

Consultation Document for the Draft Long Term Plan

Photo credit: Donna Neame

A summary of Buller District Council's 2021-2031 Draft Long Term Plan

Message from the Mayor and Chief Executive Officer

Every three-years you, the community of Buller District, are invited to tell your elected Councillors what your vision is for the district for the next 10-years.

The reality is we will never be able to deliver everything on the wish list and keep rates at a reasonable level. Therefore, we need your help to identify the priorities.

The challenges we face include climate change; the implications of Covid-19; ever increasing needs, demands, and expectations in relation to information technology and management; and the well-being of our community.

We are asking you - are the priorities that have been presented in the draft Long Term Plan still a focus in the community?

It is an incredible responsibility to plan for the social, cultural, environmental, and economic future of the whole Buller District. Council must have the ability to make tough decisions between competing priorities, juggle limited resources, maintain focus on the 'big picture' and act for the good of the whole district. To achieve this complex task the Councillors must have a clear direction.

This is why the Long Term Plan is so important. As Buller District's overarching document, it guides everything we do as a Council, ensuring that every step we take is a step toward achieving our community's vision for the future while building on the foundations put in place through district revitalisation, and Provincial Growth Fund investment.

We thank the community for engaging with us to develop the draft plan and providing Councillors with a clear picture of priorities and aspirations for our district. It is only by working together that we can achieve our vision of 'Shaping our District' for the Buller District.

Please take the opportunity to consider what is presented in this Consultation Document which is a summary of the 2021-2031 draft Long Term Plan. Give us your feedback by making a submission. Information about how to do this is located at the back of this document.

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FINANCIAL FORECASTS

It is important to note that the financial information contained in the LTP is forecast information based on the assumptions which Council reasonably expects to occur.

About this document

He Kupu Whakataki i te Kaiwhakahaere i te Kaihautu

Buller District ratepayers and residents **Waiho i te toipoto, kua i te toiroa** - let us keep close together, not wide apart. This whakatauki speaks to the importance of keeping connected, of maintaining relationships and dialogue so that we can keep moving forward together.

This Consultation Document is a summary of Buller District Council's Long Term Plan (LTP). The LTP states the Council's vision for the Buller District, the desired Community Outcomes, the services, and activities Council will undertake to contribute to the Community Outcomes. It also provides the costs of Council providing those services and activities over the next ten-years (2021-2031).

Our Values: Community Driven | One Team | Future Focused | Integrity | We Care



Our reality, setting the scene

We must now address critical challenges facing our district including climate change, information technology and management, strategic assets such as the port, and three waters (storm, waste, and drinking).

We require major investment in nearly every aspect of our infrastructure and services.

Increases to rates charges are proposed to meet the level of investment required to meet legislative requirements and our proposed levels of service. Council is also looking to increase and diversify its income streams.

Proposed approaches include:

1. Encouraging and enabling new industry via proactive initiatives and actions that lower barriers to establishment and investment within the district.
2. Facilitating added-value opportunities to future-proof existing business and deliver better margins and returns through encouraging mature industries to identify opportunities for productivity improvements, higher value processing, or new products and services.
3. Continuing support for the tourism industry and specific initiatives such as the Pounamu Pathway and other recreational, environmental, or cultural initiatives through advocacy, advice, or other forms of support.
4. Advocating to central government and facilitating the process to enable low value conservation land to be used for higher value purposes, as well as optimising the use of stewardship land.
5. Working cohesively with central government, Ministry for the Environment, mana whenua, other Councils, and regional development organisations to collectively drive innovation and growth for prosperity, including identifying emerging industry sectors that would be suited to the West Coast regional environment.

In this consultation document we are presenting to you the open and transparent view of our reality, and the proposed options to address the challenges we face.

We realise rates increases is a difficult conversation to have. In creating this plan, we have trimmed every possible expense to present pragmatic solutions to the challenges the district faces.

We invite you to become informed about the challenges we are presented with and provide us with your feedback.

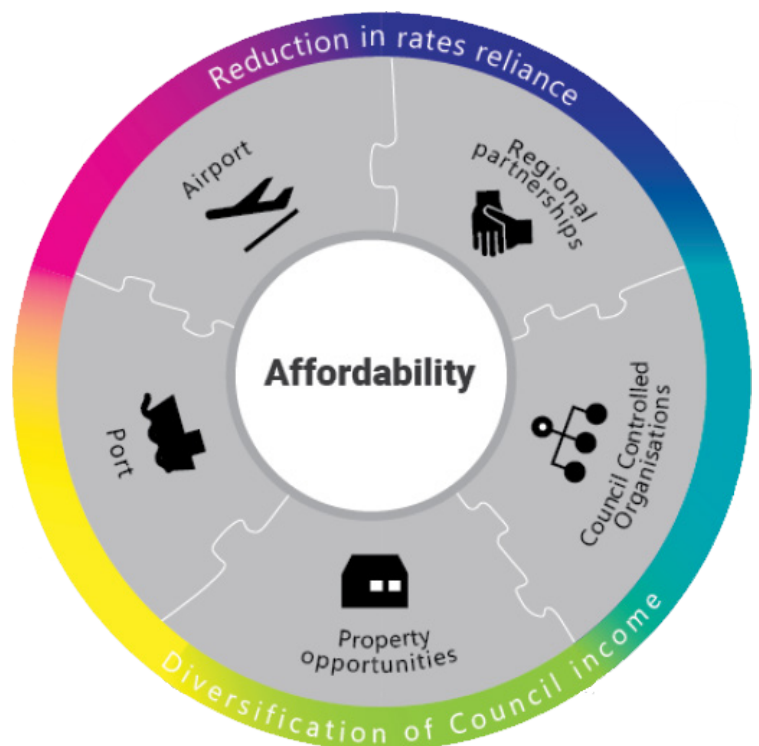
Setting the scene

Stretching from Punakaiki in the south to Karamea in the north, and inland as far as Springs Junction, the Buller/Kawatiri District is home to a population of around 9,600 (*source: statistics.govt.nz*).

Like most areas in provincial Aotearoa/New Zealand, Buller District's population is showing the effects of post-World War II baby boom with an increasing number of residents who are 65+ years.

Buller's population is forecast to be relatively stable over the coming decade holding around the current level.

Over the long term, minimal employment growth in Buller is expected (*source: Infometrics January 2021*). This is underpinned by an assumption that higher carbon prices, stronger freshwater regulation, and ongoing decarbonisation will adversely affect Buller's primary sector. Furthermore, an easing population reduces demand for services and adversely affects employment.



Developing Community Outcomes

Community Outcomes

The desired Community Outcomes have been formulated through community engagement across the Buller District and input from Councillors and Iwi. They indicate how Council plans to promote community well-being through social, cultural, economic, and environmental indicators.

This plan outlines the community's expectations and shows how Council, with the help of the community and other organisations, will work together to achieve community well-being, as required in the Local Government Act 2002, in relation to the desired Community Outcomes.



Long Term Plan development process








Community Outcomes

The Community Outcomes and this plan have been significantly influenced by community visioning processes with input from Councillors, Ngāti Waewae, and Council’s Senior Leadership Team.

The result was a set of five goals which are called Community Outcomes.

The Community Outcomes align with other Council planning documents (eg, Annual Plan and economic development strategies) which were also established with community aspirations in mind.

<p>SOCIAL</p> 	<p>What success will look like</p> <p>Our communities are vibrant, healthy, safe and inclusive</p>	<p>Priorities and Projects</p> <ul style="list-style-type: none"> ■ Support the implementation of the West Coast Disability Strategy ■ Maintain a strategic overview of community wellbeing through community monitoring, and partnering with and advocating for Non-Government Organisations ■ Support connectedness and revitalisation through the provision of grants ■ Provide quality community facilities that meet current and future needs such as theatres, libraries, and recreation and health facilities ■ Improve the district’s liveability by supporting safety and access improvements 	<p>Links to well-being indicators</p> <p>Social ✓</p> <p>Cultural ✓</p> <p>Economic ✓</p> <p>Environmental ✓</p>
<p>AFFORDABILITY</p> 	<p>What success will look like</p> <p>Our communities are supported by quality infrastructure, facilities and services that are efficient, fit-for-purpose, affordable and met our current and future needs</p>	<p>Priorities and Projects</p> <ul style="list-style-type: none"> ■ Grow Council’s revenue streams to reduce rates dependence ■ Achieve rates equity through targeted rates ■ Develop partnerships or enable solutions that increase affordability 	<p>Links to well-being indicators</p> <p>Social ✓</p> <p>Cultural ✓</p> <p>Economic ✓</p> <p>Environmental ✓</p>
<p>PROSPERITY</p> 	<p>What success will look like</p> <p>Our district is supported by quality technology and an innovative and diverse economy that creates opportunities for self-sufficiency, sustainable growth and employment</p>	<p>Priorities and Projects</p> <ul style="list-style-type: none"> ■ Improve connectedness in infrastructure and partnerships ■ Support district revitalisation to engender pride and a better future ■ Provide support and advocate for key existing industries as well as new industries and innovations 	<p>Links to well-being indicators</p> <p>Social ✓</p> <p>Cultural ✓</p> <p>Economic ✓</p> <p>Environmental ✓</p>
<p>CULTURE</p> 	<p>What success will look like</p> <p>Our lifestyle is treasured, our strong community spirit is nurtured, and our inclusive and caring communities understand our whakapapa and heritage and support lifelong learning</p>	<p>Priorities and Projects</p> <ul style="list-style-type: none"> ■ Partnerships and support iwi aspirations ■ Youth ■ Support for, and partnerships with, all community groups 	<p>Links to well-being indicators</p> <p>Social ✓</p> <p>Cultural ✓</p> <p>Economic ✓</p> <p>Environmental ✓</p>
<p>ENVIRONMENT</p> 	<p>What success will look like</p> <p>Our distinctive environment and natural resources are healthy and valued</p>	<p>Priorities and Projects</p> <ul style="list-style-type: none"> ■ Drive for a balance between development, biodiversity, and sustainability ■ Develop strategies for climate change and natural hazard preparedness ■ Improve waste management approaches ■ Promote and advocate for Te Mana o te Wai 	<p>Links to well-being indicators</p> <p>Social ✓</p> <p>Cultural ✓</p> <p>Economic ✓</p> <p>Environmental ✓</p>

We are consulting on...

