



AGENDA

Extraordinary Meeting of the
Buller District Council

Commencing at 4:00pm
Wednesday 10th April 2024

To be held at the
Clocktower Chambers
Palmerston Street
Westport

Also held via Zoom



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

Council

Chairperson:	Mayor
Membership:	The Mayor and all Councillors
Meeting Frequency:	Monthly – or as required
Quorum:	A majority of members (including vacancies)

Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Buller district.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
 - a) The power to set district rates.
 - b) The power to create, adopt and implement a bylaw.
 - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
 - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
 - e) The power to appoint a Chief Executive Officer.
 - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the Infrastructure Strategy.
 - g) The power to adopt a remuneration and employment policy for Chief Executive Officer.
 - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
 - i) The power to approve or amend the Council's Standing Orders.
 - j) The power to approve or amend the Code of Conduct for Elected Members.
 - k) The power to appoint and discharge members of committees.
 - l) The power to establish a joint committee with another local authority or other public body.
 - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
 - n) Health & Safety obligations and legislative requirements are met.

2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
 - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
 - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
 - c) Adoption of governance level strategies, plans and policies which advance Council's vision and strategic goals.
 - d) Approval of the Triennial Agreement.
 - e) Approval of the local governance statement required under the Local Government Act 2002.
 - f) Approval of a proposal to the Remuneration Authority for the remuneration of Members.
 - g) Approval of any changes to the nature and delegations of the Committees.

Common Delegations

The following delegations from Council are common to the Risk and Audit Committee, the Community, Environment and Services Committee and the Regulatory, Hearings and Planning Committee within their respective areas of responsibility.

General Principal

1. The work of these Committees will be in accordance with the priorities and work programme agreed by the Council.
2. These Committees have 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.

These Committees will:

Strategy, plans and policy

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

Bylaws

1. Develop and agree to the statement of proposal for new or amended bylaws for consultation.
2. Recommend to Council new or amended bylaws for adoption.

Consultation and engagement

1. Ensure appropriate, effective and transparent engagement with the community, tangata whenua and other stakeholders.
2. Conduct any public engagement required on issues before the Committee, in accordance with Council's Significance and Engagement Policy.
3. 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

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

Contracts

1. 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.

Other

1. 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.
2. 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.
3. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
4. Monitor Audit recommendations and ensure completion.

Buller District Council Extraordinary Meeting

Venue: Clocktower Chambers, Westport. Livestreamed on BDC YouTube Channel



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**BULLER DISTRICT COUNCIL
EXTRAORDINARY MEETING**

10 APRIL 2024

AGENDA ITEM 1

Prepared by Simon Pickford
Chief Executive Officer

APOLOGIES

1. REPORT SUMMARY

That Buller District Council 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 Buller District Council receives apologies from (insert councillor name) and accepts councillor (insert name) request for leave of absence.

**BULLER DISTRICT COUNCIL
EXTRAORDINARY MEETING**

10 APRIL 2024

AGENDA ITEM 2

Prepared by Simon Pickford
Chief Executive Officer

MEMBERS INTEREST

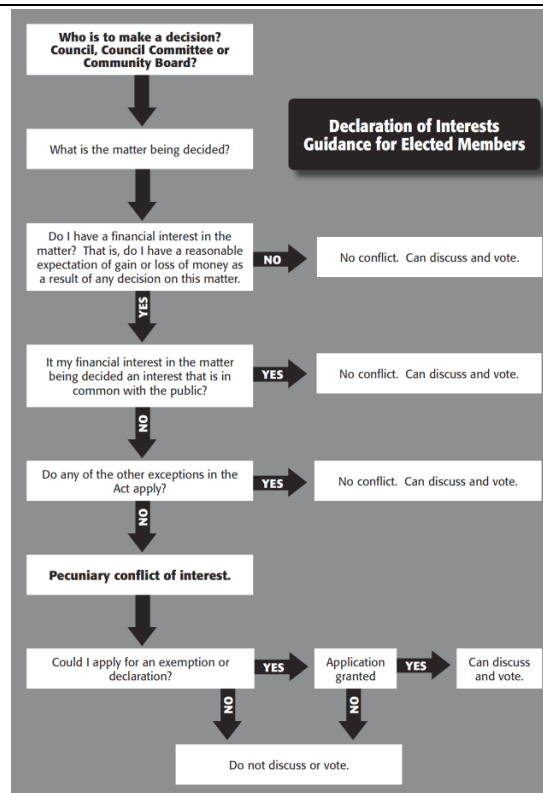
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

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.



BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

10 APRIL 2024

AGENDA ITEM 3

Prepared by John Salmond
Senior Project Lead

Lynn Brooks
Manager Finance

Reviewed by Douglas Marshall
Chief Financial Officer

Attachments 1. Draft Enhanced Annual Plan Document
2. Draft Enhanced Annual Plan Consultation Document

DRAFT ENHANCED ANNUAL PLAN 2024-2025 AND CONSULTATION DOCUMENT

1. REPORT SUMMARY

To adopt the Draft Enhanced Annual Plan 2024-2025, Draft Annual Plan Consultation Document, and associated documents for public consultation.

Please note that there may be some amendments to what is potentially released for consultation on the 12 April (grammar, spelling, font, layout etc.) if there are any fundamental changes, they will be updated on diligent accordingly prior to the Extraordinary Council Meeting.

The consultation document will be sent to a designer prior to release as well.

2. DRAFT RECOMMENDATION

That Council...

- 1. approves the list of proposed fees and charges to be included in the Buller District Council Draft Enhanced Annual Plan 2024-2025.**
- 2. approves the total rates revenue increase of 19.7% in the Draft Enhanced Annual Plan 2024-2025 noting it is 14.9% higher than the**

same year of the 2021-2031 Long Term Plan and exceeds the 2.2% limit set in the Financial Strategy.

3. approves that net debt in the Draft Enhanced Annual Plan 2024-2025 at \$37.9m exceeds the net debt limit of \$25m set in the Financial Strategy.
4. agrees that exceeding both the total rates revenue increase and net debt limits are required to ensure that the Council appropriately funds its operating and capital expenditure activities for 2024-2025.
5. adopts the Buller District Council Draft Enhanced Annual Plan 2024-2025 as the principal document relied on for the content of the Consultation Document.
6. adopts the Enhanced Annual Plan Consultation Document as the statement of proposal for the public participation in decisions on the content of the Draft Enhanced Annual Plan 2024-2025.
7. approves the consultation period that runs from Friday 12 April 2024 and closes at 4.30pm on Monday 20 May 2024.

3. ISSUES & DISCUSSION

3.1 Under section 95 and section 95A of the local Government Act 2002, Council is required to adopt an Annual Plan using a consultative procedure.

The Minister for Local Government (Hon. Simeon Brown) highlighted on Tuesday 13 February 2024 the coalition government's plan for the next 12-18 months to implement Local Water done Well into legislation and to repeal the Water Services Legislation. As part of that announcement, Central Government have given three different options as to when the council will be required to adopt the Long-Term Plan (LTP):

- Option 1 – Adopt by 30 June 2024
- Option 2 – 3-month deferral to adopt by 30 September 2024
- Option 3 – Defer the LTP to be adopted by 30 June 2025 which will mean a reduced 9-year long term plan, from this date until June 2034 and the Council having to adopt an 'enhanced' annual plan for the 2024-2025 financial year.

The council made the decision to defer the adoption of a new LTP until 30 June 2025 which will mean a reduced 9-year long term plan, from that date, until 30 June 2034.

The council thus needs to adopt an 'enhanced' annual plan for the 2024-2025 financial year.

The 'enhanced' annual plan highlights the activities the Council will be involved in for 2024-2025 including major issues and projects and where there are variations from our original estimates from year four of the LTP 2021-2031. It details what the Council plans to spend in the year ahead and how it will be paid for.

3.2 The purpose of the Enhanced Annual Plan is to:

- contain the proposed annual budget and funding impact statement (rates policy) for the year to which the annual plan relates; and
- identify any variation from the financial statements and funding impact statement (rates policy) included in the local authority's long-term plan in respect of the year; and
- provide integrated decision making and co-ordination of the resources of the local authority; and
- contribute to the accountability of the local authority to the community.

3.3 Significant Variances in this Annual Plan compared to Year 4 of the 2021-2031 Long Term Plan, and other matters to note:

The full Annual Plan document includes some significant changes compared to year 4 of the 2021-2031 Long Term Plan, and other matters to note, which are set out below:

Rates Increase Affordability - Benchmark Not Met in the Draft Enhanced Annual Plan

Planned rates increases are more than the long run cost local government cost index increase which was planned to be 2.2% in the Long Term Plan.

The forecast rates increase measure has risen from 4.8% in year 4 of the 2021-2031 Long Term Plan to 19.7% in this Draft Enhanced Annual Plan.

Drivers for the rates increases are:

- the largest increase of 5.2% is due to the decision to hold the 3 Waters targeted rates in the 2023-2024 Annual Plan and running \$1.2m of deficits compared to only \$0.2m of deficits in the 2024-2025

Draft Annual Plan,

- Council is facing a weighted inflationary increase of around 5.6% on its costs, with local pressures over and above what is forecast by BERL,
- 3% relates to the NZTA work programme identified to preserving Council's roading network and for some key safety improvements,
- 2.5% relates to increasing depreciation and loan servicing costs relating to Council's increased capital programme and revaluations,
- 1.5% relates to new staff roles required to meet Council's compliance requirements, and
- 1.2% increase in 3 Waters repairs and maintenance and routine maintenance contracts.

Debt Affordability - Benchmark Not Met in this Draft Enhanced Annual Plan

Forecast net debt breaches the limit set in the Long-Term Plan financial strategy by \$12.5m.

The Long-Term Plan forecast net debt to be \$23.8m at 30 June 2025, made up of \$37.5m of external debt less term deposits of \$13.7m. The 2024-2025 Annual Plan forecasts net debt to be.

\$37.9m made up of \$45.4m of external debt less term deposits of \$7.5m.

- Subsequent Annual Plans resulted in new external debt requirements totalling \$7.9m being required. These are:
 - The 2022-2023 Annual Plan included new loans for the Westport water trunk main extension \$1.65m revised down to \$1m, and the Westport Wastewater resource consent renewal and discharge upgrade \$2.24m revised down to \$1.8m.
 - The 2023-2024 Annual Plan saw \$1.3m of loan funding for Westport Water resilience work, an increase in Stormwater upgrades of \$1m, and the carryover loan for the Waimangaroa Water Supply treatment project of \$1.45m in the Long-Term Plan after the floods became a resilience project with loan funding of \$2m.
 - The current plan includes new external debt for Westport water supply proposed capital of \$3.8m mainly for completing the trunk main renewal project and an increase in Council's loan for share purchases in Buller Holdings Limited of \$1.6m to fund past capital investment into the Pusle Recreation Facility by BHL. These new external loans are offset by the \$1.9m loan for the Brougham House upgrade being reduced to \$0.7m funded from term

deposits due a reduction in scope of this project, and local re-processor plant of \$1.4m not proceeding in 2024-2025 as signalled in the Long-Term Plan.

- Term deposits are forecast to be \$6.2m lower than the same period in the Long-Term Plan due to:
 - utilising term deposits as internal loans to fund a forecast \$3.7m more capital works than provided for in the Long Term Plan,
 - the decision in the 2023-2024 Annual Plan to fund \$1.75m of flood response and recovery costs out of term deposits that were not able to be funded out of the central government flood recovery funding package,
 - along with the \$1.2m deficits in the three waters activities from holding the targeted rates static in 2023-2024.

3.4 Proposed Change to Rating Policy

This Annual Plan includes a proposal to align the policy on how to rate water and wastewater supplies across the entire district. The policy change does not impact the total budgeted revenues required to fund the activities. It increases the number of rateable connections to calculate the rate per connection so that the fixed annual rate can be less than otherwise would be required.

The key proposed changes are:

- "Multi residential" and "multi commercial" "differentials" and "major users" water and wastewater rates would be consistent throughout the district so that one separately used or inhabited portion of a rating unit would pay one fixed rate,
- Charging for availability of supply. Meaning if a connection could be made to the supply because it is within a set distance of the supply it would be charged 50% of the full charges made for full connection,
- Because Council cannot meter wastewater, the proposed change considers introducing a per urinal/pan charge for commercial accommodation, schools, and health providers, and
- The policy also considers applying water meters to significant users in areas outside of Westport.

The intent of the policy is to align the rating policy for all water and sewer supplies in the district, however it does not pool the rates. Specific targeted rates will still apply for each scheme.

It is expected these changes would benefit a large number of ratepayers in the major centres of Reefton and Westport as their specific targeted annual

rate will be less than otherwise would be required. A smaller number of ratepayers would be affected because their water and wastewater rates would increase if the way they are currently charged was aligned to the way other ratepayers are charged now. Council will be writing over the next few weeks to this latter group of affected ratepayers explaining this proposed change.

3.5 The Draft Annual Plan and Consultation Document will be made available for the public no later than 12 April at the following locations:

- Council Offices, Brougham Street, Westport
- Sue Thomson Casey Memorial Library, Palmerston Street, Westport
- Reefton Visitor and Service Centre, Broadway Reefton
- Karamea Information and Resource Centre, Bridge Street, Karamea
- Northern Buller Information and Resource Centre, Ngakawau
- Visitor Information Centre, Punakaiki
- Council's website

4. CONSIDERATIONS

4.1 Strategic Impact

The Draft Annual Plan and Consultation Document are an integral part of the planning and delivery of Councils' strategic vision and obligations. The principal role of an Annual Plan is to allow for budgeted adjustments to Councils principal planning document the Long-Term Plan.

4.2 Significance Assessment

The significance and engagement policy sets out the criteria and the framework for a matter or transaction to be deemed significant. The Draft Annual Plan and associated Consultation Document is significant and due process around consultation must be undertaken.

4.3 Risk Management Implications

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

The Annual Plan process and adoption of the relevant documents is a statutory requirement of local authorities. Adoption of the draft plan and consultation is a step towards the final Annual Plan which enables the legal process for setting rates and consequently operation of local authorities.

4.4 Values

This Draft Enhanced Annual Plan aligns with all the values we have set out as a Council. It is the plan that we will base the next 12 months on. Each of the key values (Community Driven, One Team, Future Focussed, Integrity and We Care) have been taken into consideration with the creation of these documents.

4.5 Policy / Legal Considerations

The local Government Act 2002 governs the activities of Buller District Council and sets out the requirement for consulting and the adoption of the Annual Plan.

This report assists with two key purposes of that Act (located in 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.

4.6 Tangata Whenua Considerations

The Annual Plan and consultation document explicitly provide for consultation with Tangata Whenua.

4.7 Views of Those Affected

Council's expenditure, issues and projects are consulted on with the community during the Annual Plan processes.

4.8 Costs

There are no extraordinary costs for the other than already budgeted for in production and consultation with respect to the process.

4.9 Benefits

The benefits of a robust Annual Plan process are better and more efficient outcomes for the Council and the community, and to account for the differences in budgets that were unable to be contemplated in the Long Term Plan.

Adoption of the Draft Annual Plan and consultation document within statutory timeframes enables Council to follow proper consultation processes required under the Act and enable Council to adopt the final Annual Plan to that it can set and collect the required amount of rates to deliver the services outlined in the plan.

4.10 Media / Publicity

There are media or publicity opportunities with this report, to share that the Draft Annual Plan is adopted, and consultation is encouraged.

Buller District Council

Enhanced Annual Plan

2024 – 2025

Working Document

CONTENT

INTRODUCTION

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Strengthening Partnerships with Mana Whenua
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Environmental scan - What is affecting 2024-2025 and beyond
Financial overview

OUR ACTIVITIES

Regulatory
Transport
Water Supplies
Wastewater
Stormwater
Solid Waste
Infrastructure Delivery
Community Services
Governance
Support Services
Property
Commercial Infrastructure
Council Controlled Organisations
Other Council Controlled Organisations

Financial Information

Fees and Charges

INTRODUCTION

Welcome

Message from the Mayor and Chief Executive Officer

Welcome to Buller’s 2024-2025 Enhanced Annual Plan which will be the guiding document for our district over the next financial year. This plan is the output of a mighty effort from our community, elected members, and Council staff.

This plan outlines Council's goals and what Council aims to do in the coming year and how we plan to pay for this. It is based on year 4 of the 2021-2031 Long-Term Plan (LTP), after Council voted unanimously to defer the adoption of the 2024-2034 LTP.

The input we received during our early engagement of the deferred Long-Term Plan has been incredibly valuable. It has provided our Councillors and staff with insightful guidance to help us make well-informed decisions. As much as we strive to fulfil all community desires, we recognise the importance of taking a practical and thoughtful approach in managing our critical infrastructure and essential services.

Since the adoption of the 2021 Long-Term Plan the Buller community has stood up to the challenges it has been dealt with across the district. We have been well supported by Central Government agencies as we sought a strong recovery for our people. However, the recovery period is nearing an end and we as a community need to shift our collective focus from recovery to growth.

There is no doubt that planning for the social, cultural, environmental, and economic future of the entire Buller District is a significant responsibility. Significantly, this year our Council will lead the master planning for the future of Westport – a once in a generation opportunity to set the future direction of the district’s main hub. However, we are also undertaking this work in the context of significant reform and the current level of legislative uncertainty, especially surrounding the Local Water Done Well policy of the government. Under this approach we are required to lift our levels of compliance to meet the new standards around water supplies and the need to better manage and address our critical Infrastructure backlog, whilst balancing the affordability for our community.

This plan represents our commitment to striking a balance between meeting pressing community needs and allowing flexibility and more time to address ongoing challenges, such as future water service considerations and Westport flood protection. Your perspectives are vital in ensuring that the priorities we have identified align with your vision for how the council should invest your hard-earned rate payer funds and external funding on behalf of the community.

Nga mihi

Jamie and Simon



Your Elected Representatives

MAYOR	DEPUTY MAYOR
<p>Jamie Cleine jamie.cleine@bdc.govt.nz Mob: 027 423 2629</p>	<p>Andrew Basher andrew.basher@bdc.govt.nz Mob: 027 759 9176</p>

WESTPORT WARD COUNCILLORS	INANGAHUA WARD COUNCILLORS	SEDDON WARD COUNCILLORS
<p>Andrew Basher andrew.basher@bdc.govt.nz Mob: 027 759 9176</p>	<p>Linda Webb linda.webb@bdc.govt.nz Mob: 027 331 2090</p>	<p>Rosalie Sampson rosalie.sampson@bdc.govt.nz Mob: 027 356 7388</p>
<p>Phil Grafton phil.grafton@bdc.govt.nz Mob: 021 027 83568</p>	<p>Graeme Neylon graeme.neylon@bdc.govt.nz Tel: 03 732 8382</p>	<p>Toni O’Keefe Toni.okeefe@bdc.govt.nz Mob: 027 367 1315</p>
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<p>Annelise Pfahlert annelise.pfahlert@bdc.govt.nz Mob: 027 233 5706</p>	<p>Robyn Abbey robynabbey@reefton.nz Phone 021 0899 7494</p>	
<p>Joanne Howard Joanne.howard@bdc.govt.nz Mob: 027 527 4370</p>	<p>Alun Bollinger albol@kinect.co.nz Phone 03 732 8123</p>	<p>NON-ELECTED NGĀTI WAEWAE REPRESENTATIVES</p>
<p>Grant Weston grant.weston@bdc.govt.nz Mob: 022 155 0367</p>	<p>Ashleigh Neil Ah.neil@outlook.com</p>	<p>Ned Tauwhare ned.tauwhare@ngatiwaewae.org.nz</p>
<p>Colin Reidy Colin.reidy@bdc.govt.nz Mob: 027 461 6644</p>	<p>Dean Gibbens bcfs@reefton.nz Phone 022 591 0717</p>	
	<p>Councillor representatives: Councillor Linda Webb Councillor Graeme Neylon</p>	

Strengthening Partnerships with Mana Whenua

Under the Crown’s obligations arising from Te Tiriti o Waitangi, Te Rūnanga o Ngāti Waewae as mana whenua are always going to be heavily engaged in future direction setting for the West Coast Te Tai Poutini in general, and, specifically, for the Buller District. For Council a strong and positive relationship with Te Rūnanga Ngāti Waewae is important on every level. Notwithstanding, the relationship with Rūnanga, Council will consult with Ngāti Apa on matters pertaining to the Buller District and that the input of Māori not associated with Ngāti Waewae may from time to time be received for consideration of the Council.

Under Section 81 of the Local Government Act 2002, Council must establish and maintain processes to provide opportunities for Maori to contribute to the decision-making processes of the local authority. Council is also required to look at ways to foster the development of Māori capacity to have input into these processes. The Buller District Council recognises and acknowledges that Ngai Tahu is the tangata whenua of Te Tai Poutini. The papatipu runanga for the Buller District is Te Rūnanga o Ngāti Waewae. A relationship has been established with Te Runanga O Ngāti Waewae and is continuing to strengthen.

Buller Council resolved in May 2021, that one Iwi representative will have voting rights at Buller District Council committee meetings from 1 July 2021. The addition of voting rights was a logical step to further enhance Council and Iwi partnership. It also further strengthens, develops and extends the Council relationship with Te Rūnanga o Ngāti Waewae especially across Council’s wider cultural, social, economic, environmental and legal interests regarding its district’s obligations.

About the Enhanced Annual Plan

We are required to update our ten-year plan (also known as our Long-Term Plan) every three years. This plan sets out our direction and budgets for the next ten years. Usually, in the two years between the long-term plans, we produce an annual plan.

Unlike in the past, we are producing an Enhanced Annual Plan that continues the implementation of year four, which was set out in the Long-term Plan 2021-2031. The Minister for Local Government (Hon Simeon Brown) highlighted on Tuesday 13 February 2024 the coalition government’s plan for the next 12-18 months to implement Local Water done Well into legislation and to repeal the Water Services Legislation. As part of that announcement, Central Government have given three different options as to when the council will be required to adopt the Long-Term Plan:

- **Option 1** – Adopt by 30 June 2024
- **Option 2** – 3-month deferral to adopt by 30 September 2024
- **Option 3** – Defer the LTP to be adopted by 30 June 2025 which will mean a reduced 9-year long term plan, from this date until June 2034 and the Council having to adopt an ‘enhanced’ annual plan for the 2024-2025 financial year.

The Council took the decision to Defer the LTP to be adopted by 30 June 2025 which will mean a reduced 9-year long term plan, from this date, until June 2034 and the Council having to adopt an ‘enhanced’ annual plan for the 2024-2025 financial year.

This document highlights the activities the Council will be involved in for 2024-2025 including major issues and projects and where there are variations from our original estimates from Year four of the LTP 2021-2031. It details what the Council plans to spend in the year ahead and how it will be paid for.

Specific projects and issues have been highlighted against each of the Council's activities and the performance targets that will enable you to monitor progress over time.

Our Main challenges

Buller District Council face significant challenges in our long-term planning in terms of ensuring compliance with the regulatory expectations whilst maintaining a financially sustainable and affordable future.

At present, there are several significant uncertainties which have a fundamental impact on the borrowing levels, the rates levels, and the financials of Council. Of note, and in terms of the level of uncertainty, the answers will not be known before the 30 September 2024. The key challenges which staff believe have most relevance and impact on the community are the following:

- a. **The potential creation of a Regional Water Entity**
- b. **Westport Flood Protection**
- c. **Taumata Arowai Regulations**
- d. **New Zealand Transport Agency (NZTA) funding**

Compliance with the Local Government Act 2002

As part of the Local Government Act 2002, this statement precedes the detailed proposal for the Buller District Council's 2024-2025 Draft Enhanced Annual Plan. The following pages outline our strategic initiatives, budgetary considerations, and engagement activities for the year ahead. This preface ensures complete transparency and legal compliance, providing a framework within which the subsequent plan is presented.

Community Engagement

Engagement on the Enhanced Annual Plan 2023/24 was undertaken in accordance with the provisions of the Local Government Act 2002. The Draft Annual Plan was adopted for community engagement on 10 April 2024, and the engagement period was open from 12 April to 13 May 2024.

The Draft Annual Plan document was available through Council facilities and online. Drop-in sessions with local councillors were held in each ward during this period.

Our Strategic Direction

Our strategic direction includes our core purpose, vision, mission, values, and our community outcomes.

CORE PURPOSE

To service the residents of the Buller District, conscious of their needs, by providing facilities and services and creating an environment for progress and develop while preserving the distinctive natural environment as well as the cultural and historical environment.

OUR VISION

For the Buller district to grow and for the district to become a thriving community where families enjoy a great quality of life and the distinctive nature, cultural and historical environment are treasured

OUR MISSION				
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 environment				
OUR VALUES				
COMMUNITY DRIVEN	ONE TEAM	FUTURE FOCUSED	INTEGRITY	WE CARE
We are committed to making a difference in the community we call home.	Shared direction, shared effort.	We seek solutions that are fit for the future.	Open and honest in decisions and action.	About people and place.

OUR COMMUNITY OUTCOMES	
This activity within this plan supports our community outcomes as defined in the LTP 2021-2023	
SOCIAL	<ul style="list-style-type: none"> • Provide essential services to residents and businesses to support a healthy environment. • Ensure environmental health standards are met, so food offered for sale is prepared appropriately and safe for consumption. • Provide and develop safe public places. • Emergency management is a key function in ensuring that injury to people and damage to property is minimised in the event of natural disasters. • Council is ready to respond in an emergency and empowers residents to be better prepared physically and psychologically for a Civil Defence event.
AFFORDABILITY	<ul style="list-style-type: none"> • By applying bylaws and other legal mechanisms to ensure facilities and services are fit for purpose. • Ensure quality assurance requirements for building consent authorities are met.
PROSPERITY	<ul style="list-style-type: none"> • Make information easily available about Council, its functions, and services. • Recognise and support education excellence and opportunity in the district. • Provide essential services to residents and businesses to support a healthy environment. • Develop policies and implement practices that enhance our environmental sustainability and natural diversity. • Ensure appropriate management and promotion of the district's natural and physical resources.
ENVIRONMENT	<ul style="list-style-type: none"> • By providing essential services to residents and businesses to support a healthy environment. • Develop policies and implement practices that enhance our environmental sustainability and natural diversity. • Ensure appropriate management and promotion of the district's natural and physical resources.

Consultation Topics

Consultation Issues

Council has identified two key issues that we need to address over the coming 12-months. We could address each of these key issues in several ways. We want your feedback on what option you feel is the best way forward for our community:

Consultation Issue 1 – Roading

What do Buller District Council do if the New Zealand Transport Agency (NZTA) do not fund as much as we applied for?

Transport presents as the most significant opportunity for our district in terms of critical infrastructure. This is due to the current funding assistance provided by central government via Waka Kotahi NZTA. This funding assistance provides the most favourable conditions and financial support we are ever likely to see in terms of value for money return on ratepayer investment.

The Transport asset base is our largest replacement value which Council manages on behalf of our communities. Excluding state highways, which are managed directly by Waka Kotahi NZTA. The local transport network includes 319km of sealed roads, 265km of unsealed roads and 87km of footpaths. This has a total value of \$421m and represents more than 70% of Council's total asset value. Therefore, from a management and preservation perspective, this is considered a priority for investment to ensure the network condition is held at current levels without further deterioration.

Feedback from our communities, including engagement and surveys confirms the desire to maintain levels of service as they currently are, with no reduction. The strategic planning and investment decisions for Transport therefore aims to manage network resilience, provide safer travel and improve efficiencies of service delivery. This will be guided by the new central government policy statement (GPS) for Land Transport and the investment level agreed with Waka Kotahi NZTA under the Regional Land Transport Plan (RLTP) which ultimately determines our ratepayer contributions for local roads, footpaths and bridges.

