works includes the following work packages (WP):</p> <ul style="list-style-type: none"> <li>• WP 1-5: 3 Waters repairs (completed)</li> <li>• WP 6 Betterment Projects (out of policy)</li> <li>• WP 7 Westport Port Repairs</li> <li>• WP 8 Westport Dredging Project (out of policy)</li> <li>• WP 9 Inangahua River Projects <ul style="list-style-type: none"> <li>○ Reefton Historic Landfill (completed)</li> <li>○ Reefton Stopbank repairs (completed)</li> </ul> </li> <li>• WP 10 Tiphead repairs (completed)</li> <li>• Programme Manager</li> </ul>


### Project Overview/traffic Light Status/High-Level Summary (G = Green; A = Amber; R = Red)

Aspect	Status	Comments
<b>Overall:</b>	A	<ul style="list-style-type: none"> <li>Overall, the programme is progressing well.</li> <li>Wharf repairs are behind schedule due to implementing a Peer review requested by NEMA.</li> <li>4 Betterment projects are behind schedule but will be completed by the end of the financial year</li> </ul>
<b>Budget:</b>	G	<ul style="list-style-type: none"> <li>\$17,144,191</li> </ul>
<b>Scope:</b>	A	<ul style="list-style-type: none"> <li>Await tender for Port to understand whether any rescoping required</li> </ul>
<b>Resource:</b>	G	<ul style="list-style-type: none"> <li>Resource assigned to each project as required</li> </ul>
<b>Schedule:</b>	A	<ul style="list-style-type: none"> <li>Schedule for each project - see page 4. Currently all scheduled to be completed by the end of the financial year except for the Wharf Repair</li> </ul>
<b>Risks / Issues:</b>	G	<ul style="list-style-type: none"> <li>All programmes have a Risk and Issues matrix. Risk of Wharf repair project not being completed in this financial year will require Ministerial approval to extend the funding. This has been requested.</li> </ul>

State of Play	
Last Month (March)	Next Month (April)
<ul style="list-style-type: none"> <li>• WP1-5 One final project to complete – Brougham Street Brick Arch – Awaiting as-builts from contractor to close out.</li>   <li>• WP6 Betterment:               <ul style="list-style-type: none"> <li>○ WW Pump stations – Pump stations 1, 2 and 3 completed. Offsite construction underway for 4<sup>th</sup> pump station cabinet</li> <li>○ WWTP Grit &amp; Sediment - ordered long lead time items from Brick House Technologies. Completion of NEMA budget subject to payment plan. Future work out of IAF budget</li> <li>○ Alt Drinking Water options – Ground penetrating radar undertaken and analysis underway</li> <li>○ Coates Street – WRS� pricing accepted. Residents letter drop completed</li> </ul> </li>   <li>• WP7 Westport Port Repairs.               <ul style="list-style-type: none"> <li>○ Procurement – site visit and supplier briefing completed with 6 suppliers confirming intention to submit a tender.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Final completion and close out to be completed including a final heritage report from Heritage Properties NZ as part of mandated process for structures over 100 years of age.</li> <li>• All other projects in WP 1-5 are complete and all assets transferred back to the asset owner.</li>   <li>• WP6 Betterment:               <ul style="list-style-type: none"> <li>○ Pump stations – Close out docs for pump stations 1 – 3. Offsite manufacture of 4<sup>th</sup> - Bright Street.</li> <li>○ WWTP Grit &amp; Sediment - Monitoring production and payment plan</li> <li>○ Alt drinking water options – Finalization of GPR report and project close</li> <li>○ Coates Street – Contractor to commence construction</li> </ul> </li>   <li>• Close RFT process, evaluate tenders and identify a preferred supplier and commence contract award</li> <li>• Complete site preparations for construction repair works</li> <li>• Introductory/review meeting with NEMA/Rau Paenga</li> </ul>

Project Schedule																																																				
NEMA T2 Project Schedule																																																				
Project	2022						2023												2024						Comments																											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun																												
WP 1-5 3 Waters	Construction continued from emergency repair works																																			Final project to be completed - Brougham St. Brick Arch - March 2024																
WP 6 Betterment Projects																												Planning and Design	Construction																					4 projects completed, 3 projects to be completed end March 2024, 1 project jointly funded with IAF project complete by end June 2024		
WP7 Westport Wharf																												Planning and Design																							Current indication of completion December 2024, but final date will not be known until procurement completed	
WP8 Dredging																												Dredging commenced																							Schedule to May 24	
WP9 - Reefton Stopbank																												River training																								Project Complete
WP 9 Reefton Landfill																												Planning and Design																								Project Complete
WP10 Tiphead Revetment																												Planning and Design	Construction																							Project Complete



Financials (28 February 2024)							
Budget and Expenditure Summary.							
NEMA Tranche 2 Programme For Period 2023/24- February							
	CURRENT BUDGET (Total)	TOTAL COST TO DATE	TOTAL REVENUE TO DATE	Claims	FORECAST COST TO COMPLETE	FORECAST AT COMPLETION	PROJECT VARIANCE
<b>WP1-5 3 Waters Repairs</b>	<b>0</b>	<b>2,228,957</b>	<b>(2,054,150)</b>	<b>174,807</b>	<b>(349,614)</b>	<b>0</b>	<b>0</b>
Expenses	2,511,751	2,228,957	0	0	282,794	2,511,751	0
Revenue	(2,511,751)	0	(2,054,150)	174,807	(632,407)	(2,511,751)	0
<b>WP6 3W Betterment Projects</b>	<b>0</b>	<b>788,180</b>	<b>(662,937)</b>	<b>125,243</b>	<b>(250,486)</b>	<b>0</b>	<b>0</b>
Expenses	1,582,000	788,180			793,820	1,582,000	0
Revenue	(1,582,000)		(662,937)	125,243	(1,044,306)	(1,582,000)	0
<b>WP7 Westport Port Repairs</b>	<b>0</b>	<b>322,732</b>	<b>(300,568)</b>	<b>22,165</b>	<b>(44,330)</b>	<b>0</b>	<b>0</b>
Expenses	5,920,000	322,732			5,597,268	5,920,000	0
Revenue	(5,920,000)		(300,568)	22,165	(5,641,597)	(5,920,000)	0
<b>WP8 Westport Dredging Project</b>	<b>0</b>	<b>3,244,500</b>	<b>(3,244,500)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenses	4,716,000	3,244,500			1,471,500	4,716,000	0
Revenue	(4,716,000)		(3,244,500)	0	(1,471,500)	(4,716,000)	0
<b>WP9 Inangahua Landfill</b>	<b>0</b>	<b>938,228</b>	<b>(938,228)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenses	1,074,000	938,228			0	938,228	135,772
Revenue	(1,074,000)		(938,228)	(0)	0	(938,228)	(135,772)
<b>WP9 Inangahua Camp Ground</b>	<b>0</b>	<b>59,238</b>	<b>(59,239)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenses	150,000	59,238			0	59,238	90,762
Revenue	(150,000)		(59,239)	(0)	0	(59,238)	(90,762)
<b>WP10 Tiphead Repairs</b>	<b>0</b>	<b>759,419</b>	<b>(707,603)</b>	<b>51,816</b>	<b>(51,816)</b>	<b>0</b>	<b>0</b>
Expenses	1,000,000	759,419			0	759,419	240,581
Revenue	(1,000,000)		(707,603)	51,816	(51,816)	(759,419)	(240,581)
<b>Programme Management</b>	<b>0</b>	<b>141,774</b>	<b>(92,223)</b>	<b>49,551</b>	<b>(99,101)</b>	<b>0</b>	<b>0</b>
Expenses	190,440	141,774			48,666	190,440	0
Revenue	(190,440)		(92,223)	49,551	(147,767)	(190,440)	0
<b>TOTAL</b>							
Expenses	17,144,191	8,483,029		0	8,194,047	16,677,076	467,115
Revenue	(17,144,191)		(8,059,448)	423,581	(8,989,393)	(16,677,076)	(467,115)
Deductions	0				0		
<b>Total</b>	<b>0</b>	<b>8,483,029</b>	<b>(8,059,448)</b>	<b>423,581</b>	<b>(795,346)</b>	<b>0</b>	<b>0</b>

**Claims to NEMA**

	Costs	Threshold	on Hold	Ineligible	Invoiced	Paid	Paid from \$1mil advance
Pre Tranche 2 (60%)	457,843.15	- 173,850.00	-	-	-	-	283,993.15
Claim 1	957,121	- 174,914			782,207	782,207	-
Claim 2 (40%)	441,549				179,231	179,231	262,317.83
Claim 3	632,903		- 91,028	- 4,297	537,578	537,578	-
Claim 4	1,104,415		- 18,088	- 1,354	1,084,973	1,084,973	-
Claim 5	730,721				730,721	730,721	-
Claim 6	55,405				55,405	55,405	-
Claim 7	938,899		24,009*		962,908	962,908	-
Claim 8	661,351		- 13,495	- 285	647,571	647,571	-
Claim 9	578,430		- 4,028		574,402	574,402	-
Claim 10	590,520		- 32,499		558,021	558,021	-
Claim 11	587,976	-	- 17,706	-	570,271	570,271	-
Claim 12	191,734	-			191,734	191,734	-
Claim 13	109,185				109,185	109,185	
Claim 14	675,573				675,573		
To claim	227,245	-	-	-	-	-	-
	<b>8,483,029</b>	- <b>348,764</b>	- <b>152,834</b>	- <b>5,936</b>	<b>7,659,782</b>	<b>6,984,208</b>	<b>262,318</b>
	-	* includes \$52,170 resolved from Claim 3					
				Pd from Advance	<b>262,318</b>		
				TOTAL revenue	<b>7,922,100</b>		

NEMA T2 Programme Surplus Report	Budget	Final Cost	Surplus	40%
<b>Completed Project</b>				
Tiphead (final report July 2023)	\$ 1,000,000	\$ 759,419	\$ 240,581	\$ 96,232
Reefton Campground (financial report updated September 2023)	\$ 150,000	\$ 59,238	\$ 90,762	\$ 36,305
Reefton Landfill (financial report January 2024)	\$ 1,074,000	\$ 938,321	\$ 135,679	\$ 54,272
WP 1-5 3 Waters (financial report February 2024)subject to final report	\$ <b>2,511,751</b>	\$ 2,256,809	\$ 254,942	\$ 101,977
<b>Total surplus available for recommendation for reappropriation to another T2 project</b>				<b>\$ 288,786</b>

## Communications

### An update on media, marketing and communication activity for the programme/project

A media release is planned for the completion of WP1-5 \$2.5m programme at completion of Brougham Street Brick Arch and for the Coates Street Stormwater work, including letters to affected residents

A media release will be drafted on contract confirmation of the Westport Wharf repairs

## Project Status Report – Better Off Funding Projects overview – March 2024



### Programme/Project Details

<b>Location and Region:</b>	Buller District
<b>Contracted Amount:</b>	\$3,500,000
<b>Reporting Period:</b>	March 2024 (February 2024 financials)
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	DIA (Crown Infrastructure)
<b>Programme Manager:</b>	Penny Bicknell
<b>Programme Outcomes:</b>	The scope is made up of 13 projects approved by DIA that meet the funding criteria and demonstrate wellbeing outcomes.

Project Overview/traffic Light Status/High-Level Summary (G = Green; A = Amber; R = Red)		
Aspect	Status	Comments
<b>Overall:</b>	G	The programme was prioritised by Council and approved by Crown Infrastructure and DIA
<b>Budget:</b>	G	\$3,500,000
<b>Scope:</b>	G	<p>The Programme of works includes the following approved projects:</p> <ul style="list-style-type: none"> <li>• Three Waters projects</li> <li>• Reefton Wastewater/Stormwater modelling</li> <li>• Climate Change Adaptation and Master Planning</li> <li>• Community Hub Feasibility Study and Concept Designs</li> <li>• Civil Defence Procurement</li> <li>• Airport Relocation options study</li> <li>• Karamea Reserve Water Supply</li> <li>• Westport Emergency Water supply</li> <li>• Reefton Campground Accommodation</li> <li>• Westport Stormwater/wastewater work</li> <li>• Test bore and sampling for non-compliant water supplies - Little Wanganui and Mokihinui</li> <li>• Granity Fundraising Centre</li> <li>• Ngakawau Swimming Pool improvements</li> </ul>
<b>Resource:</b>	G	Resource to be assigned to each project as required
<b>Schedule:</b>	G	Schedule for each project to be determined. Final deadline for Crown Infrastructure projects programme is 30 June 2027
<b>Risks / Issues:</b>	A	<ul style="list-style-type: none"> <li>• Scope of works may need to be reduced in some projects to ensure they remain in budget</li> <li>• Ngakawau Swimming Pool improvements – risk of DIA diverting funds to 3 waters initiatives now closed. DIA has approved the project</li> </ul>

State of Play	
Last Month (March)	Next Month (April)
<ul style="list-style-type: none"> <li>• Applications to DIA – Ngakawau swimming pool - Approved</li> <li>• 4 claims submitted</li> <li>• 3 Waters – Westport WaStop project completed. Henley St outfall work awarded to WSL. Inangahua Water Trunk main renewal and stormwater improvement in preliminary engineering design land access/easement requirements.</li> <li>• Reefton modelling – RFP to consultants to price from an approved consultants list – being passed to new Project Manager to manage.</li> <li>• Climate Change Adaptation – Focus on data collection for Risk Explorer and future community engagement</li> <li>• Master Planning - Stage 1 – Vision – project - Isthmus continuing to progress workshop content</li> <li>• Community Hub Feasibility Study - Finalise feasibility study document for release</li> <li>• Civil Defence – Bulk of procurement complete</li> <li>• Airport Relocation Options study - Report completed</li> <li>• Karamea Reserve Water – Final report uploaded to DIA portal</li> <li>• Westport Critical Water supply – Landowner agreements all received.</li> <li>• Reefton Campground cabins - Project Manager on leave in March</li> <li>• Test bore and sampling for non-compliant water supplies - Little Wanganui and Mokihinui – sampling of existent bores &amp; landowner discussion re using road reserve (currently occupied by farmland)</li> <li>• Westport Wastewater/Stormwater separation work – First draft of an overland flow stormwater model based on historic data provided. Worley Consulting, BDC and Coll Surveying held meeting to discuss survey of stormwater pipes</li> <li>• Ngakawau Swimming Pool improvements – DIA approved project and draft agreement sent for execution</li> </ul>	<ul style="list-style-type: none"> <li>• Submit further claims for reimbursement.</li> <li>• 3 Waters – Henley St outfall work to commence. Envirolink engaged to progress Inangahua projects to final design. Westport stormwater upgrade – review documents and CCTV to define final scope to inform project requirements for design.</li> <li>• Reefton modelling and report planning to commence.</li> <li>• Negotiating a 3-way budget with WCRC and BDC BAU for ground water investigations stage 2 with Aqualinc</li> <li>• Vision workshop to be held early April 2nd week April. This will mark the completion of this project for BoF funding.</li> <li>• Group to discuss when to share final document with Council as an FYI. Form Charitable trust to continue the Community Hub work in seeking funding. Develop project plan for the additional \$50k concept funding.</li> <li>• Funding on EOC equipment and community groups for April. Project completion by end June</li> <li>• Resubmit report to SLT and submit to DIA.</li> <li>• Final report approved by DIA.</li> <li>• Westport Critical Water supply – First tanks to be installed early April. Completion by end May</li> <li>• Reefton Campground cabins – Progress Council resolution and public consultation</li> <li>• Bores to be drilled dependent on drill availability and then sampling.</li> <li>• Develop additional stormwater model based on future climate projections. Complete survey of stormwater network. Project completion June 2024</li> <li>• Complete funding agreement and issue EPO. Works set to commence 1 July with completion end November.</li> </ul>

Project Road Map/Schedule (Deadline for completion 30 June 2027)																			
Project task	Feb 2023	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar	Apr	May	Jun	Jul	Comments
3 Waters																			Construction to commence Oct 2023 and be complete by July 2024
Reefton WW/SW modelling																			Completion date to be confirmed
Climate Change Adaptation																			Ongoing – linked to other funding. Final \$20k to be committed to Aqualink ground water study
Master planning																			Final workshops early April 2024
Community Hub feasibility study																			Feasibility study completed. Project plan to be developed for concept design \$50k
Civil Defence																			Complete by end June
Airport relocations options study																			Study completed
Karamea Reserve Water																			Completed – final report to DIA
Westport critical Water Supply																			Site location and installation, comms plan
Reefton Campground																			Legal and consenting advice
Westport Stormwater/Wastewater																			Develop model from survey of stormwater network
Test Bores & Sampling																			Drilling in Feb and testing March/April

Ngakawau Swimming Pool																		Work set to commence July to November
------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---------------------------------------

Financials (28 February 2024)							
Budget and Expenditure Summary.							
Project	Budget	Actual Cost to date	Claim submitted		Revenue to date	Forecast	
			Dec	Feb/Mar		Cost to complete	To claim
3 Waters	\$1,095,000	\$ 153,964	\$ 21,525	\$ 116,612	\$ 5,000	\$ 941,036	\$ 10,827
Programme Management	\$ 165,000	\$ 136,462	\$ 99,826	\$ 28,479	\$ -	\$ 28,538	\$ 8,157
Reefton Wastewater modelling	\$ 150,000	\$ -	\$ -		\$ -	\$ 150,000	\$ -
Climate Change adaptation	\$ 250,000	\$ 230,000	\$ 100,000		\$ 130,000	\$ 20,000	\$ -
Master planning	\$ 250,000	\$ 215,062	\$ 77,737	\$ 89,351	\$ -	\$ 34,938	\$ 47,974
Community Hub Feasibility	\$ 200,000	\$ 145,988	\$ 38,106	\$ 29,216	\$ 76,257	\$ 54,012	\$ 2,409
Civil Defence	\$ 275,000	\$ 248,540			\$ 275,000	\$ 26,460	
Airport Relocation options study	\$ 50,000	\$ 34,358	\$ -		\$ -	\$ 15,642	\$ 34,358
Karamea Reserve Water	\$ 65,000	\$ 65,000	\$ -		\$ 65,000	\$ -	\$ -
Westport Critical Water	\$ 180,000	\$ 84,779	\$ -		\$ 60,876	\$ 95,221	\$ 23,903
Reefton Campground	\$ 300,000	\$ 25,123	\$ 10,670	\$ 10,819	\$ -	\$ 274,877	\$ 3,634
Ngakawau Swimming Pool	\$ 310,000	\$ -	\$ -		\$ -	\$ 310,000	\$ -
Granity Fund raising centre	\$ 25,000	\$ -	\$ -		\$ -	\$ 25,000	\$ -
Stormwater/Wastewater	\$ 135,000	\$ -	\$ -		\$ -	\$ 135,000	\$ -
Bore water tests	\$ 50,000	\$ -	\$ -		\$ -	\$ 50,000	\$ -
							\$ -
<b>Total</b>	<b>\$3,500,000</b>	<b>\$1,339,276</b>	<b>\$ 347,864</b>	<b>\$ 274,477</b>	<b>\$ 612,133</b>	<b>\$2,160,724</b>	<b>\$ 104,802</b>
			approved 12 Feb				

NB Civil Defence budget is in credit as 100% drawn down in the 10% advance payment



## Communications

### An update on media, marketing and communication activity for the programme/project

Westport News reported on the request to reprioritise funding from Waimangaroa and Westport smoke testing projects and the subsequent discussions at the April Council meeting. Better off Funding Tranche 2 funding has been withdrawn by Government.

Westport News reported on the additional funding available of \$950k from the Westport Wastewater/stormwater smoke testing project and Waimangaroa water project discontinuation.

Westport News reported on the allocation of \$300k to Reefton Campground Accommodation

Westport News reported on the Council workshop in September and the outcome of the Council meeting for the unallocated funding of \$650k

Cultural Community Hub working group met with Westport News Reporter in November to ensure correct facts are in the public domain

Westport News reported on DIA directive of expenditure on water infrastructure rather than Community projects.

Emergency Water - Comms to Westport Community w/c 12 April after first tank has been installed and photos taken

<b>BULLER DISTRICT COUNCIL - Commercial infrastructure - Infrastructure Strategy - IAF - Stage 2 Pre-Implementation</b>	
<b>Programme/Project Details</b>	
<b>Location and Region:</b>	Alma Road Westport
<b>Project Budget:</b>	\$1,300,500
<b>Reporting Period (ending):</b>	March-2024
<b>Financial Period End</b>	February-2024
<b>Project Principal:</b>	Buller District Council
<b>Project Partner(s):</b>	Kainga Ora
<b>Project Manager:</b>	Steve Garner
<b>Programme Outcomes:</b>	The IAF stage 1&2 programme will manage the procurement and delivery of detailed design for the Transport, Water Supply & Wastewater and Stormwater IAF projects. The programme will deliver detailed designs for each project by December 2024.



<b>Project Overview/traffic Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)</b>		
<b>Aspect</b>	<b>Status</b>	<b>Comments</b>
<b>Overall:</b>	G	Delivery Plan executed December 2023
<b>Budget:</b>	G	Budget approved, first claim lodged to recover cost to date excluding BDC contribution
<b>Scope:</b>	G	Scope agreed
<b>Resource:</b>	G	No issues
<b>Schedule:</b>	G	Revised schedule agreed
<b>Risks / Issues:</b>	G	No new risks or issues

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
Water main extension now complete. Wastewater preliminary design commenced. Wastewater treatment plant design 60% complete. NEMA funding used to purchase long lead equipment. Procurement RFP for Transport and Stormwater design approved and in market. Closed tender closes 5 April. Meet Alma and McPadden Road residents to discuss IAF and capture questions and issues with Programme team	Evaluate Transport and Stormwater design proposals and appoint lead designer. Progress wastewater treatment plant design. Complete preliminary design of low pressure sewer main. BDC invited to submit on prioritising the residential zone change at Alma Road and putting the rest of the changes on hold pending the outcome of the Master Planning.

Updated Project Road Map/Schedule														
Project task	2024												Comments	
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec		
Planning and BDC Approvals	█													Budget and PMO documents approved
Design contracting	█	█	█											
Design		█	█	█	█	█	█	█	█	█	█	█		Water main design complete, Wastewater design commenced, WWTP design due for completion in May, Transport RFP in market.
Asset Manager accepts designs											█	█		
Construction tender documents complete												█		
Handover and Asset Manager Acceptance												█		

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Sponsor approves PMO documents	24-Jan-24	31-Jan-24	100%	
Programme procurement plan approved by sponsor	24-Jan-24	31-Jan-24	100%	
Programme budget approved by sponsor	24-Jan-24	31-Jan-24	100%	
Water Main detailed design	31-Mar-24	31-Mar-24	100%	
Cycleway preliminary design	30-Jun-24	30-Jun-24	0%	
Cycleway detailed design	1-Nov-24	1-Nov-24	0%	
Road and bridge preliminary design	1-Jul-24	1-Jul-24	0%	
Road and bridge detailed design	4-Nov-24	4-Nov-24	0%	
Stormwater detailed design	4-Nov-24	4-Nov-24	0%	
Wastewater stage 1 preliminary design	31-Jul-24	31-Jul-24	20%	
Wastewater stage 1 detailed design	31-Oct-24	31-Oct-24	0%	
Wastewater treatment plant detailed design	31-Mar-24	31-May-24	80%	

Financials									
Budget and expenditure summary									
Programme/Project Item	Approved Original Budget	Current Budget	Cost to Date (CTD)	Forecast Cost to Complete (FCC)	Final Forecast Cost (FFC)	FFC to Current Budget Variance	Reported Contingency	Status	Commentary
Transport -Pedestrian Cycleway - 10253	\$ 131,437	\$ 132,047	\$ 20,333	\$ 103,547	\$ 123,881	\$ 8,167	\$ 8,167	Design Procurement	0
Transport-Intersection upgrade - 10254	\$ 262,866	\$ 262,256	\$ 40,384	\$ 210,503	\$ 250,887	\$ 11,369	\$ 11,369	Design Procurement	0
WWTP Upgrade - 10257	\$ 142,500	\$ 130,439	\$ 61,488	\$ 67,500	\$ 128,988	\$ 1,451	\$ 1,451	In Design	0
WW Pressure Lines - 10258	\$ 247,000	\$ 259,061	\$ 30,892	\$ 171,509	\$ 202,401	\$ 56,660	\$ 56,660	In Design	0
Water Supply - Watermain Ext - 10261	\$ 64,550	\$ 64,550	\$ 53,068	\$ 6,040	\$ 59,108	\$ 5,442	\$ 5,442	In Design	0
Stormwater - 10259	\$ 81,599	\$ 81,599	\$ 35,312	\$ 43,413	\$ 78,725	\$ 2,874	\$ 2,874	design procurement	0
IAF Programme Management - 10252	\$ 370,548	\$ 370,548	\$ 219,082	\$ 140,000	\$ 359,082	\$ 11,466	\$ 11,466	design procurement	0
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	0
<b>Total</b>	<b>\$ 1,300,500</b>	<b>\$ 1,300,500</b>	<b>\$ 460,560</b>	<b>\$ 742,512</b>	<b>\$ 1,203,072</b>	<b>\$ 97,428</b>	<b>\$ 97,429</b>		

Note that the budget above includes BDC contribution of \$200,468

Note: FCC and FFC exclude contingency

**Risks/Issues/Outcomes**

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
IAF - Stage 2 Pre-Implementation / 2 - final design to final budget	Negotiated a revision to funding condition so BDC is not liable it WK do not contribute	3
IAF - Stage 2 Pre-Implementation / 3 - Safety design exacerbates queue time at Alma Road/SH	Discuss proposed solutions with community before making option decisions	2
IAF - Stage 2 Pre-Implementation / 5 - Unidentified network utilities need to be relocated adding	Service location during design	2
IAF - Stage 2 Pre-Implementation / 6 - Unclear consent requirements	Identify consent requirements during detailed design process	3
0 - Pipe order size too small for manufacturer to run meaning potential time delays while pipe	Negotiate earlier access to construction funding	3
IAF - Stage 2 Pre-Implementation / 9 - BDC preferred option pass costs onto residents	include in community consultation with developers	6
IAF - Stage 2 Pre-Implementation / 10 - higher design costs	Procurement approach	3

**Communications**

An update on media, marketing and communication activity for the programme/project

planned for February 2024

**Risk Key**

Risk Rating	Action, Escalation & Review Timeframe Needed
26-30 <b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
10-19 <b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4-9 <b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1-3 <b>Low</b>	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

Table 5: Likelihood of Occurrence

Likelihood	Score	Description
Almost certain	5	Event is expected to occur more than once in the next year
Likely	4	Event is expected to occur once in the next year
Possible	3	Event could occur at least once in the next two years
Unlikely	2	Event could occur at least once in the next 3 to 5 years
Rare	1	Event is unlikely to occur in the next 5 years

		Risk Assessment Matrix				
		5	10	15	20	25
Consequence	Catastrophic (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
		Likelihood				

**Projects in Partnership Meeting – Minutes**  
**Monday 15 April 2024**  
**4.00 – 5.00 pm, Clocktower Chambers and via Zoom**

**Present:**

- Chairperson and Mayor Jamie Cleine; Councillor Phil Grafton; BDC CFO Douglas Marshall; Minute Taker Kirstin McKee
- Attending via Zoom; BDC CEO Simon Pickford; BDC Group Manager Infrastructure Services Mike Duff; NEMA Suzy Paisley (SP); Ngāti Waewae Ned Tauwhare; BDC Contractor Steve Garner; BDC Programme Manager - Recovery Penny Bicknell; Kainga Ora Suresh Ram;

**1. Welcome and Introduction**

Meeting started at 4.00 pm.

**2. Previous Meeting Minutes**

Minutes from 11 March 2024, no issues raised, clarified, or corrected.

**Minutes accepted as tabled**

**3. NEMA Tranche 2 Funding****NEMA financials**

P Bicknell spoke to the reports. On-hold invoices have been discussed with Rau Paenga. They are reviewing this list of invoices. P Bicknell has a meeting on Thursday morning to follow up with Radha Grounder from NEMA.

**NEMA T2 Programme Surplus Report**

P Bicknell – 3 Waters, looking at a surplus of \$254,942, account still being finalised.

Betterment looking to have a \$30K surplus from the alternative water drinking project, (see below). Surplus around \$300K, which may be required for the wharf repair.

P Bicknell will bring a recommendation report forward regarding the surplus, as soon as the wharf budget is finalised.

**Reports accepted as tabled**

**4. NEMA FUNDED PROJECTS****Work package 1 - 5 - 3 Waters repairs**

3 Waters – mainly complete for handing over and finalising the account. Brougham Street Brick Arch - the defective wastop was out of BAU replacement to the funding.

**Betterment Projects (WP6)**

- **Pump Stations** – 3 pumps completed, 4<sup>th</sup> pump in off side manufacture. Regarding surplus recommendation, if money is not required for the wharf could potentially look at 3 more pump stations. (4<sup>th</sup> pump cost \$107K).

- **Grit and Sediment** – currently underway, this is a financial plan through to end of June regarding the NEMA budget, with the rest transferring to IAF.
- **Alternative Drinking Water** – as outlined above there will be \$30K left in the budget. The ground penetrating radar has been finalised. There was not enough funding for the drilling. (this could also be another consideration for the surplus).
- **Coates Street** – somewhat weather dependant on construction being finished.

#### **Wharf Repair**

P Bicknell – tenders closed on 9 April with 9 tenders received. D Marshall commented tender assessments to be carried out tomorrow, with good list of quality contractors that put in for the work. Once this is done the price information will then be added for scoring by Wednesday 17<sup>th</sup>, by end of week this should be finalised.