Information Management - Building and capacity

In recent years Council has transitioned from a purely physical paper-based records and information management system to a hybrid model of physical and digital records and information repositories. Unfortunately, an appropriate management system has not been put in place for our digital records, and information is largely unmanaged. This situation creates a risk for the organisation and as a result is identified as a strategic risk for Council.

The Ombudsman's Office completed a review of Council's Local Government Official Information and Meetings Act (LGOIMA) practices in 2020. Council was delighted not to receive any formal recommendations out of the review. However, the Ombudsman has been clear that our information management system requires updating and modernising. This is because our current system does not necessarily capture and store information in a way which meets legislative requirements.

Updating these systems will also mean that we can be more responsive when you ask for information from us. Having well managed and easily accessible digital information will mean that we can respond to requests for information faster and with greater accuracy, making us more efficient and improving the level of service we provide.

In our LTP pre-engagement you told us it is important that our community is supported by quality infrastructure and services that are efficient and fit for purpose to meet current and future needs. We have responded in the draft LTP by prioritising investment in a modern, fit for purpose information management system that will address our legal compliance risk and better enable us to meet the information needs of our community.

'You told us you want quality infrastructure, facilities, and services that meet current and future needs'

THE OPTIONS

To be legally compliant, and to provide a service that meets current needs and expectations, we have to:

- Develop an information strategy and protocols which meet legislative standards and requirements, and
- Install and implement information management software which interfaces with our current MagiQ enterprise system.

Our preferred option is to complete the above and digitise our existing paper records. This option will reduce the current strategic risk and provide a greater level of service than the alternative. To complete this work additional staff resource will be required, both permanent and for project implementation. The initial cost outlay over 18-months will be \$188,000 in year one, increasing to \$234,000 for outgoing years. The capital has been funded by depreciation costs to reduce the impact of the project on the ratepayer.

The alternative is to complete the above but to not digitise our existing paper records, and to use a part time resource to manage the project and process. The concern with this approach is the project and ongoing processes will be under-resourced, and the implementation of the software could be fraught and problematic leaving our information management in a worse position. The strategic risk will remain high with this approach and there will be limited or no improvement in our level of service. The initial cost and outlay for this option will be approx. \$115,000.

We would like to know if you support our preferred option to adequately resource this project and include digitisation, reducing the compliance risk, creating a modern and fit for purpose system that will meet needs now and into the future, and enabling us to provide a much better service to the community.

OPTION 1

Full approach to information management implementation including digitising all paper data and records

Advantages

- Transitioning to an information management system and digitising the paper records benefits democracy, because information is easier to access and share.
- More timely search and release of information, such as LGOIMA requests.
- Reduces time searching manual records, increases productivity of staff.

Disadvantages

- Slightly higher cost to implement due to costs required to digitise physical records.
- It may take significant time to digitise all of the backlog of records.

Impact on Council's level of debt

- Council would not need to raise a loan to pay for the capital cost of this project, instead term deposits are used (this is a transfer from depreciation reserves).

Impact on Council's level of service

- This project will improve Council's level of service because of more timely searches and release of information.

Costs

Full implementation	\$000s
Total implementation cost	542
Ongoing operational costs	2,125
*Total rates impact (year 1) - increase	1.25%
*Total rates impact (10-years) - increase	14.14%

*based on 2020/2021 rate base

OPTION 2

Implement a partial information management system and not digitise the paper records

Advantages

- Transitioning to an information management system benefits democracy, because information is easier to access and share.
- More timely search and release of information, such as LGOIMA requests for those records held in the system.
- Reduces time searching manual records, increases productivity of staff.

Disadvantages

- Continuing with manual systems means some data may be missed from searches, or incomplete.
- Difficulty meeting legislative requirements to release information, efficiencies for staff time would not be as great.

Impact on Council's level of debt

- Council would not need to raise a loan to pay for the capital cost of this project, instead term deposits are used (this is a transfer from depreciation reserves).

Impact on Council's level of service

- This project will give some improvements to Council's level of service because of more timely searches and release of information, but historical records would still require more time to be accessed.

Costs

Complete year-1	\$000s
Total implementation cost	542
Ongoing operational costs	1,845
*Total rates impact (year 1) - increase	1.08%
*Total rates impact (10-years) - increase	12.28%

*based on 2020/2021 rate base

We are consulting on...

Climate Change - Resilience and environmental sustainability

Climate change resilience is a key issue for low lying coastal areas in the Buller. Coastal communities face an increasing burden and currently there is a mismatch between the scale of our adaption challenge and the resources available to address it. Low lying coastal areas as well as high rainfall, means Buller has potential for greater climate change risks.

Environmental sustainability touches on almost everything we do. A key challenge is understanding where we are currently at as a district and planning how we will meet carbon zero requirements. The community's ongoing ability to respond and adapt to change in a way that avoids or limits adverse consequences will be a key part of this.

Addressing the challenges of climate change resilience and environmental sustainability requires a focus by Council that has not previously been prioritised.

Through our LTP engagement activities you told us to prioritise investment into climate change resilience and environmental sustainability. We have responded in this LTP by prioritising a stepped approach across a number of years to build up a strategy to address this challenge.

OPTION 1

A staged approach to develop a strategic plan, with ongoing monitoring costs

Advantages

- A staged approach spreads the cost (and rates increase) across the next four-years.
- Provides information for better decision making in the future.
- Allows for a strategic approach to Councils' response and responsibilities.

Disadvantages

- Delays the development of the strategic plan.
- It may cost more to spread the cost than having the cost up front in the long run.

Impact on Council's level of debt

- Council would not need to raise a loan to pay for the project costs. These costs would be funded by rates.

Impact on Council's level of service

- There would be no direct improvement in the level of service provided by Council from the development of a Strategic Plan, but there would be improvements in Council's level of service when the plan is implemented in future years decision-making.

Costs

Staged	\$000s
Strategy Development	315
Ongoing operational costs	218
*Total rates impact (year-1) - increase	0.27%
*Total rates impact (10-years) - increase	3.55%

*based on 2020/2021 rate base

'You told us we should prioritise climate change resilience and environmental sustainability'

THE OPTIONS

Council proposes adopting a research-based approach to develop a climate change action plan for Buller. This will be informed by a risk assessment based on the National Climate Change Risk Assessment Framework.

Under this proposal Council would lead the community in developing an action plan, and through well researched options develop various mitigation and supportive strategies.

Our preferred option is to take a stepped approach, carrying out this work over the life of this LTP. This aims to reach a balance between giving this work the priority it needs and enabling it to start immediately, while keeping it affordable by spreading the costs over a number of years. The nature and scale of this work means it is realistically a multi-year project, and we think this approach is appropriate. \$40,000 has been budgeted in year-one, \$61,000 in year-two and \$104,000 in year-three, \$106,000 in year-four, ending in year-five at \$108,000. This then reduces to ongoing monitoring costs only.

The alternative is to carry out this work over a shorter timeframe. While this would see the work completed sooner it would require a significantly greater investment in the early years of this LTP. This is not our preferred option because it would place additional financial hardship on the community with the costs impacting over a much smaller timeframe.

Maintaining the status quo, with no specific resources or plan to address this challenge, is not considered to be an option given the changed legislative environment we are now operating in.

We would like to know if you support our preferred option to take a stepped approach to developing our climate change action plan and strategies, spreading the cost over a longer timeframe to reduce the impact felt by ratepayers.

OPTION 2

Immediately develop a strategic plan, with ongoing monitoring costs

Advantages

- An immediate project may cost less if done up front.
- Provides more timely information for more immediate decision making.

Disadvantages

- Costs more for ratepayers in year-one of the Long Term Plan.
- May not allow for as much time to gather key data, therefore resulting in less effective decision making.

Impact on Council's level of debt

- Council would not need to raise a loan to pay for the project costs. These costs would be funded by rates.

Impact on Council's level of service

- There would be no direct improvement in the level of service provided by Council from the development of a Strategic Plan, but there would be improvements in Council's level of service when the plan is implemented in future years decision-making.