Supporting Council's position is a strong evidence base of technical data and condition assessment across our Transport network. A significant amount of technical, engineering and asset management work has been undertaken to produce the Activity Management Plan (AMP). The asset condition, performance, remaining useful life and valuation estimates have been diligently reviewed as part of the AMP process to ensure the infrastructure status is well understood. As well as providing Council will high-confidence levels in terms of asset management, the AMP also informs the prioritised investment methodology and the Programme Business Case (PBC) prepared for our funding partner Waka Kotahi NZTA.

The PBC and supporting evidence including the AMP and network assessments is used to determine their level of funding commitment. Whilst the RLTP is typically oversubscribed, Buller has consistently performed well in the contestable funding call due in large part to the PBC and AMP level of detail we can demonstrate, together with the strong working relationship between both parties. This has been built on a proven performance of delivery and following through on commitments.

The proposed investment programme incorporates operational imperatives including repairs and maintenance of sealed pavements, unsealed (gravel) roads, bridges and structures, environmental and drainage, network management and managing our roading service level contracts. Capital works include pavement replacement, reseal programme, unsealed metalling, bridge renewals and replacements and footpaths.

The great news for Buller is that Waka Kotahi NZTA have confirmed the Funding Assistance Rate (FAR) for our local roads will be 75% for the next 3 years. In addition, it has also been confirmed that the Karamea Special Purpose Road (SPR) will maintain its current 100% funding assistance, which significantly reduces risk to Council for this vulnerable section of highway. Both favourable outcomes provide a level of financial support enabling the asset preservation and service level objectives desired by Council and our communities.

To put in context, the civil construction sector overall and roading has experienced inflation and cost escalations of more than 18% during recent years. Despite this level of cost increase, and through detailed examination of our prioritised investment methodology by refining our asset preservation and service levels, we have targeted an optimised programme within our affordability constraints by maximising the central government funding support. This will also deliver on our community outcomes and statutory duties.

At the time of preparing this enhanced annual plan Council has submitted a programme of works to Waka Kotahi NZTA for inclusion in the National Land Transport Programme (NLTP) and therefore the RLTP. Waka Kotahi NZTA is not releasing indicative allocations for the NLTP until late May 2024. The final budget allocations are not expected until 31 August 2024. This is partly due to changes within the new government GPS on Land Transport.

The key issue is that Waka Kotahi NZTA will either agree and support Council's proposed PBC and budget accordingly or indicate a revised approved budget allocation. Any change is unlikely to be more than has been requested by Council, but it may be less.

If Waka Kotahi NZTA approve a lower approved budget allocation, Council has three options. The first is to revise our ratepayer contribution in accordance with the lower approved amount under the FAR model. The second is to continue with the proposed work programme and fund the difference from rates or alternative external sources and the third is to fund the difference in the BDC contribution to match the 25%

Our options

OPTION ONE

Reduce The Programme to match The Waka Kotahi – New Zealand Transport Agency Approved Funding.

Focus is to be confirmed and is likely to consider the requirements of the new Government Policy Statement for Land Transport.

Advantages:

- The advantage here is that there will be no increase in the rates contribution and potentially there will be a rate saving.

Disadvantages:

- Council may have to reduce the programme of works to match the funding. This may have implications for the levels of service delivery, that is doing less work.
- May increase the risks of the main assets being affected by an under investment which could lead to further issues, impacts further on resilience and asset preservation (backlog gap will widen).
- Rooding was the communities' number one priority in the pre-engagement.

Changes to levels of service

The outcome of the Waka Kotahi (NZTA) decision will determine the way forward, and what the impact is on the future level of service on our roading network. The outcome in terms of the programme will not be known until Waka Kotahi (NZTA) confirms the budget allocations.

Financial Impact

If the Local Roads programme was reduced by \$1m per annum Council's share at 25% would result in a potential rate saving of \$0.25m.

Any reductions to the Special Purpose Roads (SPR) (Karamea Highway) has no impact on rates as this work is fully funded by Waka Kotahi meaning only revenue from subsidies will reduce.

Potential change to rates increases contained in the Draft Annual Plan.

Potential change to rates increases if this option was chosen Example below stated For \$1m less work on the Local Roads, saving \$250k Council Contribution			
	In Draft Annual Plan	Option 1	Change
General rates increase	16.7%	14.5%	-2.2%
Total rates increase	19.7%	18.4%	-1.3%

OPTION TWO

Continue with submitted programme and council rate funds any difference for local roads and commits to higher rates for the next two rating years - quantum of \$ and rates % increase variable depending on what the funding shortfall/work programme delivered is.

Focus is on asset preservation and current levels of service.

Advantages:

- Rooding was the communities' number one priority in the pre-engagement.
- Current levels of service delivery will be maintained.
- Reduces the main risks of assets being affected by an under investment which could lead to further issues.
- Helps to preserve assets, sustain, and improve resilience.
- Helps to keep pace with inflation.

Disadvantages

- Council would need to increase the rates portion over and above the indicative rates increase to retain the submitted programme.
- Would impact further on rates affordability.
- Would impact on other non-roading high priority projects.
- Council locks in rates increases in the next two financial years to meet the funding shortfall, \$ and % increase is dependent on the final funding agreed, but could be significant

Changes to levels of service

The outcome of the Waka Kotahi (NZTA) decision will determine the way forward.

Council assumes under Option 2 that only local roads would be considered for additional rates funding by Council so the proposed levels of service for local roads remains the same.

Karamea Highway (SPR) would be excluded as these roads are 100% funded by Waka Kotahi (NZTA).

Financial Impact

If the Local Roads programme approved by Waka Kotahi was reduced by \$1m per annum Waka Kotahi's share at 25% would reduce subsidies by \$0.75m. To continue with the submitted programme Council would have to fund this shortfall either by a direct increase in general rates or through borrowings.

Loan servicing costs for a \$0.75m ten-year loan at the forecast rate for the Annual Plan are \$0.09m per annum from 2025/2026. As the programme would need to be funded for three years of shortfalls, cumulatively this will add \$0.28m per annum to general rates by 2027/2028.

Any reductions to SPR has no impact on rates as this work is fully funded by Waka Kotahi meaning revenue from subsidies will reduce in accordance with a reduction in the level of spend budgeted for SPR.

Potential change to rates increases contained in the Draft Annual Plan.

Potential change to rates increases if this option was chosen Example below stated For \$1m less work on the Local Roads, increasing \$750k Council Contribution			
	In Draft Annual Plan	Option 2 Rates funded	Change
General rates increase	16.7%	23.3%	+6.7%
Total rates increase	19.7%	23.7%	+4.0%

OPTION THREE

Keep Council's level of funding as contained in the Draft AP, but reduce the overall programme to reflect Waka Kotahi (NZTA) level of investment

Advantages:

- Roading was the communities' number one priority in the pre-engagement.
- Level of service won't be reduced as much.
- Will have less of an impact on the assets, however the investment would still not be what is required.
- Helps to preserve assets but won't maintain them fully, sustain, and improve resilience.

Disadvantages

- Council will have to reduce the programme of works but will still take on some more than funded.
- May increase the risks of the main assets being affected by an under investment which could lead to further issues, impacts further on resilience and asset preservation (backlog gap will widen).
- Rooding was the communities' number one priority in the pre-engagement so will need to be considered.
- Our assets will not have the required investment.

Changes to levels of service

The outcome of the Waka Kotahi (NZTA) decision will determine the way forward, and what the impact is on the future level of service on our roading network. The outcome in terms of the programme will not be known until Waka Kotahi (NZTA) confirms the budget allocations.

Financial Impact

As the proposal is to leave Council's level of funding the same there is no impact to rates under Option 3.

Any reductions to SPR has no impact on rates as this work is fully funded by Waka Kotahi meaning revenue from subsidies will reduce in accordance with a reduction in the level of spend budgeted for SPR.

Consultation Issue 2 – Water rates

Policy on rates – how drinking water and wastewater rates are applied

Council is seeking feedback on the policy for how to rate water and wastewater rates. Council is considering changing the way "multi residential" and "multi commercial" "differentials" for water and wastewater targeted rates, as well as "major users" rates are charged, and aligning the policy more closely with the methods for charging targeted rates as set out in the Local Government (Rating) Act 2022.

The proposed change considers a per "Separately Used or Inhabited Part of a rating unit" application of charges, using District Valuation Roll data . District Valuation Roll data is collated by Quotable Value NZ and provided to Council; therefore, Council could use this data instead of the "charges tables" in the current water and wastewater charges section of the 2023-2024 rating policy.

The proposed change also considers charging all schemes for availability of supply. This means if a connection could be made to the supply because it is within a set distance of the supply it would be charged 50% of the full charges made for full connection. This would align the treatment of all water and sewer supplies in the district. Currently there are inconsistencies as Punakaiki Water supply and Inangahua Water supply are charged half rates for availability of connection, and Little Wanganui Water and Wastewater are charged half rates for availability of connection, whereas other supplies are not presently charged in this way. The policy also considers applying water meters to significant users in areas outside of Westport.

Because Council cannot meter wastewater, the proposed change considers introducing a per urinal/pan charge for commercial accommodation, schools and health providers.

The scheme rates materially affected by this change in the Annual Plan are the Westport and Reefton Wastewater and Water Supply. There is minimal to no change to the rate per connection for the other schemes calculated in this Draft Annual Plan.

The policy change does not impact the total budgeted revenues required to fund the activities, what it does is increase the number of rateable connections to calculate the rate per connection. By redistributing the required rate take over more connections the impact to individual ratepayers already paying for one connection will pay less than they otherwise would be required if the policy change did not proceed, those with multiple connections or not previously paying will pay more.

The impact of the proposal varies between ratepayers, it is the Reefton and Westport supplies that have the most notable change. Most ratepayers in these supplies would pay less rates if this proposal were adopted, and a smaller number would pay more because there would no longer be a discount given for multiple dwellings or activities on each rating unit.

Council has prepared the Forecast Funding Impact Statement on the basis of the proposed new policy. The full policy can be found in this document, please refer to pages x-x for sections 2. Water and 3. Wastewater Disposal, and page x for section 6 that provides the updated definition of a SUIP (separately used or inhabited part) of a rating unit.

The current rating policy can be found on Councils website in the 2023-2024 Annual Plan.

Our options

OPTION ONE

Adopt a revised policy on how water and wastewater targeted rates are charged

Council is considering changing the way "multi residential" and "multi commercial" "differentials" for water and wastewater targeted rates, as well as "major users" rates are charged, and aligning the policy more closely with the methods for charging targeted rates as set out in the Local Government (Rating) Act 2022.

Advantages:

- Clear, compliant policy applied consistently across all water and wastewater schemes in the Buller District
- Policy application driven from external valuer information collated in the Rates Information Database so is therefore not subject to interpretation and application of many different targeted rates policies as per the current policy.
- Rates charges would be on a one-for-one basis which is more impartial/equitable.
- Amount collected benefits ratepayers who do not need to pay as much targeted rates as otherwise would need to be set to meet the costs of each water or wastewater supply.

Disadvantages:

- Changed policy means that some ratepayers who have two or more separately used or inhabited portions of a rating unit would be charged more targeted rates than in the past.
- The policy will be driven from external valuer information collated in the Rates Information Database and the data may need to be updated for a selected group of properties. This will require a valuer to visit each property to assess units of use, and urinal/pan count, therefore consistent application of a new rating system may need to be phased in over two years, this may be seen as inequitable for those consumers who are captured in the first year of transition.

- Rates charges will increase for some water and wastewater ratepayers because in the past they paid for one charge or a reduced charge for many units or separately used or inhabited portions or did not pay for availability of use.
- Amount collected redistributes the targeted rates burden to ratepayers who have historically been charged reduced or nil rates, the impact to those ratepayers may be significant.

Changes to level of service

The levels of service would not change if this policy was adopted.

Impact of proposed policy change to water and wastewater targeted rates by most affected schemes

Location Type of Targeted Rate	Westport Water	Westport Wastewater	Reefton Water	Reefton Wastewater
Total Count of Rates Charges Under Existing Policy	2,835	2,596	664	589
Total Count of Rates Charges Under Proposed Policy	3,125	2,842	723	642
Change in Total Count of Rates Charges	290	246	59	53

Location Type of Targeted Rate	Westport Water	Westport Wastewater	Reefton Water	Reefton Wastewater
Rate per Connection including GST Under Existing Policy	\$ 1,463	\$ 1,237	\$ 1,408	\$ 930
Rate per Connection including GST Under Proposed Policy	\$1,361	\$1,130	\$1,293	\$854
Reduction in Rate per Connection including GST under Proposed Policy	-\$102	-\$107	-\$115	-\$76
Increase in Rate per Connection including GST under Existing Policy	\$102	\$107	\$115	\$76

Location Type of Targeted Rate	Westport Water	Westport Wastewater	Reefton Water	Reefton Wastewater
Total Rate Take including GST Under Existing Policy	\$ 4,147,605	\$ 3,210,757	\$ 934,490	\$ 548,142
Total Rate Take including GST Under Proposed Policy	\$4,253,669	\$3,210,985	\$935,020	\$548,541
Change in Total Rate Take between policies	\$106,064	\$228	\$530	\$399
Estimated Reduced Water Metering Revenues	-\$105,000	\$228	\$530	\$399
Change in Total Revenues required to fund the scheme	\$1,064	\$228	\$530	\$399

Note: the above tables are inclusive of GST.

The difference in total charges to sample properties if the proposal was adopted

Rating examples For One Separately Used or Inhabited Portion Under Proposed Changed Policy					
SECTOR	Res 106	Res 108	Res 115	Com 134	Com 140

Location	Westport	Carters Beach	Reefton	Westport	Reefton
Land Value	\$106,000	\$160,000	\$100,000	\$265,000	\$195,000
General Rates	1,119.23	1,016.15	466.71	12,371.32	2,569.36
UAGC	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	1,362.00	1,362.00	1,293.00	1,362.00	1,293.00
Targeted Wastewater Rate	1,129.00	1,129.00	854.00	1,129.00	854.00
Targeted Solid Waste Rate	199.00	199.00	199.00	199.00	199.00
NET RATES	\$4,389.23	\$4,286.15	\$3,392.71	\$15,641.32	\$5,495.36
Previous Year	\$3,861.27	\$3,775.69	\$3,025.50	\$13,203.62	\$4,771.28
% Change to Previous Year	13.67%	13.52%	12.14%	18.46%	15.18%

Rating examples

For Two Separately Used or Inhabited Portions

Under Proposed Changed Policy

SECTOR	Res 106	Res 108	Res 115	Com 134	Com 140
Location	Westport	Carters Beach	Reefton	Westport	Reefton
Land Value	\$106,000	\$160,000	\$100,000	\$265,000	\$195,000
General Rates	1,119.23	1,016.15	466.71	12,371.32	2,569.36
UAGC	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	2,724.00	2,724.00	2,586.00	2,724.00	2,586.00
Targeted Wastewater Rate	2,258.00	2,258.00	1,708.00	2,258.00	1,708.00
Targeted Solid Waste Rate	199.00	199.00	199.00	199.00	199.00
NET RATES	\$6,880.23	\$6,777.15	\$5,539.71	\$18,132.32	\$7,642.36
Previous Year	\$5,404.07	\$5,318.49	\$4,362.50	\$14,746.42	\$6,108.28
% Change to Previous Year	27.32%	27.43%	26.98%	22.96%	25.11%

Rating examples

For Three Separately Used or Inhabited Portions

Under Proposed Changed Policy

SECTOR	Res 106	Res 108	Res 115	Com 134	Com 140
Location	Westport	Carters Beach	Reefton	Westport	Reefton
Land Value	\$106,000	\$160,000	\$100,000	\$265,000	\$195,000
General Rates	1,119.23	1,016.15	466.71	12,371.32	2,569.36
UAGC	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	4,086.00	4,086.00	3,879.00	4,086.00	3,879.00

Targeted Wastewater Rate	3,387.00	3,387.00	2,562.00	3,387.00	2,562.00
Targeted Solid Waste Rate	199.00	199.00	199.00	199.00	199.00
NET RATES	9,371.23	9,268.15	7,686.71	20,623.32	9,789.36
Previous Year	\$6,726.47	\$6,640.89	\$5,508.50	\$14,637.52	\$7,254.28
% Change to Previous Year	39.32%	39.56%	39.54%	40.89%	34.95%

Note: the above tables are inclusive of GST.

In addition to the above changes, it is expected that there would be a reduction in metered water charges as those charges would be covered by the increased connections. This would not result in an increase in rates revenues. This would just be a change between how the water schemes are funded in the mix between water rates and water metering revenues.

OPTION TWO**Do not make any change to the policy on how water and wastewater targeted rates are charged**

Under this option there would be no changes for the way rates are distributed amongst targeted ratepayers on municipal water and wastewater supplies.

Advantages:

- Targeted rates for Westport Water, Westport Sewer, Reefton Water and Reefton Sewer would continue to be similar amounts as they have in the past for all ratepayers, who are less likely to object to the application of rates because of the historical practice of charging rates in this way.

Disadvantages:

- Targeted rates for Westport Water, Westport Sewer, Reefton Water and Reefton Sewer would be higher for these ratepayers, because there would be less consumers captured by the existing rates policy.
- Application of rating policy remains subject to interpretation, rating policy remains difficult to follow, and is not clearly aligned to the Local Government (Rating) Act 2002.
- Inequitable charging of rates for similar properties depending on location of the property, and interpretation of the “charging tables” in the existing policy.

Changes to level of service

The levels of service would not change if this policy was adopted.

Option Two - Status Quo			
Schemes Most Affected	Number of connections	Rate per connection incl GST	Rate Take incl GST
Westport Wastewater	2,596	\$1,237	\$3,210,757
Reefton Wastewater	589	\$930	\$548,142
Westport Water Supply	2,835	\$1,463	\$4,147,605
Reefton Water Supply	664	\$1,408	\$934,490

Environmental Scan - What is affecting 2024-2025 and beyond

Central Government funded projects

Several projects are underway to reduce the impact of flooding on Westport and plan. A Steering Group which includes members of both the Buller District and West Coast Regional Councils, Ngāti Waewae and Central Government has been established to provide governance, oversight, and assurance of the deployment of \$22.9m of Government funding towards building a Resilient Westport.

The work programmes include several projects across the PARA framework (Protect, Avoid, Retreat/Relocate and Accommodate) to deliver a Resilient Westport for the future. The work programmes need to carefully balance moving things along at pace with the need for good process and transparency.

The community's voice is central to the programmes of work and there will be opportunities for engagement and feedback.

Actions that are part of increasing the districts and Westport's resilience for future generations include:

Flood protection assessments (protect)

- Organs Island reforestation – Land transfer process underway and planning for planting.
- Floating Lagoon and Averys – geotechnical groundwater monitoring is underway. A plan for a stop bank on the Avery's stretch of the Orowaiti River is estimated to provide protection from a one-in-100-year flood for the next 30 years of climate change.
- Abattoir Drain at Railway Bridge & McKenna Road - geotechnical groundwater monitoring underway. Assessment of environmental effects are underway. All going well, these are aimed to be completed these by the end of June 2024.

Flood protection structures (protect)

- Peer reviews of the Multi Tool Business Case that was submitted to government in June 2022 have now been completed. Next stage is preliminary design phase.
- While these initiatives will help deliver flood protection, they are not a guarantee of prevention of damage from future flooding. These measures are buying time to enable Westport to plan a more resilient future.

Civil defence emergency management (accommodate)

- Recruit for capability; delivery; sustainability – underway

Water and sea level gauge (accommodate)

- Funding has been approved for sea level monitoring and tide gauging to improve flood warning information.
- WCRC are completing assessments of the tidal and land monitoring requirements, auditing best practical options so the steering group can be assured of design before progressing to purchase of equipment.

Westport master planning (retreat/relocate)

- Stage one of the master planning process has begun. BDC has engaged Isthmus Urban Design team (based in Christchurch) to develop a set of vision plans with which to engage with the community in early 2024.
- Isthmus has worked on projects around New Zealand and internationally.
- The Master Planning project will ensure we're planning for a future focused on social, environmental, affordability, prosperity, and culture.

- We're working in a partnership of community, iwi, business, local government, and national government.

Westport Water Resilience

Westport Water Supply remains in need of critical investment to mitigate risk of “no water” scenarios. During the February 2022 severe weather event, significant damage was sustained to both infrastructure and the Giles Creek south branch catchment. Whilst the infrastructure was quickly repaired via government funding, the event showed the vulnerability of this essential lifeline.

As a result, Council worked closed with the Department of Internal Affairs (DIA) to identify the most important infrastructure needed to improve resilience for the Westport Water Supply, culminating in a business case highlighting the prioritised Resilience Options. This was endorsed by Council and submitted through the previous governments National Transition Unit as part of the Three Waters Reform programme. As we await further direction from the new governments Local Water Done Well plan, critical investment in Westport Water Supply must continue to ensure the safe, reliable and adequate drinking water supply for our district’s largest population.

Currently there is no back up water supply for Westport. The alternative pump station constructed downstream of the primary intake in 2005 has been rendered unusable due to the poor water quality. In the event of regular or prolonged rainfall events, raw water cannot be treated with the existing water treatment plant due to excessive turbidity levels. Even a series of smaller rainfall events occurring in close succession may stop or restrict refilling of the reservoir ponds, resulting in storage reducing to empty. Another severe weather event could damage critical infrastructure causing an instant supply loss. In either scenario, Westport could face “no water” crisis.

The prioritised Resilience Options investigation and report recommended several short, medium, and long-term responses to secure the Westport Water Supply and improve reliability and availability. The most critical of the short to medium term investments is to complete replacement of the Trunk Main from the current location near McKenna Rd into Queen St finish point and associated network capacity improvements. The estimated cost of this key project is \$3.15 million.

Solid Waste

A public consultation on proposed changes to the waste management system was held between August and September 2023. The consultation was focused on switching from ‘pay as you throw’ rubbish bags, in waste and recycling zone 1, to wheelie bins for rubbish collected fortnightly, funded via a targeted rate.

The key findings from that consultation revealed some support for wheelie bins, but there were concerns from residents over making costs mandatory and the impact it would have on minimal waste producers.

The elected members met in an early November 2023 to discuss waste management going forward and as part of a workshop for the Enhanced Annual Plan decided to go back to the community to consult on three options how waste could be managed in Buller in the future. This consultation is now running parallel to the 2024-2025 Enhanced Annual Plan consultation as a Special consultative procedure (SCP) pursuant to the Local Government Act 2002 section 83.

If you want to have your say on the proposed options for waste management, please see Council’s website or view the Statement of Proposal available at Council’s offices and libraries in Westport and Reefton, i-Sites, and resource centres across the district.

Creation of a Regional Water CCO

With the repeal of the Affordable Waters Legislation, Minister, Hon Simeon Brown has spelt out a three-step process to implement Local Water Done Well (LWDW) over the next 12-18 months. Stage one of that process has already occurred with the repeal of the Water Services Legislation in February 2024.

The Minister has established a technical advisory group to develop exact details of the next steps of LWDW. The indications from Central Government are that in June 2024 legislation will be introduced and enacted that set a framework to enable councils to self-determine future service delivery arrangements. It is also expected that councils will be required to produce a funded plan within 12 months as to how water will be delivered.

This legislation will include streamlining of requirements to establish Council Controlled Organisations to enable more financially sustainable service delivery.

The final piece of legislation in LWDW is planned for enactment mid-2025 which is expected to introduce greater central government oversight, economic and quality regulation and developing a new class of financially separate council-owned organisations.

Council has identified and shared with the community the current and potential future cost to ratepayers of water and wastewater services which are unaffordable to the community. It seems unlikely a “go it alone” water services model would be affordable for our communities in future and meet the LWDW requirement to show financial sustainability, where financial sustainability means revenue sufficiency, balance sheet separation, ring-fencing, and funding for growth.

However, it has been made clear in recent correspondence from the minister the expectation that councils should be voluntarily seeking collaborative solutions to long term water services delivery with neighbouring councils if that aids a financially sustainable model. Council unanimously voted on the 27th March 2024 to allow the Mayor to write to every Council in the South Island of NZ to understand if they would be keen on starting discussions around the creation of a CCO.

The commercial analysis and development of a regional CCO is likely to be a major project requiring significant resources and take considerable time to prepare.

Financial Overview

Overall Result

The 2024-2025 Annual Plan (the Annual Plan) is the third Annual Plan following the 2021-2031 Long Term Plan (the Long-Term Plan). Council continues to follow the original strategy set out in the Long-Term Plan and as such this Annual Plan does not materially or significantly differ from the Long-Term Plan.

The following commentary explains the variations to the budgets for 2024-2025 that are arising from matters that Council was not aware of in preparing the Long-Term Plan such as changes in economic conditions, the impact of extreme weather events on Council’s financials, and the impact of Three Waters reform and other Central Government reforms.

One of the requirements of the Enhanced Annual Plan Option Council chose to take was that Council must consult on the 2024-2025 Enhanced Annual Plan. Council acknowledges under the normal Annual Plan legislative requirements it would have chosen to consult given the material changes in the Long-Term plan. These have been driven via new capital projects identified that are subsequent to the Long Term Plan meaning that the net debt limit of \$25m set out in the Financial Strategy would be breached, with predicted net debt at 30 June 2025 being \$37.8m and rates increases of 19.7% compared to 4.8% in the same period of the Long Term Plan.

Overall, Council is proposing a 19.7% increase in total rates revenue compared to 4.8% in the same year in the Long-Term Plan. The increase in total rates compared to the Long-Term Plan reflects the significantly higher interest and inflation rates being experienced compared to market predictions available at the time of preparing Long Term Plan. It also includes a 5.2% jump in water and wastewater rates as these were not increased in the 2023-2024 year, this is a significant driver of the total rates increase. The increase also reflects the impacts of Central Government reforms and regulations requiring greater Local Government Investment, particularly in the Three Waters activities and the cost of continuing to invest in our roading network, an area that the community indicated during the latest round of consultation was an area of importance for Council to focus on.

As a comparison the long run Local Government cost index applicable at the time of preparing the Long-Term Plan was 2.2%, the Business and Economics Research Ltd (BERL) cost adjusters 2023 update saw this increase to 2.4%. Council's weighted average inflation increase for the Annual Plan is closer to 5.6% due to the outcome of infrastructure maintenance contract reviews with major suppliers, and significant expenditure items such as insurance, electricity and employee expenses all experiencing actual increases greater than the BERL cost adjusters, and those real revised rates have been used as the basis for the 2024-2025 Annual Plan.

At the time of preparing the Long-Term Plan Westpac economic forecasts had predicted the Official Cash Rate (OCR) would remain at 0.25% until December 2025. Updated forecasts prepared in March 2024 predict for the 2024-2025 financial year the OCR will remain at 5.5% until June 2024 reducing to 4.5% by June 2025, with the current rate being 5.5%.

BULLER DISTRICT FINANCIAL HIGHLIGHTS	
Total Rates Increase	19.7%
Forecast Net Debt	\$37.9m
Forecast Capital Spend	\$19.4m

Impact of roading bid

At the time of preparing this enhanced annual plan Council has submitted a three-year programme of works for 2024-2027 to Waka Kotahi – New Zealand Transport Agency for inclusion in the National Land Transport Programme (NLTP).

The focus of the bid is on asset preservation and maintaining current levels of service. Due to price escalation in roading contractors and materials, along with the work identified as required in the next three years, the cost to undertake this in 2024-2025 increases by \$7.5m from the 2023-2024 Annual Plan budgets.

Just over half of this increase relates to work to be undertaken on the Karamea Highway, which is a Special Purpose Road that Waka Kotahi NZTA have confirmed will continue to fund at 100% until 30 June 2027, so has no impact on rates.

The remainder is to be spent on local roads and Waka Kotahi NZTA have increased its share of funding from 72% to 75% from 2024-2027. The impact of the roading programme is an additional \$0.56m of general rates required in 2024-2025 to fund Council's share that represents a 5% increase on general rates, a 3% increase on total rates revenue.