Once the report for tender acceptance is completed by the project manager, then a report will be prepared for the 24 April council meeting, however a lot of work to be done on this, with a number of items of resolve regarding the final figure.

Further discussion re report going to council, this may be a late report to council as a PE item. There is a placeholder extraordinary meeting for 15 May if this date was required.

#### **Dredging (verbal update)**

D Marshall – NEMA invoiced for 13 days at beginning of March, since then the bar at the mouth of the Buller River has been uncrossable. Have had a fresh down the river, sounding bar tomorrow to get back into the programme. Will advise Radha Grounder once the dredge is clear again.

**S Paisley left the meeting at 4.13 pm**

**The reports were accepted as tabled**

## **5. BOF FUNDING - DIA**

P Bicknell – all applications now approved. Ngakawau funding agreement signed off this week. Waiting for finance to put codes together to issue a PO to them. This now comes off the risk register.

Last month we submitted 4 claims, they have all been approved.

**Reefton Wastewater/Stormwater Modelling** – project manager now appointed.

**Climate change adaptation** – \$20K left in budget, have done a 3-way budget with WCRC and BAU stormwater team for ground water investigation, to be carried out by WCRC. An EPO has been issued to reimburse them for BDC share of this. Ground water study will feed into Risk Explorer.

**Master Planning** – concluded Stage one end of last week with workshops which went very well. Now entering stage 2 .

**Community Hub Feasibility study** - Waiting to hear back from Buller Resilience Trust re the \$50K, will then know if we can reapportion this.

**Civil Defence** – about \$20K left in this budget.

**Airport Relocation Options Study** – this has been submitted to DIA, have requested for this to go the Senior Leadership Team at BDC. Will follow this up.

**Karamea Reserve Water** - finalised.

**Westport emergency water supply** – first tanks being installed, due for completion by end of May. These tanks are storage only, not potable water and not plumbed into network.

**Reefton Campground Cabins** – R Barry to follow up with lawyers re public consultation.



**Little Wanganui & Mokihinui** – test bores, ongoing.

**Westport Stormwater/Wastewater** – project due to be completed end of June.

**Ngakawau Swimming Pool** – work to commence 1 July with completion end of November.

All the claims submitted in December have now been received and claims in February/ March have also been received.

### 3 Waters Solutions

Split into 5 bundles,

- Westport Stormwater - wastops programme project nearing completion.
- Henley Street - out for pricing, will start construction.
- Westport Stormwater main defects.
- Inangahua projects x 2, Envirolink engaged to progress, to begin in next 2 months.

Noting that there is a \$103K reported contingency, P Bicknell to come back to PiP as to what this means and what we do with this for redistribution.

**The report was accepted as tabled**

### 6. IAF Funded projects

S Garner provided an update on design progress:

- Water main extension design complete and design approved by BDC Asset owner.
- Transport design RFP has closed and evaluations this week.

The recent IAF community 'drop-in' was well supported by residents with lots of good questions and feedback provided. There are a number of outstanding policy questions that will need to be defined and approved by council as design progresses. We are setting up a webpage on the BDC system and have provided an undertaking to meet again with residents when transport designs are in development and we can discuss proposals.

S Garner has lodged the 2<sup>nd</sup> claim (November/December 2023), delayed as variance between BDC GL reporting and IAF reporting with budgets handled slightly differently by BDC and Kainga Ora (KO). This was resolved last week with the third claim being prepared this week.

S Garner and P Zaanen have met with Nathan Riley (BDC GM Regulatory Services) to discuss progress with the residential zone change that is a condition for accessing IAF construction funding. The proposal is to request a prehearing meeting with WCRC to explore objections to the rezoning. If the objections can be dealt with at a prehearing, the Lead Planners report will support the zone change. WCRC can confirm this in writing and that may be sufficient to meet the construction funding condition. Will provide information at next PiP how this is progressing and if this is the best option. Also discuss with WCRC re doing a plan change, however WCRC are not processing any plan changes pending the TToPP process.

S Garner also provided an update on the Fast Track Consenting Bill and process noting:

- Council had requested Minister's considered fast tracking the zone change for Alma Road.
- The Minister has now written to council inviting them to submit a proposal.
- A full proposal requires information that BDC does not currently hold and this may be time consuming and expensive to collect.
- There is some concern that the Fast Track process will be no faster than the existing process.

S Garner open to advice from the committee for next step.

J Cleine invited Suresh Ram's comment.

S Ram – key point, recommend to keep to the timelines as per the delivery plan approved in late 2023 rather than looking to extending these times or milestone dates. Based on this guidance, can then assess which one will get BDC to access construction funding faster. Recommend to go with the fastest option, any further extension time will be risky. Key to that, TToPP may be faster, BDC to work with WCRC over the next two months to ascertain what they require. A letter from WCRC to Kainga Ora (KO) by June with some certainty over the rezoning would satisfy conditions with KO to get on with construction.

S Ram clarified that the milestones are the design milestones which BDC are on track to complete. If BDC get to December this year and don't have a fast track application in, this becomes a risk.

Further discussion around rezoning options.

PIP directed S Garner to lodge an application for fast track consent, even if currently incomplete, and to work with N Riley to hold a Prehearing with the TToPP Committee to see if objections can be resolved.

## **7. Other business**

No other matters were raised. The meeting closed at 4.38 pm

## **RISK AND AUDIT COMMITTEE**

**26 JUNE 2024**

**AGENDA ITEM: 8**

**Prepared by** Jason Sellaiah  
Subcommittee Liaison Officer

**Reviewed by** Krissy Trigg  
Group Manager Community Services

**Attachments** Appendix 1 - Reserve Management Plan Timeline

**Public Excluded:** No

### **RESERVE AND HALL SUBCOMMITTEES UPDATE**

---

#### **1. REPORT SUMMARY**

This report provides a brief overview and updates for the individual reserve and hall subcommittees. It also provides an update on developing a Reserve Management Plan and governance training for the Buller District reserve and hall subcommittees.

#### **2. DRAFT RECOMMENDATION**

- 1. That the Risk and Audit Committee receives the Reserves and Hall Subcommittees Update Report for information.**
- 2. Thanks the members of the reserves and halls subcommittees for their continuing work and contribution to their communities.**

#### **3. ISSUES & DISCUSSION**

##### **BACKGROUND**

##### **3.1 Reserve Management Plans**

The attached timeline for the Reserve Management Plan (RMP) outlines the process in detail. Officers have already engaged with subcommittees to collect initial feedback. As the planning and design stage begins in July, staff

will actively seek further input from these subcommittees to ensure the local community's perspectives are incorporated.

In August, Buller District Council will publicly announce its intention to develop the plan and start gathering feedback from local community groups. Public workshops will follow this in September to engage with the community and gather additional input. The workshops will be advertised, and the subcommittees will reach out to others in the community to be involved. Councillors will be welcomed to these workshops to discuss the plans with their communities.

The Draft Reserve Management Plan will be prepared in October based on all the feedback received. In January 2025, BDC will publicly notify the Draft Reserve Management Plan and invite public submissions. In March 2025, analysis will be completed on all submissions and hearings will be held to discuss them.

The Reserve Management Plan is scheduled to be adopted by the Council in April 2025, with a view to implement the approved plan in May 2025. This timeline ensures a structured approach with multiple public input and feedback opportunities. As the draft is uncovered from the early feedback, budgets can be included in the Council's draft Long-Term Plan. Minor amendments may be required as the LTP and the RMP consultations come through.

### 3.2 Subcommittee Updates

<b><i>Reserve &amp; Hall</i></b>	<b><i>Update</i></b>
<b>Karamea</b>	The Standalone Mobility Toilet build is currently in progress. The Council funded it from a previous annual plan.
<b>Little Wanganui</b>	Working towards independent management and hall ownership similar to Ngakawau/ Hector.
<b>Seddonville</b>	Capital works upcoming financial year - fireplace, flooring, store/ garage.
<b>Mokihinui</b>	Campground managers' annual contract is up for renewal on 1 July; they seek a 2-year renewal. The Tourism Infrastructure Funding (TIF)-50% externally funded effluent system is currently being assessed and designed. Upcoming governance training. Drive through road resealed along with new hall parking area.

<b>Ngakawau/ Hector</b>	Finalising the details of the agreement for the hall ownership and the License to Occupy the reserve.
<b>Waimangaroa</b>	The Waimangaroa upgrade schedule is currently in progress. To cover some items, a submission to the 2024/25 Annual Plan has been provisionally approved. The rest require the subcommittee to fundraise externally. Governance training has been completed.
<b>Carter's Beach</b>	Tourism Infrastructure Funding (TIF) -funded carpark near completion
<b>Omau</b>	Possible addition of a basketball hoop, to be funded by the Omau reserve funds; if additional funds are required, subcommittee to seek external funding.
<b>Inangahua</b>	Inangahua Hall repairs are in progress. Minor works will be completed in the upcoming financial year. They will be partially funded by the BDC property repair and maintenance budget and a grant from Inangahua Community Board.
<b>Reefton</b>	The new campground manager is in her second month and brings valuable skills that will prove beneficial in the coming year. She will focus on eco-tourism marketing to increase the campground's revenue. Campground Cabins Proposal updated via a separate report on 29 May Council meeting.
<b>Springs Junction/ Maruia</b>	Budget planning workshop to be held soon. Springs Junction reserve development plan to be included in the RMP consultations

### 3.3 Standing Orders & Code of Conduct

Standing Orders and Code of Conduct training was provided to the Waimangaroa subcommittee on 7 April. This training session is intended for our subcommittee members to discuss best practices within a governance framework. Mayor Jamie facilitated the session, which Councillor O'Keefe supported. Councillor O'Keefe and the Subcommittee Liaison Officer will provide further training to other interested subcommittees. The training outlines the best practices for formal meetings. It includes the Auditor General's feedback last year to all local Councils to assist with increasing transparency / include more people in our community. Mokihinui have also expressed interest in this training which Councillor O'Keefe will facilitate.

### **3.4 Acknowledgement**

The Council wishes to formally acknowledge and thank the subcommittee members who volunteer their time and mahi to the local halls and reserves. The Council continues to support these communities and would like to encourage people to attend the subcommittee meetings to be aware of what's happening in their community and help where needed.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

The appointment of reserve and/or hall subcommittees allows decisions regarding reserves and halls to be made locally while aligned with the Council's Policy and direction. The development of the Reserve Management Plan enables reflection on current issues, opportunities, and future aspirations for each reserve.

### **4.2 Significance Assessment**

The decisions in this report do not meet the threshold for being considered significant decisions under the Policy.

### **4.3 Risk Management Implications Strategic**

The terms of reference and reserve management plan align with the Council's overall Governance Structure and are carried out according to legal requirements and advice.

### **4.4 Values**

'To serve the residents of the Buller district, conscious of their needs, by providing facilities and services and creating an appropriate environment for progress and development while preserving the distinctive natural environment, as well as the cultural and historical environments.'

The Buller District Values are Community-Driven, One-Team, Future-Focused, Integrity, and We Care. The subcommittees and the Council's support of them aligns with these values.

### **4.5 Policy / Legal Considerations**

The following are relevant:

- Buller District Council Governance Structure
- Local Government Act 2002
- Reserves Act 1977

### **4.6 Tangata Whenua Considerations**

No specific considerations have been identified relating to this issue.

#### **4.7 Views of Those Affected**

Over the last three years, there has been mixed feedback from those on the various reserves and halls subcommittees. Much of this concerns the need for more support around meetings and day-to-day matters. The other matter of concern to the subcommittees has been their role in managing reserves and halls, which are and have been, for many years, an integral part of the communities they serve.

The Subcommittee Liaison Officer will prioritise the development of Reserve Management Plans for each reserve in partnership with each subcommittee, as required under the Reserves Act 1977. This will assist the subcommittees in their future financial planning and project identification. Once the plans are in place, it will enable the Council to enhance financial planning for reserves as part of the Long Term Plan.

#### **4.8 Costs**

Council staff time and resources will continue to be managed under existing workloads and budgets.

#### **4.9 Benefits**

Provides an opportunity for the Council and community to work together to ensure that public assets are used best for the local community.

#### **4.10 Media / Publicity**

The media may be interested in this issue. The communications team will manage this as and when required.

### Timeline & Overview of the Reserve Management Process





## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 9

**Prepared by** Lynn Brooks  
Finance Manager

Douglas Marshall  
Chief Financial Officer

**Reviewed by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1 BHL Group Combined Statement of Intent 2025

### STATEMENT OF INTENT – BULLER HOLDINGS LTD GROUP FOR THE YEAR ENDED 30 JUNE 2025

---

#### 1. REPORT SUMMARY

Council is required to receive Statements of Intent (SOI) for its Council Controlled Organisations (CCOs) relating to the upcoming financial year.

#### 2. DRAFT RECOMMENDATION

**That the Risk and Audit Committee recommends to the council that it adopt the Statement of Intent for Buller Holdings Limited, WestReef Services Limited, and Buller Recreation Limited which are combined into one document named the Buller Holdings Group Statement of Intent for the year ending 30 June 2025.**

#### 3. ISSUES & DISCUSSION

##### BACKGROUND

The Local Government Act (2002) requires the board of a CCO to deliver a draft Statement of Intent to Council each year to allow for review and comment on the content. The Act also requires the board to deliver a final Statement of Intent before 30 June. The Three Statements of Intent were provided to Council on 13 February 2024.

The Council has three CCOs: Buller Holdings Limited, WestReef Services Limited; and Buller Recreation Limited which are required to provide a SOI each year. This is the first year the SOI have been provided as one document. This is possible because these companies operate as the “Buller Holdings Group”, and the only variation to the content of the SOI for each is the financial and non-financial targets which are set out in the tables at the latter part of the group SOI.

Provide the background information necessary for the Council / Committee to understand the issue. What is the trigger for this report to be written?

Provide background information so that the reader is informed of why this issue is being reported to Council / Committee, key background information e.g. historical information, actions of other parties, regulatory issues, impact on other parties.

Part 64 of the Local Government Act (2002) sets out that the purpose of a Statement of Intent is to:

- State publicly the activities and intentions of a Council-controlled organisation for the year and the objectives to which those activities will contribute; and
- Provide an opportunity for the shareholders to influence the direction of the organisation; and
- Provide a basis for the accountability of the Directors to their shareholders for the performance of the organisation.

Schedule 8 of the Local Government Act (2002) sets out the detail about how the exchange between Council and the CCO occurs. The draft Statement of Intent must be delivered to its shareholders to receive and make comment on each year by 1 March. The final Statement of Intent must be delivered to Council before 30 June each year for approval.

Council has the power to pass a resolution requiring a modification to the Statement of Intent, however it should consult with the entity concerned before this occurs.

The Statement of Intent links the CCO’s activities into Council’s 2024/2025 annual planning budget processes and provide opportunities for Council to review the goals and negotiate key performance targets. The scope, objectives, and performance targets of Council’s CCOs summarised in the 2021-2031 Long-Term Plans and 2024-2025 Enhanced Annual Plan are based on the content of the Statement of Intent. Our community had the opportunity to review and provide feedback on this information as part of the enhanced annual plan engagement process.

The Risk and Audit Committee at its meeting of 13 March 2024, adopted the following resolution:

**RESOLVED** that the Risk and Audit Committee:

- a. Receive the draft Statements of Intent for Buller Holdings Limited, WestReef Services Limited, and Buller Recreation Limited which are combined into one document named the Buller Holdings Group Statement of Intent for the year ending 30 June 2025 for discussion.

**Cr R Sampson/Mayor J Cleine  
CARRIED UNANIMOUSLY**

## **CHANGES TO THE DRAFT STATEMENT OF INTENT**

Council representatives meet with BHL representatives on 15 May as part of the regular BHL review process. BHL had been provided with the resolution adopted by RAC on 13 March relating to the adoption of the draft SOI plus an extract from the meeting minutes relevant to the SOI.

Discussion on the SOI was brief, and no changes were noted.

Since that meeting, the BHL board of directors have reviewed the SOI and proposed the attached document as the final to be adopted. There is one change that the BHL board have proposed to the draft SOI. That change is the inclusion of the words in *italics and underlined* in the paragraph below. This wording change links the statement below to part 6 of the SOI being the “Distribution Policy” which staff believe is appropriate. Part 6 is also listed below for information purposes.

WSL has provided for a \$1.3m distribution to the shareholder in 2025 provided it complies with the group distribution policy and subject to meeting all budgeted revenue targets including from Council.

### **6. Distribution Policy**

It is the intention to maximise distributions after meeting the financial needs of the Group including future operations and capital expenditure. Directors should aim to deliver a minimum distribution as agreed in this Statement and as forecasted in the Statement of Intents. Taking this into account the maximum distribution should not exceed the Group gross taxable profit.

The following information is unchanged from the report presented to RAC in March 2024 but is repeated for completeness of this report on the final SOI.

### **Buller Holdings Ltd**

The 2024/2025 financial year has included uplifted capital budgets for the development of a new depot for WestReef Limited funded by a combination of debt and equity (cash reserves). In the prior year SOI, the forecast cost for 2024-2025 year was \$2.3m and this has been updated to \$4.15m.

The annual forecast shareholder distributions to the Council do not change at \$1.3 million over the three years of the SOI.

Westreef are forecasting additional revenue and corresponding additional expenditure, with a slight improvement on the forecast net operating surplus for the next year above that previously advised in the prior year Statement of Intent. However, the December 2023 half year results of Buller Holdings Ltd Group indicated the results were not tracking as favourably as projected and the distribution may be at risk for the year ended 30 June 2024.

The SOI indicates that overall, despite seeing a forecast lift in revenue, trading conditions may be difficult.

In practice, the Council's 2024/2025 Enhanced Annual Plan is prepared based on a \$1.3 million distribution, so the amount of the distribution BHL are proposing is what BDC requires. This is a matter which has been noted in the resolution above and requires further discussion and understanding as the 2024-2025 Enhanced Annual Plan is progressed over the next few weeks.

### **Westreef Services Limited**

There are changes to the budgeted revenue and expenses as noted under the Buller Holdings commentary above.

Provision for Capital has been updated to reflect the change in timing and works programme relevant to the new depot site. In the prior year Statement of Intent \$2.3m was forecast for capital spending, this has been updated to \$4.15m. The change is required for the second stage of the Depot development and is subject to the company receiving finance approval.

### **Buller Recreation Limited**

There are some minor changes to the budgeted revenue and expenses for both the years ended 2025 and 2026.

Council has sought more information on the service level fee increase requested for 2024/2025. The prior year Service Level fee was \$851k. A request to increase this to \$906k was indicated in the prior Statement of Intent. The \$55k increase has been factored into the Buller District Council Draft Enhanced Annual Plan 2024-25 and is a matter for further discussion.

### **Overall Statement of Intent**

An update is required at section 9. Group Performance Targets for Buller Holdings Limited in the Operational Objective section, to update the key performance measure to reflect that the CCTO Committee is no longer in place and instead, meet with the Chair Risk and Audit Committee and Mayor on a formal basis 3 times per annum. This is a minor matter that has been shared with Buller Holdings Limited and does not require a resolution of this committee.

## **4. CONSIDERATIONS**

### **4.1 Strategic Alignment**

Council works in parallel with the CCOs to drive the strategic outcomes set in the Long-Term Plan.

### **4.2 Significance Assessment**

The success of the CCOs is imperative to ensure the financial stability of Council. As well, those services provided by the CCOs as set out in the Long-Term Plan and Annual Plans are deemed significant. Therefore, understanding the budgeting and non-financial targets of each CCO is important to highlight any changes which in turn may affect Council and result in a matter occurring which is deemed significant under the Significance and Engagement Policy.

### **4.3 Risk Management Implications**

This decision does not provide Council with a significant risk.

### **4.4 Values**

This decision aligns with all of The Buller District Values, which are: Community Driven, One Team, Future Focussed, Integrity and We Care.

### **4.5 Policy / Legal Considerations**

Adoption of the CCO Statement of Intent is required each year to ensure the financial data can be incorporated into Council Annual and Long-Term Plans.

This then links to the Annual Plan requirement to purchase shares in Buller Recreation Limited to fund capital expenditure.

It also affects the requirement for general rates which is dependent upon the service level fee paid by Council to Buller Recreation Limited, as well as the subvention/distribution payment made to Council. These three significant transactions are set out in the Revenue and Financing Policy, and then included in the Funding Impact Statement (Rates Policy).

Section 64 of the Local Government Act (2002) and Schedule 8 of the Local Government Act 2002 as discussed above.

**4.6 Tangata Whenua Considerations**

This decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture, and traditions.

**4.7 Views of Those Affected**

This decision does not require consultation with the community or stakeholders”}

**4.8 Costs**

The financial implications of this decisions are outlined in the SOI document.

**4.9 Benefits**

The SOI includes statements about the benefits of having the 3 council companies undertaking the work that they do on behalf of the community.

**4.10 Media / Publicity**

There maybe some media interest but we should reply to enquiries as they arise.

**BULLER**  
**Holdings Ltd**

**BULLER HOLDINGS GROUP**

**STATEMENT OF INTENT**

**FOR THE YEAR ENDED 30 JUNE 2025**

## 1. Preamble

Buller Holdings Limited (BHL) was set up in September 2007 as a Council controlled trading organisation with WestReef Services Limited (WSL) as its only subsidiary. Buller Recreation Limited (BRL) (trading as the Pulse Energy Centre) was purchased from the Buller District Council (BDC) in 2009 and Westport Harbour Limited in 2010. Westport Harbour Limited was wound up as a company in 2018 by Council resolution. BDC is the sole shareholder of BHL. Information on the parent (BHL) and subsidiaries - WSL, BRL and Group are included in this Statement of Intent.

### *Buller Holdings Limited*

Buller Holdings Limited continued purpose is to provide a commercial focus in the governance and management of Council's commercial assets, allowing for maximum returns on behalf of the ratepayers and benefits to the wider community.

In 2023 The company purchased land to develop a workshop and administration area and lease back to WSL at a commercial return. The projections for this project are included in this Statement of Intent (SOI).

BHL and subsidiaries are council-controlled organisations for the purposes of the Local Government Act (2002) and is required to have a Statement of Intent that complies with clause 9 of Schedule 8.

The SOI is prepared in terms of the Act and clause 22.1 of the Constitution of Buller Holdings Limited and sets out the activities and intentions of the Group of Companies for the year ending 30th June 2025.

The Group will update the SOI annually and deliver a draft to shareholders before 1st March each year and a completed SOI by 30th June each year.



*Westreef Services Limited*

WSL is the largest civil and maintenance company operating in the Buller District and is the Buller District Council's preferred contractor.

The company is community and customer focused with the financial objective of achieving a competitive rate of return on investment. WSL ensures quality maintenance outputs and operation of Council's infrastructure. The Company is committed to identifying, developing, and implementing opportunities for increasing external revenue to continue to provide benefit and dividends to the Buller ratepayers.

WSL also has a particular focus on staff wellbeing and on health and safety. WSL has both ISO 45001 and TSQ1 Health and Safety accreditation.

*Buller Recreation Limited*

BRL was established to purchase the Pulse Energy Recreation Centre from BDC and to fulfil a service contract with Council for the provision of recreation services to the Buller community.

BRL continues to enhance the quality of life for the community with high quality recreation facilities, services, and experiences.

**Outlook**

The general economy is likely to have a degree of uncertainty moving forward with higher inflation, increasing costs and increases in interest rates.

Therefore, the trading environment for 2024/2025 is not expected to be as buoyant as the last few years.

This impacts on BRL and has put pressure on expenditure such as insurance, electricity and wages increasing operating costs. BRL continually looks for opportunities for increasing patronage and revenue which offsets the management fee paid by Council. The management fee has not been increased for 5 years and an increase of \$55,000 has been forecast in this

SOI. This was signaled in the last SOI.

For 2025 WSL will focus on the depot development and relocation project (capital estimates are included in this SOI) and will borrow up to \$3.5m to finance construction. The Company will remain competitive in tendering for and winning a share of any project opportunities as they arise.

Uncertainty over Government over continuation of 3-waters could have potential significant effects on the Group. For 2025 BHL subsidiary WestReef will continue to work with Council to continue to provide this service.

WSL has provided for a \$1.3m distribution to the shareholder in 2025 provided it complies with the group distribution policy and subject to meeting all budgeted revenue targets including from Council.

## **2. Objective**

### **Introduction**

The strategic direction of the Group is guided by the vision, values, and strategic objectives. These provide the framework for each company to establish, make plans and investment decisions. The following is an overview of these key planning components.

### **Vision**

Buller Holdings Limited will provide a commercial focus in the governance and management of Buller District Council's commercial assets, allowing for maximum returns on behalf of ratepayers and benefits to the wider community. The Group will assist the shareholder with fulfilling cultural requirements as part of its 'Four Well-beings'.

BRL will provide for the community sustainable and customer-focused sport and recreation facilities and services. WSL strives to be a sustainable and

profitable business with an empowered team that takes pride in meeting the needs of staff, owners, suppliers, and the community.

## **Objectives**

The principal objective of the Group is to operate collectively as successful businesses while working for the benefit of shareholders. In pursuing this objective, the Group is guided by the following key principles.

### **(a) Financial Performance**

Each company in the Group is committed to operating as a successful business and achieving a competitive commercial rate of return on the investment while working for the benefit of the shareholders. It will be striving to minimise operating costs and manage the assets and liabilities in a prudent way. The definition of return on investment the company is broader than just the financial returns, and considers the social, economic, and environmental and cultural needs of the community.

### **(b) Service**

The Group recognises that the needs of its major customers are paramount and is committed to meeting those business needs. It also recognises the need to develop its customer base to ensure sustainability of the business in the future. Climate change appears to be resulting in more frequent and severe weather events and has had a significant impact on the networks that Westreef maintains. The organisation will continue to adapt, ensuring service expectations are met.

### **(c) Employee Relations**

The Group values its employees and will recruit and retain employees with the skills necessary to run each business and will provide opportunities for staff training and development. It will ensure that employees are fairly treated and provided with good and safe working conditions.

The Group, together with its employees, will create a culture that recognises the importance of being competitive, the value of delivering a high quality of customer service and the mutual benefit of continued employment. This will involve effective leadership and communication.

**(d) Safety and Environment**

Our leadership will enable our subsidiaries to develop positive workplace cultures, capable workers, and resources for responsible health, safety, quality and environmental performance. The Group will comply with all relevant legislation. The Groups direction will always reflect our commitment to, and beliefs about the management of health and safety and the environment with a goal of ensuring that our work does not create harm.

The Group is committed to reviewing its status and measuring its environmental performance including carbon reduction. This with a view to identify areas for environmental improvement and formulate a pathway for the Group. Appropriate performance measures have been included in this SOI.

**(e) Marketing**

Each member of the Group has developed a marketing plan with objectives, costs, timeline and KPI's to retain and obtain increased external and non-Council profitable business

### **3. Nature and Scope of Activities**

The nature and scope of Buller Holdings Limited is to provide a holding company structure for the ownership of selected Council assets and investments. Currently the scope of the subsidiaries are as follows -

#### **(a) WestReef Services Limited**

The nature and scope of WestReef Services Limited activities is to provide contracting services for physical works in the Buller region and the West Coast of the South Island. Its activities include maintenance and construction services for:

- Roads and bridges
- Response to Road and Civil Defence emergencies
- Parks and reserves (including associated facilities)
- Utility services (water and sewerage reticulation, wastewater treatment, storm water collection)
- Solid and Liquid Waste Collection and Disposal
- Vehicle workshop repairs
- Transfer stations
- Recovery parks
- Roadside vegetation control
- Property maintenance
- Refuse collection
- Environmental & Back Country Projects

#### **(b) Buller Recreation Limited**

Buller Recreation Limited owns and operates the Pulse Energy Recreation Centre and provides a range of leisure services to the district in accordance with a Service Level agreement with Council, as summarised below:

- Recreational swimming and learn to swim programmes
- Aquatic sports events
- Indoor court sports competitions and events
- Fitness centre programmes and classes

- Outdoor turf sports
- Corporate, trade and social events

## **4. Corporate Governance**

The Board of Directors of Buller Holdings Limited and the subsidiaries is responsible for the corporate governance of the Group. The term “corporate governance” encompasses the direction and control of the business by the Directors, and the accountability of Directors to shareholders and other stakeholders for the performance of the Company and compliance by the Company with laws, standards and agreed protocols as specified between Buller Holdings Limited and Buller District Council.

### **Role of the Board**

The Board is responsible for the proper direction and control of the Group on behalf of the shareholders. The principal objective of each company is to operate a successful business.

The functions of the Board include:

- Ensuring that each company goals are clearly established, updated annually and that strategies are in place for achieving the goals.
- Establishing policies for strengthening and enhancing the performance of the Group.
- Monitoring the performance of management relative to the established goals and plans, having delegated day-to-day management of the company to the Chief Executive.
- Appointing and annually assessing the performance of the Chief Executive
- Ensuring that each company’s financial position is fully protected to allow it to meet all debts and obligations as they fall due.
- Ensuring that each company and group’s financial statements are fairly presented and conform to law.
- Ensuring that the group adheres to high standards of ethics and corporate behaviour.
- Ensuring that the group has appropriate risk management and regulatory

compliance policies in place, including health and safety.

- Approving and implementing the Business Plan and Statement of Intent of the Group, and
- Reviewing and approving the Group capital investments and distributions

### **Board operations and membership**

The composition of the Board is determined in accordance with the following principles:

- The Board comprises up to 6 directors.
- Directors are appointed by the Buller District Council.
- The Board meets regularly, and schedules additional meetings as required. There are 2 sub committees, an Audit & Risk Committee, and a Health, Safety & Environment Committee.
- Directors receive formal Board papers for consideration and all necessary information to enable participation in an informed discussion of all agenda items.