Costs

Complete year-1	\$000s
Strategy Development	360
Ongoing operational costs	218
*Total rates impact (year-1) - increase	2.53%
*Total rates impact (10-years) - increase	3.84%

*based on 2020/2021 rate base

We are consulting on...

Westport Port and Kawatiri Dredge

The Westport Port is a strategically important asset that can create natural disaster and commercial resilience and enable economic growth and prosperity with the effective execution of a sound strategy.

Westport Port and the Kawatiri Dredge require a strategic approach to stem operational losses, and enable dredging services to be sustainable and enable future growth.

In our LTP pre-engagement phase you told us that Buller having a diverse economy to ensure economic prosperity was important to you and should be our priority. We have responded in this LTP by prioritising a strategy to enable the port and dredge to be self-funding and contribute back to the district.

Three options are considered: ring-fence the port, Council cost centre; or consider a special purpose governance structure for the Kawatiri Dredge.

A special purpose governance structure could be introduced to support the port being run as a commercial activity. The structure of this

is not yet known, it may reduce the ownership and control that Council has over the activity. If this was proposed, it is expected there would be more consultation with the community.

In the three options below, it is assumed that \$25.2m of revenue is received throughout the 10-years of the plan.

This revenue is for dredging the Westport harbour, which would be required for a large commercial operator to ship out of the port.

If the large commercial operation did not proceed, then council would not need receive this revenue, nor would it need to spend \$17.1m in costs.

If this were the case, Council would have the option of using the dredge for out-port dredging (as has been done in the past few years) or it may consider alternatives such as selling the Kawatiri Dredge.

It should be noted, that the port has some fixed costs of operation whether or not the Kawatiri Dredge is operational.

These costs would need to be met by other port revenues if the dredge Kawatiri was not contributing any surplus to the port activities.

Council will assess the port operations on an annual basis and decide if the port and Kawatiri dredging is a viable operation. If the profitability of the Port is not in line with assumptions, the decision will be made by Council if this operation should continue.

'You told us we should prioritise socio-economic prosperity'

THE OPTIONS

In the 2020/2021 Annual Plan, the community funded \$83,235 towards the Westport Port and Kawatiri Dredge. This was set to increase substantially with the current estimates in the initial years of this LTP. Council's preferred option is to ring-fence the port and challenge the asset to be self-funding. This would mean that no ratepayer funding goes towards the port and dredge, so the operation will need to bring in sufficient income to meet its costs. This may mean ongoing discussions between Council and external parties about commitments/agreements in generating additional revenue. The alternative is for ratepayer funding to continue to subsidise the port operation.

We would like to know if you support our preferred option to ring-fence the port, reducing ratepayers input while the port works towards becoming commercially viable.

OPTION 1

Ring-fence the port

Advantages

- Removes reliance on rates to fund this activity.
- Eliminates variable rates increases or reductions which may be required from year to year resulting from changes in the surpluses or losses.
- Allows for a more strategic approach to the management of Westport Port and dredge.

Disadvantages

- Council will need to fund cash shortfalls if the activity is not as profitable as expected over the life of the plan.
- If not run as a separate entity with an independent corporate structure, the legal status does not limit the obligations of the operation on Council.

Impact on Council's level of debt

- Council would need to raise a loan of \$1.8m to pay for the Port and Kawatiri dredge.

Impact on Council's level of service

- This would not impact Council's level of service.

Costs

Ring-fenced	\$000s
Cost to the ratepayer	Nil
Additional debt	1,800
*Rates impact	Nil

*based on 2020/2021 rate base

Ring-fencing the port would result in all harbour activities including the port and dredging activities being separate from all other Council activities over the term of the plan.

This means that all funding, expenditure, surpluses and deficits for the Westport Harbour and dredging activity transfer to a separate reserve and are not ratepayer funded.

Council will assess the port operations on an annual basis and decide if the port and Kawatiri dredging is a viable operation. If the profitability of the Port is not in line with assumptions, the decision will be made by Council if this operation should continue.

OPTION 2

Operate as a Council cost centre

Advantages

- The predicted surpluses or losses flow directly into the rate requirements, so ratepayers incur the cost or benefit of more, or less rates each year.
- Less administration cost and time is required.

Disadvantages

- The effect of funding requirements may lead to fluctuations in rates requirements from year to year, rates are sensitive to the level of profit movements which could be expected in this activity.
- If not run as a separate entity with an independent corporate structure, the legal status does not limit the obligations of the operation on Council.
- Initially it is expected the Port and Dredge Kawatiri will make a loss and it will take four years until this loss is recovered and the Port is profitable.

Impact on Council's level of debt

- Council would need to raise a loan of \$1.8m to pay for the Port and Kawatiri Dredge.

Impact on Council's level of service

- This would not impact Council's level of service.

Costs

Council cost centre	\$000s
Net benefit to the ratepayer (10-years)	1,627
Cost to the ratepayer (year-1)	525
Additional debt	1,800
*Total rates impact (year 1) - increase	3.63%
*Total rates impact (10-years) - reduction	10.83%

*based on 2020/2021 rate base

OPTION 3

Consider special purpose governance structure for the Kawatiri Dredge

Advantages

- The business would be supported by its own separate governance structure and run based on a commercial model.
- May be able to introduce external investors which reduces risk to Council over the long term.
- It may be easier to attract port and dredging specialists to governance and management roles which may in turn support greater financial returns from the operations.

Disadvantages

- Council would experience a loss in the level of control if partially divested to other investors.
- There may be additional costs to support governance structures. This is estimated to be \$1.088m over the 10-years included in the LTP.
- Distributions or shares of surpluses would be divided amongst all owners.

Impact on Council's level of debt

- Council would need to raise a loan of \$1.8m to pay for the Port and Kawatiri Dredge.

Impact on Council's level of service

- This would not impact Council's level of service.

Costs

Special purpose governance structure	\$000s
Cost to the ratepayer	Nil
Additional debt	1,800
*Rates impact	Nil

*based on 2020/2021 rate base

Please note this option is only for the Kawatiri Dredge, not the whole of Port operations.

What else is happening

Karamea Special Purpose Road (SPR)

There are many challenges related to managing the Karamea Highway which has the status of Special Purpose Road (SPR). Currently the highway is 100% funded by Waka Kotahi New Zealand Transport Authority (NZTA). Council has been working with NZTA on a transition plan to put the Karamea Highway under Council management with the status of Local Road (LR).

Waka Kotahi NZTA has said that from 1 July 2024 SPRs will revert back to normal FAR. No agreement has been reached between Waka Kotahi NZTA and Council for a change to Local Road status, nor has Council accepted responsibility for funding the highway following any transition. As such, while the forward work programme and financial assessment have been mindful of a potential change in SPR status to LR status beyond 30 June 2024, no final decision has been made by Council. The draft 2021-2031 LTP has been developed on the premise that the Karamea Highway will remain 100% funded by Waka Kotahi NZTA during the lifespan of this LTP. Council would need to revise capital and operational expenditure if we were not to receive the same level of funding. The difference in SPR (100%) and LR (72%) FAR rates equates to \$3.04m across the remaining 7-years of the plan. It is likely Council would not be able to afford the same level of service. Any other approach in the future will have major financial impact on Buller District Council and ratepayers.



Photo credit: Richard Rossiter

About the highway

Corduroy construction, which included using organic materials such as trees, brush, and soil, to build the foundations. Decomposition over time has caused instability, which together with slips and washouts due to the natural terrain, leads to what has been described as significant risk and safety concern, as well as high repair and maintenance costs.

Karamea Highway is the only road access north of Mokihinui and services a population of approximately 700 people.

There is no commercial access to the region by sea and the airport at Karamea is limited to small charter flights with a maximum of 12 seats.

Records indicated that approximately 240 vehicles use the highway daily, of which, approximately 60 people from Karamea Township stated that they commute in or out using Karamea Highway daily.

The Karamea Highway provides access to the Heaphy Track and Oparara Arches which are major tourist attractions for this area.

Costs of emergency works are highly variable and unpredictable.

Locations requiring emergency works in the past have been around the Karamea Bluff section. There is little correlation between slips, slumps, and locations of corduroy pavement.

The route from Little Wanganui to the Heaphy Track access is reasonably stable.

Three Waters Reform Programme

Safe drinking water for all New Zealanders and visitors is a reasonable expectation, and high-performing drinking water, wastewater, and stormwater services are essential for the protection of public health and the health of the environment. Recognising this vital importance, the government agreed to create a new water services regulator to administer and enforce the new drinking water regulatory system, while contributing to improved environmental outcomes from wastewater and stormwater networks. This new regulator is known as Taumata Arowai.

In July 2020, on the back of the establishment of Taumata Arowai, the government launched the Three Waters Reform Programme – a three-year programme to change the way Councils manage and deliver drinking water, wastewater, and stormwater services. These reforms will represent not only a significant change to the way water services are delivered, but also a significant change to the scope and function of local government.

The government's starting intention is to reform local government's three waters services into a small number of multi-regional entities with a bottom line of public ownership. Through collaboration and significant efficiency gains, costs to ratepayers across New Zealand will be reduced.

The reform programme is being progressed through a voluntary, partnership-based approach with the local government sector, alongside iwi/Māori as the Crown's treaty partner and in acknowledgement of the significant interest iwi have in te mana o te wai.