Waka Kotahi is not releasing indicative approved budgets for the NLTP until late May 2024 and the final budgets are not expected until August 2024. This is partly due to a new Government Policy on Land Transport not being released.

Advantages of the submitted bid:

- Roading was the communities' number one priority in the pre-engagement.
- Current levels of service delivery will be maintained.
- Reduces the main risks of assets being affected by an under investment which could lead to further issues.
- Helps to preserve assets, sustain, and improve resilience.
- Helps to keep pace with inflation.

Flood Recovery impact

After the adoption of the Long Term Plan the district experienced two significant weather events, one in July 2021 and the other in February 2022.

Council did not create a contingency fund for severe weather events when preparing the Long-Term Plan and while over \$50m of the costs related to the response to and recovery from these have been funded by subsidies and grants from government agencies, it is estimated some \$1.75m in costs will not be met by these external funds.

Council has determined that the unfunded costs be funded out of existing cash reserves. The financial impact of reducing Council's cash reserves is a corresponding increase in Council's net debt position and a reduction of external interest revenue that would otherwise be generated from the money being invested on a term deposit.

The foregone interest revenue equates to \$96,250 per annum at the forecast investment interest rate of 5.5%. As Council's policy is to use external interest revenue to offset general rates it means the general rates increase is 0.9% higher in the Annual Plan than it would otherwise be.

Affordable Water Reform impact

The Long-Term Plan followed a strategy of increasing the annual investment into the three waters activities across the ten years of the plan, with a view to meeting compliance with the Waters Services Act 2021, and to undertake condition assessments to remedy issues in the existing wastewater and stormwater network and investigate options for improved flood protection and separation of wastewater and stormwater. During 2022-2023 a review of Council's contract with its main external contractor WestReef Services Ltd has seen an increase of \$0.76m in contracted works and general repairs and maintenance within the Wastewater/Sewerage, Stormwater and Water Supplies activities, compared to the same year of the Long-Term Plan. This increased cost was absorbed by Council and not rated for in the 2023-2024 Annual Plan.

The decision was made to hold the rates at the 2022-2023 year levels because the government of the day had set out a transition plan for all of Council drinking water and wastewater to be transferred to a new entity on 1 July 2024 – however this did not occur and a 13.1% increase in the water and sewer rates is required for the 2024-2025 Annual Plan from not running the same level of cash deficits in these activities. This increase does not attempt to recover the rates shortfall of the prior year, the increase is set to cover the operating costs of each water and sewer scheme for the current year, and Council now carries cash deficits into the 2024-2025 year and future years.

The financial impact of not rating for the required water and wastewater increases, and reducing Council's cash reserves is a corresponding increase in Council's net debt position and a reduction of external interest revenue that would otherwise be generated from the money being invested on a term deposit. The foregone interest revenue equates to \$77,000 per annum at the forecast investment interest rate of 5.5%. As Council's policy is to use external interest revenue to offset general rates carrying these deficits forward means general rates are 0.7% higher than they otherwise would be.

Capital investment in these activities has also increased by \$1.47m compared to the same year in the Long-Term Plan. The additional work is not externally funded and increases the level of borrowings required for Council. Council planned to spend \$6.84m when setting the Long-Term Plan, and the Annual Plan has revised capital expenditure of \$8.31m. The main differences are:

- \$0.34m increase in Westport Wastewater for pipeline & pumpstations, and other capital
- \$0.36m increase in Reefton Wastewater for treatment plant and other capital
- \$2.83m increase in Westport Drinking Water including \$3.15m for the completion of the trunk main renewal which was originally planned to be fully completed and externally funded in the Long-Term Plan, less a reduction in other capital of \$0.32m
- \$0.51m reduction in Little Wanganui Drinking Water upgrade to meet drinking water compliance
- \$0.42m reduction in Mokihinui Drinking Water upgrade to meet drinking water compliance
- \$1.73m reduction in Punakaiki Drinking Water upgrade to meeting drinking water compliance

The remaining \$0.89m increase relates to Council's regular work programme. A portion of the increase is due to the impact of increased inflation on the Long-Term Plan work programme. The remainder is due to a combination of additional investment required to after condition assessments on drinking water schemes has been completed, and work identified as urgently being required as part of the ongoing condition assessments being conducted by Council on its wastewater and stormwater network.

After the results of the 2023 general election, the newly formed coalition government repealed the affordable waters reform, and water and wastewater assets could not transfer to the new Water Services Entity as expected on 1 July 2025. The impact of this change in legislative approach is significant to this Enhanced Annual Plan, and for future years requiring increased debt for water and wastewater projects, as well as uncertainty around who will fund essential stormwater projects which work in tandem with the planned flood protection of Westport town. Because the drinking water and wastewater schemes are now retained by Council, the impact to targeted rates for those supplies will need to increase significantly to meet the ongoing running costs and to fund essential capital upgrades.

Council has attempted to mitigate the increasing cost on individual ratepayers by reviewing the wording and application of the Water and Wastewater rating policy to align the policy more closely to the Local Government (Rating) Act 2002 methodologies for charging targeted rates. This change is one of the two matters for consultation in this Annual Plan. This change provides a tangible but minor impact on the larger targeted supply ratepayers, by reducing the total targeted rates they must pay. It impacts the ratepayers

who have multiple dwellings or separately used and inhabited portions of a rating unit the most, proposing to charge each a full charge instead of the discount that has been applied in the past.

Key Highlights

	2023-2024 Annual Plan \$000	2024-2025 Long Term Plan \$000	2024-2025 Draft Enhanced Annual Plan \$000
Operating Revenue	\$54,449	\$34,694	\$44,135
Operating Expenses	\$36,152	\$32,221	\$41,381
Operating Surplus/ (Deficit)	\$18,297	\$2,473	\$2,754

Operating Result

Council is budgeting an operating surplus of \$2.75m in the 2024-2025 Annual Plan compared to an operating surplus of \$2.47m proposed for the same year in the 2021-2031 Long Term Plan, an increase of \$280k.

The \$0.28 minor increase in forecast surplus is made up of a \$4.37m increase in grants and subsidies for the increased roading programme, combined with a \$3.50m increase in rates revenue and \$1.57m increase in other operating revenue, offset by a \$9.16m increase in operating expenditure.

The detail of what makes up each of these movements is outlined below.

Operating Revenue

Operating revenue is predicted to increase \$9.4m compared to the Long-Term Plan (\$44.1m compared to \$34.7m) due to a predicted \$4.37m increase in grants and subsidies for roading, a \$3.5m increase in rates revenue and \$1.57m increase in other operating revenue.

The predicted \$4.7m increase in subsidies and grants is a result of:

- Waka Kotahi subsidies are \$6.4m higher in this Annual Plan compared the same year in the Long-Term Plan.
- \$4.0m relates to the Karamea Highway work programme bid that is 100% funded by Waka Kotahi NZTA.
 - \$1.4m relates to low-cost low risk improvements that Waka Kotahi NZTA reduced as part of the last three-year work programme.
 - \$1.3m relates to structures component replacements that were not approved as part of the last three-year work programme.
- \$2.9m relates to the Local Roads bid that is 75% funded by Waka Kotahi NZTA.
 - \$1.9m of the increase is in capital expenditure, of which \$0.7m relates to low cost/low risk improvements programme that Waka Kotahi NZTA reduced as part of the last three-year work programme, \$0.7m to bridge renewals and structures component replacements, and \$0.5m to sealed road resurfacing.
 - \$1m of the increase is in maintenance and operations, of which \$0.5m relates to network and asset management including the addition of two new Council staff to assist in the delivery of the work programme as well as an increase in consultants and

contractors to deliver specialist work streams, and \$0.4m to sealed and unsealed pavement maintenance.

- Less \$2.2m provided for in the Long-Term Plan for a new water treatment plant and intake source at Punakaiki that was assumed to be funded externally, that has since been put on hold and replaced with chlorination of the existing supply and additional storage.

Predicted \$1.57m increase in other operating revenue:

Senior housing and Paparoa Way rental income is predicted to be \$0.5m that was not included in the Long-Term Plan. The Long-Term Plan had proposed divesting the Council Senior Housing portfolio, Council has not taken this approach and is instead undertaking a strategy review of its portfolio. As part of the flood recovery, Council in conjunction with the Ministry of Business and Innovation located 20 houses in Paparoa Way for flood affected residents. Twelve of these houses have been leased by Council for 18 months, which then tenants are able to use them for general purpose housing. The revenue (less maintenance and outgoing expenses) anticipated for 2024-2025 has been included in the Enhanced Annual Plan and the net cash surplus of this is offsetting Council's general rate requirement.

Investment income is predicted to be \$0.3m higher due to rising forecast interest rates. At the time of preparing the Long-Term Plan Westpac economic forecasts had predicted the Official Cash Rate (OCR) would remain at 0.25% until December 2025. Updated forecasts prepared in March 2024 predict for the 2024-2025 financial year the OCR will remain at 5.5% till June 2024 reducing to 4.5% by June 2025, with the current rate being 5.5%.

Building fees and charges revenue is predicted to be \$0.3m higher due to the uplift in building activity since the adoption of the Long-Term Plan and the level this is forecast to remain at for 2024/25. The increase in revenue is offset by higher operating expenses for this activity.

Land information memorandum and resource consent fees revenue is predicted to increase by \$0.1m for the same reason as building revenue. Operating expenses are predicted to increase at a higher rate within this activity.

General and Targeted Rates

The total general and targeted rates budgeted increase is 14.9% higher than for the same year in the Long-Term Plan with an overall predicted 2024-2025 Annual Plan increase of 19.7%.

The impact of the cumulative change in inflation compared to the rates assumed in the Long-Term Plan has had a significant impact on rates.

Revenue from general rates is \$1.9m higher than the same year in the LTP.

Changes to budgets compared to the same year in the Long-Term Plan impacting general rates:

- Employee remuneration has increased by \$2m, around \$1m of this is funded by general rates, \$0.2m from targeted rates and the rest from external revenue sources such as increased fees and charges revenue and external subsidies or funded from capital project budgets not directly from rates. \$0.6m is due to the cumulative salary market movements being greater than BERL predicted at the time the Long-Term Plan was prepared. Council has also employed new staff funded from rates to help maintain its levels of service and business as usual activity while meeting increased demand for those services, to resource its increased work programme, and ensure it meets statutory and new requirements on local government.
- Increase in external loan interest \$0.6m due to higher than forecast interest rates and higher facility fees.
- Increase in NZTA roading programme bid net of higher funding from NZTA \$0.4m
- Increase in depreciation to fund \$0.2m
- Increase in contractors' fees \$0.1m
- Increase in insurance \$0.1m
- Increase in external investment income (\$0.3m)
- Use of Paparoa Way leasehold properties to offset general rates (\$0.2m)

Revenue from targeted rates is set to increase by \$1.75m compared to the same year in the Long-Term Plan, \$1.8m compared to the 2023-2024 Annual Plan due to Council's decision to hold the Wastewater and Water Supply scheme rates at the same rate adopted in the 2022-2023 Annual Plan.

Water Supply scheme rates revenue is proposed to increase by \$1.06m and Wastewater scheme rates \$0.47m.

The additional \$1.53m in targeted rates revenue required to fund these schemes compared to the same year in the Long-Term Plan is due to:

- Increase in interest expenses of \$0.94m due to higher forecast interest rates combined with \$3.2m higher forecast debt in these schemes.
- WestReef Services Ltd contract review resulting in a net increase of \$0.73m in contracted works, and general repairs and maintenance across the wastewater and water supply schemes.
- Increase in depreciation of \$0.44m due to infrastructural revaluation gains and unplanned works funded from external grants for these activities.

The remaining increase of \$0.21m is in the Solid Waste targeted rate funded activities. \$0.19m of the increase is required in the Zone 1 Waste Management activity due to an increase in contractors fees (\$35 including GST per property), and \$12,000 (\$112 including GST per property) is required in the Maruia Solid

Waste activity and \$8,500 in the Karamea Solid Waste activity (\$7 including GST per property) to cover an increase in operating costs.

The proposed rating policy change being consulted on as part of the current Enhanced Annual Plan in the Wastewater and Water Supply schemes along with general growth in connections across several schemes including for solid waste, means the impact per property is lower than the percentage increase in revenues required to fund these activities.

Operating Expenditure

Operating expenditure is predicted to increase \$9.2m compared to the Long-Term Plan (\$41.4m compared to \$32.2m) due to predicted increases in other expenses of \$3.8m, employee benefit expenses of \$2.0m, depreciation of \$1.8m, and finance costs \$1.4m.

Key highlights making up the increase of \$3.8m in other expenses include:

- the bid to Waka Kotahi NZTA operational component is \$1.6m higher than the same year of the Long-Term Plan, \$0.28m of the increase is funded by general rates as Waka Kotahi NZTA have lifted their share of funding from 72% to 75% for 2024-2027.
- a net increase of \$0.76m in contracted works and general repairs and maintenance within the three waters activities Wastewater, Water Supplies and Stormwater.
- Consultants and contractors fees are up \$0.5m, recoverable resource consent processing contractors are up \$0.1m due to an increased level of consent applications and internal staff time being directed to increased demands in the Council's planning function, Infrastructure Services Planning consultancy fees are up \$0.11m for ongoing three waters work, to undertake project assessments for the upcoming 2025-2034 Long Term Plan, and to develop an approved code of engineering practice, \$0.1m is required to manage ongoing project accounting systems, \$0.07m for consultants to continue Council's property rationalization project and \$0.05m a requested increase by Buller Holdings Limited for the management of the Pulse Energy Recreation Centre.
- insurance is predicted to increase \$0.33m, the general rates funded share being \$0.15m, \$0.06m from targeted rates and \$0.18m from self-funding activities.
- Council owned property rates have risen \$0.25m due to increases in both West Coast Regional Council and Buller District Council rates above what was forecast in the Long-Term Plan.
- \$0.15m relates to increased contractor costs for the collection of recycling waste funded by the Zone 1 targeted rate.
- \$0.12m relates to the Coaltown museum grant that the Long-Term Plan had anticipated would be gone with the introduction of the Pounamu Pathway acquisition of the museum, this did not eventuate, and Council is still proposing to fund this grant.
- Electricity costs have risen \$0.1m due to increase in the Buller Electricity Network lines charges arising from asset reclassifications by Transpower.

Employee benefit expenses are forecast to increase \$2.0m compared to the same year in the Long-Term Plan, \$0.8m compared to the 2023-2024 Annual Plan.

The cumulative general movement in remuneration relating to inflation and market adjustments accounts for \$0.6m due to inflation movements not forecast at the time the Long-Term Plan was prepared.

Since adopting the Long Term Plan, the council has created a permanent project management office for the delivery of capital projects, the costs of which are assumed to be fully recovered from capital project costs

and are not funded directly from rates, Council also received funding for staff to respond to the additional workload from the proposed three waters transition. The staff costs of these activities total \$0.5m.

In response to the increased roading programme Council staff are proposing to employ two new roles in the delivery team totalling \$0.2m that will be 75% funded by Waka Kotahi NZTA.

Since the Long-Term Plan council has also employed several new roles that ensure Council:

- maintains its levels of service and business as usual activity while meeting increased demand for those services.
- resources its increased work programme
- meets statutory and new requirements on local government.
- can respond to reform programmes and other changes in its operating environment like the Three Waters Reform, flood recovery and Te Tai O Poutini Plan.

Some of the new roles are funded by increases in external revenues and do not directly impact rates.

Infrastructural assets were revalued 30 June 2022 with a resulting revaluation gain of \$54.8m compared to a budgeted gain of \$12.8m in year one of the Long-Term Plan, which in turn has resulted in higher annual depreciation against these assets.

Roading has the highest increase in budgeted depreciation of \$1.0m. As Council's policy is to rate fund its share of the roading capital programme instead of depreciation this increase has no impact on rates.

The three waters activities have seen an increase in depreciation of \$0.4m compared to the same period in the Long-Term Plan.

Finance costs have increased as Council's portion of debt not covered by swaps is higher than the same year of the Long-Term Plan and is exposed to increasing floating interest rates.

At the time of preparing the Long-Term Plan Westpac economic forecasts had predicted the Official Cash Rate (OCR) would remain at 0.25% until December 2025. Updated forecasts prepared in March 2024 predict for the 2024-2025 financial year the OCR will remain at 5.5% till June 2024 reducing to 4.5% by June 2025, with the current rate being 5.5%.

Based on the latest economic forecasts the predicted floating interest rate applied to debt not covered by swaps is 6.0% in the Annual Plan compared to 2.13% in the same year of the Long-Term Plan.

Capital Expenditure

Forecast capital expenditure is \$19.4m compared with \$12.4m in the same year of the Long-Term Plan, an increase of \$7m.

The Waka Kotahi NZTA roading programme bid makes up \$5.3m of the proposed increase.

The remaining increase relates to delivering Council's regular programme of work with an increase in forecast spend for the Wastewater and Stormwater activities totalling \$1.5m.

A list of significant projects and their associated funding sources is contained on page 31 and 32

Statement of Financial Position

Council's term debt is expected to be \$7.9m higher in the 2024-2025 Annual Plan than predicted in the Long-Term Plan (\$45.4m compared to \$37.5m).

The increase reflects the changes made to the capital programme subsequent to the Long-Term Plan, along with loan funding associated with the increase in capital expenditure in the three waters activities. The 2022-2023 Annual Plan included new loans for the Westport water trunk main extension \$1.65m revised down to \$1m, and the Westport Wastewater resource consent renewal and discharge upgrade \$2.24m revised down to \$1.8m.

The 2023-2024 Annual Plan saw \$1.3m of loan funding for Westport Water resilience work, an increase in Stormwater upgrades of \$1m, and the carryover loan for the Waimangaroa Water Supply treatment project of \$1.45m in the Long-Term Plan after the floods became a resilience project with loan funding of \$2m.

The current plan includes new external debt for Westport water supply proposed capital of \$3.8m mainly for completing the trunk main renewal project and an increase in Council's loan for share purchases in Buller Holdings Limited of \$1.6m to fund past capital investment into the Pusle Recreation Facility by BHL.

These new external loans are offset by the \$1.9m loan for the Brougham House upgrade being reduced to \$0.7m funded from term deposits due a reduction in scope of this project, and local re-processor plant of \$1.4m not proceeding in 2024-2025 as signaled in the Long-Term Plan.

Cash investments are predicted to be \$6.2m lower in the Annual Plan than the Long-Term Plan.

The reduction in cash investments is due to several factors including:

- utilizing term deposits as internal loans to fund a forecast \$3.7m more capital works than provided for in the Long-Term Plan.
- the decision in the 2023-2024 Annual Plan to fund \$1.75m of flood response and recovery costs out of term deposits that were not able to be funded out of the central government flood recovery funding package.
- along with the \$1.2m deficits in the three waters activities from holding the targeted rates static in 2023-2024.

The result is a net debt position of \$37.8m in the Annual Plan, \$14m higher than the \$23.8m predicted in the same year in the Long-Term Plan, and \$12.8m more than the net debt limit of \$25m set by Council as part of its Financial Strategy.

Council considers the net debt limit breach necessary to provide core services to the community.

Significant capital expenditure

	Draft Enhanced Annual Plan 2024-2025	Funding Source
Roading		
Local Roads:		
Renewals	\$4.5m	75% Waka Kotahi subsidies 25% general rates

Karamea Highway:		
<ul style="list-style-type: none"> Renewals 	\$4.1m	100% Waka Kotahi subsidies
Water		
Westport Water		
<ul style="list-style-type: none"> Trunk main Renewal 	\$2.9m	external loan \$0.25m depreciation funding \$0.75m; funded from targeted rates
<ul style="list-style-type: none"> Renewals 	\$0.6m	
<ul style="list-style-type: none"> Backflow prevention rollout 	\$0.2m	
<ul style="list-style-type: none"> Raw water bypass and bulk flow meters 	\$0.3m	
<ul style="list-style-type: none"> Water resilience upgrade and assessments and strategies 	\$0.4m	
Reefton Water		
<ul style="list-style-type: none"> Renewals 	\$0.3m	internal loan \$0.3m depreciation funding \$0.1m; funded from targeted rates.
<ul style="list-style-type: none"> Backflow prevention rollout 	\$0.1m	
Little Wanganui Water easement for private property intake and drinking water standards compliance improvements	\$0.1m	internal loan funded from targeted rates
Mokihinui Water repairs to leaking pipes and access track, easement for private property intake and drinking water standards compliance improvements	\$0.1m	internal loan funded from targeted rates
Waimangaroa Water security fencing and drinking water standards compliance improvements	\$0.1m	internal loan funded from targeted rates
Punakaiki Water complete chlorination, and finalisation of private land access	\$0.4m	internal loan funded from targeted rates
Inangahua Junction Water main renewals and generator	\$0.1m	internal loan funded from targeted rates
Sewerage		
Westport Sewer renewals and upgrades	\$1.3m	internal loan \$0.8m depreciation funding \$0.5m; funded from targeted rates
Reefton Sewer renewals and upgrades	\$0.5m	internal loan \$0.4m depreciation funding \$0.1m; funded from targeted rates
Stormwater		

Stormwater Upgrades and Replacements	\$0.6m	external loan \$0.3m depreciation funding \$0.3m; funded from general rates
Solid Waste		
Contracted Refuse (litter bins and transfer stations)	\$0.2m	Depreciation funding funded from general rates
Community Facilities		
Civil Defence EOC upgrade investigations	\$0.2m	depreciation funding funded by general rates
Sue Thomson Casey Memorial Library exterior repaint	\$0.2m	depreciation funding funded from general rates
Commercial Infrastructure		
Kawatiri Dredge DOP pump installation and engine upgrades	\$0.8m	Self-funding
Total externally funded	\$7.5m	includes Waka Kotahi subsidies
Total Council funded	\$10.5m	
Total Significant Capital	\$18.1m	

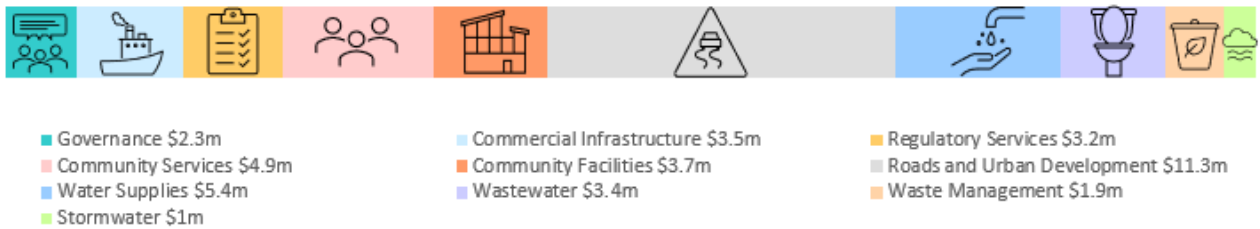
Note the table above details \$18.1m of the total planned capital expenditure \$19.4m. The remaining budgeted capital expenditure of \$1.3m is across Council's business as usual functions for items that individually are planned to be less than \$100,000 for the year.

Where the money goes

Capital Expenditure - to purchase or create assets



Operational Expenditure – the costs of providing ongoing services



Funded by Rates – how much rates contribute to each activity



Rate increases

	2023-2024 Annual Plan \$000	2024-2025 Long Term Plan \$000	2024-2025 Draft Enhanced Annual Plan \$000
Total rates	\$18,755	\$18,836	\$22,452
Rateable properties	7,525	7,517	7,566
Average rates	\$2,492	\$2,506	\$2,967
Rate movements	+9.5%	+4.8%	+19.7%

Note:

- The annual average rate is the sum of the general and targeted rates, divided by the number of ratepayers.
- There will be properties that pay less and others that pay more, depending on the services they receive.
- Total forecast rates revenue to be collected increased by 19.7% but due to growth in the number of rateable properties the increase in average rates per property is lower.






Rates examples by location and sector are **included on page xx**

Financial prudence measures

Draft Annual Plan Disclosure Statement for the year ending 30 June 2024.

The purpose of this statement is to disclose the Council’s planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Draft Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Financial Prudence Benchmarks		Planned	Achieved
Rates increases affordability benchmark	Planned rates increases are no more than the long run cost local government cost index increase (2.4% BERL update 2023; 2.2% in LTP).	19.7%	
Debt affordability benchmark	Planned net debt (debt less term deposits) is less than \$25m.	\$37.9m	
Balanced budget benchmark	Planned total revenue less excluded items is equal to or greater than operating expenditure less excluded items.	106.5%	
Essential services benchmark	Planned capital expenditure on network services is equal to or greater than depreciation on network services.	226.6%	
Debt servicing benchmark	Planned borrowing costs are equal or less than 10% of planned revenue.	4.9%	

- Council is predicting to not meet the rates affordability and debt affordability benchmarks in its 2024-2025 Annual Plan.
- Council forecast that it would meet all financial prudence measures in the Long-Term Plan except for the rates increase measure forecasted to be 4.8%.
- The forecast rates increase measure has risen from 4.8% in year 4 of the 2021-2031 Long Term Plan to 19.7% in this Annual Plan. Drivers for the rates increases are:
 - the largest increase of 5.2% is due to the decision to hold the 3 Waters targeted rates in the 2023-2024 Annual Plan and running \$1.2m of deficits compared to only \$0.2m of deficits in the 2024-2025 Draft Annual Plan,
 - Council is facing a weighted inflationary increase of around 5.6% on its costs, with local pressures over and above what is forecast by BERL,
 - 3% relates to the NZTA work programme identified to preserving Council's roading network and for some key safety improvements,
 - 2.5% relates to increasing depreciation and loan servicing costs relating to Council's increased capital programme and revaluations,
 - 1.5% relates to new staff roles required to meet Council's compliance requirements, and
 - 1.2% increase in 3 Waters repairs and maintenance and routine maintenance contracts.
- Forecast net debt breaches the limit set in the Long-Term Plan financial strategy by \$12.5m. The Long-Term Plan forecast net debt to be \$23.8m at 30 June 2025, made up of \$37.5m of external debt less term deposits of \$13.7m. The 2024-2025 Annual Plan forecasts net debt to be \$37.9m made up of \$45.4m of external debt less term deposits of \$7.5m.
 - Subsequent Annual Plans saw new external debt requirements totalling \$7.9m being required.
 - The 2022-2023 Annual Plan included new loans for the Westport water trunk main extension \$1.65m revised down to \$1m, and the Westport Wastewater resource consent renewal and discharge upgrade \$2.24m revised down to \$1.8m.
 - The 2023-2024 Annual Plan saw \$1.3m of loan funding for Westport Water resilience work, an increase in Stormwater upgrades of \$1m, and the carryover loan for the Waimangaroa Water Supply treatment project of \$1.45m in the Long-Term Plan after the floods became a resilience project with loan funding of \$2m.
 - The current plan includes new external debt for Westport water supply proposed capital of \$3.8m mainly for completing the trunk main renewal project and an increase in Council's loan for share purchases in Buller Holdings Limited of \$1.6m to fund past capital investment into

the Pusle Recreation Facility by BHL. These new external loans are offset by the \$1.9m loan for the Brougham House upgrade being reduced to \$0.7m funded from term deposits due a reduction in scope of this project, and local re-processor plant of \$1.4m not proceeding in 2024-2025 as signaled in the Long-Term Plan.

- Term deposits are forecast to be \$6.2m lower than the same period in the Long-Term Plan due to:
 - utilising term deposits as internal loans to fund a forecast \$3.7m more capital works than provided for in the Long Term Plan,
 - the decision in the 2023-2024 Annual Plan to fund \$1.75m of flood response and recovery costs out of term deposits that were not able to be funded out of the central government flood recovery funding package,
 - along with the \$1.2m deficits in the three waters activities from holding the targeted rates static in 2023-2024.