The BHL constitution sets out policies and procedures on the operation of the Board including the appointment and removal of Directors.

The Board supports the concept of separation of governance and management of the businesses. The role of the Chairman is to lead the Board to ensure that it carries out its governance role effectively, and to provide leadership and direction to the Chief Executive of the business on behalf of the Board. The Board will evaluate its own performance annually.

## **5. Ratio of Shareholders Funds to Total Assets**

The ratio will be maintained at a minimum of 45% (net of any proposed dividend). Total assets are defined as the sum of all current and non-current assets of each company respectively and the Group, including goodwill.

The Group will also maintain a maximum gearing ratio (as set out in the Treasury Policy) of 40% (measured as debt/ debt plus equity).



## **6. Distribution Policy**

It is the intention to maximise distributions after meeting the financial needs of the Group including future operations and capital expenditure. Directors should aim to deliver a minimum distribution as agreed in this Statement and as forecasted in the Statement of Intent. Taking this into account the maximum distribution should not exceed the Group gross taxable profit.

## **7. Accounting Policies**

The Buller Holdings Group will adopt and adhere to accounting policies that are consistent with those of the Buller District Council and comply with appropriate accounting practices and in accordance with the Companies Act 1993, the Financial Reporting Act 2013, NZ Equivalents to International Financial Reporting Standards, and any other applicable laws and standards.

## **8. Information to be Reported**

The following information will be available to shareholders based on an annual balance date of 30<sup>th</sup> June.

### **Statement of Intent**

The Directors shall deliver to the shareholders a draft Statement of Intent by 1<sup>st</sup> March for comment by the shareholder. The Directors shall deliver to the shareholder a completed Statement of Intent by 30<sup>th</sup> June.

### **Consolidated Quarterly Reports**

The Directors shall deliver to the shareholders by 16<sup>th</sup> November, 23<sup>rd</sup> February and 16<sup>th</sup> May an un-audited report containing the following information as a minimum in respect to the quarter under review.

- a. A revenue statement disclosing actual and budgeted revenue and expenditure with comparative figures for the previous equivalent period.

- b. A statement of financial position at the end of the half year.
- c. A statement of cashflows at the end of the half year.
- d. Key performance indicators.
- e. A commentary on the results for the quarter together with a report on the outlook for the remainder of the year with reference to any significant factors that are likely to influence the Group performance, including an estimate of the financial result for the full year. A commentary on progress towards meeting proposed distributions to shareholders should be included.

### **Annual Reports**

The Directors shall deliver to the shareholders by 30th September annual reports and audited financial statements in respect to the financial year containing the following information as a minimum.

- a. A Directors report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to a dividend.
- b. A revenue statement disclosing revenue and expenditure with comparative figures for the previous year.
- c. A statement of financial position at the end of the year.
- d. A statement of cashflows.
- e. An auditor's report on the above statements and the measurement of performance in relation to key performance targets.

## 9. Group Performance Targets

The performance of Buller Holdings Limited will be judged against the following measures and targets;

Objective	Key Performance Measure	Budget Targets		
		2025	2026	2027
<b>Health &amp; Safety</b>	Medical Treatment Injury	Nil	Nil	Nil
<b>Operational</b>	The board of directors will meet with the BDC Mayor and Chair Risk & Audit Committee on a formal basis: (per/year)	3 times per year	3 times per year	3 times per year
<b>Financial Parent (\$000)</b>	Revenue	\$751	\$753	\$759
	Expenditure	\$749	\$747	\$754
	Net Operating Surplus	\$2	\$6	\$5
	Provision for Capex	\$0	\$0	\$0
	Ratio of Shareholders Funds to Total Assets	45%	45%	45%
<b>Financial Group (\$000)</b>	Group Consolidated Operating Surplus before Tax	\$1,792	\$1,824	\$1,855
	Provision for capex	\$4,298	\$3,395	\$1,178
	Forecast distribution to Shareholders	\$1,300	\$1,300	\$1,300
	Ratio of Shareholders Funds to Total Assets	45%	45%	45%
	Gearing Ratio (Debt to Debt plus Equity)	40%	40%	40%
<b>Environmental</b>	Business Environmental Footprint	Establish KPIs and improve on 2024 baseline	Improve on 2025 baseline	Improve on 2026 baseline

The performance of WestReef Services Limited will be measured against the following targets:

OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGETS		
		2025	2026	2027
<b>Health &amp; Safety</b>	Medical Treatment Injuries	Nil	Nil	Nil
	Notifiable Incident ICAM (investigated with recommendations actioned)	100%	100%	100%
	Total safety audits completed	>100	>100	>100
	ISO 45001 Accreditation	Maintain accreditation	Maintain accreditation	Maintain accreditation
<b>Operational</b>	Employee Satisfaction – Staff turnover excluding retirement, redundancy, and internal transfers.	Within the range of +/- 5% of the national benchmark	Within the range of +/- 5% of the national benchmark	Within the range of +/- 5% of the national benchmark
<b>Employee Development &amp; Satisfaction</b>	Undertake staff satisfaction survey (every 2nd year)	Survey completed	Nil	Survey completed
<b>Financial (\$000)</b>	Revenue	\$19,142	\$19,544	\$19,954
	Expenditure	\$17,169	\$17,529	\$17,897
	Net Operating Surplus before Tax	\$1,973	\$2,015	\$2,057
	Provision for Capex	\$4,150	\$3,200	\$600
	Competitively Procured Revenue	45%	45%	45%
	Ratio of Shareholders Funds to Total Assets	45%	45%	45%
<b>Environmental</b>	Number of enforcement notices	Nil	Nil	Nil
	Business Environmental Footprint	Establish KPIs and Improve on 2024 baseline	Improve on 2025 baseline	Improve on 2026 baseline
<b>Community</b>	Support Minimum 25 community activities	25	25	25

The performance of Buller Recreation Limited will be measured against the following targets:

Performance Measure	Key Performance Indicator	Targets		
		2025	2026	2027
<b>Fitness membership</b>	Average membership over 12-month period.	700	700	700
	Average retention rate over 12-month period	>75%	>75%	>75%
<b>Aquatic centre usage</b>	Average visits per month over 12 months	4,000	4,000	4,000
<b>Safety</b>	Medical Treatment Injuries	Nil	Nil	Nil
	Undertake staff satisfaction survey every second year	Survey completed	Nil	Survey completed
	Undertake client satisfaction survey every second year.	Nil	Survey completed	Nil
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieved	Achieved	Achieved
<b>Financial Forecasts (\$000)</b>	Revenue	\$816	\$833	\$851
	BDC Service level fee	\$906	\$925	\$944
	Expenditure	\$2,257	\$2,304	\$2,352
	Net operating surplus (deficit) before Tax	(\$535)	(\$546)	(\$557)
	Cash surplus/(deficit) (after adding back depreciation)	\$5	(\$6)	\$33
	Provision for capex (funded by Council)	\$148	\$195	\$578
	Ratio of Shareholders Funds to Total Assets	45%	45%	45%
<b>Environmental</b>	Business Environmental Footprint	Establish KPIs and Improve on 2024 baseline	Improve on 2025 baseline	Improve on 2026 baseline

**Financial Performance**

The financial performance of the Group will be an aggregation of the results from the businesses that make up the structure including administration costs of the parent company. This aggregation will include surpluses after tax less any losses incurred. Financial performance results will also be provided for all subsidiaries WSL and BRL.

**Subsidiary Performance Measures and Targets**

The performance objectives, measures and targets for each subsidiary are attached to this Statement of Intent. Formal reports by the Group to the shareholder will include the outcomes against each measure for each subsidiary company.

**10. Value of Shareholders Investment**

The value of the Shareholders' investment will be not less than the carrying value of the investment in the Council's financial statements.

**11. New Investments**

The Group's ability to subscribe for, purchase or otherwise acquire shares in any company or other organisation, or enter into a major transaction is governed by the provisions in the Company's constitution, standards and agreed protocols as specified in the Charter between the Company and Council. This includes the requirement to meet appropriate commercial returns from the investment which are measured against Buller Holdings Limited weighted average cost of capital (WACC).

The Directors will consult with the shareholders regarding purchasing a business or subscribing for shares in any company or other organisation where that investment is more than 25% of shareholders' funds as at the previous balance date. Where the investment is more than 50% of shareholders' funds, shareholder approval will be required. Buller District Council has approved the purchase of land to be used for development of a depot. This capital expenditure was completed in the 2024 financial year.

Any significant decision of Buller Holdings Limited and/or their subsidiaries affecting land or water, will consider the relationship of Maori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga before it makes a decision that may significantly affect land or water. This is under s 60A Local Government Act 2002 Amendment Act 2019.

## **12. Role in the Buller District Council Group and Regional Economy**

### **(a) Commercial Relationship**

The Group acknowledges that there may be commercial opportunities within, or in partnership with other group entities that can be developed to benefit each company, the BHL Group and the Buller region.

### **(b) Growth of the Regional Economy**

Each company within the Group acknowledges that it has a role to play in promoting the growth of the Buller region by contributing to

regional initiatives as a good corporate citizen.

(c) Customer Service Principles

The Buller Holdings Group has adopted the Buller District Council's Customer Service Principles and Action policies.



## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 10

**Prepared by** Douglas Marshall  
Financial Advisor

Lynn Brooks  
Finance Manager

**Reviewed by:** Paul Numan  
Group Manager Corporate Services

**Attachments:** 1 Westport Airport Authority Statement of Intent 2024-2025

### STATEMENT OF INTENT – WESTPORT AIRPORT AUTHORITY

---

#### 1. REPORT SUMMARY

Council is required to adopt the final Statements of Intent (SOI) for each of its Council Controlled Organisations (CCOs) relating to the upcoming financial year.

This report presents the final Westport Airport Authority Statement of Intent for the year 1 July 2024 to 30 June 2025.

#### 2. DRAFT RECOMMENDATION

**That the Risk and Audit Committee recommends to the Council that it adopt the Statement of Intent for the Westport Airport Authority for the year ending 30 June 2025.**

### 3. ISSUES & DISCUSSION

#### BACKGROUND

Part 64 of the Local Government Act (2002) sets out that the purpose of a Statement of Intent is to:

- State publicly the activities and intentions of a Council-Controlled Organisation for the year and the objectives to which those activities will contribute; and
- Provide an opportunity for the shareholders to influence the direction of the organisation; and
- Provide a basis for the accountability of the Directors to their shareholders for the performance of the organisation.

Schedule 8 of the Local Government Act (2002) sets out the detail about how the exchange between Council and the CCO occurs. The draft Statement of Intent must be delivered to its shareholders on or before 1 March. The final Statement of Intent must be delivered to Council before 30 June each year for approval.

The Statement of Intent for the Westport Airport Authority sets out both non-financial and financial targets. The financial targets include three years' key performance indicators which include the next financial year and the following two future years.

The Statement of Intent attached aligns to the amounts included in the Buller District Council enhanced 2024-2025 Annual Plan when it is adopted.

The Risk and Audit Committee at its meeting of 13 March 2024, adopted the following resolution:

**RESOLVED That the Risk and Audit Committee:**

- a. Receive the DRAFT Statement of Intent for the Westport Airport Authority for the year ending 30 June 2025, noting the amendment to capital expenditure.

**DM A Basher/Cr P Grafton  
11/11  
Cr C Reedy abstained  
CARRIED**

- b. Request staff to engage with the Ministry of Transport and report their views to the Council when the Statement of Intent is adopted as a final, prior 30 June 2024.

**DM A Basher/ Cr T O'Keefe  
11/11  
Cr C Reedy abstained  
CARRIED**

Staff engaged with Ministry of Transport (MOT) staff who provided feedback in late May 2024 and stated that there were no changes that they would propose to the draft SOI.

Accordingly, BDC staff recommend that the SOI should now be adopted as a final and the Risk and Audit Committee should recommend that to the Council.

#### **4. CONSIDERATIONS**

##### **4.1 Strategic Impact**

Council works in parallel with the CCOs to drive the strategic outcomes set in the Long-Term Plan.

##### **4.2 Significance Assessment**

The success of the CCOs is imperative to ensure the financial stability of Council. As well, those services provided by the CCOs as set out in the Long-Term Plan and Annual Plans are deemed significant. Therefore, understanding the budgeting and non-financial targets of each CCO is important to highlight any changes which in turn may affect Council and result in a matter occurring which is deemed significant under the Significance and Engagement Policy.

##### **4.3 Risk Management Implications**

Council staff have engaged with the Westport Airport Authority to complete the Statement of Intent to allow it to be adopted by 30 June and thus meet the requirements of section 64 of the Local Government Act (2002), and Schedule 8 of that Act.

##### **4.4 Values**

This decision aligns with the Buller District Values, which are: Community Driven, One Team, Future Focussed, Integrity and We Care.

##### **4.5 Policy / Legal Considerations**

Adoption of CCO Statements of Intent is required each year to ensure the financial data can be incorporated into Council Annual and Long-Term Plans. This then links to the requirement for ratepayers to partially fund the Westport Airport activity as set out in the Revenue and Financing Policy and included in the Funding Impact Statement (Rates Policy).

Section 64 of the Local Government Act (2002) and Schedule 8 of the Local Government Act 2002 as discussed above.

##### **4.6 Tangata Whenua Considerations**

No specific considerations have been identified.

**4.7 Views of Those Affected**

This decision does not require consultation with the community or stakeholders.

**4.8 Costs**

The financial implications of this decisions are outlined in the SOI document.

**4.9 Benefits**

The SOI is a key part of the strategic reporting of the Westport Airport operating activities. The community by paying rates towards the operations of the airport are supporting its continuance.

**4.10 Media / Publicity**

Any interest from the media should be answered as it arises.

# **WESTPORT AIRPORT**

## **Statement of Intent For the year ended 30 June 2025**

**WESTPORT AIRPORT AUTHORITY  
STATEMENT OF INTENT  
FOR THE YEAR ENDING 30 JUNE 2025**

Introduction

The Westport Airport is a joint venture operation between the Buller District Council (the Westport Airport Authority which is granted the power and responsibility for managing and operating the airport) and the Ministry of Transport (on behalf of the Crown).

Management and control of the Airport is vested in the Buller District Council.

This Statement of Intent sets out the intention and the objectives for the Westport Airport Authority for the period 1 July 2024 to 30 June 2025 and the following financial year.

Objectives

The principal objective is to operate a safe and efficient airport facility and assist in the provision of air services for visitors and stakeholders alike.

To operate as close as possible to a commercial business offering cost effective value for the ratepayer investment.

To maintain the Airport's assets and infrastructure at a level compliant with our CAA Part 139 certification status.

To pursue any commercial undertakings at the Airport that will complement the Airport operation and increase the level of economic activity.

Nature and Scope of the Activities to be Undertaken

The nature of the activities of the Airport is to operate Airport facilities at Westport that support scheduled flights and other general aviation activity including air ambulance, charter and leisure.

The Airports scope envelops the provision, maintenance, upgrading and enhancement of services and facilities to accommodate the safe movement of aircraft and the efficient facilitation of passengers and cargo through the Airport.

In addition to the airside operations the airport authority also derives income from providing ground handling services to the scheduled operator, managing property leases and car parking.

Accounting Policies

The accounting policies used by the Westport Airport Authority are consistent with generally accepted accounting principles, legal requirements and the Joint Venture Agreement. Major accounting policies are as follows;

*Property, Plant and Equipment*

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition and construction of the asset.

*Depreciation*

Depreciation of fixed assets, other than land, is provided on a straight-line basis at rates calculated to allocate the cost of the assets over their estimated useful lives.

*Goods and Services Tax*

The financial statements are prepared exclusive of Goods and Services Tax except for accounts payable and receivable which are stated inclusive of GST. The WAA is not registered for GST on their own account, GST is accounted for as a division of Buller District Council.

*Income Tax*

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior tax liabilities.

*Cash and Bank Accounts*

Cash and bank accounts include cash on hand and deposits held at call with banks.

*Trade and Other Receivables*

Trade and other receivables are initially measured at the amount owed. When it is likely that the amount owed (or some portion) will not be collected, a provision for impairment is recognized and the loss is recorded as a bad debt expense.

*Buller District Council Current Account*

Buller District Council advances funds to the Airport Authority on a current account basis to enable the Authority's creditor obligations to be met as they fall due. This current account advance is recognised as either a current asset or a current liability. The account is measured at amortised cost using the effective interest rate method. Interest is charged on overdrawn balances on a monthly basis, at the rate of the BDC bank overdraft for each month that the account is overdrawn.

*Creditors and Other Payables*

Creditors and other payables are measured at the amount owed.

*Revenue and Expenditure*

Landing fees and Grazing income are billed by the Authority and are recognised when receivable. Expenses are recognised when they are incurred. Leases are recognised on a straight-line basis over the lease term.

## WESTPORT AIRPORT

	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027	Budget 2027/2028
<b>INCOME</b>				
Airport Dues/ Landing Charges	43,286	44,195	45,123	46,026
Farmland Lease Income	42,000	42,000	42,000	42,000
Terminal & Sundry Income	17,420	17,786	18,159	18,523
Service Charge	101,352	103,480	105,653	107,767
Electricity Recovery	1,953	1,994	2,036	2,077
<b>Total Income</b>	<b>206,011</b>	<b>209,455</b>	<b>212,972</b>	<b>216,391</b>
<b>EXPENDITURE</b>				
Employment Costs	230,346	237,837	245,302	252,976
Power	9,692	9,896	10,103	10,305
Audit Fees	22,531	23,004	23,487	23,957
Shop Supplies	317	324	330	337
Depreciation	93,641	94,676	99,600	123,462
Consultants	5,384	5,497	5,613	5,725
Bank/EftPos Fees	528	539	550	561
Cleaning	1,056	1,078	1,101	1,123
General Expenses	10,000	10,210	10,424	10,633
Insurance	14,515	14,820	15,131	15,434
Legal Fees	2,112	2,156	2,202	2,246
WestReef Outwork	0	0	0	0
Publications/Subscriptions	2,100	2,144	2,189	2,233
Rates	1,170	1,327	1,429	1,486
Rents & Leases	3,231	3,299	3,368	3,435
Rep/Mtce and other Outwork	72,230	78,852	96,144	73,612
Training	10,558	10,780	11,006	11,226
Telephone	2,112	2,156	2,202	2,246
Share of Overheads	120,812	128,080	137,864	143,654
<b>Total Expenditure</b>	<b>602,335</b>	<b>626,675</b>	<b>668,045</b>	<b>684,651</b>
<b>Profit/(Loss)</b>	<b>(396,324)</b>	<b>(417,219)</b>	<b>(455,074)</b>	<b>(468,260)</b>
<b>CAPITAL EXPENDITURE</b>				
Fencing and Other Capital	15,000	20,420	15,637	15,949
Runway Sweeper	0	8,168	0	0
Storage Container	0	8,168	0	0
Aerodrome Beacon	0	0	0	0
Other Plant	0	0	0	0
Runway Inspection Vehicle	0	8,000	0	0
Mower	0	0	15,637	0
Signs	1,200	1,225	1,251	1,276
Airport Runway	0	0	0	914,429
<b>Total Capital Expenditure</b>	<b>16,200</b>	<b>45,981</b>	<b>32,525</b>	<b>931,655</b>
<b>Ministry of Transport Contribution*</b>	<b>159,441</b>	<b>184,262</b>	<b>193,999</b>	<b>638,226</b>
<b>Buller District Council Contribution*</b>	<b>159,422</b>	<b>184,262</b>	<b>193,999</b>	<b>638,226</b>

\*Does not include interest charged on the current account advance. The interest will be charged on a monthly basis, at the rate of the BDC bank overdraft.



Capital Expenditure

The budget for 2024/2025 is expected to be used to replace signs and perimeter fencing. The runway resurfacing in 2027/2028 will be funded from a mix of income, MoT, BDC general rates and a debt facility over a period of years to smooth the financial impact on BDC ratepayers in that year. The actual split will be worked out closer to that year.

Performance Targets

The Joint Venture performance will be judged against the following measures:

	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
Operating Revenue	206,011	209,455	212,972	216,391
Operating Expenditure	602,335	626,675	668,045	684,651
Net Profit (Loss)	(396,324)	(417,219)	(455,074)	(468,260)
Capital Expenditure	16,200	45,981	32,525	931,655

Ratio of Shareholder Funds to Total Assets

The forecast ratio of shareholder funds to total assets for the next 4 years is:

2024/25	2025/26	2026/27	2027/28
97%	97%	97%	98%

Shareholder Funds is represented by Total Equity. Total Assets is Total Current and Non Current Assets not including any liabilities.

Profit or Loss Ownership

Profits or losses will be shared equally between the Joint Venture partners on a 50/50 basis from annual surpluses/deficits after tax, made after the deduction of appropriations to reserves amounting to a maximum total of the depreciation charged in that year.

Information to be Provided to Partners

The Annual Report is to be provided to shareholders within three months of the end of each financial year.

The report will include:

- A Statement of Financial Performance and Statement of Financial Position including comparison with the previous financial period.

- Any other statements as may be required by generally accepted accounting principles and legislation.

The report will also include a report from the appointed auditors.

#### Acquisition Policy

The Westport Airport Authority does not anticipate that it will acquire any new equity investments other than the purchase of operational assets approved as part of the yearly budgeting process. Any major acquisitions will only be entered into with the prior approval of the joint venture partners; Buller District Council and The Ministry of Transport.

#### Distribution Policy

The Westport Airport Authority has the ability should there be surplus funds available to distribute funds to each of the joint venture partners. This is unlikely due to the current level of accumulated profits (Accumulated Losses are \$897,762 as at 30 June 2023)

#### Other Matters Agreed by Partners

The Westport Airport Authority being owned by the Buller District Council and the Ministry of Transport (on behalf of the Crown) has commitments to the public.

- A commitment to the environment.  
To comply with the Resource Management Act and undertake its activities in an environmentally sound manner having regard to the interest of the community.
- A commitment to service.  
To systematically improve the quality and cost effectiveness of services provided to customers.
- A commitment to the community.  
To operate the Airport with due regard to sound, cultural and environment issues arising from the community in which they are located.

## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 11

**Prepared By:** Lynn Brooks  
Finance Manager

**Reviewed By:** Paul Numan  
General Manager Corporate Services

**Attachments:**

1. Financial Report (unaudited) for Buller Holdings Ltd for the period ending 31 March 2024
2. Letter from BHL December 2023 on distribution shortfall
3. Letter from BHL May 2024 on distribution shortfall

### **BULLER HOLDINGS LTD - FINANCIAL REPORT TO 31 MARCH 2024**

---

#### **1. REPORT SUMMARY**

This report presents the quarterly (unaudited) financial statements for the nine-month period ended 31 March 2024 including the budget for this period. The report also presents results against the Statement of Intent targets which are non-financial measures.

#### **2. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receives the Quarterly Buller Holdings Limited Financial Report to 31 March 2024 for information.**

#### **3. ISSUES AND DISCUSSION**

This report is presented to Council to monitor Buller Holdings Limited (BHL) financial results.

The Council owns 100% of the shares in BHL, therefore BHL is deemed to be a Council Controlled Organisation.

Commentary on the results of each area of BHL operations which are WestReef Services Limited and Buller Recreation Limited (trading as the Pulse Energy Recreation Centre) are set out in the accompanying report. This information should be read in conjunction with the financial statements to provide detail about the group's reported results.

The Group posted a surplus of \$204,000 for the nine months to 31 March 2024 against a budgeted surplus of \$492,000.

This result when comparing with the 31 March 2023 financial position as BHL posted a surplus of \$661,000 for the nine months to 31 March 2023 against a budgeted surplus of \$403,000.

The full year 2023 result for BHL was based on a profit/surplus before tax and distributions of \$1,464,000. Traditionally, BHL have a strong 4<sup>th</sup> quarter result so the 31 March 2024 result being lower than budget is not necessary of concern.

But knowing the challenging trading conditions for business activities currently in many sectors, council finance staff requested BHL to give a full year forecast profit/surplus to 30 June 2024. BHL have advised that they believe their result will be in the region of \$900,000 compared to the budget set in the SOI of \$1,112,000.

But of key importance for the council is whether the distribution to BDC by BHL will be \$1,300,000. At this time BHL are not prepared to confirm their 2024 distribution but it should be noted that the distribution to BDC in 2023 was \$1,137,000 compared to the budget of \$1,300,000. The lower distribution in 2023 was due to BHL following a policy of only paying the maximum allowed from the value of their group taxable income.

As a result of the 2023 distribution shortfall, council wrote to BHL noting that a distribution is based on gross taxable income is accepted but distributions can be based on other factors with one example being the distribution of funds based on BHL's cash balances which maybe surplus to their requirements. In such an example, the distribution would be taxable to council but that is a matter to consider when council and BHL are considering the various distribution options.

Staff have written to BHL and are encouraging them to think wider than just gross taxable income as a means of calculating the annual distribution of \$1.3 million to the council. Included as attachments 2 & 3 are the correspondence related to this issue.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

BHL is a holding company that was set up to provide a commercial focus in the governance and management of the Council's commercial assets. The aim of the group is to operate as a successful company and provide a competitive rate of return on the investments of the company.

### **4.2 Significance Assessment**

The significance and engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant by nature.

#### **4.3 Values**

The Council values are future focussed, community driven, one team, integrity and we care. Monitoring the performance of BHL is important. The performance of BHL is integral to ensuring Council can fund current and future services for the community.

#### **4.4 Risk Analysis**

Risk is assessed by considering the likelihood of an event occurring and the result of that event.

This report provides oversight of the financial operations of BHL but does not elaborate on other risks which may be present with those operations. Risk is mitigated by engaging suitably qualified Directors to oversee the operations of the group and having a regular meeting of council representatives to oversee and report on the operations of the group.

Financial risk is mitigated when the results of operations are reported on and understood by staff and governance, and provision of the interim report to the Risk & Audit Committee.

#### **4.5 Policy/Legal Considerations**

BHL is required to provide quarterly financial results by Council as stipulated in Council's Long Term Plan or Annual Plan.

#### **4.6 Tangata Whenua Consultation Considerations**

The contents of the report are not a matter requiring consultation with Tangata whenua.

#### **4.7 Views of Those Affected**

The provision of services through the holdings company model and the type and nature of those services are consulted upon annually as part of the Annual Plan of Council.

#### **4.8 Costs**

There are no extraordinary costs included in the attached reports, nor is there any additional costs raised due to the submission of this report.

#### **4.9 Benefits**

The benefit of reviewing a quarterly report is the financial results are monitored at on a regular basis.

#### **4.10 Media/Publicity**

There are no media or publicity opportunities with this report.

---

Financial Report (unaudited)

For

Buller Holdings Ltd

*For the Period Ending 31 March 2024*

---



	Page
Contents	2
The nine-monthly review	3
Statement of Financial Performance	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Statement of Financial Position	13

Directors Report to the shareholders of Buller Holdings Ltd on the financial performance for the Nine Months to 31 March 2024

**Commentary:**

The result for the first 9 months of the financial year is below the equivalent period from the previous year and at this stage is likely to compromise the signaled distribution to Council.

WestReef Services Ltd (WSL) has had strong revenue figures for the period. However, margins continue to be put under pressure due to higher inflation and rising costs and costs cannot always be fully recovered. Some departments are still not receiving the budgeted amounts of capital work, including Civil Roothing works which is well down on budget and last year's contract work. This is impacting the WSL bottom line. However, there is hope that this could improve for the final quarter.

Three waters completed the Westport Trunk Main project for Council during the year. This project involved upgrading and replacing approximately 3.5km of pipeline over 2 years and will improve the reliability and operation of Westport's water supply.

The IT project has also now been completed and is improving the organisation operational and reporting systems.

The depot project adjacent to the Cape Foulwind highway enters the next stage of development which involves clearing a site and freeing up gravel inventory.

WSL has been awarded a 4-year extension to NOC roading contract with Waka Kotahi. The company has been a top performer country-wide for the last 5 years, which was a contributing factor to this success.

Work volumes have improved in the immediate future. Several external contracts have recently been won by the company, including Environmental contracts on the Paparoa's and at Globe Hill in Reefton. Moving forward into the last quarter of the year WSL will continue to look for new opportunities to maximize commercial returns and improve margins where it can.

Buller Recreation Ltd has performed well up to the end of March. The company are ahead of the budget for the period, and use is extremely good in all areas. Highlights include the numbers attending the fitness area, and swim lesson numbers continue to be very strong. Education of our younger members of the community about water safety will provide significant benefits given our coastal environment.

Most of the BRL capital expenditure programme is due to be completed during the final quarter of the year.

Line charges for electricity from Buller Electricity are set to increase markedly and may impact on BRL going forward.

The Group continues to look for new opportunities for the individual companies and any other opportunities that present themselves. The group now employs approximately 135 staff and is one of the biggest employers within the district, providing social and economic well-being spread throughout the district.

A commentary against key performance indicators is contained in the next section of the report.