In August 2020, Council opted in to the reform by signing a Memorandum of Understanding (MOU) with central government. Under the MOU, Council agreed to work with central government to consider what the water service delivery entity may look like and how it would work. By signing the MOU, Council is saying that we are willing to share information on our water network and services with neighbouring Councils and central government and that we are open to having discussions about how we might be able to work together in the future.

In addition, by signing the MOU, Council received \$4.54m stimulus and reform funding to be used to invest in critical water infrastructure and services and stimulate the local economy. This funding was received for the upgrades to Westport trunk main and Punakaiki trunk main.

It is important to note that signing the stage one MOU does not commit us to anything more than that. While signing the MOU sees us participating in the early stages of the reform process, it does not commit us to changing the way we currently deliver three water services, either now or in the future. Council has planned on the basis that services will continue to be provided by the Council for the entire period of the LTP.

Late in 2021, before Council makes any decision on whether to progress to the second stage of the central government's water reforms, we will engage fully with iwi to ensure we maintain our commitment to an authentic treaty-based relationship with mana whenua.

Similarly, we will engage with our wider communities and with territorial authorities across the South Island to establish an understanding of what opportunities and benefits any potential future commitment might realise. Regardless of the entity that provides the services, whether Council delivers them or not, our communities will still need the three waters services, and these will continue to be reflected in the Financial Strategy.

Following consultation, should Council decide to participate in the reform, that decision will likely be given effect to at some point in the 2023/2024 financial year.

Further information on the Three Waters Reform Programme can be accessed at <https://www.dia.govt.nz/Three-Waters-Reform-Programme>.

What else is happening

Impacts of Covid-19

We've thought carefully about the impact of the Covid-19 pandemic on Buller District. Council's plans to contribute to the recovery from the social and economic disruption of Covid-19 include linking key infrastructure projects, employment opportunities, and business development with funding opportunities provided through central government, strengthening partnerships, and advocating on behalf of the district.

We've considered the impact of Covid-19 in our 2021-2031 draft LTP key assumptions. It is assumed that there are no significant Covid-19 restrictions that prevent Council from carrying out its primary functions, or that any effects from Covid-19 do not add any significant costs to Council's operations.



Photo credit: Richard Rossiter

District revitalisation

At the beginning of 2020, Council facilitated a series of community engagement workshops with people from a diverse range of groups across the district. The aim of these workshops was to establish our district's shared visions for our future. As we set about building this shared vision, you told us you want to live in integrated and connected communities where we celebrate our culture and diverse histories; you said you want to see our local economy diversified and thriving; you want our towns and places to be supported by strong infrastructure; and you wish for clean water and for our natural environment to be valued and protected.

Through the community engagement process, you helped us build our overall long-term vision and refine our Community Outcomes, and you identified our district's key opportunities for special focus in the Long Term Plan.

One message that remained consistent across all community engagement groups was the desire to see our communities revitalised, renewed, and invigorated.

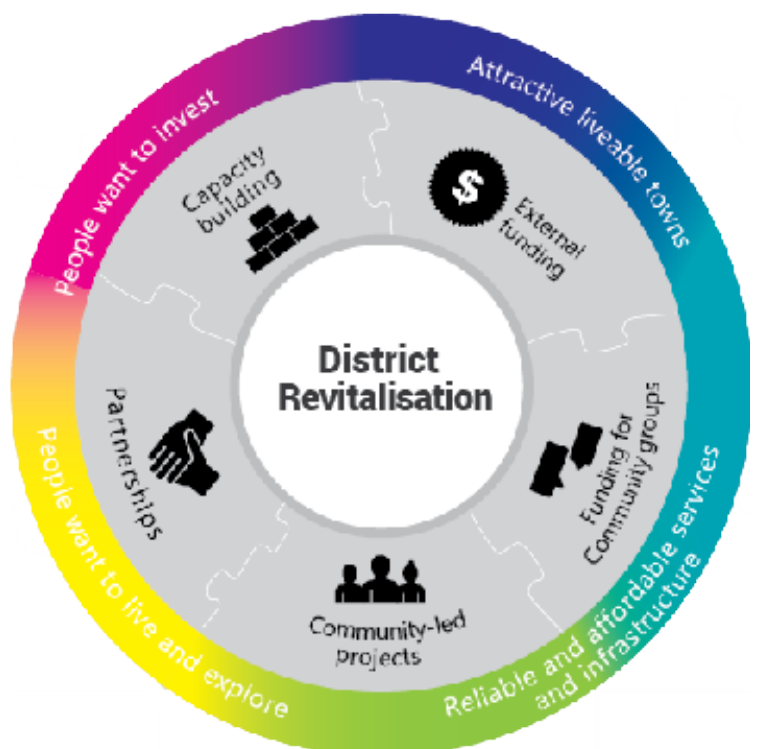
You told us that you want Council to continue to invest in, and lead our district through, revitalisation projects that will create attractive, liveable towns and places, and a district in which people want to live, explore, and invest.

Council has listened to, and shares, your vision for the future. This means that you will see more revitalisation work across the district over the coming decade.

Council will continue to provide grants to fund community-led revitalisation projects. These projects will support our community groups, facilitate community connectedness, and contribute to building places that have energy and are attractive and liveable.

We will identify and pursue central government funding opportunities that will bring investment into our district, develop jobs and training opportunities (especially for our youth), support social equity, inclusion, and connectedness, and make our places more liveable.

Finally, through focusing effort on working collaboratively and in partnership with iwi, and through building local and regional capabilities and alliances, we will deliver environmental, recreational, and socio-economic benefit across all our communities.



Infrastructure Strategy summary

Council's vision for the district is based on the five Community Outcomes which are detailed on page 3.

The district faces several infrastructure challenges over the coming years. These include managing the effects of natural hazards and climate change, maintaining a safe and secure water supply network, and replacing and upgrading our infrastructure to ensure it is efficient, cost effective, fulfills all our legislative requirements, and does not adversely affect the natural environment in which we all live.

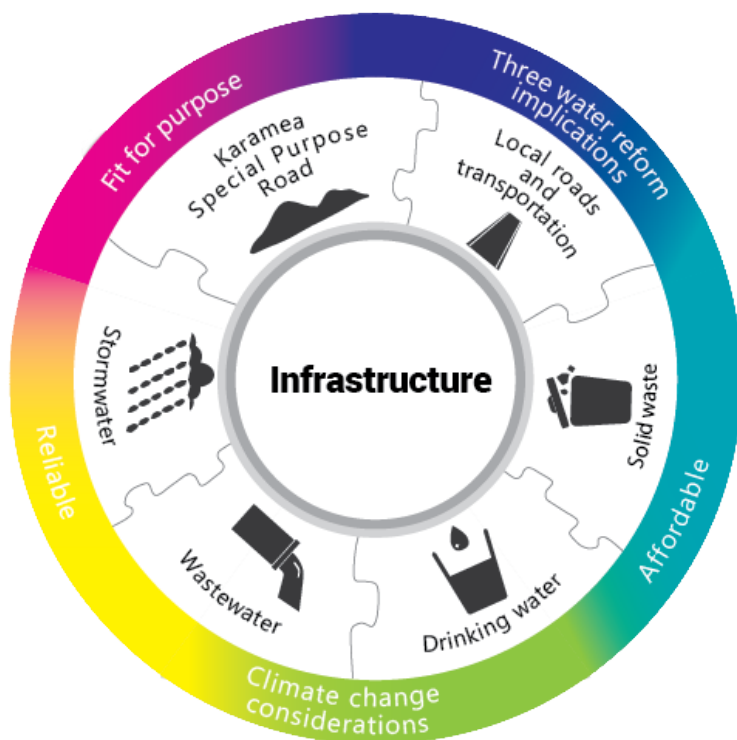
Eliminating all the risks the challenges present is simply unaffordable for the community, given Council's high level of rates reliance and the district's small rate payer base. As such, we have worked hard to deliver an Infrastructure Strategy (IS) that represents value for our communities.

The IS is based on several significant assumptions and uncertainties that have associated risks. Key amongst these is the potential impact of changes to anticipated central government funding for infrastructure maintenance and upgrade activities, unforeseen shifts in district demographics, and the occurrence of impacts related to natural disasters, including those associated with the Covid-19 pandemic and climate change-associated events.

Based on current information, climate change means that much of Buller is going to get warmer, wetter, and windier. Over the coming decades, NIWA's likely scenario includes greater frequency and intensity storm events, including higher intensity rainfall, leading to changes in storm surge, and wave height, and thus more frequent or higher magnitude coastal flooding outcomes, as well as changes in fluvial flooding. Additionally, sea level is expected to keep rising for at least several centuries posing an ongoing challenge for us and future generations to create more sustainable coastal communities.

Building, operating, and maintaining Council's infrastructure assets in an affordable manner considering the above assumptions and risks is becoming increasingly difficult. Additional strategic considerations come from Three Water Reform and Taumata Arowai, mitigating and adapting to climate change, Zero Carbon Act requirements and implementation and other changes to government priorities and the legislative environment, environmental impacts and sustainability, infrastructure aging and resilience, economic shifts affecting affordability, and changes in technologies and major industries operating within the district.