OUR ACTIVITIES

The work Council undertakes on behalf of its ratepayers includes, but is not limited to, each of the following activities:

REGULATORY SERVICES	ROADING AND TRANSPORT	WATER SUPPLIES	WATER SUPPLIES	WASTEWATER/ SEWERAGE
<ul style="list-style-type: none"> •Animal and stock control •Plans, policies and guidance documents •Provision of consents •Building control •Compliance and enforcement management •Alcohol licensing •Emergency management/civil defence •Environmental health 	<ul style="list-style-type: none"> •Sealed and unsealed roads •Culverts •Bridges •Footpaths •Seats and shelters •Road signs and markings •Street lighting •Urban development 	<ul style="list-style-type: none"> •Westport •Reefton •Waimangaroa •Ngakawau-Hector •Inangahua Junction •Little Wanganui •Cape Foulwind •Punakaiki •Mokihinui 	<ul style="list-style-type: none"> •Westport •Reefton •Waimangaroa •Ngakawau-Hector •Inangahua Junction •Little Wanganui •Cape Foulwind •Punakaiki •Mokihinui •Hector •Ngakawau •Seddonville •Granity •Waimangaroa •Westport •Carters Beach •Reefton 	<ul style="list-style-type: none"> •Westport •Reefton •Little Wanganui
PROFESSIONAL SERVICES BUSINESS UNIT	SOLID WASTE	COMMUNITY SERVICES	CUSTOMER SERVICES, SUPPORT SERVICES	GOVERNANCE, REPRESENTATION
<ul style="list-style-type: none"> •Engineering services •Preparation of contracts •Monitor contractors performance •Organise work to be carried out 	<ul style="list-style-type: none"> •Waimangaroa •Westport •Carters Beach •Reefton •Collection, transfer and final disposal of waste materials •Recycling •Landfill sites •Monitors groundwater quality at landfill's •Waste minimisation 	<ul style="list-style-type: none"> •Community grants and funding •Sports, recreation and cultural facilities and services •Libraries •Communications •Theatre/cinema •Economic development 	<ul style="list-style-type: none"> •Corporate planning •Financial and accounting operations •Rating operations •Health and safety •Asset management •Management functions •Human resources management 	<ul style="list-style-type: none"> •Leadership •Advocacy •Accountable stewardship of Council's assets and resources
COMMUNITY FACILITIES	COUNCIL CONTROLLED ORGANISATIONS	OTHER COUNCIL CONTROLLED ORGANISATIONS		
<ul style="list-style-type: none"> •Westport Harbour Public toilets •Amenities and reserves •Property management 	<ul style="list-style-type: none"> •Buller Holdings Limited •WestReef Services Limited 	<ul style="list-style-type: none"> •Buller Health Trust •Denniston Heritage Trust •Westport Airport 		

Cemeteries •Housing for the elderly	•Buller Recreation Limited			
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Regulatory Services

What we do

- Animal management
- Plans, policies and guidance documents
- Provision of consents
- Building control
- Compliance and enforcement management
- Alcohol licensing
- Emergency management and civil defence
- Environmental health

Why we do it

Council undertakes these activities to contribute to providing a safe, healthy and sustainable environment:

- The animal management service aims to provide a safer district by reducing dog-related offences through the registration of dogs, educating their owners, and investigating complaints.
- The planning service ensures the district can promote development to support a prosperous community without compromising the rights of residents and the district's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the district's buildings and other associated structures (such as swimming pools) are safe, habitable, and meet national legislative requirements. Of particular importance is Council's role in advising on and where necessary enforcing the statutory provisions relating to earthquake prone buildings.
- Compliance and enforcement management activities focus on working with the community to ensure the district remains a peaceful and attractive place to live and work. By the application of bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping, and respond to noise nuisances, as well as encouraging residents to maintain tidy sections.
- Alcohol licensing ensures that the statutory requirements and the objectives of the Sale and Supply of Alcohol Act 2012 are being met, in that the sale and supply of alcohol should be undertaken safely and responsibly, and any harm caused by excessive or inappropriate consumption of alcohol should be minimised.
- Under the Civil Defence Emergency Management Act 2002, Council must be prepared to provide readiness, response, and recovery in the event of an emergency. The Buller District has a full time Emergency Management Officer based in Westport after a west-coast wide shared services arrangement was agreed with Grey District Council, Westland District Council, and West Coast Regional Council. Council provides staff and resources in the event of a Civil Defence emergency.
- Environmental health ensures that operators meet required public health standards, in particular the safe preparation and service of food.

Considerations and impact

Te Tai o Poutini Plan

The Local Government Commission decided to transfer the statutory powers associated with district plan making to the regional Council. This concept is called The Te Tai o Poutini Plan (One District Plan) and is subject to community consultation.

The plan development process will be governed by a joint committee of elected members from all the Council's with support from staff across the region. The transfer of statutory power is for plan making only and Buller would still require a planning team to process consents and administer the plan. As the Council is involved in developing and administering the plan, we have maintained the status quo in terms of planning resource.

Freedom camping bylaw and the bylaw reviews

Council is undertaking a review of its by-laws due to be completed throughout the implementation of the Enhanced Annual Plan, which is a significant workload - Joint compliance and monitoring between all West Coast Councils for freedom camping is being considered.

Civil defence and climate change

Council will continue to review the risks of climate change for the district in the short and long term. Recent natural hazard events impacting the District and indeed New Zealand have highlighted how climate change may seriously impact Council infrastructure and provision of services, as well as our wider community. Climate change issues have a link with the Civil Defence activity that is budgeted for and undertaken by Council because climate change must be factored into future emergency planning.

In prior years Council used to fund direct staff costs for the emergency management officer. These costs are now met by the West Coast Regional Council. Buller District Council provides funding for emergency preparedness throughout the district including training and sundry administration costs.

Negative effects

There are no potential negative impacts from this activity.

Significant capital expenditure

- \$50,000 Specialised vehicle

Significant Variances

Annual Plan vs Long Term Plan

General rates, uniform annual general charge, rates penalties

The increase is due to the increase in payments to staff and suppliers below.

Fees and charges

Expected revenue from fees and charges is higher than the Long-Term Plan largely due to an uplift in building and consenting activity in the region.

Payments to staff and suppliers

The increase is due to the staff and other costs associated with an increase in building and consenting activity in the region.

Funding allocations

Activity	Funding Mechanism		
	General rate	Fees	Capital Spend
Resource Management Planning	90-98%	2-10%	<ul style="list-style-type: none"> • Depreciation reserves • Loans
Resource Consents	30-40%	60-40%	<ul style="list-style-type: none"> • Depreciation reserves • Loans
Building consents	35-45%	55-65%	<ul style="list-style-type: none"> • Depreciation reserves • Loans
Dog licensing	30-40%	60-70%	<ul style="list-style-type: none"> • Depreciation reserves • Loans
Animal control	90-98%	2-10%	<ul style="list-style-type: none"> • No Capital spend
Environmental Health - Food Premises	60-70%	30-40%	<ul style="list-style-type: none"> • No Capital spend
Environmental Health - Liquor Licensing	75-90%	10-25%	<ul style="list-style-type: none"> • No Capital spend
Environmental Health - Noise	90-95%	5-10%	<ul style="list-style-type: none"> • No Capital spend
Environmental Health - General Inspection	100%		<ul style="list-style-type: none"> • No Capital spend
Environmental Health - Freedom Camping	100% externally funded		<ul style="list-style-type: none"> • No Capital spend
Emergency Management	100%		<ul style="list-style-type: none"> • Depreciation reserves • Loans • Investments

Key performance indicators - regulatory Services

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Building Consent Authority	<ul style="list-style-type: none"> ▪ Social ▪ Economic 	Ensure quality assurance requirements for building consent authorities are met, as required by Regulation 17 of the Building Consent Authorities Regulation 2006.	Process building consent applications within the statutory timeframes.	100% of building consents are technically correct and granted within statutory timeframes. Continue to retain accreditation by passing the biennial IANZ Audits. Next audit due end of 2025.
Resource Consent Planning	<ul style="list-style-type: none"> ▪ Social ▪ Economic 	Ensure appropriate management and promotion of the district's natural and physical resources.	Process non-notified resource consents within statutory timelines.	Process 100% of non-notified resource consents within statutory timeframes.

Food premises Public Health and Safety	<ul style="list-style-type: none"> ▪ Social ▪ Economic 	<p>Ensure environmental health standards are met, so food offered for sale is prepared appropriately and safe for consumption.</p>	<p>Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders, ensuring they meet the Food Hygiene Regulations 1974 and the Food Act 2014.</p>	<p>All food premises are inspected according to their status of 9, 12 or 18-month frequency. Inspect 100% of all hairdressers, funeral homes, camping grounds and offensive traders once annually for compliance.</p>
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Key performance indicators - Emergency Management

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
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<p>Civil Defence Emergency Management</p>	<ul style="list-style-type: none"> • Social • Affordability 	<p>Allows the community to have confidence in Council’s ability to respond in an emergency as well as empowering residents to be better prepared physically and psychologically for a civil defence event.</p> <p>Facilitates better preparation leading to a better response and a quicker and more effective recovery.</p> <p>Ensure adequate staff are trained to respond to civil defence emergencies and EOC activations.</p>	<p>Co-ordinate civil defence readiness, response, and recovery and reduction.</p> <p>Education about flood evacuation plan is socialised.</p> <p>Buller Emergency Operation Centre (EOC) is operationally ready, resilient, and equipped to respond to all civil defence emergencies.</p> <p>Provide communication equipment to support operational communications networks, i.e., sat phones, VHF and UHF radios.</p> <p>Buller District Council staff are adequately trained to respond to a civil defence emergency attend training as required.</p>	<p>Council carries out its legislative functions as part of the West Coast CDEMG.</p> <p>One annual education campaign happens to communicate the key points of the Buller District Flood Plan.</p> <p>Council maintains a dedicated Emergency Operations Centre facility.</p> <p>Communities have access to suitable emergency communications equipment to ensure connectivity during civil defence emergencies.</p> <p>Council will ensure it has adequately trained staff available to immediately respond to and run the EOC for a minimum period of 48hrs.</p>
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Funding impact statement for Regulatory Services

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		1,927	1,635	1,911
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		1,202	970	1,333
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		3	2	2
Total operating funding	A	3,132	2,607	3,246
Applications of operating funding				
Payments to staff and suppliers		2,216	1,783	2,283
Finance costs		1	1	1
Internal charges and overheads applied		860	781	886
Other operating funding applications		0	0	0
Total applications of operating funding	B	3,077	2,565	3,170
Surplus/ (deficit) of operating funding	A-B	55	42	76
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		55	55	56
Increase/(decrease) in debt		(10)	(10)	(10)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	45	45	46
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	11	62
Increase/ (decrease) in reserves		100	76	60
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	100	87	122
Surplus/ (deficit) of capital funding	C-D	(55)	(42)	(76)
Funding balance	((A-B)+(C-D))	0	0	0

Transport

Roading

What do we do?

The roading activity provides for planning, operations, maintenance, development and improvements to the roading network so that it is affordable, integrated, safe, responsive and sustainable.

Council provides, maintains and renews sealed and unsealed roads, bridges and culverts to enable people to move around for employment, recreation, shopping, social activities and business purposes. It also provides road signs, markings and street lighting to ensure that travel is safe and convenient. Council reviews the road network in response to changing needs and develops forward work plans to ensure the road network can cater for future growth.

Why are we involved in this activity?

The roading activity provides people with access to employment, services, education and recreation, as well as providing for the movement of goods and services to support the local economy. The road corridor also provides access for critical services such as electricity, telecommunications, water supply and waste disposal.

Assumptions

Waka Kotahi NZTA will provide funding for local roads at 75% from 2024/2027. Funding for the Karamea Highway which is a Special Purpose Road is confirmed to remain at 100% until 30 June 2027.

Council and Waka Kotahi NZTA have agreed to leave Special Purpose Roads as 100% FAR supported for the 2024/2027 National Land Transport Programme. For the duration of the AP, it is Council's assumption that the Karamea Highway will remain fully funded by Waka Kotahi NZTA into the future.

Council continues to plan for areas of the region that are experiencing residential developments and growth. Council will look to conclude the Omau – Star Tavern intersection improvement project at the ex-Holcim cement haul road intersection at Cape Foulwind. Further impacts on the transport network of any other significant subdivisions or land use changes will be managed via consenting processes (e.g. resource consent conditions, financial contributions).

Council assumes that revenue from fuel taxes remains the same at current level (fuel tax received helps to offset the cost of providing roading throughout the District).

Negative effects

Roads can disrupt natural drainage patterns, introduce contaminants into the stormwater and change the landscape. The purpose of the road management systems is to minimise these effects, while still providing a safe platform for development. There can be significant negative effects if the roading network is inadequate or under maintained. Inadequately maintained roads are an increased safety risk and they significantly increase travel and renewal costs. This risk is mitigated by ensuring that renewals are undertaken in line with the Roothing Asset Management Plan. This plan ensures that road maintenance is undertaken at the optimum level to maintain the current level of service provided.

Significant capital expenditure

- \$1.9m roadside drainage and wet weather resilience improvement on the Karamea Special Purpose Roads

- \$2.5m Full bridge replacements and bridge component replacements. \$1.17M Local Roads and \$1.33M Special Purpose Roads
- \$0.5m pavement rehabilitation Special Purpose Roads
- \$1.6m road reseals. \$1.23M Local Roads and \$0.33 M Special Purpose Roads
- \$0.7m Omau intersection Stage 2 of a three-stage improvement

Aspects of the increased expenditure relates to improvements on the Karamea Highway which currently attracts 100% subsidy from Waka Kotahi NZTA.

Significant Variances

Annual Plan vs Long Term Plan

General rates, uniform annual general charge, rates penalties

An increase is required for the 25% Council funded portion of the local roads programme.

Subsidies and grants for operating purposes

This is greater than the Long-Term Plan as the cost of the proposed programme of works for 2024-2025 has increased compared to the Long-Term Plan, and therefore the corresponding funding from Waka Kotahi NZTA will be greater also. Just over half of this increase is 100% funded by NZTA.

Payments to staff and suppliers

Due to price escalation in labour and materials and the work required to preserve assets and maintain levels of service, the cost to undertake the roading work in 2024-2025 has increased compared to the Long-Term Plan.

Internal charges and overheads applied

Increased internal costs relating to the volume submitted in the programme of works for inclusion in the tri annual NZTA National Land Transport Programme (NLTP).

Subsidies and grants for capital expenditure

The subsidies from NZTA will increase in line with the increased programme of works.

Capital expenditure to improve the level of service and to replace existing assets

The work required to preserve assets and maintain levels of service and price escalations in labour and materials means the cost of capital works submitted in the tri-Annual investment bid to NZTA was greater than the programme originally budgeted for in Year 4 of the 2021 – 2031 Long Term Plan. More than half this increase is 100% funded by NZTA.

Funding allocations

Activity	Funding Mechanism		
	General rate	NZTA Subsidy	Capital Spend
Roading – Local Roads	25%	75%	<ul style="list-style-type: none"> • General Rates • NZTA Subsidy • Loans
Roading – Special Purpose Road (Karamea Highway)	-	100%	

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	✓ By providing a safe roading system.
AFFORDABILITY	✓ By providing everyone easy access to the roading network. ✓ By providing links to sustain rural communities.
ENVIRONMENT	✓ By helping reduce energy consumption in our community.

Significant issues

SPECIAL PURPOSE ROAD – KARAMEA HIGHWAY

In northern Buller, the 49km section of road over the Karamea Bluff between Mokihinui and Karamea forms the majority of the Karamea SPR. A 12km section from Karamea to Kohaihai completes the 61km of special purpose road designation in our district.

The SPR is historically known as the Karamea Highway, and was originally constructed, operated and funded by Waka Kotahi NZTA as part of State Highway 67. In the early 1990's, the designation was changed by Waka Kotahi NZTA to special purpose as part of a wider review and state highway strategy. At that time, SPR's attracted 100% of funding for their maintenance and upgrading from Waka Kotahi NZTA.

In 2003, the legislative power to create SPR's was removed leaving Waka Kotahi NZTA with a process of gradually phasing them out. All affected road controlling authorities have been developing transition plans to agree the terms for this process and how these SPR's will be funded into the future. Buller has continued to advocate against the return of this road to the district to fund and manage. Waka Kotahi NZTA has agreed to keep the 100% FAR funding support in place for the next tri-annual investment period 2024-2027.

The challenges we need to address...

There are many challenges related to managing the Karamea Highway, especially the Karamea Bluff section. This goes back to its original corduroy construction, which included using organic materials such as trees, brush, and soil, to build its foundation. 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.

Significant weather events experienced throughout 2021 and 2022 have resulted in widespread damage across the Karamea Highway. This road damage has been repaired under the work category 141 which enables funding from the National Land Transport Fund (NLTF) in response to a defined, major, short-duration natural event (a qualifying event) that has directly reduced customer levels of transport service significantly below those that existed prior to a storm event that resulted in the unforeseen and significant expenditure.

Key facts of the Karamea Highway:

- 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 indicate that approximately 252 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 and part of the new Pounamu Pathway.
- Costs of emergency works have proven to be highly variable and unpredictable. Recent extreme weather events are proven to have caused multi-million dollars' worth of direct road damage and a large indirect business, transport access and community impact.

Council's view remains that any work programme and financial investment going forward on the Karamea Highway will need to remain 100% funded by Waka Kotahi NZTA.

This 2024/2027 Tri-Annual investment bid to Waka Kotahi NZTA includes a significant investment in resilience upgrades for roadside drainage to ensure the Karamea Highway is more resilient to extreme weather events.

Transport

What do we do?

The transport activity provides for planning, operations, maintenance, development and improvements to the transport network so that it is affordable, integrated, safe, responsive and sustainable. Although having strong links with roading, transport established interrelated programs of work and budgets. These programs include public transport services, cycle and walkways, signs and wayfinding, parking infrastructure, footpaths and pedestrian access mobility plans (PAMP).

Council provides, maintains and renews footpaths, seats and shelters to enable people to move around for employment, recreation, shopping, social activities and business purposes. Council reviews the transport network in response to changing needs and develops plans to ensure the transport network can cater for future growth. Council also provides support for the continued operation of the Westport taxi services which provide public transport.

Urban development is undertaken to provide a more pleasant environment for our communities by use of plantings, street treatment and decorative measures. This extends to the beautification of main thoroughfares with street flags and hanging floral baskets.

Why are we involved in this activity?

The transport activity allows the community to travel to employment, services, education and recreation activities. Benefits include a more active and healthy community, encouraging residents and visitors alike to explore and experience our amazing District and generally improved well-being and sense of community.

Assumptions

Waka Kotahi NZTA will provide funding for certain transport activities including public transport services, footpath maintenance and resurfacing, and some transport planning at 75% of the cost for the 2024/2027 period of this AP.

Waka Kotahi NZTA has advised that over the first three years they will co-fund \$ XXXXXXX of transport activities Buller District Council had requested to be co-funded.

Freshwater fisheries regulations and fish passage through our roadside stormwater culverts will provide continued compliance challenges.

Negative Effects

Transport infrastructure can disrupt natural drainage patterns, introduce contaminants into the stormwater and change the amenity value of the landscape. The purpose of the transport management systems is to minimise these effects, while still providing a safe platform for development. There can be significant negative effects if the footpath network is inadequate or under maintained. Inadequately maintained footpaths are an increased safety risk and they significantly increase renewal costs. This risk is mitigated by ensuring that

renewals are undertaken in line with an Asset Management Plan. This plan ensures that footpath maintenance is undertaken to maintain the current level of service provided.

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	✓ By providing a safe footpath system. 3 By promoting cycleways and walkways, signs and wayfinding and parking infrastructure.
ENVIRONMENT	✓ By helping reduce energy consumption in our community. By creating relationships within the community that contribute to the overall beautification of our transport spaces and ensure that mobility issues are addressed for all stakeholders.
PROSPERITY	✓ By providing everyone easy access to the greater roading network by providing links to sustain rural communities. By providing assistance with public transport.

Significant Capital Expenditure

- \$0.5m footpath renewals. (Waka Kotahi NZTA co-funded at 75%)

Significant Variances

Annual Plan vs Long Term Plan

No significant variances.

Funding allocations

Activity	Funding Mechanism		
	General rate	Fees	Capital Spend
Transport	25%	75%	<ul style="list-style-type: none"> • General Rates • NZTA Subsidy • Loans

Key performance indicators - Roading and Transport

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Roads and Transport	Social Affordability Prosperity	Roads, footpaths, and transport links help to achieve an integrated, safe, responsive, and sustainable land transport system.	No change or reduction in the safety quality of the road network from the previous financial year in the number of fatalities and serious injury crashes. Ensure district roads remain safe.	≥ No change or reduction in the safety quality of the roading network from the previous financial year
Roads and Transport	Social Affordability Prosperity	Roads, footpaths, and transport links help to achieve an integrated, safe, responsive, and sustainable land transport system.	The sealed and unsealed roads are fit-for-purpose and provide for comfortable, efficient, and safe travel. Smooth Travel Exposure (STE - system scoring count) is measured on our sealed road network. Sealed and unsealed roading network is being maintained.	≥ STE is greater than 90 STE performance per km of road roughness. ≥ The ten-year average for sealed local road that is resurfaced is greater than 5.3% per annum based on network length. ≥ Unsealed network surfacing renewal annual target of greater than 2,500m ³ .
Roads and Transport	Social Affordability Prosperity	Roads, footpaths, and transport links help to achieve an integrated, safe, responsive, and	Footpaths are fit-for-purpose and provide for comfortable and efficient travel	≥ Continue to achieve 75% of district footpaths ranked as grade 1 and 2 (satisfactory).

		sustainable land transport system.	Footpaths are maintained within the level of service standard for the condition of footpath.	≥ Continue to achieve 95% of district footpaths ranked as grade 1 through to 3 (satisfactory – fair).
Roads and Transport	Social Affordability Prosperity	Roads, footpaths, and transport links help to achieve an integrated, safe, responsive, and sustainable land transport system.	Responsive to, and focus on, the customer. Ensure that customers' service requests relating to road and footpaths are acknowledged and placed into the forward works programme (as appropriate in relation to priority).	≥ Service requests are managed through the service request systems and 85% of requests are planned for action, in line with level of service criticality, within 15 working days.

Funding impact statement for Roading and Transport

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		2,155	2,336	2,935
Targeted rates		0	0	0
Subsidies and grants for operating purposes		2,690	3,114	4,571
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		135	171	120
Total operating funding	A	4,980	5,621	7,626
Applications of operating funding				
Payments to staff and suppliers		3,189	3,587	4,842
Finance costs		23	20	26
Internal charges and overheads applied		998	1,224	1,776
Other operating funding applications		0	0	0
Total applications of operating funding	B	4,210	4,831	6,644
Surplus/ (deficit) of operating funding	A-B	770	790	982
Sources of capital funding				
Subsidies and grants for capital expenditure		2,705	2,613	7,518
Development and financial contributions		0	0	0
Increase/(decrease) in debt		375	(40)	151
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	3,080	2,573	7,669
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		605	0	2,315
- to replace existing assets		3,106	3,363	6,337
Increase/ (decrease) in reserves		139	0	(1)
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	3,850	3,363	8,651
Surplus/ (deficit) of capital funding	C-D	(770)	(790)	(982)
Funding balance	((A-B)+(C-D))	0	0	0

Drinking Water Supplies

What do we do?

Council manages drinking water supplies to support the health and well-being of the community.

Why are we involved in this activity?

Drinking water is an essential need for individuals and commercial operations. Council provides sufficient quantities of drinking water for domestic and commercial needs and public amenities. Council water management is required under a number of legal statutes.

Assumptions

There will be no significant change to current water demand from any of the Council water supplies. Any significant increase in water consumption due to additional subdivision, housing or industry will be addressed as part of the development (e.g. through a financial contribution).

There will be no major infrastructure failures.

The Water Services Act 2021 has been introduced, together with Taumata Arowai as the national regulator for drinking water. The Government has confirmed council ownership and control of water assets, under its Local Water Done Well Policy. Council has several drinking water supplies that require extensive investment to meet the Drinking Water legislation and Quality Assurance Rules. Council will continue to engage and consult with the community on the financial impact and timing for upgrades based on affordability.

Significant projects

Westport water supply

The Westport water catchment was damaged in the February 2022 severe weather event. Elements of the supply have remained vulnerable. This Annual Plan proposes investment to ensure ongoing resilience and provide a safe, reliable and adequate drinking water supply for our district's largest population. This includes water loss and water resilience upgrade work on the intake, treatment processes and distribution networks. Major projects include network valve replacements, on-going backflow prevention and trunk main replacement (Stage 2). Resource consenting for water abstraction will be renewed.

Reefton water supply

Reefton water supply will have an on-going backflow prevention and mains replacement programme.

Punakaiki

Continued investment in water safety compliance and water treatment via the installation and operation of chlorination in the supply. Council will continue to work with others to seek external funding for a new Punakaiki drinking water supply project.

Negative effects

There are no negative effects to upgrading drinking water supplies when seen through a lens of community health; drinking water supplies will need to ensure they are on a pathway towards compliance and meeting the requirements of the water safety plans to provide safe drinking water to all consumers.

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	<ul style="list-style-type: none"> ✓ By providing safe drinking water to support a healthy community. ✓ By providing water for sanitary services. ✓ By maintaining sufficient water for firefighting purposes.
ENVIRONMENT	<ul style="list-style-type: none"> ✓ By conserving water and encouraging others to do the same.
AFFORDABILITY	<ul style="list-style-type: none"> ✓ By meeting commercial and community needs at an affordable cost with equal access to water.

Levels of service

Levels of service have been summarised into a number of more specific target performance standards as below:

- To ensure that all supplies have sufficient water at the source, and within the system, to meet the reasonable needs of the consumers.
- To ensure that connections are provided with adequate water pressure under normal use.
- To maintain the service to the consumer with a minimum of disruption and inconvenience.
- To minimise the quantity of unaccounted water.
- To ensure that supplies are managed in a cost-effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.
- The corresponding levels of service established as a means of achieving the performance standards.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy Activity.

Activity	Funding Mechanism		
	Targeted rate	Fees	Capital Spend
Drinking Water Supplies	100%	-	<ul style="list-style-type: none"> • Targeted rates • Subsidies • Investments • Depreciation reserves • Loans

Significant Capital Expenditure

- \$3.1m Westport Trunk main replacement – Stage 2
- \$0.6m Westport mains replacement and north branch connection to south branch of intake source
- \$0.2m Westport backflow prevention rollout
- \$0.3m Westport raw water bypass - Increased LOS

- \$0.4m Westport water resilience upgrades and assessments & strategies.
- \$0.3m Reefton renewals
- \$0.1m Reefton backflow prevention rollout
- \$0.1m Little Wanganui easement for intake on private property and drinking water standards compliance improvements
- \$0.1m Mokihinui repairs, easement for intake and drinking water standards compliance improvements
- \$0.1m Waimangaroa Water security fencing and drinking water standards compliance improvements
- \$0.4m Punakaiki chlorination completion and private land access
- \$0.1m Inangahua Junction main renewals and generator

There is no provision for upgrades to achieve full drinking water standards compliance for Waimangaroa, Mokihinui, Ngakawau-Hector, Inangahua Junction, Little Wanganui and Punakaiki. Allowance for investigation work has been included in the Enhanced Annual Plan 2024/2025. The Drinking Water Supplies capital expenditure shall be less than the projects listed above because it is subject to an 8% scope adjustment, therefore 8% of the value of the projects cannot proceed.

Significant Variances

Annual Plan vs Long Term Plan

Targeted Rates

The increase in targeted rates compared to the Long-Term Plan is largely due to the increase in loan interest rates and inflationary pressures reflected in the increase in operating expenses such as contractor costs.

Payments to Staff and Suppliers

Council renegotiated its contracts with its main sub-contractor, WestReef. The new rates started part way through the 2022-2023 financial year and are higher than was budgeted in the 2021-2031 Long Term Plan.