On behalf of the Board

Steve Grave

Chair



**Statement of Intent Targets:**

The targets as set out in the individual statements of intent for each subsidiary are shown below with an update of progress:

**Buller Holdings Limited**

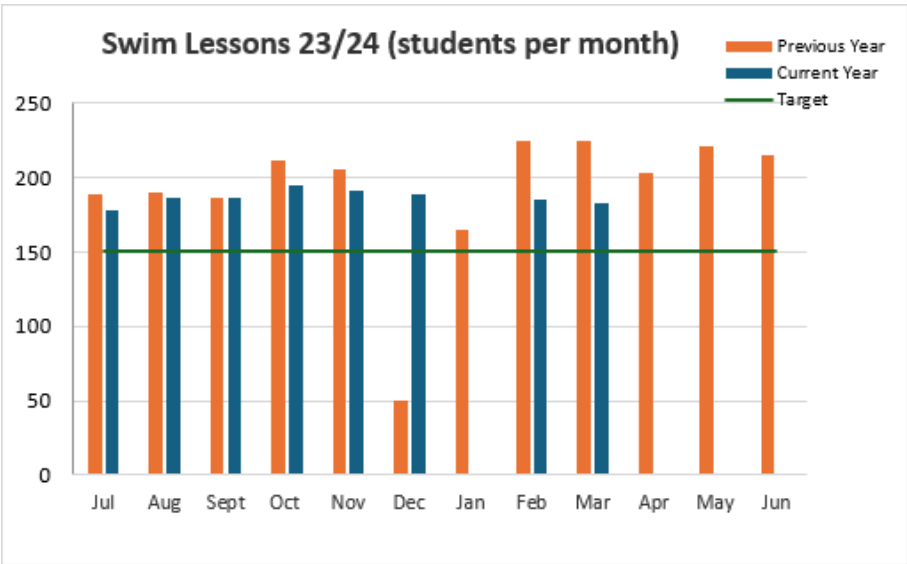
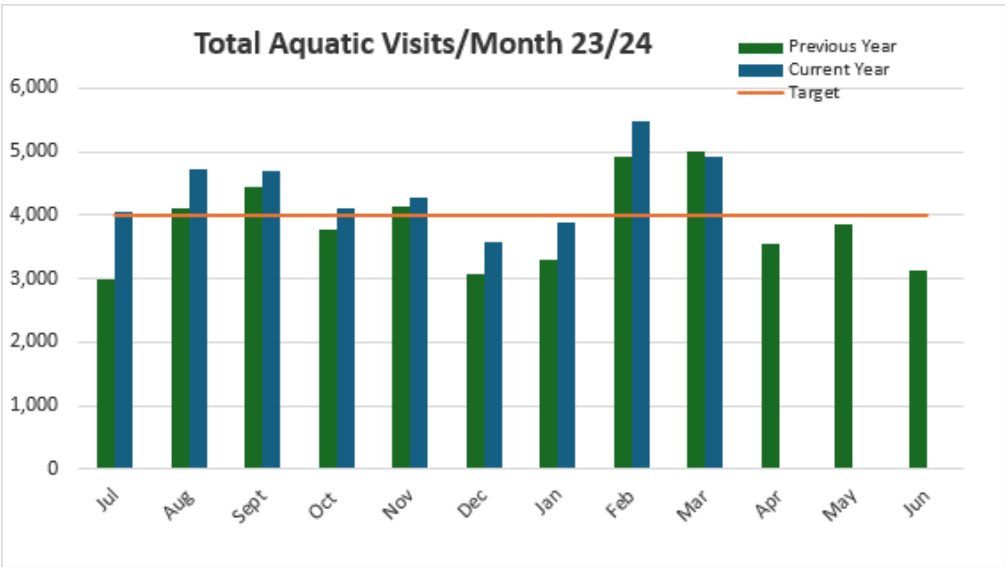
	Key Performance Measure	Target	Achieved
<b>Health &amp; Safety</b>	Medical Treatment Injury	Nil	Nil
	Serious harm accidents	Nil	Nil
	LTI Target	Nil	Nil
<b>Operational</b>	The board of directors will meet with the BDC, CTO Committee on a formal basis: (per/year)	3 times per year	1
	The Buller Holdings Ltd Chief Executive will provide a formal and or informal report to Council as requested.	As requested	3 Reports
	The Chief Executive of Buller Holdings Ltd will meet with the Chief Executive of Buller District Council when requested.	As requested	7
<b>PARENT</b> Financial (\$000)	Revenue	\$691	\$495
	Expenditure	\$688	\$540
	Net Operating Surplus	\$3	(\$45)
	Provision for Capex	\$0	\$1m
	Capital Carryover from 2022	\$1m	\$0
	Ratio of Shareholders Funds to Total Assets	45%	64%
<b>GROUP</b> Financial (000's)	Group Revenue	\$17,745	\$16,059
	Group Expenditure	\$16,983	\$15,855
	Group Operating Surplus (EBIT)	\$1,112	\$204
	Provision for capex	\$1.255m	\$1,334k (does not include \$1m land purchase)
	Forecasted distribution to Shareholders	\$1.3m	At risk
	Ratio of Shareholders Funds to Total Assets	45%	75%
	<b>Environmental</b>	Business Environmental Footprint	Establish 2024 business footprint as baseline

**WestReef Services Ltd**

OBJECTIVE	KEY PERFORMANCE INDICATOR	Target	Achieve
<b>HEALTH &amp; SAFETY</b>	Medical Treatment Injuries	Nil	6
	Notifiable Incident ICAM (investigated with recommendations actioned)	100%	1
	Total Safety Audits Completed	>100	139
	ISO 45001 Accreditation	Maintain	Achieved
<b>OPERATIONAL</b>	Employee Satisfaction – Staff turnover excluding retirement, redundancy and internal transfers	Within the range of +/- 5% of the national benchmark	Achieved
	Client Satisfaction – Min 12 meetings per year	12	9
	Renewal of TQS1 certification	Achieve	Achieved April 2023
<b>EMPLOYEE DEVELOPMENT &amp; SATISFACTION</b>	Undertake staff satisfaction survey (2 yearly)	Not required 2024	not required 2024
	Weekly department staff meetings	Achieve	Achieved
<b>FINANCIAL (\$ 000)</b>	Revenue (\$ 000)	\$16,124	\$14,912
	Expenditure	\$ 14,516	\$14,138
	Net Operating Surplus (EBIT)	\$1,608	\$ 774
	Provision for Capex	\$900	\$1,287
	Competitively Procured Revenue	45%	94%
	Ratio of Shareholders Funds to Total Assets	45%	80%
<b>ENVIRONMENTAL</b>	Number of Enforcement notices	Nil	Achieved
	Business Environmental Footprint	Establish 2024 business footprint as baseline	On track
<b>COMMUNITY</b>	Support Minimum community activities	25	32

**Buller Recreation Ltd**

Performance Measure	Key Performance Indicator	Target	Achieved
Fitness membership	Average membership over 12-month period.	700	761
	Average retention rate over 12-month period	>75%	94%
Aquatic centre usage	Average visits per month over 12 months	3,750	4188
	Achieve number of students over 4 swimming terms	140	177
Safety	MTI	Nil	Achieved
	Serious Harm Accidents	Nil	Achieved
	LTI	Nil	Achieved
Work Environment	Maintain regular communication with all employees through weekly emailed updates and meetings with all staff every 4 months.	Achieve	Weekly meetings held with management and quarterly meetings with each department
	Review the succession plan for key positions and identify training needs and actions for the next 12 months	Achieve	Achieved. Consideration given at Management meeting to skills and training if personnel in key positions leave.
	Complete annual review process with all staff	Achieve	To be completed by 30 June 2024
	Undertake staff satisfaction survey every second year	Achieve by 30 June 2024	To be completed by 30 June 2024
	Undertake client satisfaction survey every second year.	Not required 2024	Not required
Asset Management	Review of the Asset Replacement Schedule annually	Achieve	Comprehensive asset management Plan in place
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieve	Ongoing
Financial Forecasts \$000's	Ratio of Shareholders Funds to Total Assets	45%	97%
	Revenue	\$735	\$582
	BDC Service level fee	\$851	\$638
	Expenditure	\$2,435	\$1,746
	Net operating surplus (deficit)	(\$849)	\$(526)
	Cash Surplus/(deficit) (after adding back depreciation)	(\$129)	\$(91)
	Provision for capex	\$355	\$47
Environmental	Business Environment Footprint	Establish 2024 Business Footpath as Baseline	On Track





<b>January, February, March</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Pool</b>	9570	13320	14277
<b>Gym</b>	5870	7568	7993

**STATEMENT OF FINANCIAL PERFORMANCE**

For the period ending 31 March 2024

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	16,059	12,976	495	518
Expenses	15,855	12,484	540	516
<b>OPERATING SURPLUS/(DEFICIT) before taxation</b>	<b>204</b>	<b>492</b>	<b>(45)</b>	<b>2</b>

**STATEMENT OF FINANCIAL PERFORMANCE**

For the period ending 31 March 2023

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	17,206	11,620	450	441
Expenses	16,545	11,217	489	437
<b>OPERATING SURPLUS/(DEFICIT) before taxation</b>	<b>661</b>	<b>403</b>	<b>(39)</b>	<b>4</b>

**STATEMENT OF CHANGES IN EQUITY**

For the period ending 31 March 2024	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2023	20,117	(7,822)	12,295	20,117	(13,930)	6,187
Profit for the period	-	204	204	-	(45)	(45)
	<b>20,117</b>	<b>(7,618)</b>	<b>12,499</b>	<b>20,117</b>	<b>(13,975)</b>	<b>6,142</b>
<b>Transactions with owners, recorded directly in equity</b>						
Issued capital	355	-	355	355	-	355
Closing balance 31 March 2024	<b>20,472</b>	<b>(7,618)</b>	<b>12,854</b>	<b>20,472</b>	<b>(13,975)</b>	<b>6,497</b>
For the period ending 31 March 2023	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2022	19,934	(8,045)	11,889	19,934	(13,920)	6,014
Profit for the period (after provisional tax payment of \$114k)	-	661	661	-	(39)	(39)
	<b>19,934</b>	<b>(7,384)</b>	<b>12,550</b>	<b>19,934</b>	<b>(13,959)</b>	<b>5,975</b>
<b>Transactions with owners, recorded directly in equity</b>						
Issued capital	183	-	183	183	-	183
Closing balance 31 March 2023	<b>20,117</b>	<b>(7,384)</b>	<b>12,733</b>	<b>20,117</b>	<b>(13,959)</b>	<b>6,158</b>

**STATEMENT OF CASH FLOWS**  
**For the period ending 31 March 2024**

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2024	2024	2023	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Management fees	638	465	638	418
Receipts from Customers	15,201	30	19,565	166
Interest received	73	5	49	1
	<u>15,912</u>	<u>500</u>	<u>20,252</u>	<u>585</u>
Cash was applied to:				
Payments to suppliers and employees	13,514	438	18,767	516
GST paid	705	37	998	59
Interest paid	55	54	34	34
	<u>14,274</u>	<u>529</u>	<u>19,799</u>	<u>609</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u>1,636</u>	<u>(29)</u>	<u>453</u>	<u>(24)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Realisation of term investments	2,593	130	4,077	123
Proceeds from sale of fixed assets	112	-	26	-
	<u>2,705</u>	<u>130</u>	<u>4,103</u>	<u>123</u>
Cash was applied to:				
Term investments	607	130	1,590	130
Purchase of fixed assets	3,335	-	1,812	-
	<u>3,942</u>	<u>130</u>	<u>3,402</u>	<u>130</u>
<b>Net cash inflow/(outflow) from investment activities</b>	<u>(1,237)</u>	<u>(0)</u>	<u>701</u>	<u>(7)</u>



	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2024	2024	2023	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Share Issue	355	355	183	183
	355	355	183	183
Cash was applied to:				
Share Issue	-	355	-	183
Subvention payment made	1,139	-	1,300	-
	1,139	355	1,300	183
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(784)</b>	<b>-</b>	<b>(1,117)</b>	<b>-</b>
Net increase in cash held	(385)	(29)	37	(31)
Add opening cash as at 1 July 2023	1,010	125	959	140
<b>Closing cash balance</b>	<b>625</b>	<b>96</b>	<b>996</b>	<b>109</b>
Made up of:				
Bank	625	96	996	109
<b>Closing cash balance</b>	<b>625</b>	<b>96</b>	<b>996</b>	<b>109</b>

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2024**

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
	2024	2024	2023	2023
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and short-term deposits	625	96	996	109
Receivable and prepayments	3,886	62	3,056	57
Inventories	133	0	421	0
Short Term Investments	607	130	1,590	130
Other current assets			1,000	1,000
<b>Total current assets</b>	<b>5,251</b>	<b>288</b>	<b>7,063</b>	<b>1,296</b>
<b>Non-current assets</b>				
Deferred tax	286	15	311	30
Fixed assets	11,111	2,402	8,309	405
Rou Assets			20	
Goodwill	389	0	389	0
Investment in Subsidiaries	0	7,430	0	7,075
<b>Total non-current assets</b>	<b>11,786</b>	<b>9,847</b>	<b>9,029</b>	<b>7,510</b>
<b>Total Assets</b>	<b>17,037</b>	<b>10,135</b>	<b>16,092</b>	<b>8,806</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals	1,975	80	1,186	96
Employee entitlements	708	57	673	52
<b>Total current liabilities</b>	<b>2,683</b>	<b>137</b>	<b>1,859</b>	<b>148</b>

**Non current liabilities**

Deferred Tax	0	0	0	0
Loans	1,500	3,501	1,500	2,500
<b>Total non-current liabilities</b>	<b>1,500</b>	<b>3,501</b>	<b>1,500</b>	<b>2,500</b>
<b>Total liabilities</b>	<b>4,183</b>	<b>3,638</b>	<b>3,359</b>	<b>2,648</b>

**EQUITY**

Share capital	20,472	20,472	20,117	20,117
Accumulated Funds	204	(45)	661	(39)
Retained earnings	(7,822)	(13,930)	(8,045)	(13,920)
<b>Total Equity</b>	<b>12,854</b>	<b>6,497</b>	<b>12,733</b>	<b>6,158</b>
<b>Net Assets</b>	<b>17,037</b>	<b>10,135</b>	<b>16,092</b>	<b>8,806</b>

# BULLER Holdings Ltd

Wednesday 20<sup>th</sup> December 2023

Dear Jamie

Following the Buller Holdings Limited AGM that was held on the 25<sup>th</sup> October. Buller District Council (BDC) asked us to look into the possibility of providing the shareholder with additional revenue of \$161,006.55 to take the total payments from the group to \$1,300,00.00 for the financial year.

Under our policies we can only distribute payments based on the group taxable profit. This means we are limited on our distributions back to you as a shareholder.

We are currently looking at all ways to provide you with these funds. As we are committed to assisting the community in the current economic climate.

I will provide you with an update in April after we have completed three quarters of the current financial year.

Yours Sincerely



Steve Grave

Buller Holdings Chairman

# BULLER Holdings Ltd

Tuesday 21<sup>st</sup> May 2024

Dear Jamie

I am writing to further update you on the letter I sent you on the 20<sup>th</sup> December 2023.

The Buller Holdings Limited board have considered the possibility to make any further payments to Buller District Council (BDC) as a result of the payment being \$161,006.55 less than BDC expected.

Unfortunately, due to solvency requirements, future cashflow needs and inflationary pressures that have significantly increased expenses we are not able to provide BDC with additional funds.

We look forward to working with BDC to maximise the return to the shareholders and community as we head into a new financial year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Grave', written in a cursive style.

Steve Grave

Board Chairman

## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 12

- Prepared By:** Paul Numan  
Group Manager Corporate Services
- Reviewed By:** Simon Pickford  
Chief Executive Officer
- Attachments:** 1. IOD 2024 Directors Fee Review  
2. Expressions Of Interest For Directorship

### **BULLER HOLDINGS UPDATE ON DIRECTOR REMUNERATION, EVALUATION AND EXPRESSIONS OF INTEREST - JUNE 2024**

---

#### **1. REPORT PURPOSE**

This report is provided to give the committee an update on the status of the Director appointments to Buller Holdings Limited and its subsidiaries from the 2024 AGM.

The report also provides information on proposed levels of directors fees from the 2024 AGM.

#### **2. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee:**

- a) **recommend to the Council that the directors fees payable to the directors of Buller Holdings Limited be increased by 5.8% from the 2024 AGM as per the Institute of Directors snapshot fee review**
- b) **Form a panel consisting of Independent Chair Roche, Mayor J Cleine and two Councillors to:**
  - i. **Undertake the annual directors evaluation process**
  - ii. **Undertake the interview process and recommend to the Council the appointment of 3 directors to Buller Holdings and its subsidiaries from the 2024 Annual General Meeting of each company**

### 3. BACKGROUND & PURPOSE

#### Remuneration Review

At the April Risk and Audit committee meeting, the committee asked the CEO to obtain a director's review from the institute of directors.

Council requested a directors remuneration review.

This review is attached to this report.

The report notes that director's remuneration for Council Controlled organisations have increased by 5.8%. Accordingly, it is proposed that the current directors' fees for Buller Holdings Limited be increased by 5.8% from the 2024 annual general meeting.

Directors' fees need to be regularly reviewed and adjusted to ensure they are at levels which attract quality candidates for the Council CCO appointments.

The Council last reviewed director's remuneration in 2023 and made a 2.2% increase from the 2023 AGM.

A summary of the information about the current Directors is noted below:

<b>Director Name</b>	<b>Role</b>	<b>Current Annual Remuneration</b>	<b>Proposed Annual Remuneration</b>	<b>First Appointed to BHL</b>	<b>Current Term Ends</b>
Rob Burdekin	Director	\$25,417	\$26,891	1/4/2020	AGM 2026
Steve Grave	Chairperson of the Board	\$54,020	\$57,153	1/4/2020	AGM 2024
Kieran Sweetman	Director	\$25,417	\$26,891	7/12/2021	AGM 2024
Vanessa van Uden	Chair of Health & Safety Committee	\$30,075	\$31,819	7/12/2021	AGM 2024
Gareth Allen	Chair of Finance & Audit Committee	\$30,075	\$31,819	29/10/2014	AGM 2025

## Directors Expressions of Interest Process

Three directors end their terms at the 2024 AGM.

The Risk and Audit Committee resolved at their April 2024 meeting to seek expressions of interest for directors' positions on Buller Holdings Ltd through local media and invite the incumbents to reapply.

A process has commenced on the following basis:

- The 3 directors ending their term have been written to asking them to register their interest for a further term,
- An advertisement (attachment 2) has been issued.

Applications closed on 14 June. The list of applicants is included in the public excluded section of this agenda.

A proposal for a directors' evaluation process will also need to be considered prior to the AGM.

## **5. OPTION**

There are two options the committee could consider about this report:

**Option 1** Support the recommendation provided by staff.

**Option 2** Propose an alternate recommendation.

## **6. CONSIDERATIONS**

### **6.1 Strategic Alignment**

Not relevant to this report.

### **6.2 Significance Assessment**

Not relevant to this report

### **6.3 Tangata Whenua Considerations**

The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value. Therefore, this decision does not specifically impact Tangata Whenua, their culture, and traditions.



**6.4 Risk Management Implications**

Receiving this paper and acting on the recommendations is key part of managing the various risks that the Council has in owning a Council-controlled organisation.

**6.5 Policy Framework Implications**

Accepting this paper does not provide Council with a significant risk.

**6.7 Legal Implications**

There are no legal implications with this report and the recommendation.

**6.8 Financial / Budget Implications**

Most of this work outlined in this report can be undertaken using Council staff resources.

**6.9 Consultation Considerations**

There is no consultation with the public required on this issue.

Director**Fees**



# Director Fees Snapshot Buller District Council

MAY 2024



Governance services

[iod.org.nz](http://iod.org.nz)

## 1 Setting board fees

### Introduction

The depth and complexity of director's duties are well known and growing. Given this, along with increased regulatory compliance and the personal risk that New Zealand directors face in their roles, setting director fees at the right level is essential.

Organisations need to attract progressive and effective directors who go beyond compliance, who aspire to meet the highest standards and are rewarded appropriately for their expertise and commitment.

Organisations should support and justify their board fee decisions with good disclosure, governance and accountability practices. This means demonstrating that fees have been set using robust processes and data.

### Benchmarking

Benchmarking is a good way to identify appropriate fee levels for directors. It is important to review benchmarks across a wide range of relevant criteria.

The IoD commissions an annual survey, which collects fee data from its members and New Zealand organisations, and that survey data forms the basis of the analyses in this report. Our 2023-24 survey includes information about 3,951 New Zealand directorships, covering a wide cross-section of 1,695 organisations. 56% of our surveyed members hold non-executive (independent) positions and our benchmarking focusses on those roles.

The IoD has reviewed our survey data to find suitable comparators to Buller District Council in a variety of criteria (see pages 8 - 9). We provide data showing the level of remuneration for directors and chairs and the hours of work associated with the remuneration levels. We also provide overall fee movements for non-executive roles, as well as the annual fee movement in the organisation's comparator industry sector.

### Overall approach to setting fees

REMUNERATION OF DIRECTORS SHOULD BE TRANSPARENT,  
FAIR AND REASONABLE.

There is no 'right' or 'wrong' when it comes to setting fees because there are a multitude of factors that can influence remuneration levels. Ideally fees should be set by taking into account the individual circumstances of each organisation and the broader market context.

Generally, the IoD recommends fixed fees, set annually at a level that reflects the commitment and skills your board requires, and the level of liability and personal risk involved with the appointment. An overall fixed fee allows for



## 2 Directors' fees and the role of the board

### General

Trust and accountability underpin long-term success and sustainability, and directors of all organisations need integrity, courage, judgement, emotional agility, energy and curiosity.

The IoD's publication *The Four Pillars of Governance Best Practice* emphasises that the key role of a board is to add value to their organisations through four key governance functions:

- Determination of a company's fundamental purpose and strategy
- Leading an effective governance culture, characterised by integrity, robust decision making and effective relationships with management, shareholders and stakeholders
- Holding management to account
- Ensuring effective compliance.

These are significant responsibilities and it is IoD's view that in order to be accountable, board members need to spend more focussed time, thought and enquiry on their organisation - within board meetings and outside of them.

A key element of good governance is having a robust approach to reviewing and setting board fees underpinned by comprehensive and robust data. Remuneration for board members needs to be set at a level that acknowledges responsibilities and risks, as well as to attract, motivate and retain members with the ability and character necessary to carry out these critical and demanding functions.

### The role of the chair

The chair facilitates the board but under the Companies Act all directors share equal responsibility. In practice the role of the chair depends on the extent of his or her involvement with the organisation. This can be influenced by:

- The size or particular circumstances of the company,
- The complexity of its operations,
- The quality and capacity of its chief executive and management team, and
- The administrative or contractual arrangements that the board or shareholders have put in place.

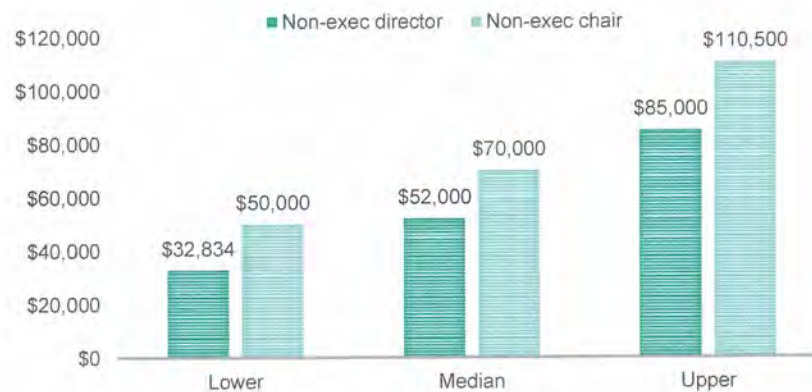
In particular circumstances it may be appropriate for the chair to work significant additional hours. This may arise for example, where an organisation is dealing with a significant event, or is engaging in a major transaction. These additional hours are addressed in the chair fee by using a multiplier (premium) over the base director fee.

In the last 12 months, the median fee received by non-executive directors has increased by 0.9%, compared to a 3.1% movement in 2022. Non-executive chair fees have increased by 4.5%, compared to a 3.5% movement in 2022.

## Overall survey quartiles

### 2023 non-executive chair and director remuneration

The lower, median and upper quartiles for non-executive director remuneration in the most recent survey are \$32,834, \$52,000 and \$85,000 and for non-executive chairs, they are \$50,000, \$70,000 and \$110,500 respectively across the whole survey sample. The survey incorporates a very wide sample of organisations from NFPs to NZX listed companies.



### Other relevant fee movement data

OUR FEE DATA USES THE ANZSIC (AUSTRALIAN AND NEW ZEALAND STANDARD INDUSTRIAL CLASSIFICATION) GROUPS

FEE CATEGORY	12 MONTH FEE MOVEMENT
Council controlled organisation	+ 5.8%
Electricity, gas, water and waste	+ 9.2%

### Chair remuneration - comparator breakdown

This graph shows chair fee data relevant to Buller District Council based on the information you have provided. Each fee category is a sub-set of our latest directors' fees survey. It demonstrates that Buller District Council's current chair fee aligns to the lower quartile against the comparator fee categories.



NOTE: THE IOD'S DATA FOR DIRECTOR ROLES IS CONSIDERABLY DEEPER THAN FOR CHAIRS THEREFORE OUR METHODOLOGY PLACES A HIGHER RELIANCE ON DIRECTOR DATA AS A BASIS FOR ESTIMATING FEES FOR ALL BOARD MEMBERS.





## 6 Director hourly fees

The following table provides an analysis of hourly fee rates for directors in comparator data bands. As can be seen, hourly fees vary across industries, organisation types and sizes.

In some circumstances, hourly fees or 'per meeting' rates can be useful alternative fee structures to an annual fixed fee. For example in an environment where meetings numbers are relatively stable or when time commitments are low or for advisory board members.

However, when meeting numbers or time commitments fluctuate significantly, it can make it difficult to track governance fees or to set an annual budget for board fees.

	NON-EXECUTIVE DIRECTOR		
	LOWER QUARTILE HOURLY FEES (\$)	MEDIAN QUARTILE HOURLY FEES (\$)	UPPER QUARTILE HOURLY FEES (\$)
New Zealand owned	204	306	462
Council controlled organisation	201	255	343
Electricity, gas, water and waste services	242	352	428
Revenue 23.5m (20.1 - 50m)	206	344	443
Assets 18.4m (10.1 - 20m)	251	402	506
Shareholders' funds 12.3m (10.1 - 20m)	213	295	438
Headcount 115 (100 - 199)	195	263	386
<b>AVERAGE HOURLY FEES</b>	<b>216</b>	<b>317</b>	<b>429</b>

## Appendix 1 - Board size considerations

The interests of shareholders of a company will be best served if its board acts with maximum efficiency and effectiveness. The optimum number of directors required to attain maximum efficiency and effectiveness on any given board will depend on such factors as the company's size, nature, diversity and complexity of its business and its ownership structure.

A board that is too large may not give its members the opportunity of participating in discussions and decisions to the best of their abilities. It may result in board proceedings being unnecessarily prolonged. On the other hand, a board that is too small will limit the breadth of knowledge, experience and viewpoints that would otherwise be available to it and from which it could usefully benefit.

As a general rule, a board numbering between six and eight members is usually found to be the most appropriate in the case of medium to large-sized companies. This also takes the relatively small size of New Zealand companies in international terms into account. Smaller companies may operate quite satisfactorily with a lower number. Under NZX listing rules, the minimum number for a listed company (disregarding alternate directors) is three.

It is not really possible or practical to specify an ideal and optimal number for all boards. What every board needs to do is to achieve the right balance to suit the circumstances and requirements of the organisation and the board itself. Capable directors are valuable resources and on occasion both large and small boards suffer for lack of a uniform spread of excellent and capable directors. Ideally, a board should not be so large as to make a uniform level of capability difficult nor should it be too small that capability gaps are evident.

### Average number of directors

(FROM THE 2023-24 IOD DIRECTORS' FEES REPORT)

#### Board size for Council controlled organisations

ORGANISATION TYPE	LOWER QUARTILE	MEDIAN QUARTILE	UPPER QUARTILE	AVERAGE
Council controlled organisations	5	6	7	6



## Appendix 3 – IoD Services for boards

### We will help you build a better board

We can help you strengthen the capabilities of your existing board with board evaluations, in-house training, director recruitment and fee advice.

*Evaluated  
your board  
lately?*

If you are seeking an impartial and independent review of your board's performance, our evaluations are tailored to your needs. Contact us today and discuss how you can get the most out of your next **board evaluation**.

*Want training  
for your whole  
board?*

We can organise a tailored **in-house training** programme for your whole board and, if desired, your senior executive team. Please contact us and we can talk through some options with you.

*Need to fill a  
vacancy at the  
board table?*

We can help you find prospective board members who will complement your organisation's needs and your current board composition through our **board appointments** and **director vacancies** services. Please contact us to discuss further.

*Are you  
paying fair  
fees for  
your board of  
directors?*

We can provide independent analysis to ensure your fee level is at an appropriate level based on your organisations type, size and sector. Using this service demonstrates a robust and transparent approach to setting fee levels. If you need advice in setting the level of your **director fees** please give us a call.

**For further information, please contact our Governance Services team**

Phone: 0800 846 369

Email: [GovernanceServices@iod.org.nz](mailto:GovernanceServices@iod.org.nz)



Governance services

Director Fee Snapshot – Buller District Council. May 2024

Page 15

---

iod.org.nz

**Institute of Directors in New Zealand (Inc)**

Mezzanine Floor, 50 Customhouse Quay

PO Box 25253, Wellington 6146

New Zealand

Telephone: 04 499 0076

Freephone: 0800 846 369

Email: [governanceservices@iod.org.nz](mailto:governanceservices@iod.org.nz)



**Are you passionate about making a difference? Buller District Council is seeking expressions of interest from individuals to join as directors for Buller Holdings Limited and its subsidiaries.**

These roles offer a unique opportunity to provide governance leadership for Buller Holdings Limited, WestReef Services Limited, and Buller Recreation Limited, which operates the Pulse Energy Recreation Centre.