In response to the risks and strategic considerations identified above, Council has developed its 30-year IS against the framework of the five Community Outcomes it is seeking to achieve for the communities it serves. Council is aware of the role of infrastructure in providing the basic needs of residents and underpinning economic activity and is aware this must always be delivered with affordability as central to the strategy.



Key aspects of the IS include utilising a long term, lifecycle approach to asset management and the use of prudent decision making regarding further development of networks and maintenance and renewal of existing assets; the use of a procurement system which is based on providing fair payment for the delivery of services; assuming a more sophisticated approach to how Council thinks about resilience, beyond a narrow focus on shock events or infrastructure failure towards the consideration of interdependencies, levels of services and community preparedness; and making its decisions based on evidence and improving its data collection and analysis methods to support this approach.

In short, decisions made by Council now must consider the costs and benefits for future generations as well as the current generation.

Specific significant strategic issues to this strategy that Council will address include, how to maintain the affordability of its infrastructure assets to its ratepayers whilst achieving asset renewal and compliance under coming legislative reform, and how to prepare for and protect our communities against climate change.

Key questions that Council has sought to answer, and will continue to work on, include:

- Is the district's infrastructure sized correctly, fit-for-purpose, reliable and affordable?
- What are the climate change implications for the district's infrastructure?
- What savings can be made whilst still maintaining assets in a sustainable manner?
- What are we doing about central government's Three Waters Reform?
- What are we doing about the Karamea Special Purpose Road (SPR)?

This IS and corresponding Asset Management Plans (AMP's) aim to address these key questions by addressing infrastructure backlog, applying new strategies ie focussing on bringing assets from poor/adequate to fair/good, and not necessarily excellent, and introducing new key performance indicators (KPIs) to measure and communicate strategic performance, with more, same, and less options being developed for the Long Term Plan with predictable cost and level of service outcomes associated with each.

Key projects have been identified across all activity groups for the 2021–2031 LTP. This IS provides details around these activity projects, explaining the issue that must be resolved and scoping the various options for resolution. Key projects include \$5.8m for bridges for the Karamea Special Purpose Road, \$1.06m for a solid waste reprocessor plant, \$2.56m for backflow prevention on the Westport water supply, \$664,000 for backflow prevention on the Reefton water supply and lesser amounts for backflow prevention on all other water supplies, \$550,000 for flood mitigation work on district-wide stormwater systems.

The total capital and operational expenditure across all activity groups for the 30-year period 2021–2051 for water supply, wastewater, stormwater, land transport and solid waste management is expected to be about \$972m.

The 30-year IS needs to be considered in the context of other Council documents and processes including the financial strategy, 2021–2031 LTP, and AMPs.

This 30-year Infrastructure Strategy is to be adopted as part of Council's 2021–2031 LTP.



Photo credit: Stewart Nimo

Financial snapshot

Financial report card for the Long Term Plan

Council kept total rates increases low over the last three years since the 2018-2028 Long Term Plan. This approach of keeping rates low is not sustainable if Council is to achieve the goals outlined in this Long Term Plan.

Main drivers of rates increases include the net impact of interest rate reductions negatively impacting Council's investment income that it uses to offset rates, as well as an enhanced NZTA roading programme and net increases in employee benefit expenses to deliver key projects such as the information management project. Compliance improvements to meet drinking water standards for Waimangaroa water and Reefton water which are currently being undertaken increasing targeted rates for these schemes. Collectively these changes plus small incremental changes in other activities results in a proposed rates increase of 6.5% for 2021/2022.

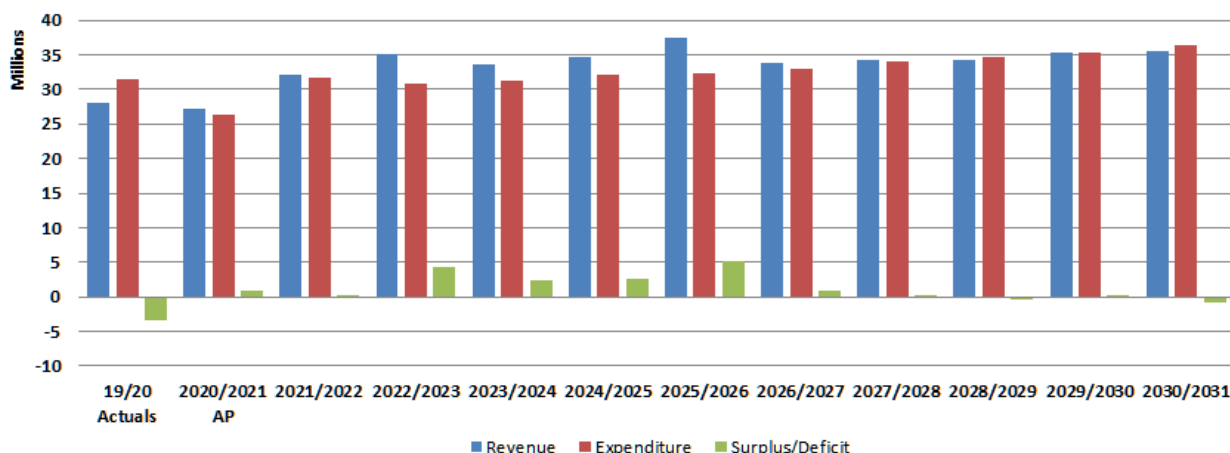
We are proposing to ring-fence the Westport Harbour activities, and have this as a standalone business unit separated from all other Council activities. This means that any annual deficits or surpluses generated from the port activities would not offset the rates requirement for the year. In the past Long Term Plan and Annual Plans the harbour activities were included in the rates calculation for Council. In the 2020/2021 Annual Plan this approach resulted in ratepayers providing funding of \$83,235. A port strategy for a vibrant and sustainable port in the future is being developed. This has been assisted by the following MBIE grants awarded in 2020: \$4m for the pontoons; \$3.3m for gravel removal and seawall repairs.

Council has reviewed all budgets and controlled its expenditure on its 'business as usual' costs well. Over the ten-year life of the Long Term Plan the total increases in rates, after taking into account inflation, is close to the movement in the Local Government cost index (a Council benchmark) over the plan which is a satisfactory result. Council does not exceed its debt affordability of \$25m net debt in this plan. Rates affordability increase benchmarks are exceeded for the first four-years in this plan. Council believes that this is appropriate given the benefits of the investment in the future that is proposed over the next 10-years of this plan.

Council runs accounting deficits in some of the latter years of this LTP. This is mainly because Council does not fully fund the depreciation expense for all activities where we have assumed assets will not be replaced or will be funded from external sources. In addition, Council is funding renewals for roading rather than depreciation, the effect of this is significant. However, overall the plan provides a balanced budget due to greater subsidies and grants for specific capital projects that are expected to be received. If subsidies for specific projects are not received then the project will not go ahead, or would be reduced to match only the Council financial contribution of the project. When this is taken into account Council has sufficient cash income to cover cash expenses over the life of this LTP.

For this plan, Council has set its revenue to cover all the actual money needed to be spent to provide the levels of service as detailed throughout the plan.

Operating revenue and expenditure



Inflation – an important input to the plan

There is an important point to take into account when considering the financial elements of the 2021-2031 Buller District Long Term Plan - inflation. All Councils are required to include the forecast cost of inflation in their Long Term Plans.

Inflation (being the rise in the general level of prices of goods and services over time) must be specified by cost type for each year of this plan. For detail on the inflation rates and cost types used in this plan please refer to the table on page 158 of the 2021-2031 draft LTP.

Buller District Council, like most other Councils in New Zealand, uses inflation forecasts provided specifically for the long term planning process by Business and Economic Research Limited (BERL), which is an independent economic research company. BERL is commissioned on behalf of Local Government New Zealand to provide sector specific inflation parameters.

The inflation figures provided by BERL would cumulatively amount to an increase in costs of around 22% over the life of this plan if the costs of services remained the same as they do in the current financial year. Put another way, ignoring the potential for efficiencies, costs are predicted

to increase by this margin in the planning period without adding any new functions, building any new assets or increasing the current levels of service.

Another important aspect of inflation is that there are many different measures of inflation depending on the sector involved. The most commonly referred to and understood is the Consumer Price Index (CPI). This largely relates to household goods and services and domestic costs. Inflation included in this plan is not the same as CPI inflation. The Council's inflation forecasts are required to include goods and services that are specific to what Councils use. The basket of inputs used by Local Government in New Zealand is referred to as the Local Government Cost Index (LGCI). The LGCI is traditionally higher than the CPI due to the higher weighting of infrastructure inputs completed by Councils.