Finance Costs

Loan interest rates have increased since the Long-Term Plan and this impacts the Westport, Waimangaroa, Punakaiki, Reefton schemes.

Subsidies and grants for capital expenditure

The 2021-2031 Long Term Plan allowed for an externally funded water treatment plant and intake for the Punakaiki Water Supply. The improvements required for drinking water compliance will now be loan funded and include completion of the water chlorination project in 2024-2025.

Increase/(decrease) in debt

The increase is mainly due to Loans for Westport Water Trunk Main renewal and Punakaiki drinking water compliance not budgeted in the Long-Term Plan. The loan for Little Wanganui and Mokihinui water treatment plant improvements reduced for 2024-2025.

Capital expenditure to improve the level of service and to replace existing assets

The main variance is the Westport Trunkmain renewal that was originally planned to be fully completed and externally funded in the Long-Term Plan. The final stage will now be completed in 2024-2025. The externally funded water treatment plant and intake planned for Punakaiki Water Supply has been put on hold and replaced with chlorination of the existing supply. Other variances of note are reductions in capital expenditure planned for Little Wanganui and Mokihinui to meet drinking water standards.

Targeted Rates

Water Supplies	2023-2024 Annual Plan	2024-2025 Long Term Plan	2024-2025 Draft Annual Plan
Westport	\$1,101	\$1,121	\$1,362
Reefton	\$1,093	\$1,323	\$1,293
Little Wanganui	\$317	\$265	\$382
Mokihinui	\$368	\$518	\$478
Ngakawau-Hector	\$357	\$357	\$357
Waimangaroa	\$1,093	\$1,323	\$1,311
Punakaiki	\$1,193	\$1,840	\$1,431
Inangahua Junction	\$995	\$1,380	\$1,194
South Granity tank supply (administered by Buller District Council)	\$288	\$288	\$288

These targeted rates include GST.

Key Performance Indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Provide an adequate quality of drinking water	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Safe drinking water supports the health of our community.	Council water supplies conform to part 4 and part 5 of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and the Drinking Water Quality Assurance Rules	<p>≥ Full compliance (100%) with part 4 (bacteria compliance criteria).</p> <p>≥ Full compliance (100%) with part 5 (protozoa compliance criteria).</p>
Provide a reliable supply of drinking water	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	A reliable supply of drinking water is provided through a maintained network.	No more than a 30% of real water loss from the networked reticulation system.	≥ No more than 30% water loss from the reticulation system.
Provide a reliable supply of drinking water - fault response times	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	A reliable supply of drinking water is provided through a maintained network.	Response to network outages, faults and unplanned interruptions are measured.	<p>≥ Resolution of urgent callouts: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be three working days at the most.</p> <p>≥ Resolution of non-urgent callouts: Priority B & C: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be five working days at the most.</p> <p>≥ Resolution of non-urgent</p>

				callouts: Priority D: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be twenty working days at the most.
Provide a reliable supply of drinking water – demand management	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Demand on the drinking water supply is managed through a maintained network.	Meet the average consumption of drinking water per day per resident within the Buller District.	≥ 700 litres per resident per day.
Provide an acceptable supply of drinking water – customer satisfaction	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	An acceptable supply of drinking water is provided through a maintained network to communities	Stated performance delivery of the supply does not exceed the total complaints received target on the following aspects of the drinking water: <ul style="list-style-type: none"> • Clarity • Taste • Odour • Pressure or flow • Continuity of supply 	≥ Less than 5 valid complaints per 1,000 connections for these measures.

Table 1: (Plant Compliance)

Drinking Water Quality Assurance Rules and WSA 2021

Drinking Water Supply (plant compliance)	Population (WINZ)	Bacterial Compliance		Protozoal Compliance (%)	
		Current Performance	Target	Current Performance	Target
South Gravity Tank Supply (administered by Council)	30	No *	No	No *	No
Hector/Ngakawau (administered by Council)	219	No*	No	No *	No
Inangahua Junction	70	Yes	Yes	No***	Yes
Little Wanganui	150	No*	No	No *	No
Mokihinui	100	No*	No	No *	No
Punakaiki	230	No****	Yes	No****	Yes
Reefton	951	Yes	Yes	Yes	Yes
Waimangaroa	300	No *	No	No*	No
Westport (including Carters Beach)	4974	No ****	Yes	No***	Yes

* No treatment plant to enable compliance ** E Coli detection in supply

Table 2: (Zone compliance)

Drinking Water Quality Assurance Rules and WSA 2021

Drinking Water Supply (zone compliance)	Population (WINZ)	Bacterial Compliance	
		Current Performance	Target
South Gravity Tank Supply (administered by Council)	30	No *	No
Hector/Ngakawau (administered by Council)	219	No*	No
Inangahua Junction	70	Yes	Yes
Little Wanganui	150	No*	No
Mokihinui	100	No*	No
Punakaiki	230	Yes	Yes
Reefton	951	Yes**	Yes
Waimangaroa	300	No*	No
Westport	4617	Yes	Yes
Carters Beach	357	Yes	Yes

* No treatment plant to enable compliance ** E Coli detection in supply

Table 3:

Water leakage

Drinking Water Supply	Connections	Actual Performance	Target	Method
South Gravity Tank Supply (administered by Council)	23	2022/2023: not measured	30%	MNF
Hector/Ngakawau	176	2022/2023: not measured	30%	MNF
Inangahua Junction	33	2022/2023: not measured	30%	MNF
Little Wanganui	78	2022/2023: not measured	30%	MNF
Mokihinui	50	2022/2023: not measured	30%	MNF
Punakaiki	93	2022/2023: not measured	30%	MNF
Reefton	663	2022/2023: not measured	30%	MNF
Waimangaroa	137	2022/2023: not measured	30%	MNF
Westport	2694	2022/2023: not measured	30%	MNF

MNF = Minimum Night Flow Water leakage is not measured in some supplies as those supplies have no treatment plant therefore there is no way of determining leakage.

Funding Impact Statement for Drinking Water Supplies

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	3,907	4,145	5,071
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	0
Total operating funding	A	3,907	4,145
Applications of operating funding			
Payments to staff and suppliers	2,030	1,551	2,281
Finance costs	1,012	346	1,083
Internal charges and overheads applied	641	555	734
Other operating funding applications	0	0	0
Total applications of operating funding	B	3,683	4,098
Surplus/ (deficit) of operating funding	A-B	224	973
Sources of capital funding			
Subsidies and grants for capital expenditure	650	2,214	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	903	1,338	4,559
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	1,553	3,552
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	1,072	3,839	1,848
- to replace existing assets	1,618	1,301	3,944
Increase/ (decrease) in reserves	(913)	105	(260)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	1,777	5,245
Surplus/ (deficit) of capital funding	C-D	(224)	(973)
Funding balance	((A-B)+(C-D))	0	0

Wastewater

What do we do?

Council provides these activities to support the health and well-being of the community and the environment. Council currently provides for the collection and transportation of the wastewater from residential and commercial properties of the townships of Westport, Little Wanganui and Reefton through a network of underground piping infrastructure to treatment facilities. The rest of the district is serviced by on-site domestic effluent disposal systems that property owners install and maintain.

Assumptions

It has been assumed that there will be no significant capacity change required for infrastructure to meet demands from industry or population growth. Wastewater and storm water separation work will continue to ensure that storm water flow impact is reduced on the wastewater networks.

Freshwater legislation for wastewater discharge will provide continued compliance challenges. Resource consent to discharge primary treated and untreated wastewater effluent to our rivers during storm overflow events are in place or in the process of renewal to allow continued operation.

A further assumption is that there will be no major wastewater infrastructure failures.

Without Three Waters reform transition, all wastewater assets will remain with Council.

Wastewater systems

Council continues a routine sewer mains replacement programme throughout Westport, Carters Beach, Little Wanganui and Reefton, as well as any resource consent compliance related treatment plant upgrades as required. Wastewater modelling for Westport will inform aspects of storm water and wastewater separation. This will continue to address the level of stormwater inflow and infiltration into the network and provide information to enable the reduction of stormwater volume, improving capacity across the network. There will be a continued focus on ensuring network integrity at locations where sewerage and drinking water pipes are co-located within close proximity.

Significant negative effects

There is potential for the discharge of domestic effluent from wastewater systems to result in significant negative effects to public health and the receiving environment. However, domestic effluent discharges are subject to a resource consent process and the effects of each discharge are identified. Where risks exist, there are conditions placed on that discharge to manage the potential effects. The primary purpose of the wastewater treatment and network system is to reduce the negative effects from wastewater discharges that would otherwise impact on communities.

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	✓ By providing a sanitary wastewater collection and treatment service.
ENVIRONMENT	✓ By protecting the environment through the treatment of wastewater.
AFFORDABILITY	✓ By meeting commercial wastewater needs and meeting community needs at an affordable cost.

Changes in level of service

- Mains upgrades resulting in increased levels of service.
- Sewer modelling informs stormwater separation prioritisation.

Significant Capital Expenditure

- \$1.3m Westport mains replacements
- \$0.5m Reefton wastewater renewals and upgrades

The Wastewater Supplies capital expenditure shall be less than the projects listed above because it is subject to an 8% scope adjustment, therefore 8% of the value of the projects cannot proceed.

Significant Variances

Annual Plan vs Long Term Plan

Targeted Rates

The increase in targeted rates compared to the Long-Term Plan is largely due to the increase in loan interest rates and inflationary pressures reflected in the increase in operating expenses such as contractor costs.

Payments to Staff and Suppliers

Council renegotiated its contracts with its main sub-contractor, WestReef. The new rates started part way through the 2022-2023 financial year and are higher than was budgeted in the 2021-2031 Long Term Plan.

Finance Costs

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Increase/(Decrease) in Debt

The increase is due to Loans for all three wastewater schemes not budgeted in the Long-Term Plan.

Capital expenditure to improve the level of service and to replace existing assets

There are increases in all capital expenditure categories for this activity, mainly relating to pipeline & pumpstations and other capital in Westport, treatment plant and wastewater mains in Reefton, and mains renewals and access in Little Wanganui.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy Activity.

Activity	Funding Mechanism		
		Fees	Capital Spend
Wastewater	100%	-	<ul style="list-style-type: none"> ✓ Investments ✓ Depreciation reserves ✓ Loans

Targeted Rates

Wastewater	2023-2024 Annual Plan	2024-2025 Long Term Plan	2024-2025 Draft Annual Plan
Westport	\$1,103	\$1,093	\$1,129
Reefton	\$817	\$748	\$854
Little Wanganui	\$886	\$1,380	\$950

These targeted rates include GST.

Key performance indicators

Activity	Community Outcome	Activity contribution	Performance measures 2028-2034
Provide adequate wastewater and sewerage systems	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Wastewater and sewerage systems contribute to maintaining public health.	≥ less than five sewerage overflows per 1,000 connections.
Wastewater and sewerage discharge compliance	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Provision of wastewater and sewerage collection and disposal systems that contribute to ensuring minimal environmental impact.	≥ less than five abatement notices. ≥ 0 infringement notices. ≥ 0 enforcement orders. ≥ No convictions received.
Provide reliable wastewater and sewerage systems – fault response time	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Fault response provides a reliable wastewater and sewerage collection and disposal systems	≥ Resolution of urgent callouts: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be three working days at the most. ≥ Resolution of non-urgent callouts: Priority B&C: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be five working days at the most.

			≥ Resolution of non-urgent callouts: Priority D: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be twenty working days at the most
Provide acceptable wastewater and sewerage systems – customer satisfaction	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	An acceptable wastewater and sewerage collection and disposal systems is maintained.	≥ less than five complaints per 1,000 connections for each of these measures.

Funding Impact Statement for Wastewater

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		2,919	2,848	3,320
Subsidies and grants for operating purposes		0	0	0
Fees and charges		26	25	59
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		5	6	0
Total operating funding	A	2,950	2,879	3,379
Applications of operating funding				
Payments to staff and suppliers		1,449	1,455	1,552
Finance costs		257	52	250
Internal charges and overheads applied		463	444	450
Other operating funding applications		0	0	0
Total applications of operating funding	B	2,169	1,951	2,252
Surplus/ (deficit) of operating funding	A-B	781	928	1,127
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		703	(425)	749
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	703	(425)	749
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		295	74	354
- to replace existing assets		1,429	994	1,523
Increase/ (decrease) in reserves		(240)	(565)	(1)
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	1,484	503	1,876
Surplus/ (deficit) of capital funding	C-D	(781)	(928)	(1,127)
Funding balance	((A-B)+(C-D))	0	0	0

Stormwater

What do we do?

Stormwater management systems are a set of procedures and physical assets designed to manage the disposal of surface water after a rainfall event. Council manages open drain stormwater systems in Hector, Ngakawau, Seddonville, Granity, Waimangaroa, Westport, Carters Beach and Reefton. In addition, there are piped stormwater systems in Westport, Waimangaroa, Carters Beach and Reefton. Sections of the older Westport piped wastewater systems and majority of the Reefton piped wastewater system also conveys stormwater. In Punakaiki, public stormwater drainage is maintained by Waka Kotahi NZTA as part of the State Highway Road network and there is Regional Council drainage assets as well. In other townships, such as Mokihinui and Little Wanganui, there are no formal stormwater systems and all stormwater soaks to ground naturally or utilises overland flow paths.

Why are we involved in this activity?

Council provides stormwater systems to manage surface water runoff in a way that achieves a balance between the level of protection from localised flooding and the cost to the community.

Assumptions

It has been assumed that there will be negligible population growth in urban areas requiring further extensions to the existing stormwater reticulation. Any future significant subdivisions will need to address stormwater disposal through the development. Freshwater legislation for stormwater will provide continued compliance challenges and this will directly affect Council's ability to retain current discharge resource consents and any future conditions that will need to be met.

There is no provision in the Annual Plan for the significant stormwater upgrades relating to an integrated Westport flood protection scheme, which would also incorporate new flood walls and new pump out stations in collaboration with the West Coast Regional Council. We have commissioned a concept study to identify the overall project attributes for an integrated scheme to ensure clarity on solution design and cost estimates.

Negative effects

Storm and rain events of a severity which exceed design capability may result in short term negative effects such as localised flooding. Impacts on freshwater values from stormwater discharge. Stormwater flooding can result in inundation of wastewater networks and result in negative health outcomes resulting from cross contamination and overflows of contaminated stormwater.

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	✓ By providing stormwater systems reduces the risk of death or injury resulting from flooding on private property.
ENVIRONMENT	✓ The adverse environmental effects of stormwater runoff and disposal can be addressed with appropriate management.
AFFORDABILITY	✓ The service is deemed to provide a public benefit, through the protection of property.

Significant Capital Expenditure

- \$0.6m district wide upgrades and replacements

The Wastewater Supplies capital expenditure shall be less than the projects listed above because it is subject to an 8% scope adjustment, therefore 8% of the value of the projects cannot proceed.

Significant Variances

Annual Plan vs Long Term Plan

Increase/(decrease) in debt

An increase in loan funding for this activity.

Council has chosen to utilise internal borrowings to fund the capital costs of this activity that are in excess of the depreciation funding collected through the general rates for the year as funding these costs 100% through the depreciation reserves is not sustainable.

Funding Allocations

Stormwater Services funding

Stormwater is funded from General rates as this activity is seen as benefiting the community as a whole, rather than a particular individual or group of individuals.

Activity	Funding Mechanism		
	General rate	Fees	Capital Spend
Stormwater	100%	-	<ul style="list-style-type: none"> ✓ Depreciation reserves ✓ Loans

Levels of Service

Levels of service have been summarised into a number of more specific target performance standards as below:

- To ensure that all stormwater systems have sufficient capacity to meet the reasonable needs of the consumers.
- To ensure that stormwater within urbanised areas meets Council's engineering standard for Infrastructure.
- To ensure that secondary flow paths are identified for events exceeding the capacity of the primary systems.
- To ensure that stormwater systems are maintained at or beyond the minimum capacity required.
- To ensure that stormwater systems are managed in a cost-effective manner.
- To ensure that stormwater discharges are managed in an environmentally sensitive manner.

It can be costly to undertake the necessary investigations to quantify what the capacity of an existing system actually is, and there can be significant costs associated with upgrading to achieve that capacity. Therefore, while it is appropriate to apply these performance standards to all new stormwater systems, a more pragmatic approach is taken towards the management of existing stormwater systems. The system wide design parameters will be informed by stormwater modelling. This will inform a programme of investment on a needs-based approach.

Key Performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2027
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Provide adequate stormwater drainage capacity	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Stormwater systems contribute to maintaining public safety	The number of flooding events in the stormwater systems are managed to a target level of service set in the performance measure	<p>≥ No target has been set for the number of flooding events as it is deemed that flooding events are outside of Council control.</p> <p>≥ For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected Councils stormwater system) is not more than five houses flooded for each event</p>
Stormwater environmental discharge compliance	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Provision of stormwater collection and disposal systems that contribute to ensuring minimal environmental impact through its discharge.	Stormwater systems are managed within resource consent parameters, with no abatement notices, infringement notices, enforcement orders, or convictions in relations to those resource consents.	<p>≥ 0 abatement notices.</p> <p>≥ 0 infringement notices.</p> <p>≥ 0 enforcement orders.</p> <p>≥ No convictions received.</p>
Provide reliable storm water systems – fault response time	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Fault response provides a reliable stormwater collection and disposal systems.	Response to flooding overflows resulting from a blockage or other fault in the system.	≥ The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site is to be one hour at the most.
Provide acceptable stormwater systems – customer satisfaction	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	An acceptable stormwater system is maintained for communities.	Stated performance delivery of the system does not exceed the total complaints received about the performance of the stormwater system.	≥ Less than 10 complaints per 1,000 connections.

Funding Impact Statement for Stormwater

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		864	1,020	1,038
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		5	5	5
Total operating funding	A	869	1,025	1,043
Applications of operating funding				
Payments to staff and suppliers		243	248	303
Finance costs		8	8	48
Internal charges and overheads applied		248	213	294
Other operating funding applications		0	0	0
Total applications of operating funding	B	499	469	645
Surplus/ (deficit) of operating funding	A-B	370	556	398
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		894	78	245
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	894	78	245
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		554	288	32
- to replace existing assets		710	346	611
Increase/ (decrease) in reserves		0	0	0
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	1,264	634	643
Surplus/ (deficit) of capital funding	C-D	(370)	(556)	(398)
Funding balance	((A-B)+(C-D))	0	0	0

Solid Waste

What do we do?

The solid waste activity provides for the collection, transfer and final disposal of waste materials generated by households and businesses across the District. Council provides solid waste collection and recycling services through an environmentally sustainable contractor across collection Zone 1. Council entered into a 10-year contract with Smart Environmental Ltd to provide this service until 1 February 2024; a contract extension has since been approved to July 2025.

Our current solid waste approach includes the collection and disposal of residual refuse and recycling, the management of the transfer stations and the transportation of residual waste to a landfill at Nelson's York Valley. This is done via a waste management contractor. The kerbside collection service contract will be re-tendered for the period 2025–2035.

Council has commenced investigations into the opportunities and benefits of an optimised approach to delivering waste management services for our district working with other West Coast Councils. Council engaged with the public throughout 2023 on a statement of proposal which saw a proposed change for rubbish (refuse) and recycling collection services within Zone 1 move from the current existing waste collection method of being bag-based, to a more nationally consistent wheelie bins collection service. As part of this Annual Plan consultation Council continues to consult with the community on establishing the best waste management solution and the communities preferred service level option to allow our district to meet affordability, safety and efficiency goals along with wider government waste management legislation, waste system objectives and industry changes.

Furthermore, Council operates two active landfills at Karamea and Maruia. Central government policy is moving away from a reliance on landfilling as a waste management response, and towards making New Zealand a more carbon neutral, circular economy. Council provides the aftercare of Council's closed landfill sites (Birchfield, Westport, Charleston, Inangahua, Reefton, Springs Junction Mahawarati, Hector and Ikamatua) and monitors groundwater quality at these sites as required under resource consent conditions. Council also has a role in facilitating waste minimisation behaviours within communities. This is put into effect by providing resources for education programmes into schools about sustainability and waste minimisation. Support is also provided to businesses to develop more sustainable practices.

Why are we involved in this activity?

Facilitating the provision of a kerbside collection for household refuse and recycling, plus providing waste disposal and materials diversion services, helps to maintain the quality of life in the District and facilitates waste minimisation through re-use, recycling and recovery. Provision of the service also minimises illegal dumping of refuse.

Assumptions

Smart Environmental Ltd continue to provide the service that they tendered for in accordance with the contract extension until mid-2025. After this the service will be re-tendered. Legislation will change in line with the current indicated central government strategic direction over the next 3 years.

Consumer patterns of consumption and product packaging will remain at either current levels, or via product stewardship initiatives it shall reduce. The district will remain set out on a waste reduction pathway. Inability for certain recycling streams to have a financial end-value will remain. The Government Landfill Waste Levy will stay in place, and it will increase as projected, during the next 3 years.

Negative effects

Refuse is trucked to Nelson from Westport and Reefton and this adds to both road usage and vehicle pollution. All loads are fully secured and covered to minimise the opportunity for spillage. The contractor currently independently manages road usage.

Contaminants from closed landfills leaching into surrounding land and/or water pose a threat to the environment and general well-being of the public. This risk is minimised by compliance with resource consents and the monitoring of waterways in the vicinity of landfills. Council continues to look for ways to remediate the closed landfill legacy and the direct environmental impact these are causing at Westport and Birchfield.

Links to Community Outcomes

This activity supports the following community outcomes:

AFFORDABILITY	✓ The District has a means of safely disposing of its refuse.
PROSPERITY	✓ Commercial needs for dealing with waste are met.
CULTURE	<ul style="list-style-type: none"> ✓ Programmes are provided to schools and the community on waste care and reduction. ✓ There is continued public education around composting, food waste reduction strategies and recycling opportunities.
ENVIRONMENT	<ul style="list-style-type: none"> ✓ Refuse is collected and disposed of in a safe, efficient and sustainable manner, minimising the risk of waste being inappropriately or dangerously disposed of. ✓ Waste minimisation is encouraged.

Changes in level of service provided

- Changes in the level of service is being consulted on as part of the next 3 year's long-term planning.

Significant issues and their impact

- Increases in additional landfill levy costs from central government.
- Move towards a sustainable circular economy.
- Continued consultation on service levels for Westport Zone 1 for refuse collection options.

Significant Capital expenditure

- \$0.2m for transfer station upgrades and Birchfield closed landfill remediation planning and resource consenting.

Significant Variances

Annual Plan vs Long Term Plan

Targeted rates

An increase in targeted rates primarily funds inflation-based increases in contractor costs.

Subsidies and grants for operating purposes

Waste levy income is expected to be higher than budgeted in the Long-Term Plan.

Payments to Staff and Suppliers

The cost of the kerbside collection and transfer station operations contract will be higher than budgeted in the Long-Term Plan, due to inflation and additional properties in the collection zone.

Increase/(decrease) in debt

The local reprocessing plant planned for in the Long-Term Plan and other transfer station capital works not proceeding means drawdown of loans is no longer required.

Capital expenditure to improve the level of service and to replace existing assets

Local reprocessing plant and other transfer station capital works planned for in the Long-Term Plan not proceeding.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy Activity.

Activity	Funding Mechanism			
	General Rate	Targeted Rate	Fees and Charges	Capital Spend
Westport	-	80-95%	2-20%	✓ Investments
Karamea	-	60-75%	25-40%	✓ Depreciation reserves
Maruia	-	80-95%	5-20%	✓ Loans
Landfill operations	100%	-	-	

Targeted rates

Solid Waste	2023-2024 Annual Plan	2024-2025 Long Term Plan	2024-2025 Draft Annual Plan
Zone 1	\$171	\$164	\$199
Zone 2 (Karamea)	\$138	\$131	\$138
Zone 3 (Maruia)	\$302	\$257	\$369

These targeted rates include GST.

Key performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2028-2034
Solid waste	<ul style="list-style-type: none"> Social Affordability Prosperity Environment Culture 	<p>Council provides ethical, economical, and efficient waste management services, where the concepts of sustainability and social responsibility are equally valued alongside cost.</p> <p>Change behaviors to Solid waste leading to a decrease in the quantity of waste generated per person and divert Solid waste from landfills.</p>	<p>Provide landfill operations in Karamea, Maruia, and Springs Junction. Offer recycling services at Karamea landfill.</p> <p>Provide transfer station services in Westport and Reefton, as well material recovery facilities at Westport Transfer Station.</p> <p>Provide transfer station services in Westport and Reefton, as well material recovery facilities at Westport Transfer Station.</p> <p>Education activities to encourage waste reduction, reduce contamination in recycling material, and compliance of recycling rules.</p> <p>Explore opportunities to extract value from resources making the waste management system more financially and environmentally</p>	<p>≥ 100% of compliance with regulations set in the RMA, and the resource consents and environmental national regulations.</p> <p>≥ Undertake two community engagement events, and two community education events to encourage the reduction of waste generated and increase of diversion from landfill.</p>

			sustainable in the long term.	
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Funding impact Statement for Solid Waste

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		653	610	594
Targeted rates		896	804	1,018
Subsidies and grants for operating purposes		113	46	130
Fees and charges		43	36	46
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		113	69	66
Total operating funding	A	1,818	1,565	1,854
Applications of operating funding				
Payments to staff and suppliers		1,323	1,215	1,364
Finance costs		35	26	32
Internal charges and overheads applied		299	219	356
Other operating funding applications		0	0	0
Total applications of operating funding	B	1,657	1,460	1,752
Surplus/ (deficit) of operating funding	A-B	161	105	102
Sources of capital funding				
Subsidies and grants for capital expenditure		809	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(56)	1,256	(61)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	753	1,256	(61)
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		1,073	1,060	120
- to replace existing assets		11	329	81
Increase/ (decrease) in reserves		(170)	(28)	(160)
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	914	1,361	41
Surplus/ (deficit) of capital funding	C-D	(161)	(105)	(102)
Funding balance	((A-B)+(C-D))	0	0	0

Infrastructure Delivery (Professional Services Business Unit)

What do we do?

The Professional Services Business Unit (PSBU) provides engineering services to support the maintenance, development and construction of Council infrastructure.

This includes the preparation of contracts for transport, roading, drinking water, wastewater, stormwater and solid waste. The PSBU monitors the performance of contractors and issues instructions for work in response to requests for service and comments from the community.

Why are we involved in this activity?

PSBU allows Council to access engineering services on a cost-effective basis. In-house expertise assists the efficient management of Council portfolios including transport, roading, drinking water, wastewater, stormwater and solid waste.

There is also a requirement that for transport and roading, for Council to receive funding from Waka Kotahi NZTA, Council must have an approved in-house professional business unit.

Assumptions are that staffing and engineering requirements remain at levels required to deliver the activity in the AP.

Negative effects

There are no negative effects.

Links to Community Outcomes

This activity supports the following community outcomes:

AFFORDABILITY	✓ By monitoring the conditions of Council assets and issuing requests for maintenance.
PROSPERITY	✓ By managing capital asset renewal programmes.
ENVIRONMENT	✓ By monitoring landfills and wastewater treatment plants

Changes in level of service provided

- No anticipated changes in level of service.

Significant issues and their impact

- No significant issues.

Significant Capital Expenditure

- \$0.04m Vehicle replacement in line with Councils Vehicle Replacement Policy

Significant Variances

Annual Plan vs Long Term Plan

Internal charges and overheads recovered

The cost of operating Infrastructure Delivery is recovered from the activities assisted by the business unit. With the increase in the costs below, the recoveries increase accordingly.

Payments to staff and suppliers

There is an increase in budgeted salary costs compared to the Long-Term Plan, relating to inflation and market adjustments, and the employment of new roles to carry out the increased roading programme and staff the project management office. The project management office was temporarily established to deliver externally funded projects after the Long-Term Plan was finalised. It has now been permanently instated and the costs associated with the office have been included in the 2024-2025 Annual Plan.