These companies are vital contributors to the Buller District, supplying essential civil works, water and wastewater services, and maintaining parks and reserves, as well as providing recreational services to the Buller District Council and external clients.

We welcome expressions of interest from diverse backgrounds, including professional, trade, agriculture, contracting, and service sectors. Key to success in this role is a deep understanding of Buller's opportunities and risks and the ability to navigate them effectively.

While prior governance experience is advantageous, Council is also open to individuals early in their governance careers, eager to take on their first directorship role. It's a chance to contribute to the growth and sustainability of essential services within the Buller District.

The successful applicant(s) will be paid directors fees, covering their directorship of all three companies. It is essential that all applicants have existing rights to work in New Zealand, and any possible conflicts of interest must be declared during the application process.

Initial enquiries can be made to Buller District Mayor Jamie Cleine by emailing [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz) or Chairperson of the Risk and Audit Committee Sharon Roche by emailing [sp.roche@outlook.com](mailto:sp.roche@outlook.com)

**Applications are to be marked 'Confidential' and addressed to Human Resources, Buller District Council, P O Box 21, Westport 7866 or sent to [bdc.hr@bdc.govt.nz](mailto:bdc.hr@bdc.govt.nz)**

**All applications are required to be accompanied by the Application Form available from [bullerdc.govt.nz/your-council/careers/](http://bullerdc.govt.nz/your-council/careers/), a Covering Letter and a copy of your current Curriculum Vitae.**

**Applications close 5 pm, Friday 14 June 2024.**



## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 13

**Prepared by:** Domonic Venz  
Harbourmaster

**Reviewed by:** Douglas Marshall  
Chief Financial Officer

### PORT & DREDGE – MAY 2024 OPERATIONS REPORT

---

#### 1. REPORT SUMMARY

This report updates the committee on a number of matters relating to the operations of the Westport Port and the Dredge Kawatiri as of May 2024.

#### 2. DRAFT RECOMMENDATION

**That the Risk and Audit Committee receives the Port and Dredge – May 2024 Operations Report for information.**

#### 3. ISSUES AND DISCUSSION

##### 3.1 Pilotage

The Port Marlborough Pilot on contract to supply services for BDC has successfully been issued their Pilots License for the Westport Pilotage Area. This will allow BDC to provide pilotage services for larger vessels (over 100GRT and/or with a draft exceeding 3m) wishing to enter the port.

##### 3.2 Wharf And Harbour Structures

- Flood repairs
  - The NEMA funded flood wharf repairs tender process completed and awarded to HEB. Works to start soon.
- Cobden St Slumping
  - Slumping has occurred at the end of Cobden Street with an associated blockage of the stormwater pipe. This blockage is associated with a large rotational slump beside the wharf and river. The slump is developing on KiwiRail land and will be active especially in wet weather or high river flow. The infrastructure team at BDC is leading this piece of work.

### **3.3 Wharf And Harbour Structures**

Works to begin as part of a 3-phase programme to repair buffer piles along the Talley's and Fisherman's Wharves. Talley's wharf work will start in July and is being completed by Adams Construction Ltd. Addition work will be started in the next financial year or when budget becomes available.

### **3.4 Harbour Boat**

The harbour vessel has recently completed survey in Nelson in dry dock. She has had pilot survey requirements completed to ensure the vessel is safe to use for Pilot and crew transfers.

### **3.5 Dredge Activities**

The Kawatiri has been based in Westport since the last report undertaking the NEMA funding flood recovery project.

Challenges with dredging in this period have related to the bar depth being very low meaning that the Kawatiri has had periods of inactivity during March to May as she could not safely cross the bar to take dredged spoil material to the spoil dump site. Vessel maintenance increased during this period.

The replacement of the dredge pump engine and overhaul of the Port main engine is scheduled for July. Once completed the ships engines should provide a 4-to-5-year operating window.

### **3.6 Port Systems**

Recently BDC Harbours staff deployed a wave monitoring buoy at 1 nautical mile offshore. This has been supplied by West Coast Regional Council with BDC undertaking the deployment and maintenance, the data is now live on the Westport Harbour website. This is another important piece of information to assist mariners making decisions around crossing the bar.

### **3.7 Vessel Movements**

Preparation continues for Westland Mineral Sands shipping which is expected to commence from lay July/August this year. The vessel is currently enroute from Indonesia to New Zealand.

Normal winter fishing continues within the port with the three local trawlers working as well as several Bluefin Tuna vessels using the port for their winter base.

### **3.8 Financial Activities**

#### **Introduction**

The table below summarises the financial position of the port and dredge by reporting:

- the 9 months actual results to 31 March 2024 and total year 30 June 2024 budget

- The running total of both accounts which are “closed” meaning that no rates income is provided to support them financially as activities.
- Interest charges for deficits are calculated at the end of the year.

	2023	2024		Account	Total
	Actuals	March YTD actuals	Total budget		
<b>Port</b>					
Income	198,923	181,678	177,158	103%	1,308,155
<b>less costs</b>					
Port operating costs (inc loan int)	593,503	435,574	506,789	86%	3,319,287
Interest	58,424	43,538	58,421		339,787
Depreciation	98,400	120,519	160,692	75%	541,269
Overheads	86,436	67,167	89,556	75%	358,686
<b>Net Surplus/(Deficit)</b>	<b>(637,840)</b>	<b>(485,120)</b>	<b>(638,300)</b>	76%	<b>(3,250,875)</b>
<b>Dredge</b>					
Income	2,312,682	3,027,573	3,680,505	82%	10,396,735
<b>less costs</b>					
Dredge operating costs	1,653,781	2,129,439	1,916,840	111%	7,943,033
Interest	-	-	87,220		-
Dredge rehabilitation/renewal	1,579,849	-	-		2,301,337
Depreciation	12,659	-	7,392	0%	25,273
Overheads	127,787	112,059	149,412	75%	402,123
Direct Costs	-	-	-		-
<b>Net Surplus/(Deficit)</b>	<b>(1,061,394)</b>	<b>786,075</b>	<b>1,519,641</b>	52%	<b>(275,031)</b>
<b>Total Net Surplus/(Deficit)</b>	<b>(1,699,234)</b>	<b>300,955</b>	<b>881,341</b>		<b>(3,627,869)</b>
<b>Capital Expenses</b>					
Port	13,659	301,382	10,505		1,445,353
Dredge	45,785	0	-		261,312
<b>Total capital</b>	<b>59,445</b>	<b>301,382</b>	<b>10,505</b>		<b>1,706,665</b>
<b>Capital funding sources</b>					
Loans raised					1,340,000
Sale of Bob Gower					150,000
<b>Total capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,490,000</b>
<b>Net Activity Surplus/(Deficit)</b>	<b>(1,758,679)</b>	<b>(427)</b>	<b>870,836</b>		<b>(3,844,534)</b>
<b>Opening balance for year</b>	<b>(2,085,428)</b>	<b>(3,844,107)</b>	<b>(3,844,107)</b>		<b>-</b>
<b>Closing balance for year</b>	<b>(3,844,107)</b>	<b>(3,844,534)</b>	<b>(2,973,271)</b>		<b>(3,844,534)</b>

### Port Activities – 9 months to 31 March 2024

The port surplus/deficit position is on budget at 78% (March is 75% of the year).

Costs that exceed budget relate to the setup of the systems and processes for pilotage at the port and more regular soundings of the bar to build up the database of information required for future crossing by the WMS barge.

The Port deficits will continue for a number of years until the lease income from the minerals sands activities lifts to a point that the accumulated deficits are recovered.

This forecast deficit position will be further analysed/reviewed as part of the 2025-2034 LTP preparation.

#### **Dredge Financial Activities – 9 months to 31 March 2024**

The dredge account has a surplus in the 9 months ended 31 March 2024 of \$786,075. The account balance is \$275,031 in deficit which is sound position.

An engine rebuild will occur after 30 June 2024 once the NEMA dredging programme has been completed.

## **4. CONSIDERATIONS**

### **4.1. Significance Assessment**

The Significance and Engagement Policy sets out the criteria and framework for a matter or a transaction to be deemed significant. The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA.

In a financial context the content included in this report is not considered significant because the matters disclosed are of a routine nature, and not greater than 5% of the total assets or total annual operations of council.

### **4.2. Values assessment**

The Buller District Council values are: One Team; Community Driven; We Care; Integrity; and Future Focussed. This report presents the significant projects which are important for the community and the future of the district. Reporting on the significant projects provides an opportunity to review if the areas of focus align with our values.

### **4.3. Policy/Legal Considerations**

The Local Government Act 2002 governs the activities of Council and sets out the requirement for consultation on the Annual Plan and Long Term Plan to agree the budgets and activities to be funded.

This report assists with two key purposes of that Act (refer to section 3) stating the purpose of the Act is to promote the accountability of local authorities to their communities; and provide for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

### **4.4. Strategic impact**

Council's key strategies, to achieve the vision of Council are:

**Resilient** - Building and promoting resilience in a community, services, and infrastructure

**Growing** - Facilitating growth and a transition to a diversified, resilient, and sustainable economy,

**Quality Infrastructure** - providing reliable and sustainable infrastructure that meets the needs of current and future generations

**Liveable** - investing in our towns to ensure we are an attractive district to live work invest and play

**Affordable** - Growing our non-rates income so rates are affordable to all residents

The dredge and port activities have a limited strategic impact on the day to day council activities although they have the potential for activities that use their services to be significant in the future for the district.

#### **4.5. Risk analysis**

Risk is assessed by considering the likelihood of an event occurring and the result of that event.

Undertaking harbour and dredge activities have risk but staff implement practices to minimise risk.

#### **4.6. Policy / legal considerations**

The Local Government Act (2002) Sections 140 and 141 stipulate the restrictions on the sale of endowment land. The Act stipulates that a local authority must include in its LTP the intention to sell and the use to which the proceeds will be put. Council last included these conditions in the 2021-2031 LTP by including a statement to this effect.

#### **4.7 Tangata whenua**

The contents of the report are not a matter requiring consultation with Tangata Whenua.

#### **4.8 Views of those affected**

The users of the port and the dredge receive services charged at commercial rates. As such this is a business like activity and should be managed as such.

#### **4.9 Media / Publicity**

There is good interest from the public and the media about the dredge and port activities which staff respond to as required.



## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 14

**Prepared by:** Douglas Marshall  
Finance Support

Lynn Brooks  
Manager Finance

**Reviewed by:** Paul Numan  
Group Manager Corporate Services

**Attachments:** 1. Financial Report (Unaudited) for the period ending 31 March 2024

### FINANCIAL REPORT: 31 MARCH 2024

---

#### 1. REPORT SUMMARY

To provide Council with a financial performance update for the nine-month period ending 31 March 2024.

#### 2. DRAFT RECOMMENDATION

**That the Risk and Audit Committee receive the financial report for the nine months ended 31 March 2024 for information.**

#### 3. ANALYSIS & DISCUSSION

##### 3.1 Statement of Financial Performance

###### Operating Result

Council has budgeted for a deficit of \$3.03m as at 31 March 2024. The actual result is a surplus of \$6.07m which is a favourable difference of \$9.10m. This favourable difference is predominantly due to grants income being significantly higher than forecast at the end of March. Of the grants income of \$15.3 million as at 31 March, \$11.2m relates to NZTA and is a combination of funding for the standard maintenance programme and the return to service programme for flood recovery.

Please refer to the explanation for major variances section on pages 6 – 8 of the quarterly financial statements for an analysis between major variances to budget.

#### **4. Forecast of Full Year Results**

A Council continues to complete and review the significant work programmes for the remainder of the year.

The assumptions in the 2023-2024 Annual Plan will be revised to update what the end of year financial position is likely to be. This will include a review of significant capital projects and their delivery timeframes, resulting in an updated forecast of net debt of Council. This will assist the assumptions included in the Long Term Plan and further assist decision making about levels of future debt and rates rises required.

### **5.0 CONSIDERATIONS**

#### **5.1 Strategic Impact**

The quarterly financial reports provide an overview of Council's financial performance and position during the financial year. This allows Council to monitor trends and evaluate progress against the strategies, financial budgets and service delivery adopted in the 2021-2031 Long Term Plan.

#### **5.2 Significance Assessment**

The Significance and Engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant for the purpose of public consultation but is an important component of monitoring progress against the 2021-2031 Long Term Plan.

#### **5.3 Values Assessment**

The Buller District Councils values are: One Team; Community Driven; We Care; Future Focussed; and Integrity.

A performance reporting system aligns most strongly with Integrity.

Public reporting of Council's performance against budgets and key performance indicators encourages open and honest discussion and decision making.

#### **5.4 Risk Analysis**

Risk is assessed by considering the likelihood of an event occurring and the result of that event.

Council prepares financial budgets to balance income and spending for each financial year. Budgets are based on the best information available at the time, but

subsequent financial performance will be affected by events outside Council's control during the year. Regular monitoring of financial performance reduces the risk of financial pressure on Council because income and expenditure variances are identified early, and mitigating actions can be put in place as required.

#### **5.5 Policy / Legal Considerations**

The Local Government Act (2002) and associated regulation govern the activities of Buller Council including preparation of Long Term and Annual Plans, financial prudence requirements and annual financial reporting.

The terms of reference of the Risk and Audit Committee include monitoring financial performance to budgets.

#### **5.6 Tangata Whenua Considerations**

Not applicable.

#### **5.7 Views Of Those Affected**

Council's financial budgets are consulted on with the community during Long Term and Annual Plan processes.

#### **5.8 Costs**

Because this report is for information purposes it does not generate activity or any associated costs.

#### **5.9 Benefits**

The benefits of a quarterly financial reporting regime include early identification of budget variances and intervention measures at a Council wide level.

#### **5.10 Media / Publicity**

There are no media or publicity opportunities with this report.

**BULLER DISTRICT COUNCIL**

**Financial Report (unaudited)**

**For the Period Ending 31 MARCH 2024**

<b>Contents</b>	Page 1
Statement of Financial Position	Pages 2-3
Statement of Comprehensive Revenue & Expenses	Pages 3-4
Statement of Changes in Equity	Page 4
Statement of Cashflows	Pages 5-6
Explanation of Major Variances	Pages 6-8

**BULLER DISTRICT COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Notes	Parent	
		March 24 Actual \$000	Full Year Budget \$000
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	1	2,012	808
Trade and Other Receivables	2	6,766	9,934
Derivative Financial Instruments		0	
Inventories		12	16
Other Current Assets		21	259
Short Term Investments		11,308	12,323
Assets Held for Sale		5	5
<b>Total Current Assets</b>		<b>20,124</b>	<b>23,345</b>
<b>NON CURRENT ASSETS</b>			
Investment in Council Controlled Organisations		19,893	19,894
Other Investments		758	719
Investment Property		11,578	11,302
Infrastructural Assets	3	423,807	467,533
Other Non-Current Assets	4	28,684	57,413
Derivative Financial Instruments		1,462	1,497
Deferred Tax	5	615	0
Intangible Assets		496	390
<b>Total Non-Current Assets</b>		<b>487,294</b>	<b>558,748</b>
<b>Total Assets</b>		<b>507,418</b>	<b>582,093</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	4,626	11,200
Derivative Financial Instruments		0	0
Tax Payable		0	0
Employee Benefits		598	998
Provisions		36	37
Current Portion of Borrowings	7	3,750	130
<b>Total Current Liabilities</b>		<b>9,010</b>	<b>12,365</b>

**BULLER DISTRICT COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Notes	March 24 Actual \$000	Full Year Budget \$000
<b>NON CURRENT LIABILITIES</b>			
Derivative Financial Instruments		0	0
Provisions		1,253	1,716
Bond Deposits		157	208
Employee Entitlements		140	161
Deferred Tax		0	0
Borrowings	8	33,214	41,555
<b>Total Non-Current Liabilities</b>		<b>34,764</b>	<b>43,640</b>
<b>EQUITY</b>			
Accumulated Funds		193,727	256,411
Reserves		5,414	4,185
Asset Revaluation Reserve		264,504	265,492
<b>Total Equity</b>		<b>463,644</b>	<b>526,088</b>
<b>Total Liabilities &amp; Equity</b>		<b>507,418</b>	<b>582,093</b>

**BULLER DISTRICT COUNCIL  
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES  
FOR THE PERIOD ENDED 31 MARCH 2024**

	Notes	March 24 Actual \$000	March 24 Budget \$000	Full Year Budget \$000
<b>OPERATING REVENUE</b>				
General Rates		8,441	8,451	11,418
Targeted Rates (excluding Metered Water)		5,647	5,615	7,487
Metered Water Charges		113	176	235
Rate Penalties		131	113	
Subsidies and Grants	9	15,314	5,028	25,522
Investment Income	10	1,719	531	2,008
Other Income		0	0	5,908
Development and Financial Contributions		277	39	55
Fees & Charges		5,181	5,451	1,594
Gain on Sale of Investment Property		0	0	
Vested Assets		0	0	
Profit on Sale of Assets		0	0	
Gain on Derivative Contracts		0	0	
Gain on Revaluations of Investment Property		0	0	222
<b>Total Operating Revenue</b>		<b>36,824</b>	<b>25,405</b>	<b>54,449</b>

**BULLER DISTRICT COUNCIL  
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024**

Notes	March 24 Actual \$000	March 24 Budget \$000	Full Year Budget \$000
<b>OPERATING EXPENDITURE</b>			
Employment Costs	6,344	6,109	8,263
Depreciation & Amortisation	6,587	6,586	8,733
Finance Costs (excluding loss on derivative contracts)	1,401	1,496	1,991
Loss on Derivative Contracts	0	0	
Other Expenses	16,421	14,248	16,689
Loss on Sale of Assets	0	0	
Assets Written Off	0	0	476
Loss on Revaluations of Investment Property	0	0	
Loss on Revaluations of Assets Held for Sale	0	0	
Loss on Sale/Write Off of Investments	0	0	
Loss on Sale/Write Off of Investment in Associate	0	0	
Loss on Sale/Write Off of Investment Property	0	0	
<b>Total Operating Expenditure</b>	<b>30,753</b>	<b>28,439</b>	<b>36,152</b>
<b>Net Surplus (Deficit) before Taxation</b>	<b>6,071</b>	<b>-3,034</b>	<b>18,297</b>
Income Tax Expense/(Benefit)	0	-	-
<b>Net Surplus (Deficit) after Taxation</b>	<b>6,071</b>	<b>-3,034</b>	<b>18,297</b>
<b>Other Comprehensive Revenue &amp; Expense</b>			
Increase/(decrease) in Infrastructure Revaluation Reserves	0	0	0
<b>Total Comprehensive Revenue &amp; Expense</b>	<b>6,071</b>	<b>-3,034</b>	<b>18,297</b>

**BULLER DISTRICT COUNCIL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2024**

Notes	March 24 Actual \$000	March 24 Budget \$000	Full Year Budget \$000
<b>Equity as at 1 July</b>	<b>457,573</b>	<b>410,741</b>	<b>507,791</b>
Total Comprehensive Income	6,071	-3,034	18,297
<b>Total Equity at End of Year</b>	<b>463,644</b>	<b>407,707</b>	<b>526,088</b>
<b>Components of Equity</b>			
Accumulated Funds	193,727	181,651	256,411
Reserves	5,414	4,405	4,185
Asset Revaluation Reserve	264,504	223,716	265,492
<b>Total Equity at End of Year</b>	<b>463,644</b>	<b>409,772</b>	<b>526,088</b>

**BULLER DISTRICT COUNCIL  
STATEMENT OF CASHFLOWS  
FOR THE PERIOD ENDED 31 MARCH 2024**

	Note	March 24 Actual \$000	Full Year Budget \$000
<b>Cashflows from Operating Activities</b>			
<i>Cash was provided from:</i>			
Rates	13	14,316	18,999
Other Income	14	17,881	25,932
Interest Received		559	708
Tax Received		0	0
Dividends & Subvention Payments Received		1,139	1,300
		<b>33,895</b>	<b>46,939</b>
<i>Cash was applied to:</i>			
Payments to Suppliers and Employees	15	23,331	21,439
Interest Paid		1,401	2,003
Income Tax Paid		0	0
Net GST Movement		1	0
		<b>24,732</b>	<b>23,442</b>
<b>Net Cash from Operating Activities</b>		<b>9,163</b>	<b>23,497</b>
<b>Cashflows from Investing Activities</b>			
<i>Cash was provided from:</i>			
Sales of Assets		0	562
Investments Realised		7,669	13,103
		<b>7,669</b>	<b>13,665</b>
<i>Cash was applied to:</i>			
Purchase of Fixed Assets	16	15,024	27,601
Purchase of Investments		3,053	12,678
Purchase of Intangibles		0	0
		<b>18,077</b>	<b>40,279</b>
<b>Net Cash from Investing Activities</b>		<b>(10,408)</b>	<b>(26,614)</b>



**BULLER DISTRICT COUNCIL  
STATEMENT OF CASHFLOWS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024**

Note	March 24 Actual \$000	Full Year Budget \$000
<b>Cashflows from Financing Activities</b>		
<i>Cash was provided from:</i>		
Loans Raised (Short Term MOCL net)	(5,000)	2,280
	<b>(5,000)</b>	<b>2,280</b>
<i>Cash was applied to:</i>		
Repayment of Loans	(7,720)	
<b>Net Cash from Financing Activities</b>	<b>2,720</b>	<b>2,280</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>1,475</b>	<b>(837)</b>
<b>Opening Cash as at 1 July</b>	<b>537</b>	<b>1,645</b>
<b>Closing Cash as at 30 June</b>	<b>2,012</b>	<b>808</b>

**BULLER DISTRICT COUNCIL  
EXPLANATION OF SIGNIFICANT VARIANCES  
FOR THE PERIOD ENDED 31 MARCH 2024**

1. Cash and cash equivalents of \$2.1m is greater than the annual year budget of \$0.8m by \$1.3m. This is due to timing differences on predicted cash flows at various times during the year. The statement of financial position budget is based on the year end expected balance.
2. Trade and other receivables of \$6.8m is less than the annual budget of \$9.9m by \$3.7m. This is due to timing differences on projects and works performed where claims for completed work are greater at year end. The statement of financial position budget is based on the year end expected balance.
3. Infrastructure assets to date of \$423m is less than the annual budget of \$468m by \$45m. The variance is due to council assuming when preparing the 2023/2024 forecast that the 30<sup>th</sup> of June 2023 asset balance including flood recovery projects completed would be \$449m, however the actual balance as at 30 June was \$414m. The value of \$449 million was overly optimistic and infrastructure assets value will not achieve the budgeted level of capital spending per the Statement of Financial Position. This only affects the opening equity budget and does not affect the Statement of Comprehensive Revenue and Expenses reported.

4. Other non-current assets to date of \$29m is less than the annual budget of \$57m by \$28m. The variance is due to council assuming when preparing the 2023/2024 forecast that the 30<sup>th</sup> of June 2023 asset balance including flood recovery projects completed would be \$57m, however the actual balance as at 30 June was \$30m. The value of \$57m was overly optimistic and infrastructure assets value will not achieve the budgeted level of capital spending per the Statement of Financial Position. This only affects the opening equity budget and does not affect the Statement of Comprehensive Revenue and Expenses reported.
5. Deferred tax of \$0.6m is greater than the annual budget of \$0 by \$0.6m. The balance consists of the closing deferred tax balance as at 30 June 2023. There was no movement in this balance, and it does not affect the Statement of Comprehensive Revenue and Expenses.
6. Trade and other payables of \$4.6m is less than the annual year budget of \$11.2m by \$6.6m. This is due to the timing of budget/phasing of projects and utilisation of grants received.
7. Current portion of borrowings at \$3.7m is greater than the annual budget of \$0.1m by \$3.6m. This reflects timing of how council uses its current debt facilities to manage its day to day cashflows requirements.
8. Non-current borrowings at \$33.2m is less than the annual budget of \$41.6m by \$8.3m. This is due to the timing of capital projects which influences the timing of loan drawdowns, and the use of internal borrowing. Refer to note 3 and 4 above.
9. Subsidies and grants of \$15.3m has exceeded the year-to-date budget of \$5.0m by \$10.3m. This is mainly due to the timing of grants received for Flood recovery work, Waka Kotahi roading and better off funding projects being ahead of expected although approx. \$9m of grant funded projects (roading and wharf repairs) will be carried forward to the 2024/2025 financial year.
10. Investment income of \$1.1m has exceeded the year-to-date budget of \$0.4 by \$0.7m. This is due to the timing difference of the receipt date of the subvention payment against the budget date. The remainder of the variance relates to more favourable interest rates than budgeted on term investments.
11. Employment cost of \$6.34m is higher than the year-to-date budget of \$6.11m by \$0.23m. There are several variances above and under budget to make up this total variance. A key point to note is that this overspend on staff cost is funded by external charges or government funding thus not creating an overspend where rates are funding staff costs.
12. Other expenses of \$16.4m has exceeded the year-to-date budget of \$14.2m by \$2.2m. The variance includes \$365k additional contractor costs which would otherwise be funded from the salaries and wages budget (refer note 11 above) and \$1.22m

expenditure for better off funding funded projects and climate change expenditure which are externally funded projects. The variance also includes \$826k contractor work performed on the dredge. Allocation of PMO charges \$392k have not yet been recovered against capital projects and are for now included in other expenditure, this process will be completed by end of year when the true-up of capital and operational expenses are completed for end of year report purposes.

13 & 14

Cashflows from rates income sit at 75% of budget at the 9 month period which is 75% of the way through the year. Council issues rates out  $\frac{1}{4}$  which provides a consistent cashflow every  $\frac{1}{4}$ . Other income is down on budgeted cashflow reflecting that the capital programme which generates the ability to claim grants income is lower than budget. I.e. if we have not done the work expected, we can't claim the grant.

15 Payments to suppliers are over budget by \$1,892m for the reasons above in note 12 with the funding being from grants and charges.

16 Cashflows to purchase fixed assets are behind on budget and will remain until 30 June 2024. The carry forward split from council's business as usual activities that relate to the forecast underspend from the financial years 2023/2024 to 2024/2025 by activity is:

- Property \$3.075m
- 3 waters \$6.134m
- Other assets \$1.066m

## **RISK AND AUDIT COMMITTEE**

**26 JUNE 2024**

**AGENDA ITEM: 15**

**Prepared by:** Faye Woodhead  
Project Accountant

Lynn Brooks  
Finance Manager

**Reviewed by:** Paul Numan  
Group Manager Corporate Services

**Public Excluded:** No

### **INVESTMENTS AND BORROWINGS REPORT – AS AT 31 MAY 2024**

---

#### **1. REPORT SUMMARY**

This report summarises Council's cash investments and borrowings for the month of May 2024, and compliance with Council Treasury Management Policy.

#### **2. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receive the Investments and Borrowings report as at 31 May 2024 for information.**

#### **3. ISSUES & DISCUSSION**

##### **BACKGROUND**

The last reported period for Council's cash investments and borrowings was for the month of February 2024. The comparatives included in the tables in the report are for the prior month of April 2024. The narrative in this report also includes a comparison back to the previously reported period of February 2024, for readers reference.

## **CURRENT ISSUES**

Council staff are currently working through the rollover of its Multi Option Credit Line/Wholesale Advance Facility with Westpac that is set to expire 1 July 2024. Council is looking to increase this facility from its current \$21m to \$28m to meet forecast debt requirements, this includes a year extension of the short term \$7m line of funding for flood recovery working capital requirements.

Council cannot look to borrow more than its current \$20m with the Local Government Funding Agency (LGFA) as \$20m is the borrowing limit for a non-guarantor. Council staff have draft reports prepared for Council consideration on changing from being a non-guarantor to be a guarantor Council.

Staff are also working with our auditors on the finalisation of the Council's Annual Report and audit opinion for the year ended 30 June 2023 as both lenders require a copy of the annual report to complete their renewal processes.

### **3.1 Term Investments**

Total term investments have increased \$15k from the previous month due to capitalisation of interest on a term investment during the month and have decreased \$979k since the last report to 29 February 2024 as a term deposit that matured in March was not reinvested.

### **3.2 Bank Balance**

Council's main trading account closing balance was \$547k as at 31 May 2024. The balance increased by \$484k from the previous month and increased by \$366k since the last report to 29 February 2024. In addition to the main trading account, Council holds contract retentions in an interest earning bank account but does not include that bank balance in the treasury management report because these funds are committed for future use.

### **3.3 Interest Revenue**

Interest revenue to the end of May is \$910k against a year-to-date budget of \$914k.

Council has renegotiated its bank charges and credit interest rates with Westpac. This resulted in a decrease in bank fees and an increase in interest rates received. Interest is now earned on all of Council's bank accounts including the everyday trading account, whereas in the past only special short term deposit accounts earned interest. The renegotiated terms came into effect during August 2023. The resulting increase in interest received will result in a positive variance to budget throughout the year.

### **3.4 Borrowings and Net Debt Position**

Total borrowings at \$35.16m have decreased by \$1m from the previous month and increased by \$250k since the last report to 29 February 2024. This was due to a short-term borrowing from Westpac which has increased

by \$250k since last reported; \$1.7m to \$1.95m. The funds borrowed was used for additional flood recovery expenditure incurred, while Council was waiting on the grant from external funders claims to be paid. This is a timing difference.

Net debt (borrowings less term investments and call account balance) at \$23.53m have increased by \$1.02m from the previous month and increased \$1.23m since last reported, due to the \$250k increase in borrowings and the \$979k decrease in term investments.

### 3.5 Compliance with Treasury Management Policy

The Treasury Management Policy of Council is that all term deposits are held with New Zealand Registered banks with no more than \$10 million with any one institution.

The terms and maturity dates of investments are spread to minimise Council's exposure to interest rate fluctuations while still aiming to optimise interest earned.

Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base.

Currently investments \$2.93m in NBS representing 26% of the total investment portfolio.

The Treasury Management Policy sets fixed rate bands for term borrowings:

	Maximum fixed rate %	Minimum fixed rate %
0 to 2 years	100%	50%
2 to 5 years	80%	25%
5 to 10 years	60%	0%

As at 31 May 2024 Council is sitting within the limits for the periods 0 to 2 and 5 to 10 years, however, breaches the minimum limits for 2 to 5 years by 31 March 2028 as existing swaps are set to mature.

Staff deferred committing Council to further interest rate swap contracts while the Three Waters transition was being worked through to avoid overcommitting Council to contractual interest payment cashflows it may not have been able to exit at the transition date. With the repeal of the Water Services Act staff need to work through what implications there may be in forming regional water entities as the preferred delivery under the Local Water Done Well model and look at what actions may be prudent in

relation to extending existing or entering into new interest rate swaps to bring Council back into compliance.

Council's policy also includes two liquidity and funding risk management limits that Council is presently in breach of, being:

1. Council shall maintain committed funding lines of not less than 110% of forecast debt over the ensuing 12 month period as detailed in the Annual Plan
2. No more than 40% of total borrowings is subject to refinancing in any financial year.

Council currently holds \$41m of committed funding lines, \$20m with LGFA and \$21m with Westpac. The Westpac facility is due to expire 1 July 2024. Council staff are working with Westpac to increase and extend the facility, but this process is dependent on Westpac receiving Council's Annual Report and audit opinion for the year ended 30 June 2023.

Council's forecast debt to 30 June 2025 is \$45.4m, Council's current committed funding lines at \$41m represent 90% of this forecast debt, 20% less than is required by policy. Once the increase in the Westpac MOCL is achieved Council's committed funding lines will total \$48m, or 106% of forecast debt.

Council is also currently in breach of the refinancing limit of 40%. At \$21m Council's MOCL constitutes over 50% of all funding lines, so at a minimum 51% of Council's borrowings are subject to refinancing in a financial year. If any of the LGFA loans are also subject to financing in the same year this increases the percentage. The rollover currently being negotiated will only increase this debt maturity concentration.

The risk of having a large percentage of debt maturing or being reissued in the same period is credit margins in that period may be high. The intention of the 40% limit is to minimise this risk.

As Council has maximised its available borrowings as a non-guarantor with the LGFA the Westpac facility is the only other form of funding presently available to Council.

Council will need to consider what options it has to reduce the existing concentration of debt maturity dates through either choosing to become a guarantor of the LGFA and utilising the agency for future debt requirements and staggering the maturity dates of those loans, split and stagger the facilities with Westpac or enter into a funding arrangement with another provider.

The above matters all need to be addressed but should be seen as issues that need to be resolved in the next 2 to 3 months to establish the Council long term borrowing position.

Staff will report back on the above actions that need to occur at the next Risk and Audit Committee meeting.

### **3.6 Compliance with Financial Strategy Net Debt Limit in the Long Term Plan**

The Financial Strategy of Council is that net debt is not more than \$25m at any given time. Currently Council's net debt is \$23.5m.

Council planned and adopted to have a net debt position of \$29.3m as at 30 June 2024, \$4.3m over the limit, staff are not anticipating to breach the net debt limit as at 30 June 2024 as a number of projects are forecast to be underspent and budgets carried over into future financial years.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

Council needs to hold suitable cash holdings and credit facilities to ensure it is able to deliver the activities and capital projects provided for in its Long Term and Annual Plan in a timely and affordable manner.

### **4.2 Significance Assessment**

The significance policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of Council.

However, any reported breaches that may create a financial risk for Council need to be considered carefully in terms of the risk profile.

### **4.3 Risk Management Implications**

Risk is assessed by considering the likelihood of an event occurring and the result of that event.

Cash flow management is an integral part of ensuring Council is able to deliver the services and projects it has committed to in successive Long Term and Annual Plans.

This risk is mitigated by establishing policies and procedures, engaging staff to manage investment and borrowings and regular reporting to Council to ensure high level oversight.



This is an information only not a decision making report; however, Council needs to carefully consider any breaches reported in terms of the risk profile and likelihood of occurring.

**4.4 Values**

The Buller District Councils Values are Community Driven, One Team, Future Focussed, Integrity and We Care.  
Treasury management functions and reporting align most strongly with the values of Future Focussed and Integrity.

Consideration of current and future cash requirements and intergenerational equity are required when managing cash deposits and credit facilities.

Public reporting of investments and borrowings encourages open and honest discussion and decision making.

**4.5 Policy / Legal Considerations**

There is no legal context, issue, or implication relevant to this decision.

**4.6 Tangata Whenua Considerations**

The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture, and traditions.

**4.7 Views of Those Affected**

This decision does not require consultation with the community or stakeholders.

**4.8 Costs**

There is no financial implication relevant to this decision.

**4.9 Benefits**

The benefits of structured Treasury management include risk minimisation, prudent cash management and long-term financial stability.

**4.10 Media / Publicity**

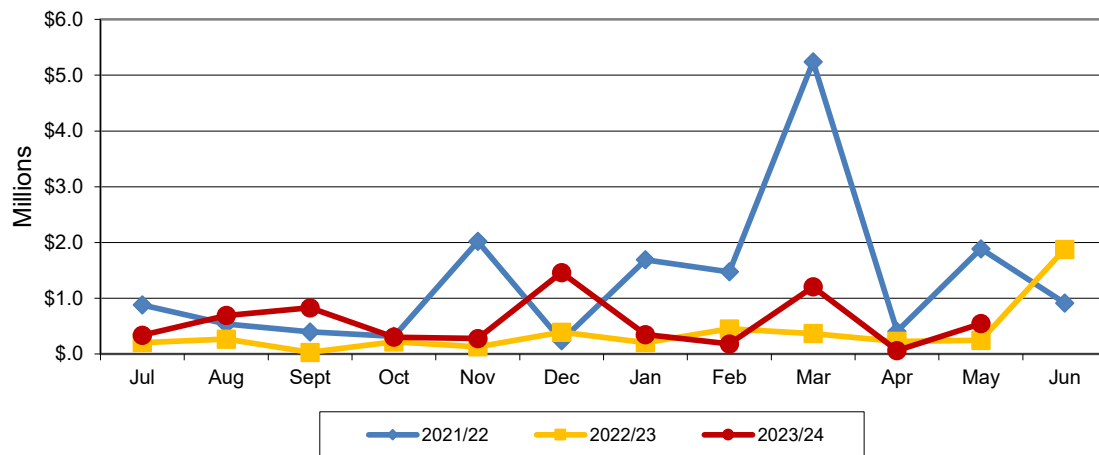
None identified.

## INVESTMENTS AND BORROWINGS REPORT

### 1. BANK BALANCE

	This Month 31-May-24	Last Month 30-Apr-24	Last Year 30-Jun-23
Council	\$547,186	\$63,377	\$256,237

### 2. MONTH END BANK BALANCES



### 3. SUMMARY OF INVESTMENTS

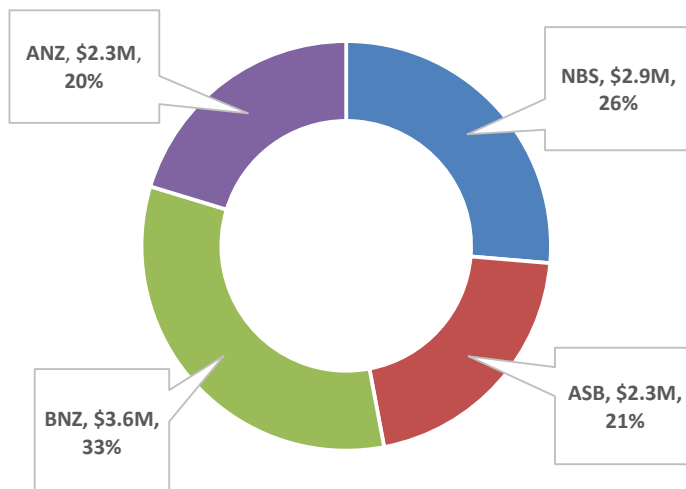
	This Month 31-May-24	Last Month 30-Apr-24	Last Year 30-Jun-23
Term deposits	11,135,501	11,120,016	14,107,472
LGFA Borrower Notes	500,000	500,000	500,000
Call Account	-	-	-
<b>Balance before other Investments</b>	<b>11,635,501</b>	<b>11,620,016</b>	<b>14,607,472</b>
Other investments (Includes loan to Holding Company)	1,600,982	1,600,982	1,600,982
<b>Total Investments</b>	<b>\$13,236,482</b>	<b>\$13,220,998</b>	<b>\$16,208,454</b>

### 3.1 Term Deposits

Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	ASB	977,776	23-Dec-2023	23-Jun-2024	6.00%
Term Deposit	BNZ	1,000,000	30-Jun-2023	30-Jun-2024	5.80%
Term Deposit	NBS	1,000,000	29-Jun-2023	1-Jul-2024	5.75%
Term Deposit	BNZ	1,000,000	5-Nov-2023	2-Jul-2024	6.00%
Term Deposit	NBS	1,534,038	18-Jul-2023	18-Jul-2024	5.85%
Term Deposit	BNZ	1,636,800	29-Nov-2023	25-Aug-2024	6.10%
Term Deposit	ASB	1,325,000	13-Mar-2024	13-Sep-2024	6.05%
Term Deposit	ANZ	1,199,821	9-Oct-2023	8-Oct-2024	6.00%
Term Deposit	ANZ	1,062,067	29-Jan-2024	25-Oct-2024	6.00%
Term Deposit	NBS	400,000	6-May-2024	6-May-2025	6.00%
Term Deposit	ASB	977,776	23-Dec-2023	23-Jun-2024	6.00%
<b>Total Term Deposits</b>		<b>11,135,501</b>			

The objective of this table is to show a trend of rising interest rates over the past 12 months.

### 3.2 Term Deposits Summary by Trading Bank

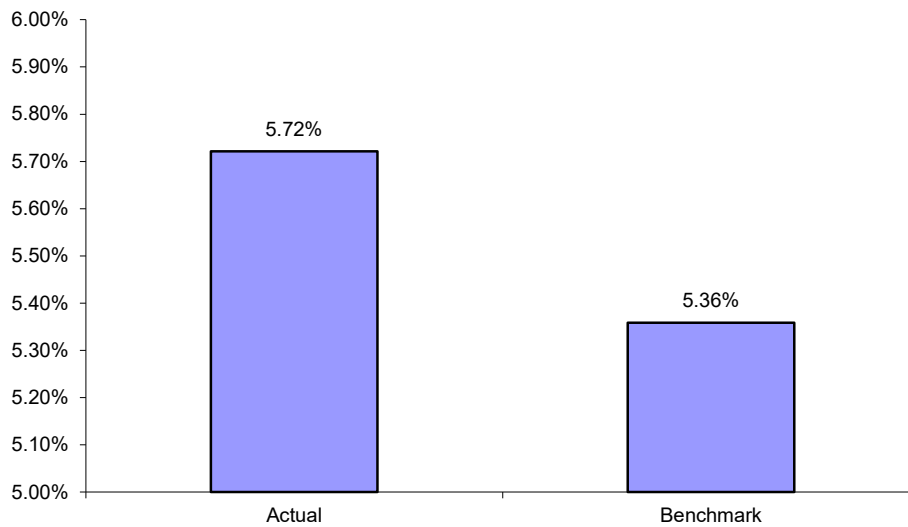


The maximum allowable investment per issuer is \$10m.

### 3.3 Local Government Funding Agency Borrower Notes

Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000	31-Mar-2025	5.81%
LGFA Borrower Note	LGFA	125,000	29-May-2026	5.87%
LGFA Borrower Note	LGFA	125,000	31-Mar-2025	5.82%
LGFA Borrower Note	LGFA	125,000	31-Mar-2027	5.98%

### 4. INVESTMENTS PORTFOLIO PERFORMANCE (12-Month Average)



### 5. INTEREST REVENUE

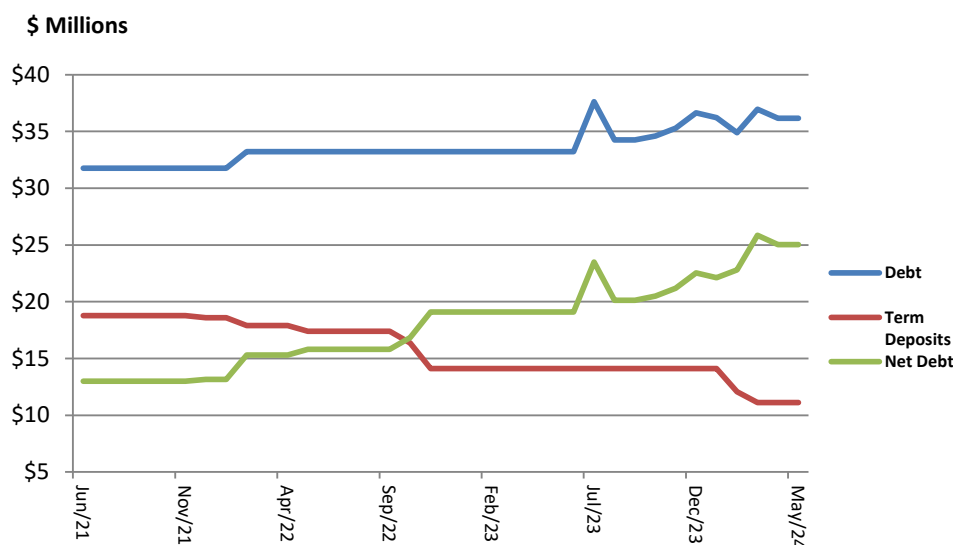
	Actual YTD	Budget YTD	Full Year Budget
Interest Revenue	\$910,457	\$914,071	\$1,237,802

## 6. SUMMARY OF BORROWINGS

	This Month 31-May-24	Last Month 30-Apr-24	Last Year 30-Jun-23
<b>External Debt</b>			
Westpac Loan Facility	15,163,860	16,163,860	14,243,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	<b>\$35,163,860</b>	<b>\$36,163,860</b>	<b>\$34,243,860</b>
Weighted Average Interest Cost	5.25%	5.15%	5.15%

<b>Net Debt</b>			
Total Borrowings	35,163,860	36,163,860	34,243,860
Less: Term deposits (including Call Account)	11,635,501	11,620,017	14,607,472
	<b>\$23,528,359</b>	<b>\$24,543,843</b>	<b>\$19,636,388</b>

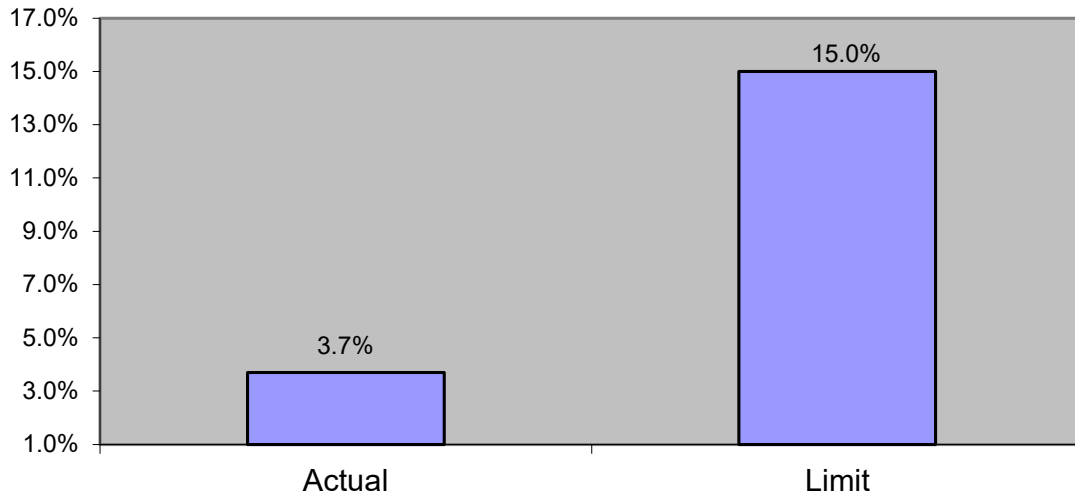
## 7. DEBT AND INVESTMENTS 3-YEAR TREND



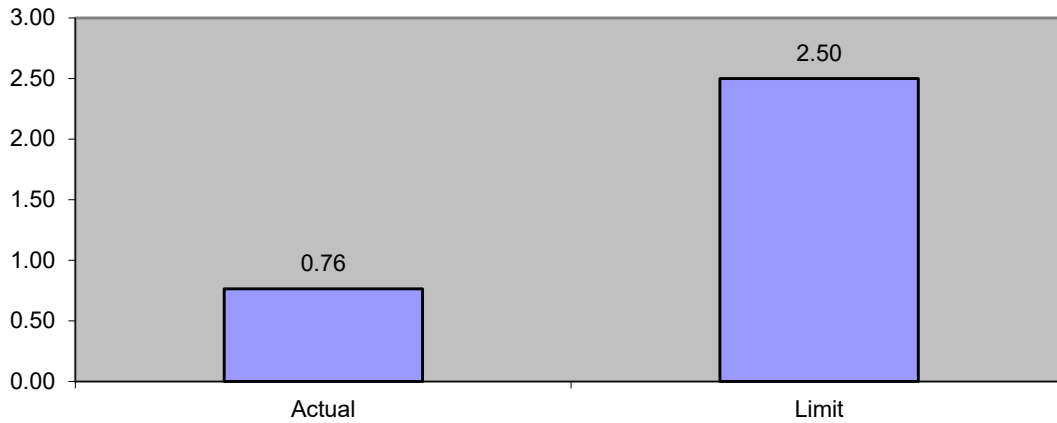
The above graph reports net debt as: gross debt held with external parties; less terms deposits excluding the call account. The definition used by this graph is in line with Council's Treasury Policy but differs from how investments and net debt are expressed in other parts of this report that include the call account. The variability shown since January 2022 is due to the use of short-term borrowings that are being utilised as

needed for flood recovery activities until they are funded from external agencies. There are also term borrowings drawn for planned capital works as set out in the Annual Plan, in conjunction with the reduction in term deposits.

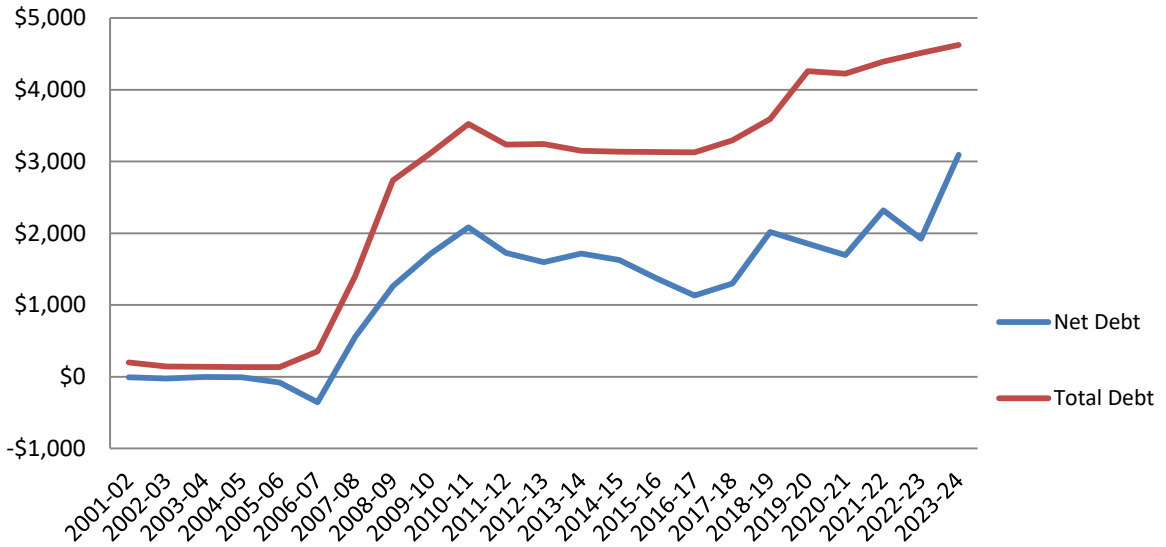
### 7.1 Interest Expense / Total Income



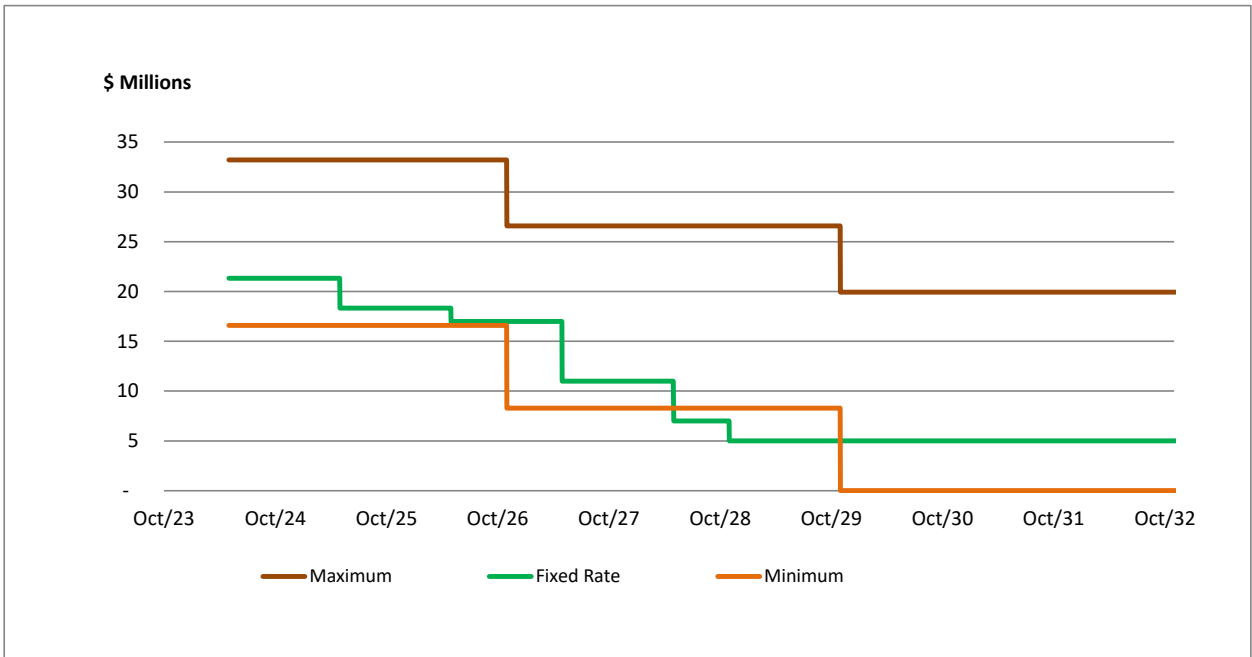
### 7.2 Gross Debt / Total Income



### 7.3 Debt and Net Debt per Rateable Property



### 7.4 Fixed Rate Debt - Compliance with Treasury Policy



Council uses interest rate swaps as a tool to manage fixed rate interest on external debt. This graph shows the amount of swaps held currently provide sufficient cover to meet policy limits until 2028.

## **RISK AND AUDIT COMMITTEE**

**26 JUNE 2024**

**AGENDA ITEM: 16**

<b>Prepared by</b>	John Salmond Senior Project Lead
<b>Reviewed by</b>	Paul Numan Group Manager Corporate Services
<b>Attachments</b>	1 – Sundry Debtors Management Report 2 – Rates Debt Management Report

### **DEBT MANAGEMENT REPORT 30 APRIL 2024**

---

#### **1 REPORT SUMMARY**

This report presents and classifies the outstanding balances of rates debtors and sundry debtors as at 30 April 2024 for monitoring and information purposes.

There are no customers with arrears that require a decision of Council to progress the debt recovery process. This is because all debt recovery processes are delegated to staff and are part of the business-as-usual activities of Council.

#### **2 DRAFT RECOMMENDATION**

**That Risk and Audit Committee receive the debt recovery report as at 30 April 2024 for information.**

#### **3. ISSUES AND DISCUSSION**

**3.1** This report is presented to provide monitoring information on debt trends for Council.

Council requires a high-level overview of the debt owed to Buller District Council. This information, when taken in conjunction with all other aspects of the financial results provides a full view of the financial performance and financial position of Buller District Council.



### 3.2 Rates

Rates Debtors arrears have trended down slightly in the past 3 months on the “average” balance trend but lifting slightly month on month when comparing the last 2 ¼'s, an issue that will be carefully monitored.

Serious defaults category is being managed to a fairly static level across this time, and payment plans category remains similar. The ongoing monitored (orange category in the graph) is where the increase is being seen. Debt follows the usual pattern whereby every third month when the rates are charged the rate debt increases, then it decreases for the following two months.

Staff are mindful that a number of ratepayers have been significantly affected by the 2021-2022 flooding events along with cost-of-living increases. Tailored payment arrangement plans have been made with this in mind.

Council staff identified a trend in the past ¼, where more direct debits were failing payment and there was an increase in number of cancellations of direct debit authorities. This trend has not continued which is pleasing.

Ratepayers will become more challenged in paying their rates and thus seek to use of the rates rebate scheme. There is a risk as we move forward and the cost-of-living pressure on our community that this could increase. Council is aware of this and will right to Central Government seeking greater rebates to assist with funding rates as the challenge so cost of living start to challenge ratepayers ability to pay.

In-house debt collection is proving to be more effective than handing collection to an external debt collection agency unless this action is necessary.

Rates debt is managed in a two-fold way. Firstly, the serious defaults category is systematically reviewed and each case at review is targeted with additional debt collection measures. Where consent is received from the ratepayer, Council works alongside them as well as their bank (if relevant), Budget Advice, and other support services. This produces some positive outcomes where the ratepayer has the support they need and has independent advice about their debt and obligations.

Secondly, early intervention is made when ratepayers miss one or two instalments. This is to try and prevent ratepayers falling behind and then not being able to clear the arrears.

The number of ratepayers on payment plans remains high and this early intervention made with ratepayers who start to fall behind is showing long term benefits for both the ratepayers in arrears and Council.

A programme of rates outstanding on abandoned land is about to commence.

### **3.3 Sundry Debtors**

Sundry Debtors arrears balances as at **30 April 2024** show an improvement since 31 January 2024 with a reduction in the outstanding balance of \$96,154 although the individual # of accounts owing is lifted by 67. The \$ value has reduced to 2 larger debts being paid while the food premises invoices have been issued which lifted the number of individual accounts.

The serious default category indicated in red in the graph is mainly due to non-payment of leasehold property. This continues to be an area of focus and increasing collection measures including staff working closely on target cases. The twenty percent discount on purchase option provided by Council can aid with these long-term lease arrears, either encouraging the lessee to purchase and refinance, or for them to sell the lease with the new owner wishing to freehold.

The ongoing maintenance category of debtors are well monitored and the debt collection measures in place are appropriate for this group.

### **3.4 Interest/penalties charged on outstanding debtors accounts**

A question was raised about the amount of interest charged on overdue sundry debtor accounts at prior Risk and Audit Committee meetings.

Debtors accounts do not have penalty interest charged, as in order for the interest to be collectable the terms of trade must be signed up to prior to customers placing orders with Council.

Rates accounts when unpaid as per the conditions of the rating act, are charged 10% penalties for non-payment.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

Council has key strategies of being resilient, growing the economy, providing quality infrastructure, investing in our towns and being affordable by growing non-rates income.

Debt recovery strategies are essential for effective collection of customer arrears and to ensure fair and equitable interaction between Council and our customers.

Keeping Council customers' debt levels in check and reporting on the level of debt provides a measure against the strategies of Council and provides an overview of the cost impact on our community.

This report also assists with understanding the current local economic climate along with the impacts of Council charges, and the community ability and willingness to meet those charges.

#### **4.2 Significance Assessment**

The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine if a proposal or decision is significant requiring the Council to make judgements about the likely impact of that proposal or decision on:

- a) The district.
- b) The persons who are likely to be particularly affected by, or interested in, the proposal or decision.
- c) The financial impact of the proposal or decision on the Council's overall resources; and
- d) The capacity of the Council to perform its role and carry out its activities, now and in the future.

The Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of Council.

#### **4.3 Risk Analysis**

Risk is assessed by considering the likelihood of an event occurring and the result of that event.

When credit is extended by Council a risk arises that the amounts owing is not recovered when due, or that over time total debt owing grows to an unsustainable level and puts pressure on cash flow.

This risk is mitigated by requiring staff to monitor and recover debt therefore acting on indebtedness early on which yields better results, and regular reporting to Council to ensure oversight.

**4.4 Values**

The Buller District Values are Integrity, Future Focussed, Community Driven, One Team and We Care. Monitoring debt and undertaking debt collection processes most closely aligns to the values of integrity and future focussed.

**4.5 Policy / Legal Considerations**

The collection of rates debt is enforceable under the Local Government (Rating) Act 2002. Other legislation dealing with credit extended by Council and debt recovery include the Property Law Act 2007, Residential Tenancies Act 1986, and the Resource Management Act 1991.

The Financial Delegations Policy, Treasury Management Policy and Rates Remission Policies also apply to the collection of Council debt.

**4.6 Tangata Whenua Consultation Considerations**

The contents of the report are not a matter requiring consultation with tangata whenua.

**4.7 Views of Those Affected**

It is equitable for all our ratepayers, the public and individual debtors to ensure that all amounts outstanding should be collected through consistent processes. Council follows policy and in-house debt collection procedures to ensure this is achieved.