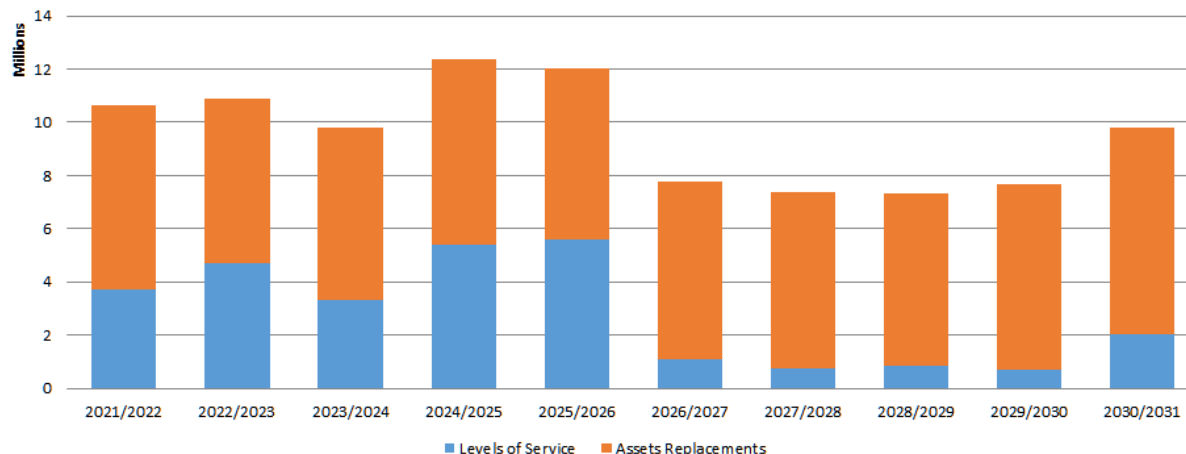
Buller District Council focuses on affordability of rates for its communities. Over the life of the plan Council has attempted to keep operating expenses down, and to provide the level of service that the community requires to a prudent level. Inflation increases the cost of the goods over time.

Financial snapshot

Overall capital expenditure

The replacement costs of assets signalled through the asset management plans, and the planned property plant and equipment purchases aggregate to a total capital works programme of \$95.7m over 10-years. Capital expenditure totalling \$28.2m (46%) is targeted at improving levels of services and \$67.5m (54%) is used to fund asset replacements.

Capital expenditure



Significant capital expenditure

Significant capital expenditure across the 10-years of the plan (a full capital expenditure schedule can be found on page 134 of the 2021-2031 draft LTP)

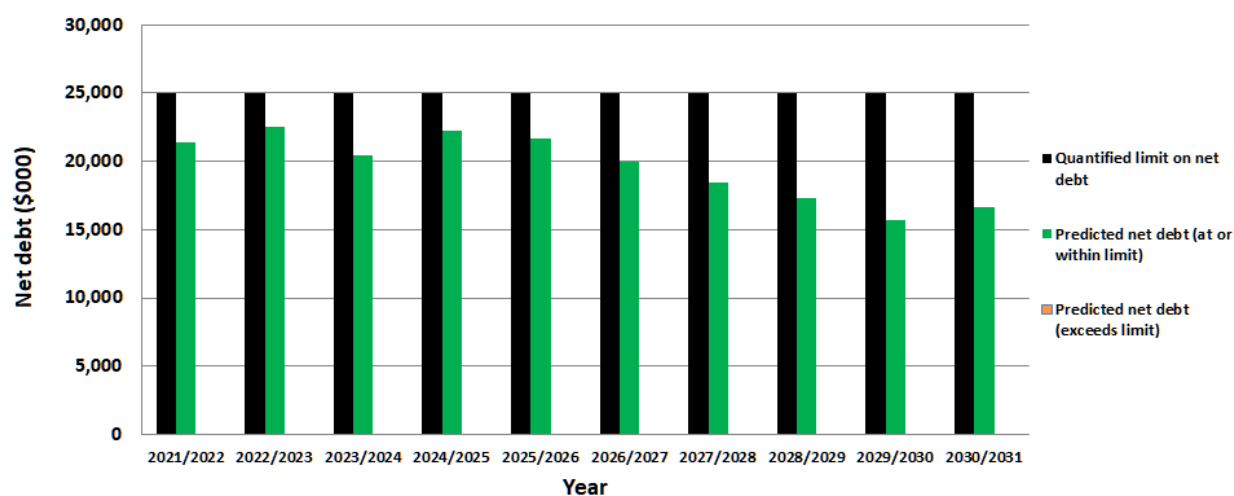
Details	Total Cost
Water	
Punakaiki water scheme upgrade and extension dependent on from central government funding	\$6.7m
Little Wanganui water supply upgrade to meet the drinking water standards	\$0.6m
Mokihinui water supply upgrade to meet the drinking water standards	\$0.4m
Mains upgrades over the 10-years of the plan	
Westport	\$3.7m
Reefton	\$0.8m
Backflow prevention rollout over the 10-years of the plan	
Westport	\$2.6m
Reefton	\$0.7m
Roading	
<i>Local roads</i>	
Renewals for the 10-years of the plan	\$21.7m
Safety improvements	\$4.6m
<i>Karamea Highway - assumes 100% NZTA funding</i>	
Renewals for the 10-years of the plan	\$4.8m
Replacement bridges at Little Wanganui	\$4.9m
Safety improvements	\$4.6m
<i>Transport</i>	
Council-led district revitalisation	\$0.9m
Sewerage	
<i>Sewerage asset replacements and upgrades for the 10-years of the plan</i>	
Westport	\$8.4m
Reefton	\$1.3m

Details	Total Cost
Stormwater	
Stormwater asset condition assessments and replacements across the 10-years of the plan	\$3.6m
Wastewater/stormwater separation	\$0.6m
Flooding mitigation works	\$0.6m
Solid waste	
Investigation into a leachate pond in Westport	\$0.3m
Implementation of a local reprocessor plant at Westport	\$1.1m
Property	
Community-led district revitalisation over the 10-years of the plan.	\$0.6m
Westport civic building upgrades	
Old Westport (Carnegie) Library seismic strengthening and refurbishment (2022/2023) - assumes 50% external funding	\$1.0m
Victoria Square main playing field ground resurfacing and drainage and development of family picnic and BBQ area (2021/2022-2023/2024)	\$0.4m
Clocktower Chambers new HVAC system (2022/2023)	\$0.3m
Brougham House decommission coal boiler and install new HVAC system (2021/2022)	\$0.4m
Sue Thompson Casey Memorial Library over the 10-years of the plan includes seismic strengthening and other building upgrades	\$1.0m
Community services	
Reefton pool resurface existing main pool, install a new hydrotherapy pool, upgrade the heating system filtration plant and pipework	\$0.5m
NBS Theatre install automatic pedestrian lighting and improve safety, and install new HVAC system	\$0.5m
Commercial infrastructure	
Westport Airport over the 10-years of the plan, includes runway reseal \$0.5m 2028/2029	\$1.2m

The financial strategy can be summarised as follows

1. Expenditure to be adequate to maintain existing services and to maintain the quality and avoid deterioration of assets and capacity. Additional expenditure will be considered if it improves resilience and reliability of Council's services delivery and meets the current and future needs of the community. This includes providing financial support to community led development opportunities and resources to address climate change that meet Council's overall strategy.
2. Manage debt and finance costs in a financially prudent manner. Council has set a net debt ceiling benchmark at \$25 million.
3. Allowing for rates increases for improvements in service delivery, core infrastructure and initiatives that may attract new economic activity in the district and support the four Local Government well being indicators. The well-being indicators are: social, economic, environmental and cultural. Rates affordability is a strong consideration for our communities. Council has set a benchmark to keep rates increases within the long-range local government cost index which is 2.2% per annum.
4. Minimise Council reliance on rates income by considering external investment opportunities and external funding options. Borrowing to facilitate these initiatives will be considered if this is consistent with Councils overall strategy.

Forecast debt



Major factors affecting the Buller District and the Financial Strategy

- The district is susceptible to cyclical fluctuations in primary industry, including mining and dairy farming and these are significant contributors to economic activity.
- Rates affordability is important given the district has an aging population. Council has a high reliance on rates income and should explore external income opportunities to off-set this.
- Council advocacy for regional development is important. This includes community and economic enablers including improved communication technology. Modern services offer potential for economic development opportunities.
- There has been an increase in property sales and value for the region. The population is expected to remain stable in the medium term.
- International tourism is expected to be subdued at least into the medium term due to the effects of Covid-19. Domestic visitors to the district has been strong and is likely to continue in the medium term. The district has advantages of natural attractions, historical features, ecological wonders and walking, climbing and mountain biking opportunities.
- Council is focused on tight cost control and will work with other West Coast Councils wherever it can to bring about service enhancement or savings through shared services.
- Council will continue to invest in core infrastructure for our communities. Infrastructure capital projects and upgrades provide the major proportion of capital expenditure proposed over this plan. This includes completing infrastructure projects to provide a satisfactory service level.
- There may be an impact of government legislation changes particularly around national water reforms for water supplies. Throughout this plan it is assumed that Council will retain the water supplies and that no transfer of these will occur. Council's infrastructure strategy has been developed in conjunction with the key aspects of this financial strategy.

Council's debt

It is crucial that debt levels are within affordable and sustainable levels. Council set its net debt cap at \$25m within the 10-year plan. We only borrow to invest in long term assets or opportunities that can increase income for Council. Council does not borrow for operating purposes.

Council has produced a plan which demonstrates sustainable external debt levels. Net debt (being gross external debt less term deposit investments) is anticipated to be at \$21.4m in 2021/2022 and is projected to be at \$16.6m in 2030/2031. Council at the same time is committed to a significant capital expenditure program totalling \$95.6m over this plan. This is to be funded from a mix of depreciation reserves, external and internal borrowings, as well as external grant funding.