Internal charges and overheads applied

The increase in operating costs for other business units, results in an increase in overheads charged by those units.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy.

Activity	Funding Mechanism		
	Internal Allocation	Fees	Capital Spend
Professional Services	100%	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans

Key performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Provide engineering advice to Council and administer contracts	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Environment 	Roading, transport, solid waste, and three water service delivery is effectively managed.	Provide engineering services to support the maintenance and development of Council infrastructure.	≥ Project in Partnership (PIP) programme reports provided to the Chief Executive Officer.

Funding Impact Statement for PSBU

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		1,871	1,134	2,192
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	0
Total operating funding	A	1,871	1,134	2,192
Applications of operating funding				
Payments to staff and suppliers		1,311	825	1,577
Finance costs		0	0	0
Internal charges and overheads applied		542	242	593
Other operating funding applications		0	0	0
Total applications of operating funding	B	1,853	1,067	2,170
Surplus/ (deficit) of operating funding	A-B	18	67	22
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		0	0	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	0	0	0
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		1	37	43
Increase/ (decrease) in reserves		17	30	(21)
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	18	67	22
Surplus/ (deficit) of capital funding	C-D	(18)	(67)	(22)
Funding balance	((A-B)+(C-D))	0	0	0

Property and Community Facilities

What do we do?

Council provides and maintains active and passive recreational land and facilities in the Buller District to meet community and environmental needs. Council may manage these areas, or in conjunction with subcommittees. This includes the provision of gardens, sports grounds, green areas, playgrounds and parks.

A number of cultural and community facilities, buildings and structures are owned by Council and made available for a range of cultural and community uses including community halls, theatres, aquatic centres, sporting facilities and meeting facilities.

Council also owns and manages a number of other properties, land and buildings in the district. These have a range of uses including community groups, private licences and commercial leases. Managing these properties includes assisting with property transfers and acquisitions, along with Council property licences, leases and legal agreements.

Public toilet facilities are provided by Council at Westport, Carters Beach, Tauranga Bay, North Beach Reefton, Fox River, Springs Junction and Waimangaroa. Council assists in the provision of toilet facilities in Karamea, Granity, Inangahua Junction, and Ikamatua.

Council provides adequate land and plots to meet the district's burial needs, operating the following cemeteries:

- Orowaiti
- Mokihinui
- Reefton – suburban
- Council assists the Karamea Cemetery Trust
- Council maintains closed cemeteries at Charleston and Boatmans - Reefton

Council provides affordable housing for seniors in our community, with 45 housing units across the district:

- 4 in Karamea
- 14 in Reefton (plus two in care and maintenance)
- 14 in Westport

The Punakaiki Beach Camp is in a picturesque setting on the beach and adjoins the Paparoa National Park. The camp provides 10 various sized cabins, 32 powered sites and 30 tent sites. It has been leased to a private operator for a term of 20 years, and Council is working with the lessee to improve the facilities for expected tourism growth and demand.

In conjunction with Council's roading and transport activity, property assists with maintaining and renewing existing urban revitalisation spaces which provide a more pleasant environment for our communities. Urban renewal shapes and articulates spaces by giving form, shape and character to buildings, neighbourhoods and towns. Urban development in the roading and transport activity includes the use of plantings, street treatments and decorative measures with a focus on the beautification of main thoroughfares with street flags and hanging floral baskets.

Why are we involved in this activity?

- The provision and maintenance of amenities and reserves creates a pleasant environment in which to live, work and play, which is an important part of the vision for the district. Amenities and reserve areas provide for social interaction and promote sport and recreation.
- Council owned buildings allows for cost effective provision of property for community use.

- The provision of public toilet facilities assists with promoting the health and well-being of the community and environment and enhances visitor experience.
- Jointly funding facilities with other agencies allows the public access to facilities at an acceptable cost.
- Housing for seniors assists members of our community to remain in the district close to public facilities.

Assumptions

- The current levels of service for parks and reserves maintenance will be maintained, where these facilities are being utilised. Unused and under-utilised parks and reserves will be rationalised, and options and opportunities will be considered to reduce maintenance costs.
- Council will not construct any new housing for seniors' units. Council will continue to operate its existing housing for seniors' units. If a viable alternative non-Council owned operating model is presented to Council.
- Opportunities to rationalise Council's building and property portfolio with sales of some surplus land and buildings will be realised.
- External funding will be available to fund the actual costs for the upgrade of the Carnegie Library building over and above Council's agreement contribution.

Negative effects

There are no identified negative effects.

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	<ul style="list-style-type: none"> ✓ By ensuring our parks and reserves are healthy and safe. ✓ By providing areas for people to engage in healthy activities, social interaction, and recreation
AFFORDABILITY	<ul style="list-style-type: none"> ✓ By contributing to the district's image and attracting businesses, skills, employment, and tourism, and focusing on future growth for the district and community
ENVIRONMENT	<ul style="list-style-type: none"> ✓ By providing green spaces and open areas that contribute to people's enjoyment of our environment.

Changes in level of service provided

Senior Housing

Council recognises that there is a need to provide affordable and appropriate housing for older people in our community. Currently Council provides affordable housing for seniors with limited financial means or other proven needs across Westport, Reefton and Karamea as listed above.

As a housing provider Council is constrained in what it is able to provide in this area. Resources are restricted because tenants of Council owned accommodation are unable to access some central government rent subsidies and Councils are unable to access some subsidies for capital works on the housing. Council rents are therefore kept as low as possible to ensure the housing remains affordable, which in turn limits the resources Council has available in terms of staff time and capital investment in the properties.

Council has a policy that operating costs associated with the provision of pensioner housing must continue to be self-funding over time. Currently the existing units are maintained, and the amount of depreciation funded is capped at the level required to meet loan principal repayments and minor capital renewals only.

In February 2020 Council established a steering group of Councillors and staff to review the social and financial implications of various alternative forms of management of Council's existing housing for seniors. The goal of this review is to address the issues identified above and ensure delivery of well supported affordable housing for older people in our community who need this service.

The steering group has agreed a policy approach that:

- In general Council wants to see the ongoing provision of housing for seniors to enable older people within our community to live independently with the support of each other, the wider community and Council.
- There should be no decrease in provision of housing for seniors, these assets should remain available for this purpose and the service enhanced where possible (rental assistance, services, and care for tenants).
- Council will look for the best option to provide the above – it is likely that ownership may not be best held by Council, but that Council have some level of control in the future operation of this service.

Potential options for providing this service include retaining the activity inside Council, a trust or community housing provider model, and the private market (with appropriate safeguards for tenants and continuation of the service).

In the previous LTP Council considered options which included an alternative supplier from year 4, however no alternative viable options have been presented and agreed to. This Annual Plan includes Council continuing to provide the service and if viable option becomes available during the term of this Plan, Council will consider them.

Significant issues and their impact

Key issues for Property vary depending on the nature of the actual facility and the use or uses of that facility.

Land and other property have not been included. Generally, Council has a policy of selling land and property that is not required for infrastructure or community services requirements.

While there are still stability and durability issues particularly with playground equipment, the focus for Council on parks and reserves is more on safety for users.

For Service Centre type buildings, stability (allowing for loads on the building) and durability of the buildings over the service life of the building are important as they are used by the public and occupied by staff. Here not only does the building have to protect lives and other property but there are a range of other important requirements such as

- Protection from fire
- Ensuring the buildings are accessible for all including people with disabilities.
- Ensuring the buildings are safe to use and this includes use of safe materials and processes.
- Ensuring rainwater does not get in, internal and external moisture is controlled.
- Ensuring buildings are energy efficient and have adequate heating and cooling systems.

Some facilities have multipurpose such as the Reefton Service Centre which also houses the community library and postal service facilities.

The Victoria Square Sports Complex also houses the Civil Defence and Emergency Management operations centre. This means the stability and durability of the building is significant as the facility needs to continue to function during and after natural hazard events.

Community Housing especially housing for the elderly places emphasis on ensuring the homes are healthy for the occupants. Here Council as the landlord needs to ensure adequate levels of heating, insulation, ventilation, drainage, moisture control and draught stopping.

Cemeteries are a special case where ground conditions need to be safe for workers and the areas need to be safe and accessible for people visiting and paying their respects to deceased facility and friends.

Public conveniences need to be safe and accessible for all and have high hygiene standards.

Council also owns and is involved with camping grounds where there are buildings, associated facilities and services including in some cases water supplies and on-site domestic effluent disposal systems.

For libraries, museums, theatres and swimming pools, the public, staff and contents of the facility is important with high importance places on moisture control and fire protection. Safety for users is also important for all these facilities.

Significant Capital Expenditure

In this Annual Plan, Council expects to spend the following:

- \$0.20m allowed for planning stages of Civil Defence EOC upgrade investigations
- \$0.16m for exterior painting of Sue Thomson Casey Memorial Library in Westport

Significant Variances

Annual Plan vs Long Term Plan

General rates, uniform annual general charge, rates penalties

An increase in general rates is required to fund the increase in costs below.

Payments to staff and suppliers

The increase in payments to staff and suppliers reflects the significantly higher interest and inflation rates being experienced compared to market predictions available at the time of preparing Long Term Plan.

Increase/(decrease) in debt

The Long-Term Plan budgeted for higher loan principal repayments. This is because loans forecasted in earlier years were not drawn down due to projects not progressing.

Capital expenditure to replace existing assets

Civil Defence EOC upgrade investigations not budgeted for in the Long-Term Plan.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy Activity.Activity	Funding Mechanism		
	General rate	Fees	Capital Spend
Reserves	90-100%	0-10%	<ul style="list-style-type: none"> • Reserve contributions • Investments • Depreciation reserves • Investment

ATTACHMENT 1

Public Toilets	100%	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans
Cemeteries	70-85%	15-30%	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans
Community Halls	90-100%	0-10%	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans
Housing for the Elderly	-	100%	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans
Property Management	100%	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans
Camping Grounds	61-100%	0-39%	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans

Key Performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2028-2034
Property	<ul style="list-style-type: none"> • Social • Affordability • Culture 	<p>Ensuring our parks, reserves, cemeteries and public amenities are compliant, safe and vibrant environments that encourage community inclusion and use.</p> <p>Ensuring Council buildings and associated property infrastructure is maintained to relevant standards.</p> <p>Ensuring land and property owned, vested and managed by the Council is rationalised and utilised responsibly, and for the benefit of the Buller community</p>	<p>The district's parks, reserves, cemeteries and other amenities are maintained to ensure we are providing compliant, safe and vibrant social spaces for the community and visitors.</p> <p>Maintenance work is contracted out and is undertaken by qualified personnel.</p> <p>Council's property staff manage these contracts to ensure the work is being done to the agreed level of service, and that contractual obligations are being met.</p> <p>Council provides public, community and commercial buildings that are safe and compliant.</p> <p>Council land is managed to support use by non-profit community enterprises and community organisations, and also commercial use when appropriate.</p>	<p>Receive and review monthly reports from the Reserves and Public Amenities Contractor.</p> <p>An up-to-date register of Council owned and operated buildings and associated infrastructure is maintained.</p> <p>Up-to-date records of Council land appointments, including:</p> <ul style="list-style-type: none"> • Reserve Subcommittees and community organisations utilising Council land for community non-profit purposes; and • A register recording commercial contracts including licences, leases and land use agreements.

Funding impact Statement for Property and Community Facilities

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		1,792	1,756	2,038
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		123	130	60
Internal charges and overheads recovered		558	595	710
Local authorities fuel tax, fines, infringements fees and other receipts		1,460	881	1,392
Total operating funding	A	3,933	3,362	4,200
Applications of operating funding				
Payments to staff and suppliers		2,685	2,270	3,034
Finance costs		75	78	80
Internal charges and overheads applied		472	425	580
Other operating funding applications		0	0	0
Total applications of operating funding	B	3,232	2,773	3,694
Surplus/ (deficit) of operating funding	A-B	701	589	506
Sources of capital funding				
Subsidies and grants for capital expenditure		855	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		211	(218)	(69)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	1,066	(218)	(69)
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		1,530	140	192
- to replace existing assets		987	186	543
Increase/ (decrease) in reserves		(750)	45	(298)
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	1,767	371	437
Surplus/ (deficit) of capital funding	C-D	(701)	(589)	(506)
Funding balance	((A-B)+(C-D))	0	0	0

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Community Services

Activities and services delivered

- Sue Thomson Casey Memorial Library, Westport & Inangahua County Library, Reefton
- NBS Theatre, Westport & Reefton Cinema, Reefton
- Communications – website, Connect newsletter, news releases, social media, advertising.
- Customer services – in person, by phone and email through our offices located in Westport and Reefton
- Economic development
- Community engagement and consultation
- Funding – community grants, museum support, community-led revitalisation fund, arts funding, facilities hire, rural travel fund

Council works alongside our communities to support them to identify and implement solutions to the complex social issues in our society. The team work strategically and practically to ensure issues are identified, prioritised and addressed through a collaborative approach.

Funding

Council provides and/or administers a range of funding to community organisations and groups throughout the Buller District. Some are Council's own grants others are administered on behalf of central government organisations such as Creative New Zealand. All funds have criteria and applications are assessed by council or subcommittee. Council supports a range of organisations, museums, community-led revitalisation projects, and facilities through annual funding as part of the LTP or APs.

Additionally, the Council provides guidance and support to the community to facilitate access to external funding opportunities. This ensures that a wide array of individuals and non-profit groups can access and utilise these funding avenues effectively.

Libraries

[Library services operate in Reefton and Westport.](#)

The district's libraries operate as one library, two locations and provide up to date services and facilities that meet information, learning, recreational and cultural needs of residents of all ages and backgrounds to enhance our community's well-being.

Access to information will continue to be available in a variety of formats including books, media, and online apps. Free internet access is provided through Aotearoa People's Network. A book return service for Karamea residents is available. All patrons can borrow items from either Reefton or Westport Libraries using the holds service, with regular delivery between facilities and both libraries now operate a 'no-fines' process.

NBS Theatre

The NBS Theatre is Buller's premiere entertainment venue and features a live theatre auditorium and two cinemas. The venue offers multiple movie screenings each week and the auditorium are used regularly for live performances, meetings, weddings, cabaret, and funerals. The outdoor stage is well used over the summer months.

Reefton Cinema

The Reefton Cinema provides regular movie screenings, and the venue is also used for conferences, live performances, meetings, and community events.

Communications

Council communicates in a pro-active and reactive way to inform the community. By releasing information of public interest, Council aims to keep its community updated about relevant local and national subjects. Council collects and distributes stories about initiatives and activities in the district sharing and celebrating them on different media and community platforms.

Media releases are regularly distributed to media and the community as required. Media releases are uploaded on Council's website and promoted on Council's social media profiles. Council proactively releases information about its major projects through this multi-channel distribution process. Council proactively releases LGOIMA requests on its website. Information and public notices are frequently and timely shared through radio, digital and print channels. Direct engagement through email or mail, to targeted community groups, is also used to disseminate information when appropriate.

Council's quarterly newsletter 'Connect' is delivered to all letterboxes in the district, is available at multiple outlets, and is sent in digital format to subscribers. This ensures the newsletter also reaches those who do not use digital platforms. Social media is used in a creative, engaging way to target certain audiences.

Council is undertaking staff training and widening staff expertise to increase and improve the reach, use, and quality of its digital channels. Council's website has undergone a much needed and valuable upgrade in December 2022 to become more user friendly and interactive. As part of this upgrade the library received a new website in March 2023 and the harbour's new website was launched in June 2023. All websites are ongoingly updated and developed to meet the needs of the community. This has greatly improved the user experience and ability to source information, make online payments and stay informed on relevant issues. This is an ongoing effort keeping information and service relevant using the most suitable technology and systems.

Strong systems oversee Council's responsibilities in relation to the Local Government Official Information and Meetings Act (LGOIMA). Staff undergo training to respond in an acceptable manner.

Council live streams council meetings and workshops to its YouTube channels and publishes these in an easy to find and visually appealing way. This increases participation in local government and transparency for the community. Council staff engage with and support national and local campaigns as appropriate.

Customer Services

Council has service centres for customer support in Westport and Reefton, where staff are available to assist in person, by phone and by email. An after-hours telephone service is provided via a call centre.

Responses to service requests are increasingly becoming streamlined. Council will further promote use of the service request system with customers and is looking at ways to make it more user-friendly and increase its functionality. Additional and alternative feedback platforms are being investigated.

Economic Development

Economic development plans and initiatives are supported in partnership with Development West Coast (DWC).

Council engages with local key stakeholders such as Development West Coast and ensures strong relationships are formed and maintained. Council seeks input and liaises with local communities about major projects that impact the future look, feel, shape and growth of the district creating opportunities for participation.

Council also provides support for tourism for some Buller organisations by way of grants to assist with the availability of museums, i-site / visitor centres and tourism attractions such as walking / cycle trails.

Community Engagement and Consultation

To shape our district, Council creates multi-media engagement activities to encourage the community to have their say. Opportunities to do so will be promoted and implemented during Council's Annual Plan and LTP processes, for policy and bylaw reviews and other changes that have significant impact on the community.

Council has a Significance and Engagement Policy that guides Council when deciding which issues to engage and/ or consult the community on outside of the requirements of the Local Government Act 2002. Council will foster the community's understanding of how to participate in local government as part of its engagement efforts. Council will continue to engage with key stakeholders and groups in the community.

Council works alongside our communities to support them to identify and implement solutions to the complex social issues in our community. The team works strategically and practically to ensure issues are identified, prioritised and addressed through a collaborative approach.

Council works collaboratively through its dedicated liaison officer with its subcommittees supporting volunteers, promoting and caring for Council's owned halls and reserves.

Links to Community Outcomes

All the services provided by Community Services support all the community outcomes and all the well-being indicators as determined by central government.

SOCIAL	✓ Recreation facilities allow people to connect socially, play sport, and achieve their fitness and recreational goals. Developing community cohesion which supports mental and social well-being.
CULTURE	✓ Libraries assist with the development of lifelong learning and literacy. Theatres provide performance space for artistic and cultural performances all of which facilitate social and cultural connections.
AFFORDABILITY	✓ The range of services and facilities provided are managed with the aim of being efficient and fit-for purpose, with an eye on the current and future needs of our community and are funded through a mix of rates and user-pays to keep them as affordable as possible.
PROSPERITY	✓ Economic development strategies, along with a focus on building partnerships of trust and collaboration, along with advocating on behalf of the district will achieve economic development through specific projects.
ENVIRONMENT	✓ Building a strong relationship with the Ministry for the Environment and creating jobs for nature through Council's Environmental

	Improvement and Prosperity Strategy (EIPS) will create jobs and improve our waterways and natural environment.
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Reefton Visitor and Service Centre

The Reefton Visitor and Service Centre (RVSC) opened as an amalgamated facility in November 2022, incorporating services previously found at either the Reefton Service Centre or Reefton Visitor Centre. Five services are now provided from this one facility – Visitor Experience, Council Services, NZ Post, NZTA/Waka Kotahi and the Inangahua County Library. An operational review of the RVSC is planned to occur within the first six months of 2024.

Reefton Community Centre

Located in the same building footprint as the Reefton Cinema, the Reefton Community Hall is available for private, or community hire and is used for a variety of sporting and recreational purposes each year. Administration for the Community Hall is done via the Reefton Visitor and Service Centre.

The gym previously housed within the Community Hall is no longer in operation.

Assumptions

That the funding Council administers on behalf of other organisations will remain at the same level.

Negative effects

Expectations from community for continued funding and support.

Significant capital expenditure

Nil.

Significant Variances

Annual Plan vs Long Term Plan

General rates, uniform annual general charge, rates penalties

An increase in general rates is required to fund the increase in costs below.

Payments to staff and suppliers

The increase in payments to staff and suppliers reflects the significantly higher interest and inflation rates being experienced compared to market predictions available at the time of preparing Long Term Plan.

Finance costs

Loan interest rates for existing loans are higher than forecast in the Long-Term Plan.

Increase/(decrease) in debt

A Council loan will be drawn down for share purchases in Buller Holdings Limited to fund past capital investment into the Pulse Recreation Facility by BHL, and this was not included in the Long-Term Plan.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy

Activity	Funding Mechanism			
	General Rates	Fees	Grants	Capital Spend
Economic Development and Marketing	100%	-	-	<ul style="list-style-type: none"> • Depreciation reserves • Loans
Libraries	67-98%	2-33%	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans • Grants
Museums	100%	-	-	<ul style="list-style-type: none"> • Depreciation reserves • Loans

Theatre	60-75%	25-40%	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans • Grants
Recreation Facilities	100%	-	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans
Reefton Visitor and Service Centre	100%	-	-	<ul style="list-style-type: none"> • Depreciation reserves
Reefton Post Office	20-30%	70-80%	-	<ul style="list-style-type: none"> • Depreciation reserves
Community Development and support	85-100%	-	0-15%	<ul style="list-style-type: none"> • No capital spend

Key performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2025-2031
Provide information about Council services, decisions, and opportunities to engage.	<ul style="list-style-type: none"> • Social • Prosperity • Culture • Environment 	<p>The community feels informed, included, and empowered to access Council services and resources.</p> <p>The provision of access to a wide range of information relevant to the community's needs.</p>	<p>Council's website and Facebook are kept up to date as a source of information about Council projects, services and resources.</p> <p>Quarterly newsletter is produced.</p> <p>Communications plans are created to support projects considered to be of significant interest.</p>	<p>A biennial customer satisfaction survey will be carried out in 2025 to gauge if there have been any improvements to levels of overall Council customer service satisfaction and how satisfied the community is with the information they receive from Council and their opportunities to engage with Council.</p>

<p>Economic development</p>	<ul style="list-style-type: none"> • Social • Prosperity • Culture • Environment 	<p>Networks and connections are facilitated to enable economic growth.</p> <p>Economic development plans are created and shared with the community and key stakeholders.</p>	<p>Staff actively build networks and connections across the community, with central government, regional partners and stakeholders.</p> <p>Community and/or economic development plans are shared via presentations to the community and/or industry groups.</p>	<p>Four community and/or economic development presentations are delivered within the community each year.</p>
<p>Public library services</p>	<ul style="list-style-type: none"> • Social • Prosperity • Culture • Environment 	<p>A safe and welcoming library environment contributes to a community that is vibrant and inclusive.</p> <p>The library offers quality facilities and services that meet our current and future needs.</p> <p>The provision of access to a wide range of information relevant to the community's recreation and learning needs.</p>	<p>The library is a safe social space which community member want to visit.</p> <p>The library team delivers a high level of service that meets our community's current and future needs.</p> <p>The library's collection reflects the community's learning and recreational interests.</p>	<p>Total visits to the libraries maintained or increased by 0 - 4% per annum.</p> <p>At least 80% respondents satisfied or very satisfied with the libraries' services, as measured through a biennial survey.</p> <p>At least 80% of library users satisfied or very satisfied with the public libraries' collection, as measured through a biennial survey.</p>

<p>NBS Theatre and Reefton Cinema</p>	<ul style="list-style-type: none"> • Social • Prosperity • Culture • Environment 	<p>A vibrant, safe, and welcoming theatre/cinema environment contributes to a community that is vibrant and inclusive. Provide a wide range of shows, movies and events that meet the current cultural interest of our community.</p>	<p>The theatre team delivers a high level of service that meets our community's current and future needs. The theatres' variety of shows, hires, and films reflects our community's cultural interests.</p>	<p>Total visits to the theatre maintained or increased by 0-4% per annum. At least 80% of respondents satisfied or very satisfied with the theatres' services as measured by the biennial survey. A biennial survey will be carried out to establish customers' satisfaction in relation to services.</p>
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Funding impact statement for Community Services

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		4,124	3,631	4,634
Targeted rates		0	0	0
Subsidies and grants for operating purposes		31	31	31
Fees and charges		5	5	0
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		336	277	338
Total operating funding	A	4,496	3,944	5,003
Applications of operating funding				
Payments to staff and suppliers		2,169	2,003	2,478
Finance costs		793	423	890
Internal charges and overheads applied		749	820	799
Other operating funding applications		422	370	421
Total applications of operating funding	B	4,133	3,616	4,588
Surplus/ (deficit) of operating funding	A-B	363	328	415
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		629	(197)	(87)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	629	(197)	(87)
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		44	0	0
- to replace existing assets		847	157	144
Increase/ (decrease) in reserves		101	(26)	36
Increase/ (decrease) in investments		0	0	148
Total applications of capital funding	D	992	131	328
Surplus/ (deficit) of capital funding	C-D	(363)	(328)	(415)
Funding balance	((A-B)+(C-D))	0	0	0

Governance, Representation

What do we do?

Council is an elected body that provides a governance structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources.

Council is made up of 11 elected members including 10 Councillors and one Mayor who are elected to serve a three-year term of office which coincides with the local authority elections. Two Councillors represent Inangahua Ward, two represent Seddon Ward and six represent Westport Ward. The Mayor chairs Council. The Inangahua Community Board comprises of four elected members plus two Inangahua Ward Councillors. The Chief Executive Officer and staff support governance.

Council provides systems for democratic local decision making for the overall benefit of the community, for both our current and future generations. Council decision making and actions are concerned with meeting the current and future needs of communities for good quality infrastructure, local public services and the performance of regulatory functions in a cost-effective way for both business and households.

Buller District Mayor and Councillors provide governance to set direction, monitor and review Council performance, represent the community as well as inform the community of decisions made.

Why are we involved in this activity?

The Local Government Act 2002 requires Council and elected members to lead and represent their community. This Act requires Council to meet current and future needs of community in terms of good quality infrastructure and services as well as provide quality regulatory functions, all in a cost-effective way. As well as this, Council is well placed to provide advocacy and leadership on other local matters that are outside those core functions.

Council and Community Boards provide:

- Advocacy for community issues.
- Monitoring of performance.
- Strategy setting to decide the level of services and activities to be provided to the district's communities.
- A way for our community to have its views heard.
- A way to promote social, economic, environmental and cultural wellbeing for the Buller District.

Assumptions and negative effects

We have assumed there will be no significant legislation changes that may affect this activity.

There are no identified negative effects of this activity.

Significant issues and their impact

Council has a major role as a facilitator. It should provide reliable, affordable services and infrastructure that meet the community's needs, help develop attractive towns and a district that people will want to visit and reside in. This is important if the district is to experience economic growth and a transition to a diversified, resilient and sustainable economy which is a key aspect of Council's strategy.

It is critical that Council continues to advocate strongly to central government on important issues.

Key issues include:

- Preparedness for climate change / adaptation and carbon reduction targets;
- Affordability of local infrastructure; and
- Better local provision of core government services.

Protecting communities from some of the effects of climate change is important given some of the recent weather events, therefore working closely with the West Coast Regional Council is high on Council's list of priorities for this Annual Plan.

It is also important that Council considers affordability issues in our communities. Rates affordability is important but needs to recognise the need for investment in key infrastructure, e.g., roading and water.

Rates review – Consulting on part of the Rates Policy for the 2024-2025 Annual Plan

The background to the Buller District Council is the 2012-2022 LTP noted that a rating review was long overdue. The existing system had been heavily modified over time and evolved into a complex structure with more than 40 different categories of ratepayers all being rated on a unique basis. This gave rise to questions about equity and fairness.

The long-promised review was instigated by the newly elected Council in 2013. Considerable time was spent analysing the issues and considering the possibilities for change. Preliminary consultation was undertaken during 2014/ 2015.

The outcome of the first round of submissions and community consultation was Council decided the draft rating policy and methodology had a number of areas which Councillors would like to review. As a result, Council extended the rates overhaul project, and continued to work on this significant task.

A second phase of community consultation began in 2017. The second phase of consultation differed to the first proposal as it proposed to review only general rates.

The second round of submissions and community consultation was held during 2017/2018. Council deliberated on the proposed rating system in January 2018 and decided not to adopt the proposal that had been posted to every ratepayer. It was agreed that land value rating would remain the valuation base for striking rates in Buller District, and the complicated rating system would be simplified by a review of the differentials.