**4.8 Costs**

There are no extraordinary costs for debt recovery and the costs for continuing debt recovery are included in the annual plan budget.

**4.9 Benefits**

The benefits to collection of debt are the cash flow of Council is maintained. There is also fairness and equity for all ratepayers and service consumers in that everyone is paying their portion of the cost.

**4.10 Media / Publicity**

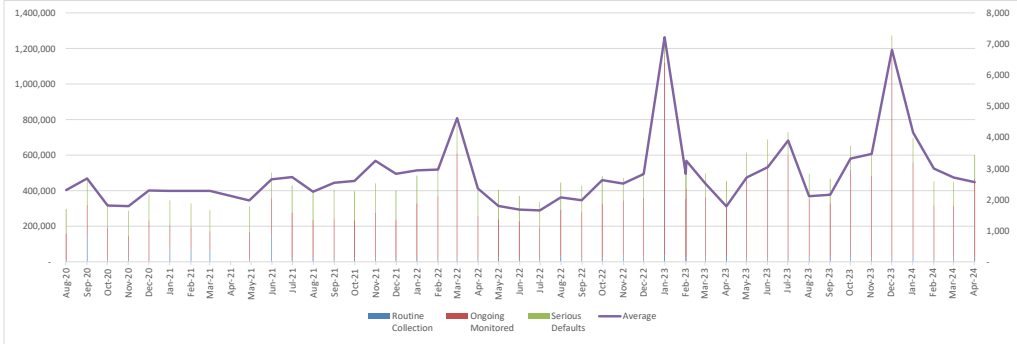
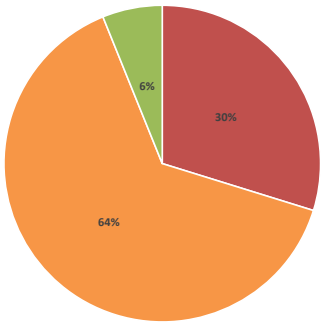
There are no media or publicity opportunities with the content of this report.

ATTACHMENT 1

Sundry Debtors - Debt Recovery Report

Report cutoff date 30 April 2024  
Ageing cycle - current due 30 April 2024

Status Flag	Debtor Type	Age of Debt 30 April 2024		Age of Debt January 2024		Variance 24 vrs Apr 24		No. of Account Holders per Debt Thresholds			Further Action to Commence					Comments
		No. of Debtors	Overdue	No. of Debtors	Overdue	No. of Debtors	Overdue	Less than \$2,000	\$2,001 to \$10,000	Over \$10,001	Formal Review	To Debt Agency / Mortgagee	Monitor Progress	Further Letter/ Meeting	Other Options	
🔴	Leasehold Properties	15	133,800	16	137,403	1	3,604	6	4	5	✓			✓	✓	Rents invoiced 6 monthly in advance. Long standing arrears receiving increased collection measures and purchase discount option.
🟡	Orowaiti Connection	2	6,750	2	6,750	0	0	0	2	0				✓		Long standing arrears collected when property transfers.
🟡	Libraries	0	0	1	69	1	69	0	0	0						Small amounts monitored.
🟡	Water	20	44,267	9	14,351	(11)	(29,916)	12	7	1	✓			✓		Payment plans promoted for those with long standing debt.
🟡	Resource Management	10	44,360	12	49,095	2	4,735	6	2	2	✓	✓		✓		Long standing arrears receiving increased collection measures.
🟡	Rentals	21	54,358	25	55,410	4	1,052	15	5	1		✓		✓		\$27k debtor in Liquidation, this debt remains on Council records until final notification of wind up. The balance is under routine monitoring.
🟡	Regulatory Licences e.g. Food Premises	79	32,077	20	4,606	(59)	(27,470)	79	0	0						Timing of Annual Licences billing.
🟡	Sundry	37	231,047	39	374,227	2	143,180	28	4	5			✓			Instalment arrangements entered into for those with long standing debt.
🟡	Westport Harbour	27	29,958	17	23,452	(10)	(6,506)	23	4	0						Annual payment plans in place. Rents, Berthage etc
🟢	Trade Waste	7	8,487	8	8,778	1	291	5	2	0				✓		Annual invoicing cycle in August of each year.
🟢	Airport Parking	1	40	1	40	0	0	1	0	0				✓		Small amounts monitored.
🟢	Building Consents	8	14,344	11	20,812	3	6,468	4	4	0						Where overdue, this represents inspections not yet completed due to timing of building process.
🟢	Swimming Pools	1	150	2	160	1	10	1	0	0						
🟢	Cemetery	4	748	3	1,686	(1)	938	4	0	0						
🟢	LIMs	3	900	2	600	(1)	(300)	3	0	0						
	<b>Totals</b>	<b>235</b>	<b>601,285</b>	<b>168</b>	<b>697,439</b>	<b>(67)</b>	<b>96,154</b>	<b>187</b>	<b>34</b>	<b>14</b>						



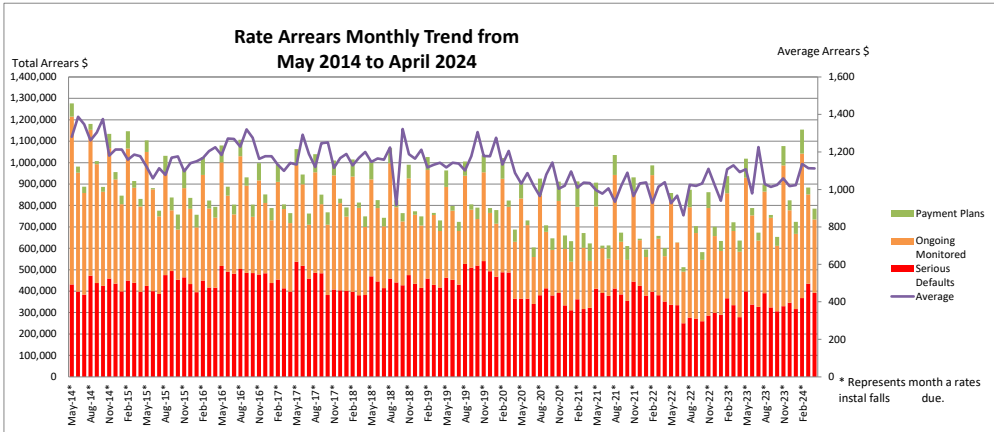
Rates Accounts - Debt Recovery Report

Report cutoff date 30 April 2024  
 Last rates instalment due date 28 February 2024  
 Next rates instalment due date 28 May 2024

Internal Debt Recovery Analysis

Status Flag	Category	No. of Ratepayers	Total Arrears Balance YTD	Current Year Arrears	Previous Year Arrears		Further Action to Commence					Comment	
					\$	%	Formal Review	To Debt Agency	Title Search	Monitor Progress	Further Letter		Continue Sale Process
Red	Placed with External Debt Collection	10	87,041	17,729	69,312	16%					J		Arrears placed with Credit Recovery Agency. Refer to the analysis below.
Red	No current mailing address	0	0		0	0%		J					Tracing addresses through bank deposits & social media undertaken.
Red	Approach Mortgagee	13	65,462	26,119	39,343	9%							Ratepayers with mortgages are pursued for payment under the Rating Act provisions.
Red	Awaiting Decision	28	180,164	84,413	95,751	22%	✓		✓				More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
Red	Missed more than two instalments	40	59,351	57,566	1,785	0%					J		Reviewing for possibility of Mortgagee Action.
Orange	Under Action - Short Term Monitored	20	35,053	27,218	7,835	2%	J				J		Reviewed systematically with each ratepayer.
Orange	Payments Insufficient	33	11,223	10,646	577	0%				J	J		Reviewed systematically. Work through options to increase payments/resolve debt.
Orange	Long Term Monitored	43	101,545	73,817	27,728	6%	J						Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/Feb), more frequently if in decline.
Orange	No Payments - Property on Market	14	31,206	21,527	9,679	2%	J						Annual Review.
Orange	Missed November & February 2024 instals	57	66,447	66,223	224	0%					J		Letters sent - monitoring.
Orange	Missed one instalment only	156	97,302	97,302	0	0%					J		Letters sent - monitoring.
Green	Payment plans	292	50,100	49,205	895	0%				J			Reviewed annually and updated as required.
Blue	Abandoned Land Tender Project	40	213,984	29,697	184,287	42%						J	Report to June 2019 Council Meeting.
	<b>Totals</b>	<b>746</b>	<b>998,878</b>	<b>561,462</b>	<b>437,416</b>	<b>100%</b>							

Internal Debt Recovery		
Red	392,018	39.2%
Orange	342,776	34.3%
Green	50,100	5.0%
Abandoned land	213,984	21.4%
	<b>998,878</b>	<b>100.0%</b>



## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 17

**Prepared by** Krissy Trigg  
Group Manager Community Services

**Reviewed by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1. Buller District Council Operative Bylaws  
2. Buller District Council Public Policies

**Public Excluded:** No

### BYLAWS AND POLICIES

---

#### 1. REPORT SUMMARY

The purpose of this report is to appraise the committee of the current status of the bylaw and policy review.

#### 2. DRAFT RECOMMENDATION

That the Risk and Audit Committee:

- a) **Receives the Bylaws and Policies Report for information.**
- b) **Notes the projected work schedule for the review of bylaws and policies; and**
- c) **Notes that staff will investigate a Distribution of Development and Financial Contributions (Reserve Fund) Policy for this committee's consideration.**

#### 3. ISSUES & DISCUSSION

##### 3.1 Bylaws Status

In total Buller District Council (BDC) has 20 operative bylaws – see **Attachment 1**. Many of the bylaws are in the form of the Model General bylaws which have been produced by the Standards New Zealand. Some have amendments to these model general bylaws which localised some

parts of the bylaw e.g. Traffic bylaw has an amendment to identify various time restricted parking areas.

Seventeen (17) of the bylaws were reviewed in August 2020 by Council as required under legislation and they remain operative as a result of that review. The Council, after consideration of staff advice, made recommendations regarding the future of each of the reviewed bylaws in relation to further work to be undertaken.

This work (further review) is outlined in **Attachment 1** and includes:

- Standardising the Model General Bylaw to customise it for BDC
- Amending the bylaw
- Amending if required and combining with another bylaw
- Revoking (2)

The remaining 5 bylaws did not require review at the time. Of these bylaws Traffic, Banning of Alcohol in Public Places and Freedom Camping Control should be reviewed in the near future. The Keeping of Animals Bylaw was fully reviewed in 2023 and the Livestock Movements Bylaw will need to be reviewed by 2028.

The Speed Bylaw is no longer required as these matters are now covered by the new Speed Management Plan.

### 3.2 Bylaw Further Review Progress

<b>i</b>	<b>Completed</b>	<u>Keeping of Animals Bylaw 2023</u>
<b>ii</b>	<b>Underway:</b> Drafts and Statements of Proposal for consultation by December 2024	<p>(a) <u>Navigation and Safety Bylaw</u> – drafting completed, and Maritime New Zealand review has been undertaken. The next step is a legal review then preparation of Statement of Proposal and draft to Risk and Audit Committee (RAC).</p> <p>(b) <u>Trade Waste Bylaw, Wastewater AND Storm Water Bylaw</u> - work continues on these bylaws, including legal review to ensure compliance with legislation. These three bylaws will be consulted on at the same time.</p> <p>(c) <u>Control of Dogs Bylaw</u> – work has just commenced on review in tandem with review of Dog Control Policy.</p> <p>(d) <u>Freedom Camping Bylaw</u> – initial review in light of new regulations to determine if any changes are required.</p>



iii	<b>Background work completed:</b> Work on Drafts and Statements of Proposal for consultation will be undertaken in 2025/2026 subject to matters referenced in Issues below.	(a) <u>Traffic Bylaw</u> – as resolved by Council 29 November 2023 in relation to banning heavy traffic in identified streets. (b) <u>Banning of Alcohol in Public Places Bylaw</u> (c) <u>Water supply Bylaw</u> (drinking water) (d) <u>Cemeteries Bylaw</u> (e) <u>Solid Waste bylaw</u>
iv	Work on the remainder of the bylaws which need minor amendments and customisation will be undertaken as resources allow.	

### 3.3 Policies Status

In total Council has 25 policies which relate to the public and community i.e. are not focussed on internal processes or related to staff/elected members. Council policies can be required by legislation, but most are centred on the need to establish processes and procedures for the provision of services or the management of assets.

Of the 25 policies included Council is required to adopt and review three of these policies under legislation:

- Dangerous and Insanitary Buildings Policy (Building Act 2004)
- Class 4 Gambling and Totalisator Agency Board (TAB) Venue Policy (Gambling Act 2003 and Racing Act 2003)
- Dog Control Policy (Dog Control Act 1996 and Dog Control Amendment Act 2003)

A list of the current policies can be found in **Attachment 2**. Please note that this list does not include the policies that are included and reviewed in the Long Term Plan (Revenue and Financing policy, Rates Remission policy, Development and Financial Contributions policy and Significance and Engagement policy).

### 3.4 Policies Review

Depending on the matter the policy relates to there are variety of review requirements. In general, the less important and less strategic the matter covered by the policy is, the less intensive the review process required. However, the three policies required by legislation all have requirements for comprehensive adoption and review processes.

i	<b>Underway</b> Draft Policy and Statement of Proposal to RAC August (if hearing can take place in July)	(a) <u><i>Gambling and TAB Venue Policy</i></u> First round of consultation undertaken. Next step is hearing the submissions and deciding on a preferred proposal, followed by a draft policy and a Statement of Proposal adopted by Council, as recommended by this Committee.
ii	<b>Commencing:</b> July/August with draft policy and Statement of Proposals to RAC December 2024	(a) <u><i>Dog Control Policy</i></u> in tandem with review of Dog Control Bylaw (b) <u><i>Dangerous and Insanitary Buildings Policy</i></u>
iii	<b>Works programme to be prepared:</b> To RAC by December 2024	(a) <u><i>Housing for the Elderly Policy</i></u> (b) <u><i>Smokefree Environments Policy</i></u> (c) <u><i>Commercial Trading Policy</i></u> in tandem with associated bylaws
iv	Work on the remainder of the policies will be undertaken as resources allow.	

### 3.5 Potential Policies

Over the last two to three years some issues have arisen which may be best dealt with in a consistent manner under a new policy such as the distribution of development and financial contributions (reserve funds). Staff will be undertaking some initial work over the next 6 months to look into providing the committee with information and options for this matter.

### 3.6 Issues

The review process for both bylaws and those policies which are required under legislation is as follows:

- Background work and research into current effectiveness, options, and best practice examples.
- Review by staff who will use the bylaw/policy to ensure it is fit for purpose.
- Development of draft bylaw/policy for BDC
- Draft and Statement of Proposal outlining purpose, any changes to previous bylaw/policy and options considered.
- Legal review to ensure in scope and fulfils legal requirements.
- Report for RAC to recommend that Council approve the draft and the Statement of Proposal.
- Council approval of draft and Statement of Proposal

- Public consultation under Section 82 or 83 Local Government Act 2002 – submission form, website and newspaper notification, submission receipt and processing, analysis, and reporting.
- Hearing and consideration of submissions.
- Decision regarding final bylaw/policy with any changes resulting from submissions.
- If any significant changes are made there must be further public consultation and repeat of process as above.

### **3.7 Considerations**

The following matters have been considered in the setting of the schedule for review of both bylaws and policies:

- Staff Resources - All these stages in the process require significant staff resource from the Senior Policy Advisor, Subject Matter Experts (infrastructure and regulatory staff), Governance staff, Community Engagement staff and administration support. Staff time and input must be considered in the timing of reviews.
- Legal review prior to approval of a draft bylaw is considered important to ensure compliance with legislation. Seeking legal advice must be factored into timelines and budgets.
- Pre-decision making discussions with Councillors will assist in the understanding of technical and complex bylaws. Time for workshops needs to be considered in scheduling.
- Community consultation is a requirement for all new bylaws and the review of existing bylaws (even if no change is proposed consultation will be required). Council as a whole has a responsibility to consult and engage with the community on many matters e.g. Annual and Long Term Plans, representation reviews, changes to service delivery for strategic assets. It is therefore important to ensure other commitments are considered when deciding when a bylaw or policy undergoes public consultation.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

Bylaws are discrete pieces of law created by Councils that specifically apply to a district. They are locally applicable forms of legislation deal with district-specific issues that are not already covered by any existing legislation or regulation. Bylaws help ensure that the community is safe, healthy, and vibrant. They are made to cover one or more of the following purposes:

- protecting the public from nuisance
- protecting, promoting, and maintaining public health and safety
- minimising the potential for offensive behaviour in public places.

Policies guide decision-making and the delivery of services to the community. A number of these policies are fulfilling both legal and social obligations to address issues in the community. They contribute to the general wellbeing of the community.

#### **4.2 Significance Assessment**

The decisions required to be made in this report are not deemed significant under Council's Significance and Engagement Policy.

#### **4.3 Risk Management Implications**

Council is obligated to undertake reviews of bylaws and some policies under the Local Government Act 2002 and other legislation.

#### **4.4 Values**

The review of bylaws and policies aligns with the Buller District Values of being Community Driven, Future Focussed and We Care.

#### **4.5 Policy / Legal Considerations**

The review of bylaws and policies includes the following legislation:

- Local Government Act 2002
- Burial and Cremation Act 1964
- Dog Control Act 1996
- Forest and Rural Fires Act 1977
- Building Act 1991
- Sale and Supply of Alcohol Act 2012
- Land Transport Act 1998
- Land Transport Rule: Setting of Speed Limits 2003
- Reserves Act 1977
- Resource Management Act 1991
- Maritime Transport Act 1994
- Gambling Act 2002
- Racing Industry Act 2020
- Smokefree Environments and Regulated Products Act 1990

#### **4.6 Tangata Whenua Considerations**

The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture, and traditions.

#### **4.7 Views of Those Affected**

This decision does not require consultation with the community or stakeholders however the review of most policies and bylaws must include consultation with the community as required under the relevant legislation.

#### **4.8 Costs**

There is no financial implication relevant to this decision. All costs related to the review of bylaws and policies is considered when setting budgets in the Annual Plan and Long Term Plan processes.

#### **4.9 Benefits**

Undertaking reviews of bylaws and policies ensures that Council continues:

- protecting the public from nuisance
- protecting, promoting, and maintaining public health and safety
- minimising the potential for offensive behaviour in public places
- ensuring processes and guidelines are fit for purpose.

#### **4.10 Media / Publicity**

Any interest from the media will be managed by the Communications and Engagement Team.


<b>BULLER DISTRICT COUNCIL BYLAWS UPDATE: JUNE 2024</b>					
					<b>KEY:</b> Reviewed 2020
#	EXISTING BYLAW	RESOLUTION OF COUNCIL AUGUST 2020	NEXT STEPS	COMMENTS/PROGRESS?	GROUP
<b>1</b>	<b>Wastewater</b> Drainage Model General Bylaw NZS9201: Part 22: 1999 (with local amendments)  Made: September 2002 Reviewed: June 2008 Reviewed:2020	Reviewed and amend as required - combine with Trade waste Bylaw	<ul style="list-style-type: none"> <li>• Legal review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review underway as a standalone bylaw	Infrastructure Services
<b>2</b>	<b>Water Supply</b> Model General Bylaw NZS9201: Part 7: 2007 (with local amendments)  Made: September 2002 NZS9201:Part 7:1994 – chapter 7 – water supply Reviewed: June 2008 NZS9201: Part 7: 2007 Reviewed:2020	Reviewed and amendments as required	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review underway	Infrastructure Services
<b>3</b>	<b>Solid Waste</b> Model General Bylaw NZS9201: Part 6: 1999  Made: September 2002 Reviewed June 2008 Reviewed:2020	Amend to standardise for BDC and consider additional issues which have arisen in recent	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review underway	Infrastructure Services
<b>4</b>	<b>Trade Waste</b> Bylaw Made: July 2008 Reviewed: June 2015 Reviewed:2020	Reviewed and amendments as required - combine with Wastewater Drainage Bylaw n.b. separate Wastewater Drainage Bylaw underway	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Stakeholder discussion if required</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review underway	Infrastructure Services
<b>5</b>	<b>Traffic</b> – Model General Bylaw– Traffic NZS9201: Part 25:2007 (with local amendments)	Requires review	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Stakeholder discussion if required</li> </ul>	Decision of Council 29 November 2023 to amend bylaw in particular Heavy Traffic prohibitions	Infrastructure Services





	Made: September 2002 NZS9201: Part 25:1999 – Traffic Reviewed: June 2008 NZS9201: Part 25:2007 Reviewed: July 2013 NZS9201 Part 25 (2007) with new amendment Next Review Due: 2023-25		<ul style="list-style-type: none"> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation</li> <li>• Hearing</li> <li>• Decision</li> </ul>		
6	<b>Stormwater</b> bylaw	No council decision to date	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review underway	Infrastructure Services
7	<b>Speed</b> – Model General Bylaw NZS9201: Part 28:2007 – Speed (with Local amendments)  Made: June 2008 Reviewed: June 2015 Next Review: June 2025 if required	TBC	TBC	New Speed regulations 2023 – bylaw to be revoked in time.	Infrastructure Services
8	<b>Cemeteries and Crematoria</b> Model General Bylaw NZS9201: Part 14: 1999	Standardise for BDC	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation as required</li> <li>• Hearing</li> </ul> Decision	Adapting only	Infrastructure Services
9	<b>Control of Dogs</b> Model General Bylaw NZS9201: Part 12: 1999 with integrated local amendments (to be reviewed alongside BDC Dog Control Policy)  Made: August 2002 Reviewed: May 2008 Reviewed:2020	Amend to ensure all issues are covered and any gaps left by the Dog Control Act are covered.	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Stakeholder discussion if required</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review commencing. Note: BDC Dog Control Policy will be reviewed in conjunction with the bylaw.	Regulatory Services
10 & 11	<b>Trading in Public Places</b> Model General Bylaw NZS9201: Part 4: 1999 with local amendments Itinerant Traders Made: September 2002 Reviewed: June 2008	Combine: Both are concerned with protecting the public from nuisance and protecting, promoting and maintaining public safety from activities occurring on public land.	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation as required</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Consider issues which have arisen in recent years such as private CCTV recording activity in public places and the use of drones	Regulatory Services



	<b>Public Places</b> Model General Bylaw NZS9201: Part 2: 1999 with local amendments - Setting Traps and Skateboards  Made: September 2002 Reviewed: June 2008 Reviewed:2020	Combine current local amendments into bylaw and standardise for BDC.			
12	<b>Control of Advertising Signs</b> Model General Bylaw NZS9201: Part 8: 1999  Made: September 2002 Reviewed: June 2008 Reviewed:2020	Amend and Standardise for BDC	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation as required</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review in relation to current District Plan	Regulatory Services
13	<b>Fencing</b> Bylaw 1991  Made: September 1991 Reviewed: June 2008 Reviewed:2020	Amend as required to consider any new legislation and/or practices	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation as required</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Adapting only	Regulatory Services
14	<b>Fires in the Open Air</b> Model General Bylaw NZ9201: Part 11: 2000  Made: September 2002 Reviewed: June 2008 Reviewed:2020	Standardise for BDC	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation as required</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Adapting only	Regulatory Services
15	<b>Hostels</b> Model General Bylaw NZS9201: Part 3: 1999	Standardise for BDC	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation as required</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Adapting only	Regulatory Services
16	<b>Introductory</b> Model General Bylaw NZS9201: Part 1: 2007  Made: September 2002 NZS9201: Part 1 1999 – Introductory Reviewed: June 2008 NZS9201: Part 1:2007 - Introductory Reviewed:2020	Standardise for BDC	<ul style="list-style-type: none"> <li>• Draft</li> <li>• Legal Review</li> <li>• Draft, Statement of Proposal and Report to Council</li> <li>• Public Consultation as required</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Adapting only	Community Services




17	<b>Navigation and Safety Bylaws 2008</b> Made: September 2002 Reviewed: June 2008 Amended: October 2008, August 2012, June 2013 Reviewed:2020	Amend with updated legislation and reflecting any changes in use of the harbour	<ul style="list-style-type: none"> <li>• Legal review</li> <li>• Stakeholder discussion if required</li> <li>• Draft, Statement of Proposal and Report to Council – by June 2024</li> <li>• Public Consultation as required</li> <li>• Hearing</li> <li>• Decision</li> </ul>	Review underway: <ul style="list-style-type: none"> <li>• Maritime NZ (MNZ) input</li> <li>• MNZ comments have been evaluated and further discussions with MNZ</li> <li>• Professional advice from Harbourmasters advice group</li> </ul>	Commercial and Corporate Services
18	<b>Freedom Camping Control Bylaw</b> (S13 Freedom Camping Act 2011)  Made: Aug. 2012 Reviewed: Nov. 2018 Next Review: November 2028	.	2028	Review to ensure compliance with latest legislation	Regulatory Services
19	<b>Banning of Alcohol in Public Places Bylaw</b> Made: 12 Feb.2018 Next Review: by February 2025	Review required	2025		Regulatory Services
20	<b>Livestock Movements Bylaw</b> Reviewed: 12 February 2018 Next Review: February 2028		2028		Regulatory Services
21	<b>Keeping of Animals Bylaw</b> December 2023 Adopted: December 2023 Next Review: December 2028		2028	Adopted December 2023	Regulatory Services
<b>Revoked Bylaws</b>					
Public Libraries		Revoked December 2017			
Cultural and Recreational Facilities		Revoked December 2017			
Food Safety		Not required - August 2020 Legislation now in place			
Mobile Home		Not required – August 2020			
Banning of Liquor In Public Places		Revoked – 31 January 2018			

<b>BYLAWS – NEW AND REVIEW</b> Process for making and reviewing a bylaw under the Local Government Act 2002 (LGA 2002)	
<p><b>SLT review of bylaws – status and review schedule taking into account:</b></p> <ul style="list-style-type: none"> <li>• <b>Legislative review requirements</b></li> <li>• <b>Council Schedule – Governance Secretary (GS) advice</b></li> <li>• <b>Available resource including:</b> <ul style="list-style-type: none"> <li>▪ <b>Appropriate staff availability – Subject Matter Experts (SME), Senior Policy Advisor (SPA) and Engagement Planning (EP)</b></li> <li>▪ <b>Administration processes and staff (AS)</b></li> <li>▪ <b>Whole of Council Public Consultation Schedule</b></li> </ul> </li> <li>• <b>Community Engagement Schedule</b> <ul style="list-style-type: none"> <li>▪ <b>Reference to the community engagement schedule to avoid clashes and overload for community</b></li> <li>▪ <b>EP resource for engagement/submission process</b></li> </ul> </li> <li>• <b>Budget:</b> <ul style="list-style-type: none"> <li>▪ <b>Legal advice and review</b></li> <li>▪ <b>Additional expert advice – to assist SMEs</b></li> <li>▪ <b>Engagement costs e.g. public notices, mail outs, advertising, public meetings if needed</b></li> </ul> </li> </ul>	
PROCESS	RESPONSIBILITY
<p>6. Determine whether a bylaw is the most appropriate way of addressing the perceived problem.</p> <p>i) This should be discussed in a council policy paper that identifies the problem, the range of existing regulatory tools available and their limitations.</p> <p>ii) The relative merits of any other non-regulatory options should also be considered.</p> <p> <b>RAC &amp; COUNCIL REPORT #1</b></p>	<p><b>SME &amp; SPA</b></p>
<p>RAC &amp; COUNCIL REPORT 1 RESOLUTION:</p> <ul style="list-style-type: none"> <li>• TO PROCEED WITH DRAFTING NEW OR AMENDED BYLAW</li> <li>• BYLAW MOST APPROPRIATE WAY TO ADDRESS PROBLEM</li> <li>• GENERAL DIRECTION/OPTIONS FOR CONSIDERATION</li> </ul>	
<p>2. If a bylaw is the most appropriate solution, create a DRAFT NEW BYLAW or REVIEW THE EXISTING BYLAW AND PROPOSE AMENDMENTS:</p> <p>i) This involves considering the different forms a bylaw could take (e.g. standalone, amendment to existing, consolidation of other bylaws), the scope of the bylaw, and the powers it confers on the council.</p> <p>ii) It is important to confirm the proposed bylaw is within the scope of the empowering provisions that allow the council to make the bylaw.</p> <p>iii) Assess whether the draft bylaw gives rise to any implications under the New Zealand Bill of Rights Act 1990. A bylaw must not be inconsistent with the New Zealand Bill of Rights Act.</p> <p>iv) <b>Stakeholder consultation if appropriate.</b></p>	<p><b>SPA i) to vi) SME v) and vi)</b></p>