Limits on rate increases

While the Council will continue to consider affordability issues when setting rate levels each year, Council is required by legislation to include a statement on quantified limits on rates increases. Limiting the increase to the rates forecasted in the Long Term Plan reflects the realities of higher local government costs ie the cost of doing Council business. It also recognises that from time to time Council will need to increase the level of service that it is providing to meet, for example, community needs and new legislative requirements. Individual properties may experience smaller or larger increases depending on movements in property values, the services that they receive and their location. Council would like to set the quantified limits on rates at the 20-year average of the Local Government Cost Index (between 2010 and 2031), which is 2.2%.

This index is based on the current range of services provided under a local government context.

What your rates fund

Here is what we are proposing every \$1 of the average rates bill is spent on.
 (* if the service is available to your property)



GOVERNANCE AND LEADERSHIP
9 CENTS



LIBRARIES
4 CENTS



COMMUNITY GRANTS AND FUNDING
1 CENT




BUILDING CONSENTING
2 CENTS



WATER SUPPLY
***16 CENTS**



COMMUNITY CENTRES, SWIMMING POOLS AND THEATRES
11 CENTS



CEMETERIES
1 CENT

OTHER COMMUNITY SERVICES
2 CENTS



OTHER REGULATORY SERVICES
2 CENTS



MANAGING EMERGENCIES
1 CENT

PARKS, RESERVES AND SPORTS FIELDS
5 CENTS



ANIMAL CONTROL
1 CENT

PROMOTION AND TOURISM
2 CENTS



PUBLIC TOILETS
2 CENTS



RUBBISH & RECYCLING
6 CENTS
 (IF COLLECTED)
 OR
2 CENTS
 (IF NOT COLLECTED)



ROADS AND URBAN DEVELOPMENT
12 CENTS



COUNCIL PROPERTIES AND BUILDINGS
1 CENT

STORMWATER
3 CENTS

DISTRICT PLANNING
3 CENTS



WASTEWATER
***15 CENTS**



WESTPORT AIRPORT
1 CENT

Rates – how they impact you

Rates assessments are made up of two types of rates, broadly speaking there are general rates and targeted rates.

General rates

Everybody pays something in the form of a general rate which is based in the first instance on the land value of your property. General rates are value based and the amount payable rises in accordance with the amount of land value. General rates are also affected by the use category defined for each property. Some categories pay at higher rates and some pay at lesser rates.

Targeted rates

Targeted rates are only payable by those properties in a certain geographical area, or those deemed to be in receipt of a particular benefit. Targeted rates can be calculated on a value basis or a uniform basis. All of Council's present targeted rates are calculated on a uniform or flat basis whereby all ratepayers irrespective of the value of their property pay the same amount.

Uniform Annual General Charge (UAGC)

There is only one target rate that is applicable to all properties and this is known as the Uniform Annual General Charge or UAGC.

The UAGC for year one of the draft Long Term Plan is \$435 (GST exclusive).

Examples of rate changes

These are a sample of some properties to demonstrate how the draft 2021-2031 Long Term Plan changes will affect rates in these areas.

2020/2021 rates are what is currently being paid, with the rates for 2021/2022 showing what your rates would be with the changes shown in the draft 2021-2031 Long Term Plan accepted.

Location	Land Value	Rates		Variation %
		2020/2021	2021/2022	
Res 101 Karamea	\$50,000	\$781.89	\$806.51	3.15%
Res 103 Little Wanganui	\$63,000	\$1,862.98	\$1,968.74	5.68%
Res 103 Mokihinui	\$57,000	\$1,199.84	\$1,239.29	3.29%
Res 103 Seddonville	\$37,000	\$805.04	\$828.45	2.91%
Res 104 Hector	\$48,000	\$1,214.47	\$1,243.10	2.36%
Res 104 Waimangaroa	\$40,000	\$1,305.89	\$1,940.25	* 48.58%
Res 106 Brougham Street	\$75,000	\$3,489.09	\$3,612.05	3.52%
Res 106 Russell Street	\$59,000	\$3,311.58	\$3,412.79	3.06%
Res 108 Carters Beach	\$85,000	\$3,280.85	\$3,381.25	3.06%
Res 113 Charleston	\$80,000	\$1,035.82	\$1,085.12	4.76%
Res 114 Punakaiki	\$170,000	\$2,637.82	\$2,808.35	6.46%
Res 101 Ikamatua	\$33,000	\$771.37	\$789.30	2.32%
Res 115 Reefton	\$36,000	\$2,296.66	\$2,453.36	6.82%
Res 101 Springs Junction	\$38,000	\$778.76	\$838.95	7.73%
Com 131 Karamea	\$95,000	\$2,500.14	\$2,698.26	7.92%
Com 134 Westport	\$180,000	\$10,637.84	\$11,674.65	9.75%
Com 140 Reefton	\$78,000	\$3,444.42	\$3,775.69	9.62%
Rur 141 Karamea	\$690,000	\$2,580.11	\$2,839.21	10.04%
Rur 143 Cape Foulwind	\$1,070,000	\$3,095.24	\$3,395.58	9.70%
Rur 141 Mai Mai	\$1,500,000	\$4,958.94	\$5,520.84	11.33%
RR 151 Karamea	\$125,000	\$1,135.29	\$1,198.08	5.53%
RR 152 Granity	\$90,000	\$1,031.15	\$1,075.37	4.29%
RR 151 Westport	\$155,000	\$1,316.24	\$1,394.62	5.96%
RR 152 Westport	\$190,000	\$1,304.64	\$1,391.67	6.67%

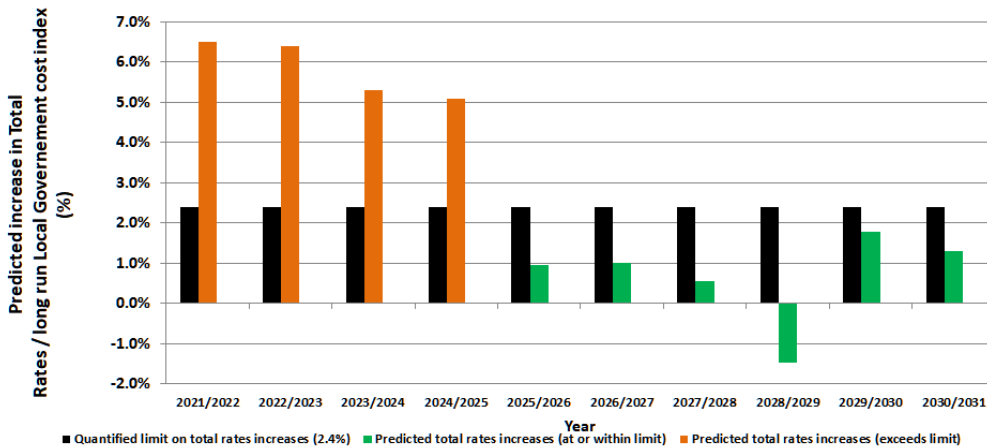
* This increase is due to an upgrade of the water system from a raw water supply to a supply that meets the drinking water standards

Other targeted rates

Water and sewerage targeted rates are increasing mainly due to drinking water supply upgrades and the financing and depreciation costs associated with these upgrades. Targeted rates are also increasing due to inflation.

Targeted Rates (rounded, GST exclusive)	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	2029/30 \$	2030/31 \$
Solid Waste										
Zone 1 Waste Management	133	137	140	142	145	148	150	153	155	158
Zone 2 (Karamea)	87	100	105	112	114	116	118	120	122	124
Zone 3 (Maruia)	158	166	220	223	226	228	231	234	236	240
Sewerage										
Westport	910	920	940	950	970	1,020	1,100	930	930	950
Reefton	610	620	630	650	750	750	750	750	750	750
Little Wanganui	700	770	850	1,200	1,500	1,600	1,600	1,800	1,800	1,800
Water Supplies										
Westport	850	875	900	975	975	975	975	975	1,005	1,045
Reefton	700	800	900	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Little Wanganui	230	230	230	230	590	590	630	650	655	670
Mokihinui	275	280	285	450	855	865	870	890	910	910
Ngakawau-Hector (administered by Council)	310	310	310	310	310	310	310	310	310	310
Waimangaroa	950	975	1,000	1,150	1,170	1,190	1,200	1,230	1,255	1,275
Punakaiki Water	925	920	930	1,600	1,800	2,100	2,250	2,300	2,400	2,500
Inangahua Junction	550	600	650	1,200	1,800	1,800	1,800	2,000	2,000	2,000
South Granity (administered by Council)	250	250	250	250	250	250	250	250	250	250

Rates reality



Rate increases over the 10-years of the 2021-2031 Long Term Plan

Policies

Supporting policies also open for consultation

A number of policies which support the Long Term Plan have been reviewed and we are consulting on them alongside the plan. The draft policies can be viewed at www.bullerdc.govt.nz/long-term-plan/.

You can have your say on these draft policies online or on the submission form. Policies under review are:

Revenue and Financing Policy

Our Revenue and Financing Policy outlines Council's approach to funding our activities. It helps us identify and distribute the costs of Council's services across the different sectors of our community that benefit from those services.

