

**From:** [BDC Lgoima](#)  
**To:** [REDACTED]  
**Subject:** Official Information Request for WestReef Maintenance Work Programme Ref: OIA 084/24  
**Date:** Friday, 12 July 2024 1:25:40 pm  
**Attachments:** [image006.png](#)  
[240612 - Media Release - New Zealand Transport Agency announces indicative funding for Buller District transport maintenance and operations\\_AB \(1\).docx](#)

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Dear [REDACTED]

We refer to your official information request dated 2 July 2024 regarding the WestReef Maintenance Work Programme.

Please find below your queries followed by our answers in red:

*In April the council confirmed it had cut back WestReef's programmed maintenance work.*

*Could you tell me please:*

- 1. Has the council paid WestReef the money it owed for programmed maintenance work?**

*WestReef Services Ltd operate under a 'Cost Plus' contract for roading maintenance with the Council. Under this type of collaborative contract, payment is made for work approved by the engineer to contract (or their engineer's representatives). As such, all money owed to WestReef Services Ltd under the roading maintenance contract will be paid by 20 July 2024 for the 2023/24 financial year.*

- 2. If not, how much is outstanding, why and when will council pay it?**

*N/A*

- 3. What caused the budget variance?**

*Roading maintenance work is funded on three yearly cycles in line with NZTA funding cycles. The 2023/24 financial year was the final year of the current triennial funding period. Roading maintenance work has a degree of cyclical variability, e.g. storm repair etc., so expenditure is never straight line. As a result, the level of work undertaken during the last few months of the financial year had to be reduced slightly to align total expenditure over the last three years with NZTA approved funding levels. This is a common practice amongst Councils, where roading maintenance activity is either ramped up or down at the end of a three year funding cycle.*

- 4. Have council's negotiations with WestReef found a solution? If so, what is it?**

*A common factor of many large and complex construction contracts is a degree of negotiation between parties. Standard construction contracts include clauses detailing the processes to be followed. Council and WestReef Services Ltd have conducted a negotiation, under the terms of the contract, and reached agreement. Agreement has been made and all approved work will be paid for the financial year 2023/24.*

- 5. In April, Mr Pickford said WestReef had reduced some improvement works for the three months to June 30 as an interim measure. Has the ground lost over the three**

months been made up? If not, why and what is the impact on improvement works such as metalling, mowing and vegetation control?

*The slight reduction in roading maintenance work undertaken during this period has had a minimal impact on service levels. Given that this period only covered three months of a 36-month period, any lost ground will be quickly made up over the first few months of the new financial year.*

6. **What is the impact on WestReef and the community of the outcome of council's negotiations with WestReef?**

*WestReef Services Ltd and the Council continue to operate an excellent collaborative working relationship. The community will continue to reap the benefits of this relationship and can rest assured the negotiations are integral to achieving the best value for money.*

7. **If council has reduced its payments to WestReef, will this reduce WestReef's return to council for the 2023-24 financial year– if so by how much and what impact will this have on ratepayers?**

*WestReef will be paid all monies owing for the 2023/24 financial year by 20 July 2024.*

8. **What was council's 2023-24 budget for WestReef's maintenance work and what is the budget for that work for the new financial year?**

*The exact budget for the WestReef Services maintenance contract is commercially sensitive, we are therefore required to refuse this part of your request under section 7 (2) (b) (ii) of the Local Government Official Information and Meetings Act, however we refer you to the previous media release dated 12 June 2024 (attached). The activity class 'Pothole prevention' funds the majority of the WestReef maintenance contract, together with several other roading maintenance contractors.*

9. **If the latest budget has reduced, what works have been reduced?**

*NZTA have provided some indicative funding levels for the next triennial period 2024-2027 and these funding levels should be confirmed in August 2024. The indicative funding levels for the activity class 'Pothole prevention', which funds most of the WestReef roading maintenance contract, are in line with the Council's bids for local roads. The bid for the Special Purpose Road (the Karamea Highway) has been reduced by 47%, per the indicative funding level, and Council are working through the options to minimise the impact of this reduction on service levels.*

10. **If negotiations with WestReef haven't been concluded, why and what are the sticking points?**

*N/A*

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact the Buller District Council by return email to [lgoima@bdc.govt.nz](mailto:lgoima@bdc.govt.nz).