<p>v) Investigation into other council’s approaches and documents with discussion with other council’s staff if needed vi) Options for addressing the issues – regulations, standards, processes, procedures, powers to address breaches, penalties (based on NZSA model bylaws if appropriate).</p> <p> Presentation material for workshop</p>	
<p>COUNCIL WORKSHOP/S TO DISCUSS OPTIONS</p> <p> DRAFT BYLAW</p>	
<p>3. Determine which CONSULTATION PROCESS must be used, based on the council’s Significance and Engagement Policy.</p> <p>i) The special consultative procedure under the Local Government Act 2002 must be used if the bylaw concerns a matter identified in the policy as being of significant interest, or if the council considers the bylaw is likely to have a significant impact on the public. ii) In all other cases, the council must consult in a manner that gives effect to the requirements of section 82 of the LGA2002. This means that section 82A of that Act applies and must be adhered to. iii) Legal check</p> <p> part of RAC &amp; COUNCIL REPORT #2</p>	<p><b>SPA</b> in consultation with <b>SME</b></p>
<p>RAC &amp; COUNCIL REPORT 2 RESOLUTION TO:</p> <ul style="list-style-type: none"> <li>• PROCEED WITH SPECIAL CONSULTATIVE PROCEDURE or SECTION 82 PROCESS</li> </ul>	
<p>4. Draft Bylaw and Statement of Proposal</p> <p>4(a) Finalise DRAFT BYLAW for consultation.</p> <p>i) Legal review ii) Council to approve a draft bylaw prior to community consultation.</p> <p>4(b) Prepare and adopt a STATEMENT OF PROPOSAL (for a special consultative procedure) or document meeting the requirements of section 82A(2) of the LGA2002 (for a section 82A process).</p> <p>i) This document will set out the relevant matters which are covered in the draft bylaw, the approach taken, options considered and include a draft of the proposed bylaw. ii) If necessary to enable public understanding, the council must also adopt a summary of the information in the statement of proposal.</p> <p> RAC &amp; COUNCIL REPORT #2 including:</p> <ul style="list-style-type: none"> <li>• FINALISED DRAFT BYLAW</li> <li>• STATEMENT OF PROPOSAL (and summary if required)</li> <li>• PUBLIC CONSULTATION PROCESS APPROVAL</li> </ul>	<p><b>SME</b> (subject content) &amp; <b>SPA</b> (structure and legislative requirements)</p>
<p>RAC &amp; COUNCIL REPORT 2 RESOLUTION TO:</p> <ul style="list-style-type: none"> <li>• ADOPT DRAFT BYLAW.</li> <li>• ADOPT STATEMENT OF PROPOSAL</li> <li>• CONFIRM DRAFT BYLAW IS MOST APPROPRIATE WAY TO MANAGE PROBLEM, SHOULD BE STANDALONE, AMENDMENT TO EXISTING OR CONSOLIDATION OF OTHER BYLAWS and NOT INCONSISTENT WITH NZ BILL OF RIGHTS</li> </ul>	

<p>5. Undertake the consultation process by publishing the material adopted above and explaining how people may present their views to the council.                  Before the consultation process starts need to prepare:</p> <ul style="list-style-type: none"> <li>i) Submission forms and process</li> <li>ii) Webpage content – basic information (draft and Statement of Proposal), FAQs, process overview with dates, online submission process</li> <li>iii) Public Notice – newspaper/s</li> <li>iv) Information in services centres and community centres</li> <li>v) Social media promotions</li> <li>vi) Stakeholder identification and mail out</li> <li>vii) Stakeholder/public information events if appropriate</li> </ul> <p>NOTE:</p> <ul style="list-style-type: none"> <li>i) There is a minimum one calendar month period for submissions and objections to be presented if the special consultative procedure is used.</li> <li>ii) If a section 82A procedure is being used, people should be given a reasonable opportunity to present their views.</li> </ul> <p> <b>PUBLIC NOTICE OF DRAFT AND STATEMENT OF PROPOSAL</b></p>	<p><b>SME &amp; SPA</b>                  (subject content, overview of material, identification of stakeholders and mailout and stakeholder/public events)</p> <p><b>EP</b></p>
<p>COUNCIL EMAIL NOTIFYING START OF CONSULTATION WITH LINK TO WEBPAGE</p>	
<p>6. The council must allow for people to present their views by way of spoken interaction with decision-makers, i.e. holding a hearing/extraordinary Council meeting:                  SS</p> <ul style="list-style-type: none"> <li>i) Agree meeting date and starting time with CEO and Mayor</li> <li>ii) Liaise with Governance re. councillor notification</li> <li>iii) Notify all submitters of date and opportunity to attend</li> <li>iv) Notify those who wish to attend of time allocated and when they should attend</li> <li>v) Arrange with Governance a schedule for the meeting – speakers, breaks, zoom links etc.</li> <li>vi) Prepare meeting information – redacted submissions (all submissions) and a schedule with summary of each submission if required, identification of those attending.</li> <li>vii) Prepare summary of submissions (by theme/section of draft bylaw – support/opposition/suggested changes)</li> <li>viii) Prepare covering report (information only, just introducing the submissions) and noting any trends.</li> </ul> <p> <b>HEARING (Extra Ordinary Council meeting):</b></p> <ul style="list-style-type: none"> <li>• <b>DOCUMENTATION; and</b></li> <li>• <b>EXTRAORDINARY COUNCIL MEETING</b></li> </ul>	<p><b>GS</b>                  i) &amp;ii)</p> <p><b>AS</b>                  iii) to vi)</p> <p><b>SPA</b>                  (with input from SME)                  vii) to viii)</p>
<p>COUNCIL information and report:</p> <ul style="list-style-type: none"> <li>• ALL SUBMISSIONS (CONTACT DETAILS REDACTED)</li> <li>• SUMMARY OF SUBMISSIONS</li> <li>• COVERING REPORT WITH RECOMMENDATIONS</li> </ul>	
<p>7. Council deliberations and decision – to consider the views of submitters in making a decision on whether to adopt the proposed bylaw. Any amendments must be within scope, i.e. within the reasonable contemplation of a person reading the original statement of proposal.</p> <ul style="list-style-type: none"> <li>• Arrange for a written record of the deliberations to be made;</li> </ul> <p>NB – currently unsure where this fits into process if decision is made at the same meeting</p> <ul style="list-style-type: none"> <li>• Council makes a decision (either at same extraordinary meeting or at subsequent meeting where deliberations are included in agenda)</li> <li>• Submitters advised of decision</li> </ul>	<p><b>GS</b>  <b>AS</b>  <b>SPA</b></p>

 <p><b>THE DRAFT BYLAW IS:</b></p> <ul style="list-style-type: none"> <li>• <b>ADOPTED; or</b></li> <li>• <b>AMENDED AND ADOPTED: or</b></li> <li>• <b>AMENDED AND FURTHER PUBLIC CONSULTATION REQUIRED DUE TO SIGNIFICANT PROPOSED CHANGES: or</b></li> <li>• <b>REJECTED AND CEO INSTRUCTED TO PREPARE ALTERNATIVE DRAFT</b></li> </ul>	
<p>COUNCIL REPORT</p>	
<p>8. Public notice:</p> <ul style="list-style-type: none"> <li>• provide a public notice with the date the bylaw will become operative and where copies are available</li> <li>• Website notice</li> <li>• Place on website.</li> </ul>	<p><b>SPA &amp; EP</b></p>
<p>Process for making/reviewing a bylaw under other legislation:          The process above may differ if a bylaw is being made under another enactment. Some Acts require bylaws to be made as if they were created under the Local Government Act 2002 (e.g. the Health Act, the Dog Control Act and the Waste Minimisation Act). Some have modified procedures (e.g. the Freedom Camping Act and Prostitution Reform Act). Some provide no specified procedures at all (Litter Act); the process for these should generally conform with the Local Government Act 2002.</p>	

## **RISK AND AUDIT COMMITTEE**

**26 JUNE 2024**

**AGENDA ITEM: 18**

**Prepared by** Douglas Marshall  
Finance Support

**Reviewed by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1 – Buller DC Risk Register – Strategic Risks

### **STRATEGIC RISK REGISTER UPDATE JUNE 2024**

---

#### **1. REPORT SUMMARY**

The Strategic Risk Register was endorsed by the then, Finance Risk and Audit Committee (FRAC), 17 July 2019. This register identifies the organisational strategic risks and is monitored monthly by Senior Leadership Team and the Risk and Audit Committee.

A review of strategic risks at elected-member level was initiated in late March and will require a follow-on session to complete.

#### **2. RECOMMENDATION**

**That the Risk and Audit Committee:**

- a) Note the updates received for the strategic risk register as at June 2024.**
- b) Note that a Councillor workshop will be held during July-September to progress work on the Strategic Risk Register.**
- c) That Council staff report back at the October Risk and Audit Committee meeting on the updated strategic risk register.**

### 3. BACKGROUND

The strategic risk register review involved workshops (facilitated by Phil Rossiter) with the following groups during March and April:

- Corporate Services staff including the harbour team
- Community Services staff including the airport team
- Regulatory Services staff
- Infrastructure Services staff via their own workshop as a first stage with a further workshop to be undertaken with Phil in July.

Further workshops will be needed during July to September to complete the Infrastructure Services risk identification process and a further Councillor workshop will be required to ensure that all strategic risks have been identified and include the appropriate risk mitigations.

This will allow the Elected Members to have a program of monitoring how senior management mitigate the risks identified.

An update on the current risks that are being managed/monitored is noted below:  
**Update on risk management progress.**

Changes since the last report in March 2024 are in red.

#### 1. Coastal Erosion and Sea Inundation of Westport Airport Runway

A seawall has been put in place to reduce possibility of effect of erosion from sea surge.

The resource consent issued for this work requires monitoring reports to be provided to the regional Council. These reports are prepared by using drones to take aerial photographs which are then compared with the previously taken photographs. This process also informs the Council's risk. The annual monitoring report will shortly be prepared and a report on findings made to the Council.

Nothing further to report at the date this report prepared.

Progress update *September 2024.*

#### 2. Climate Change and Flooding Impacts on Council Assets and Infrastructure (Other Than Airport)

Stormwater assets have been repaired. NEMA funded "betterment projects are almost complete. Road repairs for both the July 2021 and February 2022 flood events are being undertaken in 2023 & 2024. Waka Kotahi initially confirmed

a \$13.2 million project repair cost, but this has been **amended in June 2024 to \$17.5 million**, for repairs on local roads and the Karamea SPR, with BDC funding 8% of the July 2021 repairs and 5% of the Feb 2024 repairs.

**One final “bundle, # 9” of road repair work has been re-tendered due to the tender values exceeding budget by more than 10% and thus could not be accepted. The new tender process closes on 27 June.**

There are challenges with protecting old landfills in riverbeds and there is a higher than desirable possibility of an old landfill being exposed if material covering/protecting the landfill is removed by future floods. Further work on identifying this risk is required.

**Nothing further to report at the date this report prepared.**

*Progress update **October 2024.***

### **3. Major Flooding of Westport Township**

Following the August 2022 red weather warning declaration, additional bund works were carried out under emergency work. Tranche 2 funding activity has commenced, and a programme of work developed to repair infrastructure from July/February floods.

Central Government have reviewed the Co-Investment Business Case and announced on the 12 May that funding of \$22.9 million would be provided to assist with mitigating future Westport flooding. This was significantly less in \$ terms than requested. The Council is represented on the Buller Flood Resilience Group which has commenced its work and will respond to this funding proposal.

Further flood mitigation assessments are being undertaken by BDC / WestReef staff to Coates Street and a cost benefit analysis is being undertaken to ascertain the purchase of pumps versus hiring of pumps. Part of the business case request was for stormwater infrastructure upgrade of \$12 million which was declined but it would be considered as part of the Government’s Affordable Water programme. It is important to remember that the mitigation options for Westport stormwater range as high as \$41.5 million but this option has been selected due to its lowest financial cost.

**The Resilient Westport project is advancing.**

**The Buller District Council has a key role in this integrated project in partnership with the West Coast Regional Council.**



Buller has a specific focus on the provision and funding of a stormwater pump out systems. The first stage of this project relates modelling of the various scenarios where a pump out system may be required so that options and indicative costs can be developed. This will be available by mid-August 2024.

Once a preferred option has been selected, consultation will occur. Council staff have in recent weeks been briefed on the new flood warning system being implemented for Westport and other areas on the West Coast. This work was commissioned in early 2021 and is being led by NIWA. Staff feedback from the briefing was that the system being implemented will improve the ability of flood/civil defence controllers to make more informed decisions on when and where flood events will impact on communities. Decisions on how to keep people safe and protect key community assets will be able to be made sooner and in a more informed manner.

*Progress update August 2024*

#### **4. Central Government Three Waters Reform**

The Council submitted on 14 June 2024 on the Local Government (Water Services Preliminary Arrangements) Bill.

The Council in its submission recognised the necessity of transforming how New Zealand provides water services (drinking water, wastewater, and stormwater) across New Zealand but also noted challenges for the Buller Community to be able to fund the requirements of the bill with the limits on our financial resources.

Council is including \$100,000 in its 2024/2025 Enhanced Annual Plan for a further rate review which will allow Council to also seek information on the use of other funding tools in the future.

*Progress update August 2024*

#### **5. Climate Change Impacts Public Safety**

A Westport flood evacuation plan has been developed, peer reviewed and made publicly available for feedback. During the response to the August 2022 red weather warning river flooding event, this plan was a draft but allowed the Emergency Operations Centre (EOC) actions to be more effective demonstrating that lessons have been learnt from previous events.

Civil Defence are working with local Civil Defence community groups on more evacuation plans. Active plans exist for Karamea, Northern Buller, Carters Beach, Punakaiki, Reefton, Maruia/Springs Junction and Charleston. A plan for Waimangaroa is currently being progressed.

A group comprising of Council staff, lifeline services, emergency services, key suppliers of consumable goods, contractors and Civil Defence volunteers are enhancing planning and knowledge in how to respond to the Alpine fault occurring. This work is currently Westport focused but will extend to the balance of the district in 2024.

Further work related to evacuation procedures for Westport is being undertaken as part of the Buller Flood Resilience Group.

*Progress update December 2024.*

## **6. Information Management**

This project has progressed well in 2023/2024 with the appointment of a staff resource to project manage the day-to-day issues with document management. Information Leadership have been engaged to lead the development of the systems and processes needed for the document management system.

A progress to 30 June 2024 will be presented to the Oct. 2024 RAC meeting.

*Progress update October 2024.*

## **7. Failure to Attract Business and Industry to the District**

Partnership Programme Governance Group is transitioning towards oversight of the Tranche 2 funding programme. The Co-Investment business case for multi model adaptations has been submitted to Central Government. BDC is a strategic operational partner with The Alliance Coastal Shipping Group.

The partnership will generate income associated with the Kawatiri dredge and port. Buller Environmental Improvement & Prosperity strategy continues with partnerships Kotahitanga mō te Taiao (KMTT) and the Nature Conservancy.

Other projects have created up to \$2m funding and creation of local jobs. Westland Mineral Sands progressing the extractive business associated with Westport port. Local employment opportunities are created. The Mayors for Jobs Taskforce has been funded for a further 12-months albeit in a different format however this still provides opportunities to support apprenticeships etc.

*The Mineral Sands expect to have their first transit of sand via their barge from Westport before December 2024.*

*Progress update December 2024*

## **8 Financial Loss from Depreciate Assets and Unrealised Opportunities at Westport Port**

Tranche 2 funding for the dredging of the harbour and river areas have been approved by Central Government, that projects funding totals \$4.7 million. A further dredge funding programme for the Westport harbour and river areas has been secured from Buller Port Limited totalling just over \$1.5 million.

These two funding programmes provide income until **April 2024** while contracts with Nelson Port for dredging (currently being undertaken) provide further cash to keep the dredge operational.

The Marpol regulations, which anticipated the dredge not being able to be operated after March 2025 with the current engine emissions, have been amended allowing the dredge to continue.

**Condition assessments for the dredge to remain operational over the next 10 years have now included in the financial forecast to June 2034.**

*Progress update **August 2024 to Council***

**9. Lack of Key Infrastructure for Growing Tourism Demands**

Council to consider through the District Plan (TToPP) and additional regulations. Other infrastructure options and funding opportunities to be explored, alongside strategic planning for growth and development, with considerations to reforms, rebuild programmes, resilience, and climate change.

**No change to above commentary. Progress update **December 2024****

**10. Legal Compliance for Reserves**

Regular meetings held with subcommittees. Terms of Reference in place for most, the others are under review. Health and safety requirements discussed, and any volunteer work now have records and risk assessments completed.

Currently working on developing AMPs / RMPs for all subcommittees – two members of BDC staff now have ongoing communications with the groups with oversight from Group Manager.

**No change to above commentary.**

*Progress update **December 2024***

**11. Reefton Water Supply Non-Chlorination**

With budget agreed in the 2022 / 2023 Annual Plan, work is currently underway to proceed with this project.

A community engagement session held on 12 April in Reefton as part of roll-out of the Reefton Chlorination project.

There was a smallish crowd who were well engaged.

Significant communication will be ongoing, particularly when the chlorination units are switched on.

The national regulator for water services Taumata Arowai, will be providing an update to the water sector entities, and their communities, in the coming months on progress with regulation compliance as a result of the new Governments approach to water reforms.

*Progress update **October 2024***

**New items identified by elected members and Council to be considered for the next strategic risk review have been included in this report for completeness.**

### **SCADA System**

These systems allow the Council to monitor and thus more effectively manage its water and water supply activities on a 24-hour 7 day a week basis. A recent outage resulted in consideration by 3 waters staff about the risks that the Council faces from a SCADA outage the following note captures staff thoughts and will be progressed further with the next strategic review.

Two scenarios that need to be addressed:

Minor outages, hardware or software failures, comms issues, general issues that are usually resolved in a few days.

Major outages, e.g. AF8 - Brougham House destroyed, cell sites incapacitated, roads blocked, infrastructure damage, not resolved for weeks or months.

Minor outages - having solutions like the secondary alerts which run in conjunction with existing systems. They would have less functional alerting, but still provide alerting when other forms are unavailable. (Note: all SCADA systems still work and show alerts on screens no matter what the alerting is doing)

The ability to fail over to the disaster recovery (DR) site in Auckland and keep access available, and backup comms e.g. a portable Starlink and a laptop might suffice. Maybe using existing call care service to monitor and alert SCADA during after-hours etc.

Major Outage - As the SCADA systems can run in the DR site, the plants will still be monitored (assuming comms at the sites still working), and if civil defence is operating, we could allocate resources to monitor the SCADA screens from in the EOC, sending alerts manually via whatever methods available. Below are some points of resiliency we discussed and while all might not be achievable, they are starting points for discussion:

- All critical staff having mobiles capable of Cell over Wi-Fi tech on their phones, if cell towers are down, no calls or texts are working, but cell over Wi-Fi can work with e.g. Starlink.
- Portable Starlink device(s) that can be taken to site with a laptop to manage plant (or Starlinks permanently at all sites with auto failover).
- Multiple licensing of SCADA alerting systems? Then if needed to run from the DR site, we can license the systems on the spot. Also ensuring multiple recipients for any important licensing/support emails etc.
- Multiple alerting systems with third party contractors (e.g. call care) able to supply staff to have eyes on glass 24/7 – support agreements setup ahead of time.
- Laptops set up for controlling plants ready to deploy (combined with above Starlink device in a box)
- Resilience of comms and devices at sites like WestReef. Should our main contractor have similar setups to us? Would they operate from civil defence etc? (civil defence has multiple resilient comms and backup power available)
- Having a clear 'run book' of what to do in these scenarios, so everyone know what needs to be done, who needs to do it and how to do it.

### **Disaster Recovery/Business Continuity Plan (DR/BCP)**

This process has undergone significant enhancements, with ongoing efforts to finalize additional functionalities, notably automation for testing and the transition to the new process will provide a seamless DR process.

Our service provider is located in a facility in the North Island with a sister DR site for replication purposes.

BDC is actively sending data to this facility to achieve recovery points at different intervals. All this data is immutable, and if required, we can run our entire environment from the north island facility using their infrastructure.

We will be implementing four automated tests per year for the DR site to ensure our environment meets expected standards and data accessibility. One successful manual test has already been completed.

### **Lifting Of Pump Stations Effected By Flooding July 2021**

Only 4 pump stations have been able to be lifted based on the budget available for this work. The risk therefore remains that the balance of the pump stations bot lifted are susceptible to future floods which create the impact that July 2021 did.

#### 4. ISSUES & DISCUSSION

Council developed and adopted a Risk Management Framework based on the International Standard ISO 31000:2018 Risk Management – Guidelines, and the previous version AS/NZS ISO 31000:2009 Risk Management Standard, as well as benchmarking against select local government authorities’ Risk Management Frameworks.

An effective and efficient Risk Management Framework must be adequately resourced and supported at the very top of an organisation’s hierarchy. The Risk and Audit Committee (comprising of full Council) has been established with the purpose of endorsing management’s risk approach, as well as assessing, monitoring, and reporting on key risks. Effective risk management also requires a ‘no blame’ culture as well as clear lines of accountability and pathways for risk escalation.

Discussions have been had with the company that helped prepared the original Buller District Council’s Risk Management Framework to work out a work programme and timing for updating the register.

This review will also involve an update of the risk schedule for the Council and a review of how we report risk in the future.

#### *Risk Assessment Matrix to Enable Easy Review.*

Table 7: Risk Assessment Matrix

		Risk Assessment Matrix				
Consequence	Catastrophic (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
		Likelihood				

Buller District Council Strategic Risk Register



	Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway
#	Potential strategic matter	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
1	Natural Disaster	Coastal erosion and sea inundation of Westport Airport runway	IF the airport is not protected against coastal erosion, THEN erosion and inundation may continue to occur leading to the presence of Unsafe Conditions and revocation of the airport's Operating Certificate and ability to offer air services	Operations & service delivery	5	4	20	Debris exclusion fence constructed (February 2019) to prevent incursion of debris onto runway strip and runway	15	LTP project to invest in infrastructure resilience. Contract has been awarded to preferred builder and project will commence with completion date Feb 2020 PGF application to support infrastructure resilience Engineering study and design undertaken to support seawall upgrade	Feb-20	CEO
2	Natural Disaster	Climate change and flooding impacts on Council assets and infrastructure (other than Airport)	IF Council does not protect its assets and infrastructure at risk from coastal erosion, sea inundation and flooding, THEN there may be significant loss and impact	Financial/Economic	5	3	15	Council assets at risk identified in LTP Actively managing known risks e.g. airport seawall	15	Employment of Strategic Asset Manager Business continuity plans to be developed and implemented Establish a Strategic Infrastructure Committee to ensure focus on asset resilience	Apr-20	GM ISC
3	Natural Disaster	Major flooding of Westport township	IF adequate flood mitigation planning and or protection works are not designed and undertaken, THEN a catastrophic flood of the township, resulting from increased high intensity storm events, may occur leading to potential loss of life and considerable financial loss and infrastructure damage	Financial/Economic	5	3	15	River stop banking in place Flood warning (telemetry) systems Property tags around flood levels and consideration in issuing of building consents	15	Consider further regulation through the District Plan re restricting building on flood prone areas 2100 group assembled (outputs to follow) Council to consider recommendations from 2100 working group to further reduce risk	Jun-20	Elected Members
4	Assets and infrastructure	Central Government three-waters reform	IF Central Government water reforms are not fit-for-purpose, THEN there may be significant impact and/or uncertainty resulting in legal/regulatory risk	Reputational/stakeholders	3	4	12	Advocacy through LGNZ. Participation in DIA workshops to inform strategic approach. Regional collaboration to address Three Waters reforms.	12	Brief Councillors and devise further actions and controls based on that discussion 3 waters team provided an update to Councillors August 2019. Management will report quarterly through to FRAC on progression	Mar-20	GM ISC

Buller District Council Strategic Risk Register



	Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway
#	Potential strategic matter	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
5	Natural Disaster	Climate change impacts on public safety	IF effective Civil Defence processes are not in place, THEN emergency response to an increasing number of civil defence events could be compromised, resulting in avoidable serious injury to, or loss of life of, a member or members of the public	Health & safety	5	3	15	Emergency Management Officer employed and working on 4 R's of emergency preparedness and response Staff training undertaken in emergency response (on-going) Public education and awareness Civil Defence exercises and simulations undertaken	10	2100 group formed to assess extreme weather scenarios, risks and mitigations	Jun-20	Elected Members
6	Council systems	Information management	IF a systematic approach to securing and accessing information is not established (including succession planning and staff retirements), THEN important information may be overlooked, undiscoverable or lost, leading to financial loss, lost opportunity, reputational impact or poor service delivery or service disruption	Operations & service delivery	5	2	10	Server back-ups	10	Information Management system development and implementation. Creation of Standard Operating Procedures to support information retention.	Jun-20	GM CCS
7	District Economic Vulnerability and Fragility	Failure to attract business and industry to the district	IF Council fails to identify and enable opportunities for economic growth in the district, THEN population decreases, job losses, and business closures may result, causing declines across various social indices and living standards	Reputational/stakeholders	3	3	9	Community and Economic Development Officer employed. Strengthened partnerships with PGF and DWG. Refresh of Economic Development Strategy. Ongoing advocacy.	9	Provincial growth fund applications submitted or "in train" which if successful will provide diverse employment opportunities. Anticipate feedback Feb 2020 as to success of applications	Feb-20	CEO
8	Assets and Infrastructure	Financial loss from depreciating assets and unrealised opportunities at Westport Port	IF commercial opportunities are not investigated and realised for the Westport Port, THEN it will continue to cost ratepayers and depreciate in value, resulting in significant financial loss	Financial/Economic	3	3	9	Plan in place to source outport dredging business. Regular financial reporting to monitor progress.	9	Undertake horizon scanning for additional income opportunities. Explore funding options and asset sales to fund appropriate asset upgrades.	Dec-20	GM CCS



Buller District Council Strategic Risk Register



	Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway
#	Potential strategic matter	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
9	Assets and Infrastructure	Lack of key infrastructure for growing tourism demands	IF Council does not accurately prepare for the forecast ongoing growth of the domestic and international tourism industry, THEN Council-provided infrastructure may be inadequate for demand and not fit-for-purpose resulting in infrastructure failures	Reputational/stakeholders	4	2	8	Close working relationship with other key agencies and community.	8	Pursue employment of a Strategic Asset Manager. Council to consider through the District Plan additional regulations. Other infrastructure options to be considered i.e. rain water collection systems. Utilise Strategic Infrastructure Committee and Strategic Asset Manager role to better focus and manage issues.	Apr-20	GM ISC
10	Council Financial Vulnerability	Heavy reliance on rates income with a low and aging population base	IF Council fails to explore and secure external income opportunities, THEN reliance on rates income will continue to increase towards Council's rates revenue 65% upper limit	Reputational/stakeholders	4	2	8	Commercial & Corporate portfolio established. Strengthened partnership with Iwi, PGF and DWC. Refreshed Economic Development strategy. Ongoing advocacy.	8	Community and Economic Development Officer position appointed to .Economic strategic mind map developed as a "live " document. PGF applications "in train"	Feb-20	CEO
11	Assets and Infrastructure	Business success of Buller Holdings Ltd	IF BHL is not commercially successful, THEN there could be a decrease in dividend available to Council that may result in an impact on ratepayers	Financial/Economic	4	2	8	Rigorous director appointment process to get the right focus and skillset. Regular review of strategic direction (input via SOI process) and financial performance. Regular two way updates, reporting and communication.	6	No further controls proposed at present	N/A	N/A
12	Assets and Infrastructure	Leaching from historic uncontained waste sites	IF Council fails to comprehensively map and remediate historic waste disposal sites, THEN environmental contamination, public health concerns, community dissatisfaction and financial loss may occur	Environmental	3	2	6	No systematic controls in place	6	Consider investigations/audit to identify other potentially discoverable sites/risks. Undertake review of known locations to determine risks of disturbance and any mitigating measures required.	Jun-20	GM ISC

Buller District Council Strategic Risk Register



	Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway
#	Potential strategic matter	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
13	Assets and Infrastructure	Costs associated with Special Purpose Road (SPR) to Karamea	IF Council fails to secure agreement with NZTA for alternative long-term funding for the Mokihinui to Karamea SPR by 2021/22, THEN rates will exceed affordability levels (due to a required rates increase of ~\$300,000), resulting in ratepayer impact and dissatisfaction	Reputational/stakeholders	3	2	6	Funding agreement in place that secures 100% contribution by NZTA until 2021 (future funding arrangements are being negotiated)	6	On-going negotiation and discussion occurring (BECA position paper drafted on behalf of NZTA) about arrangements post 2021	Jun-20	GM ISC
14	Human Resources	Failure to recruit key roles	IF Council does not develop an effective recruitment strategy, THEN key managerial or technical roles may not be filled resulting in significant operational disruption and/or stress to existing staff	Operations & service delivery	3	2	6	Appointment of an HR Manager Review underway of current recruitment policy	3	Complete and implement recruitment policy and new recruitment tools	Mar-20	HRM
15	Natural Disaster	Major earthquake impacts on employees and public health and safety	IF Council's buildings are not EQ code-compliant, THEN Council employees and public may be seriously injured or killed in the event of a major earthquake	Health & safety	5	1	5	Systematic assessment of key Council buildings undertaken Earthquake strengthening of key Council buildings where necessary	5	Complete review of all other (e.g. Domain board) buildings and structures to establish risks and compliance and determine forward plan and priorities	Jun-20	GM CS

## RISK AND AUDIT COMMITTEE

26 JUNE 2024

AGENDA ITEM: 19

Prepared by Paul Numan  
Group Manager Corporate Services

### PUBLIC EXCLUDED REPORT

---

#### 1. REPORT SUMMARY

Subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA) s48(1) right of Local Authority to exclude public from proceedings of any meeting on the grounds that:

#### 2. DRAFT RECOMMENDATION

**That the public be excluded from the following parts of the proceedings of this meeting.**

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan – Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or  (s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.
PE 2	Simon Pickford – Chief Executive Officer	LGOIMA Policy	(s 7(2)(a)) - Protect the privacy of natural persons, including that of deceased natural persons;
PE 3	Simon Pickford – Chief Executive Officer	Project Management Update	(s 7(2)(f)) - Maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment
PE 4	Paul Numan – Group Manager Corporate Services	Expression of Interest applications for Buller Holdings and subsidiaries	(s 7(2)(a)) - Protect the privacy of natural persons, including that of deceased natural persons;

<b>PE 5</b>	Paul Numan – Group Manager Corporate Services	BHL/BDC Governance Meeting Minutes	<b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
-------------	---	--	---