A third round of community consultation was held during February and March of 2021. After receiving submissions and considering community feedback, Council has decided not to adopt the proposal which based general rates on land value and simplified the differentials. Council intended to set a new work plan to continue review of the rating system.

In this Annual Plan, a proposal to update the way Water and Wastewater Targeted Rates are set is included. This Annual Plan does not propose to change the way general rates are calculated for each property, as described above for the previous three consultations on rates. More information about the rates review for targeted water and wastewater rates can be found in the "Consultation Issues" section at the beginning of this plan.

While any new rating system may alter the way rates are assessed and collected for an individual ratepayer, this has no effect on the total amount of rates to be collected and therefore no impact on any figures in the Annual Plan, apart for the individual rating examples. All rating examples in this Annual Plan are calculated on the existing rating system for the general rates component, and the Water and Wastewater targeted rates component are calculated on the proposed new policy for applying rates to those ratepayers who are connected to the municipal supplies.

Links to Community Outcomes

Governance covers all the community outcomes as it provides the administrative and operational capacity to achieve them.

Significant Capital Expenditure

Nil.

Significant Variances

Annual Plan vs Long Term Plan

General rates, uniform annual general charge, rates penalties

An increase in general rates is required to fund the increase in costs below.

Payments to staff and suppliers

The increase in payments to staff and suppliers reflects the significantly higher interest and inflation rates being experienced compared to market predictions available at the time of preparing Long Term Plan.

Internal charges and overheads applied

The increase in operating costs for other activities due to inflationary pressures, results in an increase in overheads charged by those units.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy

Activity	Funding Mechanism		
	General Rates	Fees	Capital Spend
Democracy	100%	-	• No capital spend

Key Performance Indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Governance and Representation	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Culture • Environment 	Provide annual budgeting and financial planning processes.	<p>Community engagement occurs across the district with representatives from broad community groups.</p> <p>Publishing annual plans, annual reports and long-term plans so the community is well informed</p>	<p>a) Meet statutory deadlines for Councils LTP, AP before 30th June in each respective year</p> <p>b) Meet statutory obligations for requests for information under LGOIMA, greater than or equal to 90% of the time.</p> <p>c) To meet legislative requirements for Strategic planning workshops held with Councillors.</p> <p>d) Ensure that all meetings and workshops are advertised, livestreamed and open for public attendance</p>
Governance and Representation	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Culture • Environment 	To maintain transparency, accountability and accessibility to the public.	<p>Conduct as much as Council business in public forum.</p> <p>Public excluded meetings to be convened only in relation to matters in the Local Government Official Information and Meetings Act (LGOIMA) S.48</p>	Council meetings and workshops to be livestreamed and available to the community
Governance and Representation	<ul style="list-style-type: none"> • Social • Affordability • Prosperity • Culture • Environment 	Advocating for Buller District, forming strong alliances and partnership opportunities.	Participate in the mayors, chairs and CEO meetings with the other West Coast Councils.	Continue to attend 100% of mayors, chairs and CEO meetings.

Funding impact statement for Governance and Representation

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		2,139	1,798	2,286
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	0
Total operating funding	A	2,139	1,798	2,286
Applications of operating funding				
Payments to staff and suppliers		785	646	983
Finance costs		0	0	0
Internal charges and overheads applied		1,354	1,152	1,303
Other operating funding applications		0	0	0
Total applications of operating funding	B	2,139	1,798	2,286
Surplus/ (deficit) of operating funding	A-B	0	0	0
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		0	0	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	0	0	0
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	0	0
Increase/ (decrease) in reserves		0	0	0
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	0	0	0
Surplus/ (deficit) of capital funding	C-D	0	0	0
Funding balance	((A-B)+(C-D))	0	0	0

Support Services

What do we do?

Customer Services and Support Services provides numerous functions for Customers and all of Council including:

- Service centres for customer use in Westport and Reefton.
- Corporate planning and support to governance.
- Financial and accounting operations.
- Production of Annual Plans, Long Term Plans and Annual Reports.
- Rating operations, Human Resources management.
- Information technology management.
- General administration.
- Health and safety compliance.
- Monitoring and compliance of all Council Controlled organisations.
- Guidance and monitoring of holding company performance.
- Asset management.
- Management functions.

Why are we involved in this activity?

The activity supports the functioning of all Council's activities and service provision.

Assumptions and negative effects

This annual plan and rates to be levied are based on a rating model used for several years.

Changes are being proposed as part of this annual plan consultation to water and wastewater targeted rating, specifically the multi residential and major users' categories. Under the proposal, these categories will be removed and rating for Separately Used Inhabitable Properties (SUIP's) will be implemented. Major users will be subject to water meter charges.

Changes in level of Service

Information Management

Information management describes the process used to organise data so it is securely stored and can be retrieved in an efficient and effective manner. Good information management ensures that all relevant information is quickly available to inform decision making.

As a New Zealand local authority, Buller District Council (BDC) is responsible for the stewardship of information relevant to its district. This includes core land and ratings information as well as that relating to BDC's day-to-day business activities.

Council's information management responsibilities extend to all its systems, datasets, databases, electronic and paper records, websites and social media, regardless of local or format. Local authority accountability requirements include being able to meet statutory and regulatory obligations and produce evidence in court. It also includes community responsibility to provide information (current and historical) and re-purpose data to contribute to Buller's economic growth.

Links to Community Outcomes

Support services covers all the Community Outcomes as it provides the administrative and operational capacity to achieve them.

Significant Capital Expenditure

- \$0.04m Motor vehicle replacement in line with Councils Vehicle Replacement Policy.

Significant Variances

Annual Plan vs Long Term Plan

General rates, uniform annual general charge, rates penalties

An increase in general rates is required to fund the increase in costs below.

Subsidies and grants for operating purposes

Funding received for staff to respond to the additional workload from the proposed three waters transition.

Internal charges and overheads recovered

The operating costs for Support Services are partially recovered from the activities assisted by the business unit. With the increase in the costs below, the recoveries increase accordingly.

Payments to staff and suppliers

The increase in payments to staff and suppliers reflects the significantly higher interest and inflation rates being experienced compared to market predictions available at the time of preparing Long Term Plan. A further increase in staff costs relates to a review of staffing levels to better meet organisational and community needs.

Internal charges and overheads applied

The increase in operating costs for other activities due to inflationary pressures, results in an increase in overheads charged by those units to this activity.

Increase/(decrease) in debt

Internal loan principal payments for the Information Management project were not budgeted for in the Long-Term Plan.

Capital expenditure to replace existing assets

Capital expenditure is greater than planned for in the Long-Term Plan due to inflationary increases and two projects that have been added to the plan: aerial photography to continue updating district mapping, and digitisation and storage of files.

Funding Allocations

Funding allocations are as per the Revenue and Finance Policy

Activity	Internal Allocation	Funding Mechanism		
		Fees	Other	Capital Spend
Corporate Services	100%	-	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans
Information Systems	100%	-	-	<ul style="list-style-type: none"> • Investments • Depreciation reserves • Loans

Key Performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Health and Safety	<ul style="list-style-type: none"> • Social • Affordability 	<p>Provide safe working environment for all employees, contractors, and visitors.</p> <p>Our employees and contractors are trained, supported, and competent in understanding and delivering their obligations to Council's Health and Safety requirements.</p>	<p>High functioning Health and Safety Committee that empowers employees, contractors, and visitors.</p> <p>Our systems and processes allow staff and contractors to gain the training and development required to comply with HSWA 2015.</p>	100% compliance with Health and Safety Work Act 2015 (HSWA 2015).

Funding impact statement for Support Services

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		242	221	332
Targeted rates		0	0	0
Subsidies and grants for operating purposes		133	0	142
Fees and charges		8	2	8
Internal charges and overheads recovered		7,406	6,366	8,177
Local authorities fuel tax, fines, infringements fees and other receipts		77	77	70
Total operating funding	A	7,866	6,666	8,729
Applications of operating funding				
Payments to staff and suppliers		5,566	4,807	6,300
Finance costs		169	46	219
Internal charges and overheads applied		1,864	1,499	1,997
Other operating funding applications		0	0	0
Total applications of operating funding	B	7,599	6,352	8,516
Surplus/ (deficit) of operating funding	A-B	267	314	213
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(100)	0	(103)
Gross proceeds from sale of assets		500	200	200
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	400	200	97
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		214	205	341
Increase/ (decrease) in reserves		453	309	(31)
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	667	514	310
Surplus/ (deficit) of capital funding	C-D	(267)	(314)	(213)
Funding balance	((A-B)+(C-D))	0	0	0

Commercial Infrastructure

Westport Airport

What do we do?

The Westport Airport is an unattended airport located 8km to the south-west of Westport. The airport provides facilities for commercial airline and charter operations, aero-medical evacuation and transfer and general aviation including training and recreational activities.

The Westport Airport is a joint venture between the Buller District Council and the Ministry of Transport. The airport is managed and operated by the Buller District Council which oversees the daily operation.

The airport is occasionally used as an airfield for military operations and training and is an essential point of entry for regional Civil Defence emergencies. The airfield has a sealed main runway and one grass taxiway. The airfield navigation aids (DME and NDB) are provided and maintained by Airways Corporation of New Zealand under an agreement for services. The airport is a hub for connecting family, community to services in other towns, connecting Buller to Wellington International Airport.

Why are we involved in this activity?

- Ensuring the Buller District has a key transport link to support the economy
- To operate as close as possible to a commercial business in a cost effective and efficient manner.
- To maintain the Westport Airport assets.
- To enter into any commercial undertakings that will complement the airport operations.

Assumptions

- The agreement with Sounds Air will remain as our main service provider
- There will be no loss of service or change to level of service agreements
- Airport will continue to pass audits and maintain a high level of safety management

Negative effects

- None

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	✓ Our communities are vibrant, healthy, safe and inclusive.
AFFORDABILITY	✓ Our communities are supported by quality infrastructure, facilities and services that are efficient, fit-for purpose, affordable and meet our current and future needs.
ENVIRONMENT	✓ Our district is supported by quality technology and an innovative and diverse economy that creates opportunities for self-sufficiency, sustainable growth and employment.
PROSPERITY	✓ Our district is supported by quality technology and an innovative and diverse economy that creates opportunities for self-sufficiency, sustainable growth and employment.

Changes in levels of Service

No proposed change to levels of service.

Funding allocations

Activity	Internal Allocation	Funding Mechanism		
		Fees	Other	Capital Spend
Airport	-	45-48%	Balance funded 50/50 with Ministry of Transport (MOT)	<ul style="list-style-type: none"> Depreciation reserves (balance 50% funded from MOT)

Significant capital expenditure

- Nil.

Significant Variances

Annual Plan vs Long Term Plan

Payments to staff and suppliers

The increase in payments to staff and suppliers reflects the significantly higher interest and inflation rates being experienced compared to market predictions available at the time of preparing Long Term Plan. The cyclical maintenance programme of works has also been reviewed to better align with compliance obligations.

Key performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Airport	<ul style="list-style-type: none"> ▪ Social • Affordability 	Our airport provides public transportation links for the region. Providing a safe and sustainable transport system. We are a lifeline link for our rural community	An airport facility that is safe, compliant and available for use. Providing a high level of customer service and community opportunity	Complete an annual customer survey. Retain CAA certification 100% of the time. Operate in a cost-effective manner – judged against projected income and expenditure.

Westport Harbour

What do we do?

Located on the west coast of the South Island at the mouth of the Buller River, Westport Harbour provides a sheltered haven for fishing and leisure boats.

Westport Harbour supplies berthage and marine services. The Harbour is ideally located for exporting and importing cargo via the West Coast.

The port has been upgraded in the last 4 years to improve security at the port thus limiting unauthorised access while the installation of a floating pontoon has significantly improved

Why are we involved in this activity?

- The port suffered damage to the Kawatiri wharf and 420,000m³ of silt was deposited in the harbour area as a result of the July 2021 and February 2022 flood events in the Buller River. The wharf repairs are shortly to commence, May 2024, while most of the silt will have been removed by June 2024. Both repairs return the port back to their capacity to service the Westland Mineral Sands activities that commence mid 2024 thus creating new economic activity for the port with new jobs and new income for the council from leases and wharfage. Ensuring the Buller District diversifies its economies by opening the port for fisheries
- To operate as close as possible to a commercial business in a cost effective and efficient manner.
- To maintain the Westport Harbour assets, including the Kawatiri dredge
- To enter into any commercial undertakings that will complement the airport operations.

Assumptions

All harbour activities (the port and dredging activities) are ring-fenced financially as a separate activity. This means that the Westport Harbour activities are fully funded over time by charges, fees and lease income and not any rates income.

Negative effects

There may be greater than predicted cash surpluses and losses, impacting the level of cash held by Council. If losses are greater than predicted, Council may be required to consider loan funding or rate funding the activity in the future.

Links to Community Outcomes

This activity supports the following community outcomes:

SOCIAL	✓ Our communities are vibrant, healthy, safe and inclusive.
AFFORDABILITY	✓ Our communities are supported by quality infrastructure, facilities and services that are efficient, fit-for purpose, affordable and meet our current and future needs.
PROSPERITY	✓ Our district is supported by quality technology and an innovative and diverse economy that creates opportunities for self-sufficiency, sustainable growth and employment.
ENVIRONMENT	✓ By providing green spaces and open areas that contribute to people's enjoyment of our environment.

Changes in levels of service

No proposed change to levels of service, however this could potentially change with the port upgrades and the different business opportunities.

Funding allocations

Funding allocations are as per the Revenue and Finance Policy

Activity	Internal Allocation	Funding Mechanism		
		Fees	Other	Capital Spend
Westport Harbour	-	-	Self-Funded	<ul style="list-style-type: none"> • Depreciation reserves • Loans

Significant Capital Expenditure

- \$818,000 for Kawatiri Dredge DOP pump installation and engine upgrades

Significant Variances

Annual Plan vs Long Term Plan

Local authorities fuel tax, fines, infringements fees and other receipts

Income not included in the Long-Term Plan relates to Westport gravel removal, wharfage for Westland Mineral Sands and pilotage income. The forecast for out-port dredging income has been reduced since the Long-Term Plan and replaced with income generated by the dredge locally.

Payments to staff and suppliers

The decrease in payments to staff and suppliers is primarily due to removal of costs associated with forgone out-port dredging income.

Increase/(decrease) in debt

Loan funding for the below capital expenditure that was not allowed for in the Long-Term Plan.

Capital expenditure to replace existing assets

Kawatiri Dredge DOP pump installation and engine upgrades were not included in the Long-Term Plan.

Key performance indicators

Activity	Community Outcome	Activity contribution	Level of service	Performance measures 2024-2025
Port	<ul style="list-style-type: none"> ▪ Social ▪ Affordability ▪ Prosperity ▪ Environment 	Westport harbour provides a sheltered port for fishing and leisure boats. It supplies berthage and marine services and is ideally situated for exporting and importing cargo via the West Coast.	A port facility which has health and safety at a high standard and provides a high level of service and commercial opportunity	To operate in a cost-effective manner. Financial performance to be judged against projected income and expenditure. 100% compliant with legislative, health and safety requirements.

Funding impact statement for Commercial Infrastructure

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		159	127	195
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		185	241	202
Internal charges and overheads recovered		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		3,774	2,880	3,018
Total operating funding	A	4,118	3,248	3,415
Applications of operating funding				
Payments to staff and suppliers		2,584	2,849	2,741
Finance costs		146	65	61
Internal charges and overheads applied		291	260	345
Other operating funding applications		0	0	0
Total applications of operating funding	B	3,021	3,174	3,147
Surplus/ (deficit) of operating funding	A-B	1,097	74	268
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(726)	(132)	722
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	(726)	(132)	722
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		71	48	873
Increase/ (decrease) in reserves		300	(106)	117
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	371	(58)	990
Surplus/ (deficit) of capital funding	C-D	(1,097)	(74)	(268)
Funding balance	((A-B)+(C-D))	0	0	0

Council Controlled Organisations Nature and scope of activities

Buller Holdings Limited

Buller Holdings Limited is a holding company that was set up to provide a commercial focus in the governance and management of the Buller District Council's commercial assets. Buller Holdings aims to operate as a successful company providing a competitive rate of return on the capital investments of the company.

Buller Holdings Limited has two fully owned subsidiaries:

- WestReef Services Limited; and
- Buller Recreation Limited trading as the Pulse Energy Recreation Centre.

WestReef Services Limited

WestReef is fully owned by Buller Holdings Ltd, a Buller District Council controlled trading organisation. The current project works include a core Council service focus, providing Council with roading, utilities, and parks and reserves management services. While the Council remains a key client, WestReef have diversified and expanded over the past seven years. The company now draws 70% of its total revenue from competitive business opportunities, separate from Council's contract.

The nature and scope of WestReef Services Limited activities is predominantly 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 and back country projects.

Buller Recreation Limited Trading as Pulse Energy Recreation Centre

Buller Recreation Limited owns and operates the Pulse Energy Recreation Centre that was formally opened on 18 April 2009, and provides a range of leisure services to the district as summarized 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.

Significant policies and objectives

The principal objective of Buller Holdings Limited is to operate as a successful business while working for the benefit of its shareholders.

In pursuing this objective, the company is guided by the following key principles.

Financial performance

The company is committed to operating as a successful business and achieving a competitive commercial rate of return on its investments 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 is broader than just the financial returns, and considers the social, economic, environmental and cultural needs of the community.

Service

The company recognises that the needs of its major customers are paramount and is committed to meeting those needs. It also recognises the need to develop its customer base to ensure sustainability of the business in the future.

Employee relations

The holding company 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 holding company, together with its employees, will create a culture that recognizes 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.

Safety and environment

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

The company is committed to reviewing its status and measuring its environmental performance including carbon reduction. This is with a view to identify areas for environmental improvement and formulate a pathway for the company.

Key performance indicators

Buller Holdings Limited

Objective	Performance Measure	Performance measures 2024-2025
Financial performance	Achieving budget revenue and expenditure	Operate within budgets
	Delivery of unaudited quarterly reports by 16 November, 23 February and 16 May	Provision of quarterly reports to Council by due dates
	Delivery of an annual report and audited financial statements in respect to the financial year	Provision of annual report and audited financial statements by due date
	The Directors shall provide a Statement of Intent (SOI) by 1 March for approval by Council	Provision of Statement of intent by due date
	Financial performance will be measured against the forecasts and KPI's in the approved Statement of Intent	Annual review of financial performance
Health and Safety	Medical treatment injury	Nil treated injuries
Operational	The board of directors will formally meet with BDC, Mayor, Chairperson of Risk and Audit Committee and a councillor (on a rotational basis) 3 times per year.	Meet at least three times per year on a formal basis
	The Buller Holdings Limited Chief Executive Officer will provide a formal or informal report to Council as requested	Provide a formal and/or informal report to Council as requested
	The Chief Executive Officer of Buller Holdings Limited will meet with the Chief Executive Officer of Buller District Council when requested	Meet with the Chief Executive Officer of Buller District Council as requested

Westreef Services Limited

Objective	Performance Measure	Performance measures 2024-2025
Health and Safety	Medical treatment injury	Nil treated injuries
	Serious harm accidents	Nil serious harm incidents
	LTI target	Nil lost time incidents
	ISO 45001 accreditation	Maintain iso 45001 accreditation
Operational	Employee satisfaction - staff turnover excluding retirement, redundancy and internal transfers	Within the range of +/- 5% of national benchmark
	To renew its TQS1 certification as required	Achieve renewal
Employee development and satisfaction	Undertake staff satisfaction survey two-yearly.	Carry out staff satisfaction survey in 2025, 2027, 2029 and 2031
Financial Performance	Achieving budget revenue and expenditure	Operate within budgets
	To grow revenue from competitively procured work	Target 45% of gross revenue
	Maintain a ratio of 45% of shareholders' funds to total assets	Achieve 45%
Environmental	Undertake to receive no enforcement notices	Nil enforcement notices received
	Business environmental footprint	Establish KPIs and improve on 2024 baseline
Community	Support activities involved with the social and environmental development in the community	Support a minimum of 25 community activities per annum

Buller Recreation Limited

Objective	Performance Measure	Performance measures 2021-2023	Performance measures 2024-2031
Financial	Achieving budget revenue and expenditure	Operate within budgets	Operate within budgets
	Maintain a ratio of 45% of shareholders' funds to total assets	Achieve 60%	Achieve 45%
Fitness membership	Maintain an average of 700 members over a 12-month period	Maintain an average of 700 members	Maintain an average of 700 members
	Average retention rate of >75% over 12-month period	Maintain membership over >75%	Maintain membership over >75%
Aquatic Centre	Maintain an average visits of >4,000 per month over 12 months	2022 - 4,080 visits 2023 - 4,100 visits 2024 - 4,120 visits	>4,000 visits per annum
	Achieve more than 140 swimming students, over four terms	2022 - 140 students 2023 - 150 students 2024 - 150 students	>150 students, over four terms
Health and safety	Medical treatment injury	Nil treated injuries	Nil treated injuries
	Serious harm accidents	Nil serious harm incidents	Nil serious harm incidents
	LTI target	Nil lost time incidents	Nil lost time incidents
	Undertake a staff satisfaction survey 2-yearly	Conduct staff survey during 2024	Conduct staff survey during 2026; 2028; 2030
	Undertake a client satisfaction survey every second year	Conduct client satisfaction survey during 2023	Conduct client satisfaction survey during 2025; 2027; 2029; 2031
Asset management	Complete a review of the Asset Management Plan (AMP) annually	Complete an annual review of the AMP	Complete an annual review of the AMP
	Complete maintenance and replacement in accordance with the AMP (monitor monthly)	Complete planned maintenance and replacement program	Complete planned maintenance and replacement program
Environmental	Business Environmental Footprint		Establish KPIs and improve on 2024 baseline

Other Council Controlled Organisations

Buller Health Trust

Nature and scope of activities to be provided

The Buller Health Trust (BHT) is a charitable trust incorporated under the Charitable Trusts Act 1957. The strategic direction of the Trust is guided by the vision, values and strategic objectives set out in the trust deed.

BHT will assist in preserving public health and wellbeing in the Buller District. The Trustees comprise of the Mayor and Chief Executive Officer of the Buller District Council.

BHT is the owner and operator of the Westport Dental Clinic and Coast Medical, it purchased both clinics from the previous owners in order to ensure dental and health services were provided in Westport.

Significant policies and objectives

- The Mayor and Chief Executive Officer are appointed as Trustees.
- The objective of the trust is to support the provision of medical services in the Buller District.
- The Buller District Council provides funding to the Trust by way of loans.

Key performance targets

- To support the provision of appropriate medical services to the Buller community.
- To operate on a break-even basis.

Significant variances: Annual Plan vs Long Term Plan

- There are no significant variances compared to the Long-Term Plan.

Denniston Heritage Trust

Nature and scope of activities to be provided

The Denniston Heritage Charitable Trust was established in July 2007. The purpose of the trust is the preservation, enhancement and interpretation of Denniston's natural, social, industrial and geological history. The Trust's current activities include maintaining historical installations at Denniston to allow visitors to experience the richness of the historic and natural heritage, supported by facilities and information and interpretation panels at Denniston.

Significant policies and objectives

- The board of the Denniston Heritage Trust comprises of at least seven trustees, of which one is appointed by the Buller District Council.
- The objective of the trust is to maintain the historical features of Denniston and to encourage visitors, while at the same time managing unwanted visitor impacts on the local community, natural environment and heritage site.
- The Buller District Council does not provide funding to the trust.

Key performance targets

- To meet the objectives of the Trust as well as assist in coordinating developments associated with the Denniston experience mine tours.
- To promote Denniston as a premium visitor location rich in natural and historic heritage.

Significant variances: Annual Plan vs Long Term Plan

- There are no significant variances compared to the Long-Term Plan.

Buller Resilience Trust

Nature and scope of activities to be provided

The Buller Resilience Trust was established in 2021. The purpose of the trust is to encourage, promote and support the development of resilience among people and communities within Buller District, working with mining companies, their local employees and contractors, and people and communities in Buller District to enable a transition from mining for fossil fuels to other economic activities in Buller District.

Significant policies and objectives

- The trust is governed by a Board of Trustees and has no fewer than four trustees, no more than five, of which one is appointed by the Buller District Council.
- The objective of the trust is to support a transition from mining to other economic activities in the district.

Significant variances: Annual Plan vs Long Term Plan

- The trust was not referenced in the Long-Term Plan.