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request may be published at <https://bullerdc.govt.nz/district-council/your-council/request-for-official-information/responses-to-igoima-requests/> with your personal information removed.

Kind regards

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**12 June 2024**

### **New Zealand Transport Agency announces indicative funding for Buller District transport maintenance and operations**

New Zealand Transport Agency Waka Kotahi (NZTA) has announced indicative funding for Buller's road network maintenance and operations for the 2024-27 period through the National Land Transport Programme. This follows Buller District Council's submission, prepared collaboratively with Grey and Westland District Councils, to make a strong, well-reasoned and justified network maintenance and operations bid.

The funding announced is specific to the Local Road Pothole Prevention, Operations, Bridge and Structure Renewals, and Public Transport Services Activity Classes. NZTA now provides 75% of the funding for this expenditure, this financial assistance rate support has increased from the current 2021-24 period further shifting the burden away from ratepayers.

Compared to the current programme, Buller District Council sought funding for enhanced network maintenance and operations, seeking to achieve improved asset condition and levels of service, road safety outcomes, network resilience, and economic productivity. Buller District Council's total network maintenance and operations funding request, including the local share and NZTA share, was \$24.45 million for local roads.

NZTA has announced an indicative allocation of \$22.95 million for local roads. While this is \$1.51 million (6%) below the requested amount it is a \$10.08 million (78%) increase in funding compared to the current 2021-24 programme. This is a significant step change in funding for Buller's local roads and will enable proactive maintenance to improve network condition and our ability to undertake network management and our bridges and structure programme.

Considering the challenging funding conditions, Buller District Council's indicative allocation is positive news. NZTA's investment in local road maintenance has increased by 37%, so the 78% increase to Buller's programme is significantly above the national average. With this increased investment council staff and contractors will be working to deliver efficiencies by better managing existing infrastructure to improve performance and deliver value for money outcomes.

NZTA has also announced \$5.5 million indicative funding for maintenance of the Karamea Highway Special Purpose Road, which remains 100% funded by NZTA. While this is an increase from the current 2021-24 programme, it is substantially less than Buller District Council requested, and council staff are working with the NZTA Investment Advisors to understand why.

This is just part of the total programme Buller District Council has requested funding for. Yet to be announced NLTP Activity Classes include Walking and Cycling, Low-Cost Low-Risk capital projects,

and Road Safety Promotion initiatives. NZTA will release indicative allocations over the coming months with final budgets announced in late August.

Below is a summary of NZTA's indicative allocations for 2024-27 and a comparison with the 2021-24 period:

<b>Activity class</b>	<b>2024-27 indicative NLTP funding</b>	<b>2021-24 previous NLTP funding</b>	<b>2024-27 compared to 2021-24 (%)</b>
<b>Local Roads</b>			
Pothole Prevention	\$10,890,000	\$6,770,000	+61%
Operations	\$9,239,000	\$4,890,000	+89%
Bridge & Structure Renewals	\$2,650,000	\$1,050,000	+152%
Public Transport Services	\$170,000	\$156,000	+9%
<b>Total Local Roads</b>	<b>\$22,949,000</b>	<b>\$12,866,000</b>	<b>+78%</b>
<b>Special Purpose Road</b>			
Pothole Prevention	\$1,852,000	\$2,330,000	-21%
Operations	\$2,325,000	\$1,081,000	+115%
Bridge & Structure Renewals	\$1,323,000	\$840,000	+58%
<b>Total Special Purpose Road</b>	<b>\$5,500,000</b>	<b>\$4,251,000</b>	<b>+29%</b>

**-ENDS-**

**For further information please contact:**

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