The draft policy remains essentially the same as the existing policy with the addition of a new section which explains the process undertaken to develop the policy.

This policy will be included in the 2021-2031 LTP.

Significance and Engagement Policy

The Significance and Engagement Policy sets out when and how the community can expect to be engaged in Council's decision making processes.

It provides Council with guidance on:

- assessing the significance of a proposal or decision; and
- the level of engagement or consultation with the public that is appropriate.

It also ensures that Council decision making is transparent and fair.

The draft policy is similar to the previous policy. It has some new headings and provides more clarity around the way Council determines the significance of a proposal or decision and the appropriate level of engagement.

A summary of this policy will be included in the 2021-2031 LTP.

Rates Remission Policy

The Rates Remission Policy includes a policy on remission and postponement of rates on Māori freehold land. It outlines how remissions on rates may be applied.

This policy will be included in the 2021-2031 LTP.

Development and Financial Contributions Policy

Our Development and Financial Contributions Policy outlines how the increased demand for infrastructure and community facilities which results from new subdivisions and development in the district will be recovered fairly and equitably from those who are undertaking these activities.

Whilst development contributions can be charged to developers under the Local Government Act 2002 Council has determined to continue to rely solely on the mechanism of Financial Contributions provisions set out under the Resource Management Act 1991 as it has in the past. This is in large part due to the slow growth projected in coming years and the likelihood that growth will be accommodated through subdivision rather than more intensive forms of housing such as in-fill developments. Council's policy is therefore based on the provisions for Financial Contributions in the Buller District Plan.

The draft policy provides more background on the decision to rely on Financial Contributions under the Resource Management Act 1991 than was in the existing policy. It also replicates and summarises the relevant part of the Buller District Plan.

This policy will be included in the 2021-2031 LTP.



Shaping
our district



Have your say

What do you think of the draft 2021-2031 Long Term Plan?

Our draft 2021-2031 Long Term Plan sets out the activities, priorities, and work programmes we propose to deliver over a 10-year period. It also outlines the costs and how they could be funded.

Council wants to hear what you think of our consultation document, which has been based on the draft 2021-2031 LTP.

Council's draft Long Term Plan and consultation document are available for public consideration from **Friday 16 April** with submissions being accepted until **4:30pm Tuesday 18 May**.

During the consultation period there are a number of ways you can find out more information about any aspect of this document or the full draft LTP and the consultation process being undertaken.

- Drop in sessions will be held throughout the district.
- Read the consultation document and Long Term Plan online at www.bullerdc.govt.nz.
- Consultation documents and submission forms can be collected from Council's offices and libraries in Westport and Reefton, i-Sites and Resource Centres across the district.
- You can request for the documents to be sent to you by emailing LTP@bdc.govt.nz or give us a call.
- You can complete your submission online at www.surveymonkey.com/r/21-31-LTP
- Councillors and staff will be available during the consultation period to discuss the LTP and Consultation Document. To make an appointment please phone 0800 807 239 or email LTP@bdc.govt.nz
- Councillors contact details are available at www.bullerdc.govt.nz.
- An LTP hearing will be held on 2 June 2021 for those that indicated they would like to speak to their submission.
- Verbal submissions are an opportunity to provide additional information to Councillors and add items of relevance, this is not a time for you to read your submission as by this stage, Councillors have already familiarised themselves with all written submissions.

In summary

- Submissions open Friday 16 April 2021
- Submissions close at 4:30pm Tuesday 18 May 2021
- Hearing to be held Wednesday 2 June 2021
- Final LTP to be adopted on Wednesday 30 June 2021
- The document will be in effect from Thursday 1 July 2021

Read this important information before completing a submission form

In accordance with the Local Government Act 2002, all submissions (including your name and contact details) will be made available online as part of the LTP decision-making process.

Please refer to www.bullerdc.govt.nz/privacy or contact Council for a copy of our Privacy Statement.

If you want to speak to your submission at the LTP Hearing on Wednesday 2 June, remember to indicate (tick YES) on the submission form.

So, what happens next?

- The consultation period closes at 4:30, Tuesday 18 May 2021. Written submissions must be received by the Council by that time. **No late submissions will be accepted.**
- The hearings will take place on Wednesday 2 June 2021. If you indicated you on your submission form that you wish to make a verbal submission you will be contacted with a time to speak closer to the date.
- After considering all submissions Council will make any necessary changes to the draft LTP, with the final LTP being adopted on Wednesday 30 June 2021. This document will come into effect from 1 July 2021.

Long Term Plan Hearing

A hearing to consider verbal submissions will be held on **Wednesday 2 June 2021**.

If you would like to speak to your submission at this hearing you will need to indicate (**tick yes**) on the submission form. Only those that tick yes to this question will be contacted closer to the hearing with a speaking time.



Public meetings and drop in sessions

Do you want to speak to a staff member or elected member about the draft LTP? Come along to one of these sessions:

Date	When	Format	Where
Thursday 22 April	11am-1pm	Drop-in	Waimangaroa coffee cart
Thursday 22 April	7pm	Public meeting	Westport Clocktower
Wednesday 28 April	11am-1pm	Drop-in	Punakaiki Cafe
Thursday 29 April	6pm	Public meeting	Last Resort, Karamea
Monday 3 May	9am-12pm	Drop-in	Westport Clocktower
Tuesday 4 May	6pm	Public meeting	Reefton Womens Institute
Wednesday 5 May	4pm-6pm	Drop-in	Donalds', Carters Beach
Thursday 6 May	6pm	Public meeting	Ngakawau Hall

Contact details

- **Emails are our preferred form of communication**
- **Email:** LTP@bdc.govt.nz
- **Website:** www.bullerdc.govt.nz
- **Phone:** 0800 807 239

Please contact Council with any issues you may encounter

To the reader:

Independent auditor's report on Buller District Council's consultation document for its proposed 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Buller District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 14 April 2021.

Qualified opinion

In our opinion, except for the effects of the matters described in the Basis for qualified opinion section of our report:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis for qualified opinion – Reasonableness of significant assumptions

Westport port and the Kawatiri dredge

As outlined on page 7, the Council has assumed that \$25.2 million in revenue will be received from a large commercial operator, throughout the 10 years of the plan. This revenue is needed for dredging the Westport harbour, which will be required for the operator to ship out of the port. We consider this assumption is unreasonable because there is no contract in place with the potential operator to secure this revenue.

If the large commercial operation does not proceed, the Council will not receive this revenue and the Council has signalled that no additional costs will be incurred to dredge the Westport harbour. However, fixed operational costs will continue, and these would need to be funded through other port revenues or by some other means.

Karamea special purpose road

As outlined on page 8, the Karamea highway is currently 100% funded by Waka Kotahi NZ Transport Agency (Waka Kotahi) because of its special purpose road status. The Council has assumed that Waka Kotahi will continue to fund the Karamea highway at 100% during the 10 years of the plan. We consider this assumption is unreasonable because Waka Kotahi has advised that the status of the highway will change from a special purpose road to a local road, resulting in Waka Kotahi funding only 72%, effective from the start of the 2024/25 financial year.

If the 100% funding is not received beyond the 2023/24 year, the levels of service could reduce due to the Council not being able to afford the maintenance of the road. It could also have a major impact on rates.

Punakaiki water supply scheme

As outlined on page 12, the Council plans to spend \$6.7 million to upgrade and extend its Punakaiki water supply scheme during the 2024/25 and 2025/26 financial years. In the information underlying the consultation document, the Council has assumed that the Government will fully fund the planned upgrade. We consider this assumption is unreasonable because the Government has not made any funding available.

If the upgrade proceeds and the Government funding is not received, debt funding would be required, resulting in a large rates impact for each of the 93 households in Punakaiki. If the upgrade does not proceed the levels of service will not improve.

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Emphasis of Matter – Uncertainty over three waters reforms

Without further modifying our opinion, we draw attention to the disclosure on page 8, outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council's annual report, we have carried out a limited assurance engagement related to the Council's debenture trust deed which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries.

Stephen Lucy
Audit New Zealand
On behalf of the Auditor-General, Wellington, New Zealand



BULLER
DISTRICT COUNCIL

For further information contact your elected members

Buller District Mayor

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Email: jamie.cleine@bdc.govt.nz

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Inangahua Ward

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Grant Weston

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Council/staff representative

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Acting Group Manager

Commercial and Corporate Services

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Email: krissy.trigg@bdc.govt.nz



Shaping
our **district**

Council offices and libraries

Westport Office, 6-8 Brougham Street, PO Box 21, Westport 7866

Phone (0800) 807-239 or 64 3 788-9111, Fax 64 3 788-8041

Reefton Office and Library, 66 Broadway, PO Box 75, Reefton 7851 |

Phone (0800) 808-821 or 64 3 732-8821, Fax 64 3 732-8822

Sue Thomson-Casey Memorial Library, 87-89 Palmerston Street, Westport 7825 |

Phone 64 3 788-8030, Fax 64 3 788-8147

[https://bullerdc.govt.nz/long-term-plan/
LTP@bdc.govt.nz](https://bullerdc.govt.nz/long-term-plan/LTP@bdc.govt.nz)