Financial Statements

FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Operating revenue				
	Notes:			
General rates and rate penalties	1	11,418	11,405	13,298
Targeted rates and metered water charges	2	7,722	7,797	9,408
Development and reserve financial contributions		55	55	56
Subsidies and grants	3	25,522	8,017	12,392
Fees and charges	4	1,594	1,409	1,825
Investment income	5	2,008	1,435	1,976
Other Revenue	6	5,908	4,423	4,895
Gains	7	222	153	282
Total operating revenue		54,449	34,694	44,135
Operating expenditure				
Employee benefit expenses		8,263	7,070	9,081
Depreciation and amortisation	8	8,733	7,537	9,349
Finance costs	9	1,991	815	2,174
Other expenses		16,689	16,280	20,112
Writeoff of assets		476	519	665
Total operating expenses	10	36,152	32,221	41,381
Net surplus (deficit) before taxation		18,297	2,473	2,754
Income tax expense		0	0	0
Net surplus (deficit) after taxation		18,297	2,473	2,754
Comprehensive revenue and expenses				
Increase in infrastructure revaluation reserve		0	31,327	0
Total comprehensive revenue and expenses		18,297	33,800	2,754

FORECAST MOVEMENTS IN EQUITY

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Equity as at 1 July	507,791	419,505	492,452
Total comprehensive revenue and expenses	18,297	33,800	2,754
Total equity at end of year	526,088	453,305	495,206
Components of equity			
Accumulated funds	256,411	188,760	226,972
Reserves	4,185	3,814	3,730
Asset revaluation reserve	265,492	260,731	264,504
Total equity at end of year	526,088	453,305	495,206

FORECAST STATEMENT OF FINANCIAL POSITION

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Current assets			
Cash and cash equivalents	808	1,092	2,041
Trade and other receivables	9,934	6,311	6,535
Inventories	16	20	12
Other current assets	259	186	626
Short term investments	12,323	13,713	7,542
Assets Held for Sale	5	0	5
Total current assets	23,345	21,322	16,761
Non current assets			
Investment in council controlled organisations	19,894	21,366	20,042
Other investments	719	0	758
Investment property	11,302	8,226	12,027
Infrastructural assets	467,533	415,367	457,948
Other non current assets	57,413	35,996	41,473
Derivative financial instruments	1,497	0	1,427
Deferred Tax	0	0	615
Intangible assets	390	263	287
Total non current assets	558,748	481,218	534,577
Total assets	582,093	502,540	551,338
Current liabilities			
Trade and other payables	11,200	6,385	7,535
Derivative financial instruments	0	552	0
Employee entitlements	998	718	1,044
Provisions	37	44	57
Current portion of borrowings	130	390	445
Total current liabilities	12,365	8,089	9,081
Non current liabilities			
Derivative financial instruments	0	2,404	0
Provisions	1,716	1,366	1,733
Bond deposits	208	88	208
Employee entitlements	161	161	147
Borrowings	41,555	37,130	44,963
Total non current liabilities	43,640	41,149	47,051
Equity			
Accumulated funds	256,411	188,760	226,972
Reserves	4,185	3,814	3,730
Asset revaluation reserve	265,492	260,731	264,504
Total equity	526,088	453,305	495,206
Total equity & liabilities	582,093	502,543	551,338

FORECAST STATEMENT OF CASHFLOW

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Cashflows from operating activities:			
Cash will be provided from:			
Rates	18,999	18,986	22,415
Other income	25,932	14,066	21,632
Interest received	708	135	676
Dividend income and subvention payments received	1,300	1,300	1,300
	46,939	34,487	46,023
Cash will be applied to:			
Payments to suppliers and employees	21,439	23,373	27,869
Interest paid	2,003	815	2,178
	23,442	24,188	30,047
Net cash from operating activities	23,497	10,299	15,976
Cashflows from investing activities:			
Cash will be provided from:			
Investments realised	13,103	14,613	11,592
Sale of fixed assets	0	0	0
Sale of investment property	562	264	290
	13,665	14,877	11,882
Cash will be applied to:			
Purchase of fixed assets	27,601	12,378	22,276
Purchase of equity investments	355	123	148
Purchase of investments	12,323	13,713	7,542
	40,279	26,214	29,966
Net cash from investing activities	(26,614)	(11,337)	(18,084)
Cashflows from financing activities:			
Cash will be provided from:			
Loans raised	2,280	1,360	3,935
	2,280	1,360	3,935
Cash will be applied to:			
Repayment of loans	0	328	326
	0	328	326
Net cash from financing activities	2,280	1,032	3,609
Net increase (decrease) in cash	(837)	(6)	1,501
Opening cash as at 1 July	1,645	1,098	540
Closing cash as at 30 June	808	1,092	2,041

RECONCILIATION OF NET SURPLUS AFTER TAX TO CASHFLOWS FROM OPERATING ACTIVITIES

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Surplus/(deficit) before tax	18,297	2,473	2,754
Add/(less) non-cash items:			
Depreciation and amortisation expense	8,733	7,537	9,349
Asset writeoffs	476	519	665
Movement in provisions	(48)	(34)	(60)
Vested assets	0	(53)	0
	9,161	7,969	9,954
Add/(less) items as investing activities:			
(Gains)/losses in fair value of investment property	(222)	(153)	(282)
	(222)	(153)	(282)
Add/(less) movements in working capitals items:			
Movement in receivables	(7,288)	(201)	2,170
Inventories	0	(1)	0
Movement in operating payables	3,485	191	1,305
Employee benefits	64	21	75
	(3,739)	10	3,550
Net cash inflow/(outflow) from operating activities	23,497	10,299	15,976

NOTES TO THE FORECAST FINANCIAL STATEMENTS

Note 1: REQUIRED FROM GENERAL RATE

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Regulatory services	1,927	1,635	1,911
Roading and transport	2,155	2,336	2,935
Stormwater	864	1,020	1,038
Solid waste	653	610	594
Infrastructure delivery	0	(46)	0 ¹
Community services	4,126	3,631	4,634
Governance and representation	2,139	1,798	2,286
Customer and support services	242	221	332
Community facilities	1,792	1,756	2,037
Commercial infrastructure	159	127	195
	14,057	13,088	15,962
LESS			
Investment income	(1,238)	(383)	(1,193)
Other income - dividends	(1,300)	(1,300)	(1,300)
Leasehold property revenues	-	-	(171)
Asset sales	(100)	-	-
	(2,638)	(1,683)	(2,664)
Total general rates requirement	11,419	11,405	13,298

Note 2: TARGETED RATES AND METERED WATER CHARGES

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Water supplies	3,672	3,904	4,966
Metered Water Charges	235	241	104 ¹
Wastewater/sewerage	2,919	2,848	3,320
Solid waste	896	804	1,018
Total targeted rates	7,722	7,797	9,408

Note 3: SUBSIDIES AND GRANTS

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Roading and transport	18,108	5,726	12,089
Water supplies	1,585	2,214	0
Wastewater/sewerage	2,488	0	0
Stormwater	1,400	0	0
Solid waste	922	46	130
Infrastructure Delivery	0	0	0
Community services	31	31	31
Customer and support services	133	0	142
Community facilities	855	0	0
Commercial infrastructure	0	0	0
Total subsidies and grants	25,522	8,017	12,392

Note 4: FEES AND CHARGES

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Regulatory services	1,204	970	1,333
Roading and transport	0	0	0
Water supplies	0	0	0
Wastewater/sewerage	26	25	59
Stormwater	0	0	0
Solid waste	43	36	46
Infrastructure delivery	0	0	0
Community services	5	5	0
Governance and representation	0	0	0
Customer and support services	8	2	8
Community facilities	123	130	60
Commercial infrastructure	185	241	319
Total fees and charges	1,594	1,409	1,825

Note 5: INVESTMENT INCOME

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Dividends and Subvention payments	1,300	1,300	1,300
Interest income	708	135	676
Total investment income	2,008	1,435	1,976

Note 6: OTHER REVENUE

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Regulatory services	3	2	2
Roading and transport	135	171	120
Water supplies	0	0	0
Wastewater/sewerage	5	5	0
Stormwater	5	5	5
Solid waste	113	69	66
Infrastructure delivery	0	0	0
Community services	336	277	338
Governance and representation	0	0	0
Customer and support services	77	77	70
Community facilities	1,460	881	1,392
Commercial infrastructure	3,774	2,880	2,901
Vested assets	0	53	0
Total other revenue	5,908	4,420	4,894

Note 7: GAINS

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Profit on Sale of Assets	-	-	-
Revaluation of Investment Property	222	153	282
Total gains	222	153	282

Note 8: DEPRECIATION

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Regulatory services	54	43	75
Roading and transport	4,403	3,618	4,685
Water supplies	1,262	1,000	1,275
Wastewater/sewerage	1,034	961	1,128
Stormwater	372	323	398
Solid waste	119	97	117
Infrastructure delivery	18	20	22
Community services	279	274	328
Governance and representation	0	0	0
Customer and support services	299	319	296
Community facilities	677	647	705
Commercial infrastructure	216	234	319
Total depreciation	8,733	7,536	9,348

Note 9: FINANCE COSTS

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
External loan interest	1,983	1,028	2,159
Bank fees	20	(210)	20
Landfill closure provision discount unwinding	(12)		(4)
Total finance costs	1,991	818	2,175

Note 10: OPERATING EXPENDITURE AS PER ACTIVITY

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Regulatory services	3,131	2,607	3,246
Roading and transport	8,612	8,449	11,329
Water supplies	4,944	3,452	5,374
Wastewater/sewerage	3,203	2,912	3,380
Stormwater	872	792	1,043
Solid waste	1,812	1,558	1,868
Infrastructure delivery	1,871	1,088	2,192
Community services	4,411	3,890	4,916
Governance and representation	2,139	1,798	2,286
Customer and support services	7,866	6,672	8,812
Community facilities	3,794	3,419	4,399
Commercial infrastructure	3,238	3,407	3,465
	45,893	40,044	52,310
PLUS writeoff of assets	476	519	665
LESS internal interest	(529)	(249)	(517)
LESS internal recoveries	(9,762)	(8,095)	(11,080)
Total operating expenditure	36,078	32,219	41,378

Note 10a: INTERNAL RECOVERIES

	Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Infrastructure delivery	1,871	1,134	2,192
Customer and support services	7,406	6,366	8,177
Community facilities	485	595	710
Total internal recoveries	9,762	8,095	11,079

Funding Impact Statement for Buller District Council

		Annual Plan 2023-2024 \$000	Long Term Plan 2024-2025 \$000	Annual Plan 2024-2025 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		11,418	11,405	13,298
Targeted rates		7,722	7,582	9,409
Subsidies and grants for operating purposes		2,966	3,191	4,874
Fees and charges		1,594	1,409	1,709
Interest and dividends from investments		2,008	1,435	1,976
Local authorities fuel tax, fines, infringements fees and other receipts		5,908	4,585	5,011
Total operating funding	A	31,616	29,607	36,277
Applications of operating funding				
Payments to staff and suppliers		24,529	22,979	28,770
Finance costs		1,990	815	2,175
Other operating funding applications		422	370	421
Total applications of operating funding	B	26,941	24,164	31,366
Surplus/ (deficit) of operating funding	A-B	4,675	5,443	4,911
Sources of capital funding				
Subsidies and grants for capital expenditure		22,555	4,825	7,518
Development and financial contributions		55	55	56
Increase/(decrease) in debt		2,280	1,033	3,609
Gross proceeds from sale of assets		562	264	290
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	25,452	6,177	11,473
Application of Capital expenditure				
- to meet additional demand		6,914	0	0
- to improve the level of service		5,976	5,402	4,861
- to replace existing assets		18,812	6,976	14,500
Increase/ (decrease) in reserves		(1,150)	(881)	925
Increase/ (decrease) in investments		(425)	123	(3,902)
Total applications of capital funding	D	30,127	11,620	16,384
Surplus/ (deficit) of capital funding	C-D	(4,675)	(5,443)	(4,911)
Funding balance	((A-B)+(C-D))	0	0	0

FORECAST STATEMENT OF RESERVE FUNDS

Reserve	Activity that the Reserve relates to:	Purpose of Reserve	Projected Opening Balance	Transfer to Reserves	Transfer from Reserves	Balance 2024/2025
			\$000	\$000	\$000	\$000
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	0	365
Community Development - Other	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	3,037	9,287	9,728	2,596
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	732	56	174	614
Isdell Trust	Community Facilities	Funds bequested for the purpose of providing assistance towards relief of poverty, improvement of public reserves, parks and Crown Land, the erection of public or school gymnasiums, all educational purposes and recreations pursuits of benefit to society in promotion of public welfare.	0	0	0	0
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	16	0	0	16
Boiler Replacement Fund	Community Facilities	Funds set aside to go toward replacement of boiler at Brougham Street offices	0	0	0	0
Development Contributions	Regulatory	Proceeds form commercial and industrial development to provide for social and recreation need of the area	118	0	0	118
Sale of Gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11	0	0	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10	0	0	10
Total Reserves Only			4,289	9,343	9,902	3,730
Karamea Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	(20)	151	150	(19)
Marua Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	(44)	41	41	(44)
Contracted Refuse/ Recycling Operations	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	(102)	972	972	(102)
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(1,277)	8,331	8,331	(1,277)
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(446)	1,134	1,134	(446)
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(3)	91	100	(12)
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(19)	126	146	(39)

Reserve	Activity that the Reserve relates to:	Purpose of Reserve	Projected Opening Balance	Transfer to Reserves	Transfer from Reserves	Balance 2024/2025
			\$000	\$000	\$000	\$000
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	485	55	35	505
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(299)	275	378	(402)
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	380	74	122	332
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(267)	625	721	(363)
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(288)	274	282	(296)
South Gracity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	25	6	1	30
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	0	0	0	0
Westport Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(552)	6,120	6,120	(552)
Reefton Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	349	832	832	349
Little Wanganui Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	4	147	148	3
Punakaiki Camp	Community Facilities	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp Activity	(345)	44	76	(377)
Community Housing	Community Facilities	Separates all funding and expenditure and surpluses or deficits for Pensioner Housing	(45)	280	448	(213)
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(306)	337	337	(306)
Westport Harbour	Commercial Infrastructure	Separates all funding and expenditure and surpluses or deficits for the Westport harbour and Kawatiri dredge activities	(1,207)	3,917	3,838	(1,128)
Total Separate Balances Only			(3,977)	23,832	24,212	(4,357)
Total Reserves and Separate Balances			312	33,175	34,114	(627)

Please note:

Reserves and separate balances are not disclosed separately within the financial statements. The Reserves total in this note reconciles to the reserve component of equity in the financial statements. The separate balances total in this note is not included in reserves within equity but is included within the accumulated funds component of equity in the financial statements.

Forecast Funding Impact Statement

1. GENERAL RATES

General rates include both the general (differential) rate and a uniform annual general charge.

General rates are used to fund or part fund Democracy, Economic Development, Community Services, Regulatory Services, Property, Roading, Solid Waste Management, Stormwater, Support Services and Airport activities.

1.1 General (Differential) Land Rate

The general rate is set and assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use, and the activities that are permitted, controlled or discretionary for the area in which the land is situated as per the District Plan.

The definition of the differential categories is set out in this Funding Impact Statement, under Part 5.

General Rates (inclusive of GST)

Table 1 – Differentials

General Rate differential categories	Percentage of General Rate	General Rate (cents per \$ land value)
Residential 101	0.973%	0.25460
Residential 102	0.170%	0.28813
Residential 103	0.659%	0.34471
Residential 104	0.828%	0.32516
Residential 105	0.364%	0.30374
Residential 106	19.204%	1.05588
Residential 107	1.457%	0.96691
Residential 108	1.150%	0.63510
Residential 109	0.629%	0.60352
Residential 110	0.633%	0.49115
Residential 111	0.217%	0.23719
Residential 112	0.585%	0.43537
Residential 113	0.399%	0.44325
Residential 114	1.022%	0.55027
Residential 115	2.623%	0.46671
Multi Residential 121	0.030%	0.76522
Multi Residential 122	0.008%	0.53302
Multi Residential 123	1.585%	2.12872
Multi Residential 124	0.116%	2.20226
Multi Residential 125	0.348%	1.27843
Multi Residential 126	0.129%	1.07448
Commercial 131	0.874%	1.67711
Commercial 132	0.019%	1.03638
Commercial 133	1.706%	3.62974
Commercial 134	10.435%	4.66842
Commercial 135	0.127%	2.53914

General Rate differential categories	Percentage of General Rate	General Rate (cents per \$ land value)
Commercial 136	0.299%	1.02170
Commercial 138	0.019%	0.18350
Commercial 139	1.254%	1.10968
Commercial 140	0.967%	1.31762
Rural 141	18.804%	0.44416
Rural 142	1.298%	0.39035
Rural 143	3.861%	0.31748
Rural Residential 151	4.610%	0.40083
Rural Residential 152	3.171%	0.38436
Rural Small Holding 161	1.530%	0.26260
Rural Small Holding 162	0.112%	0.22241
Rural Small Holding 163	0.202%	0.21946
Rural Small Holding 164	0.059%	0.11370
Industrial 172	9.916%	11.22119
Industrial 173	6.893%	2.70144
Industrial 174	0.530%	4.09595
	100.00%	

1.2 Uniform Annual General Charge (UAGC)

The Council will set and assess a uniform annual general charge (UAGC) as a fixed amount per rating unit.

The Uniform Annual General Charge will be \$580.00 (inclusive of GST) per rating unit.

Expected Yield (Collect)

The expected collect from the general (differential) rate is calculated to be \$11,208,895 (including GST), and the expected collect from the uniform annual general charge is calculated to be \$3,911,665 (including GST), a total of \$15,221,488.

2. WATER

Targeted water supply rates are differentiated by the provision or availability of the service, meaning whether the rating unit is connected or able to be connected to the municipal water supply (serviceable) and which scheme is available.

A 'connection' or being 'connected' is defined as the provision of the service to the rating unit, whether from the main supply line, or from any other line that is connected to the main supply. For clarity, if a council connection point is in place,, a dwelling or structure does not need to be physically connected to a line for the service to be considered connected to the rating unit. (For example, where construction of a house has commenced and the connection is in place, but not yet physically supplying water.)

A rating unit is regarded as serviceable if the rating unit lies within 50 metres of the water reticulation system.

The liability for targeted water supply rates is calculated on the number of separately used or inhabited parts of the rating unit (SUIP).

Where a water meter is installed, targeted metered water rates are charged under section 19 of the Local Government (Rating) Act 2002, per cubic metre of water supplied to the metered rating unit in excess of the allowance per annum per water meter. (Refer to Table 2 which sets out the cubic meters allowance per annum for each Water Supply).

The definition of a SUIP is set out in this Funding Impact Statement, under Part 6.

Table 2 – Unit rates

Water Targeted Rate Connected			
Assessed on each rating unit connected to a municipal water supply			
Water Supply Scheme Rates	Rate per SUIP or Rating Unit (GST inclusive)	Rating numbers	Estimated Revenue (GST inclusive)
Westport	\$1,362.00	3,125	\$4,256,795
Reefton	\$1,293.00	723	\$935,020
Mokihinui	\$478.00	47	\$22,466
Ngakawau-Hector	\$357.00	177	\$63,332
Waimangaroa	\$1,311.00	143	\$187,473
Little Wanganui	\$382.00	46	\$17,549
Inangahua Junction	\$1,194.00	29	\$34,387
Punakaiki	\$1,431.00	89	\$127,645

Water Targeted Rate Serviceable			
Assessed on each rating unit within 50 metres from any part of a municipal water supply but not connected			
Water Supply Scheme Rates	Rate per SUIP (GST inclusive)		
Westport	\$681.00		
Reefton	\$646.50		
Mokihinui	\$239.00		
Ngakawau-Hector	\$178.50		
Waimangaroa	\$655.50		
Little Wanganui	\$191.00		
Inangahua Junction	\$597.00		
Punakaiki	\$715.50		

Water Targeted Rate Metered – for connected Rating Units with a Water Meter Installed			
Assessed on each water meter per cubic metre used in excess of annual allowance			
Water Supply Scheme Rates	Rate per Rating Unit or SUIP (GST inclusive)	Annual Allowance – cubic meters	Estimated Revenue (GST inclusive)
Westport	\$3.50	400	\$34,500
Reefton	\$3.30	400	-
Mokihinui	\$1.30	400	-
Ngakawau-Hector	\$1.00	400	-
Waimangaroa	\$3.40	400	-
Little Wanganui	\$1.05	400	-
Inangahua Junction	\$3.10	400	-
Punakaiki	\$3.70	400	-
Cape Foulwind Rural Water Supply	\$0.63	-	\$85,514

Council may require any user on the water supply to have a meter installed, if it deems it necessary to do so, in the interests of fairness within the supply area.

3. Wastewater Disposal

Targeted wastewater disposal rates are differentiated by the provision or availability of the service, meaning whether the rating unit is connected or able to be connected to the Councils wastewater reticulation system (serviceable) and which scheme is available. Targeted wastewater disposal rates are also differentiated by land use.

A 'connection' or being 'connected' is defined as the provision of the service to the rating unit, whether from the main wastewater drain, or from any other drain that is connected to the main wastewater drain. For clarity, if a council connection point is in place, a dwelling or structure does not need to be physically connected to a drain for the service to be considered connected to the rating unit. (For example, if construction of a house has commenced and the connection is in place, but not yet being used.)

A rating unit is regarded as serviceable if it is within 30 metres of the wastewater reticulation system.

For land that is used for commercial accommodation, schools and health providers, the liability for targeted wastewater disposal rates is calculated per rating unit (not SUIP) and the number of pans in excess of the allowance per rating unit.

For all other land uses, the liability for targeted wastewater disposal rates is calculated on the number of separately used or inhabited parts of the rating unit (SUIP).

The definition of a SUIP is set out in this Funding Impact Statement, under Part 6.

Table 3 – Unit rates

Wastewater Targeted Rate Connected – commercial accommodation, schools, health providers			
Assessed on each rating unit connected to a municipal wastewater reticulation system.			
Wastewater Supply Scheme Rates	Rate per rating unit (GST inclusive)		
Westport	\$1,129.00		
Reefton	\$854.00		
Little Wanganui	\$950.00		

Wastewater Targeted Rate Connected – other rating units			
Assessed on each rating unit connected to a municipal wastewater reticulation system.			
Wastewater Supply Scheme Rates	Rate SUIP (GST inclusive)	Rating numbers	Estimated Revenue (GST inclusive)
Westport	\$1,129.00	2,842	\$3,208,144
Reefton	\$854.00	642	\$548,541
Little Wanganui	\$950.00	43	\$40,675

Wastewater Targeted Rate Serviceable			
Assessed on each SUIP within 30 metres from any part of a municipal wastewater reticulation system but not connected.			
Wastewater Supply Scheme Rates	Rate per Rating Unit or SUIP (GST inclusive)	Rating numbers	Estimated Revenue (GST inclusive)
Westport	\$564.50		
Reefton	\$427.00		
Little Wanganui	\$475.00	38	\$18,050

Wastewater Targeted Rate per urinal/pan charge – commercial accommodation, schools, health providers

Assessed on each rating unit and charged for each pan/urinal connected to a municipal wastewater reticulation system in excess of the allowance per rating unit.

Wastewater Supply Scheme Rates	Rate per urinal/pan (GST inclusive)	Allowance per rating unit
Westport	\$282.25	4
Reefton	\$213.50	4
Little Wanganui	\$237.50	4

4. WASTE MANAGEMENT

For the purposes of the cost of providing waste management (refuse and recycling) throughout the district, three zones have been established, each having its own level of service.

The localities of these zones are:

Zone	Locality
1	All of the district except north of the Mokihinui River and east of Blacks Point to which the collection service is provided
2	North of the Mokihinui River (Karamea)
3	East of Blacks Point (Maruia)

The levels of service for each are:

Zone	Locality
1	The provision of a collection service for bins and bags, plus the cost of the waste management disposal area(s) within the zone.
2	The cost of the waste management disposal area(s) within the zone.
3	The cost of the waste management disposal area(s) within the zone.

4.1 Waste Management - Zone 1

The cost of providing recycling and refuse collection is recovered from those properties that are on the service collection route, in the form of a targeted annual waste management rate of a fixed amount per set of two bins (one wheelie bin and one basket) delivered to those properties within the Zone 1 area.

Thus, any property that has been delivered more than one set of bins, is deemed to be receiving the service for each of those sets of bins and shall be liable for the fixed amount for each set of bins delivered to the property.

The bins are used for the fortnightly recycling collection, while bags are available for purchase at various district outlets for the use of weekly refuse collection.

The annual targeted waste management rate for Zone 1 will be **\$199.00** per set of two bins (including GST).

4.2 Waste Management - Zone 2

The cost of providing a waste management landfill activity within the Zone 2 area is recovered from those rating units within the area.

The annual targeted waste management rate for Zone 2 will be **\$138.00** per rating unit (including GST).

4.3 Waste Management - Zone 3

The cost of providing a waste management landfill activity within the Zone 3 area is recovered from those rating units within the area.

The annual targeted waste management rate for Zone 3 will be **\$369.00** per rating unit (including GST).

Expected Yield (Collect)

The expected collects for each of the solid waste areas (GST inclusive) are:

Solid Waste Area	Collect
Zone 1	\$1,041,340
Zone 2	\$85,658
Zone 3	\$43,977

Lump sum contributions

The Council does not accept lump sum contributions in respect of any of the targeted rates.

5. DIFFERENTIAL CATEGORIES

Note that the first five digits of any valuation reference comprises the valuation roll in which the reference is found.

Also note that subject to the rights of objection to the rating information database set out in Section 29 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories applied to a rating unit.

Residential Categories

Rating units, or parts of rating units, being less than 4,000 square metres in area, having no more than one residential dwelling, and being primarily used for, or able to be used for, residential living.

Residential 101 Includes residential rating units, or parts of rating units, within the valuation rolls numbered 18780 (but excluding the Little Wanganui Subdivision); 18800 (but excluding the township of Ngakawau and Granity); 18820; 18830 (but excluding the townships of Waimangaroa and Conns Creek); 18840 (but excluding the settlement of Snodgrass, and those properties in the greater Westport area to the west of the Orowaiti River); 19000; 19010; 19040; 19080; and 19081.

Residential 102 Includes residential rating units, or parts of rating units, within the valuation roll numbered 18810, plus the settlement of Snodgrass.

Residential 103 Includes the residential rating units, or parts of rating units, within the valuation roll numbered 18790 (but excluding the township of Hector), plus the Little Wanganui Subdivision, and Conns Creek.

Residential 104 Includes the residential rating units, or parts of rating units, on the inland side of the State Highway 67 in the townships of Hector, Ngakawau, and Granity, plus the township of Waimangaroa.

Residential 105 Includes the residential rating units, or parts of rating units, on the seaward side of the State Highway 67 in the townships of Hector, Ngakawau, and Granity.

Residential 106 Includes the residential rating units, or parts of rating units, within the valuation rolls numbered 18840, 18950, 18960, and 18970 (but not including any properties to the east of the Orowaiti River or south of Stafford Street, and those properties on Orowaiti Road, Morgans Lane, Forbes, Coates, and Shelswell Streets, and selected properties at the northern end of Derby Street).

Residential 107 Includes the residential rating units, or parts of rating units, on Orowaiti Road, Morgans Lane, Forbes, Coates, and Shelswell Streets, and selected properties at the northern end of Derby Street and including Beach Drive.

Residential 108 Includes the residential rating units, or parts of rating units, within the township of Carters Beach (but excluding those properties located on Marine Parade and in the Elley Drive subdivision).

Residential 109 Includes the residential rating units, or parts of rating units, within the township of Carters Beach located on Marine Parade and in the Elley Drive subdivision (but excluding valuation reference 1885022301).

Residential 110 Includes the residential rating units, or parts of rating units, within the valuation roll numbered 18850 (but excluding the townships of Carters Beach, Omau, and Tauranga Bay).

Residential 111 Includes the residential rating units, or parts of rating units, within the valuation roll numbered 18860 (but excluding the townships of Charleston and Punakaiki and the Ross Subdivision).

Residential 112 Includes the residential rating units, or parts of rating units, within the townships of Omau and Tauranga Bay, plus valuation reference 1885022301.

Residential 113 Includes the residential rating units, or parts of rating units, within the township of Charleston.

Residential 114 Includes the residential rating units, or parts of rating units, within the township of Punakaiki and the Ross Subdivision.

Residential 115 Includes the residential rating units, or parts of rating units, within the valuation roll numbered 19050.

Multi Residential

Rating units that have more than the one dwelling, excluding farm properties and communal residences. Where practicable, Council may have the rating unit divided into each of its separate uses, so each division can be assessed for rates in a different differential category.

Multi Residential 121 Includes those rating units under valuation references 1878011803, 1878018300BB, and 1908009900.

Multi Residential 122 Includes the rating unit under valuation reference 1878037247.

Multi Residential 123 Includes the multi-residential rating units within the valuation rolls numbered 18840; 18950; 18960; and 18970.

Multi Residential 124 Includes those rating units within the valuation roll numbered 18860.

Multi Residential 125 Includes those multi-residential rating units within the valuation roll numbered 18850.

Multi Residential 126 Includes those multi-residential rating units within the valuation roll numbered 19050.

Commercial

Rating units, or portions of rating units, used primarily for, or able to be used in terms of the District Plan for, carrying out a commercial or trading enterprise, including retail and/or wholesale, community, personal, business and repair services, offices, hotels, motels, camps and air transport.

Commercial 131 Includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18780; 18820; 19000; 19010; 19040; 19080; and 19081; and that rating unit under valuation reference 1884018701.

Commercial 132 Includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18810; and 18830.

Commercial 133 Includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18840 (excluding 1884018701); 18960; and 18970.

Commercial 134 Includes commercial rating units, or parts of rating units, within the valuation roll numbered 18950.

Commercial 135 Includes the rating unit under valuation references 1885002400BB and 1885022400.

Commercial 136 Includes commercial rating units, or parts of rating units, within the valuation roll numbered 18850 (excluding 1885002400BB and 1885022400).

Commercial 138 Includes commercial rating units within the valuation roll 18860, north of the Fox River.

Commercial 139 Includes commercial rating units within the valuation roll 18860, south of the Fox River.

Commercial 140 Includes commercial rating units, or parts of rating units, within the valuation roll numbered 19050.

Rural

Properties being 10 hectare or greater, used exclusively or principally for agricultural, horticultural, and/or pastoral purposes, including forestry, or vacant land that is able to be used for such purposes in terms of the District Plan.

Rural 141 Includes rural rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural 142 Includes rural rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

Rural 143 Includes rural rating units, or parts of rating units, within the valuation rolls numbered 18850; and 18860.

Rural Residential:

Properties being greater than 4,000 square metres but less than 4 hectares, primarily used for the purpose of residential living.

Rural Residential 151 Includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural Residential 152 Includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18850; and 18860.

Rural Small Holding:

Properties being greater than 4 hectares but less than 10 hectares, used exclusively or principally for agricultural, horticultural and/or pastoral purposes, including forestry, or vacant land that is able to be used for such purposes in terms of the District Plan.

Rural Small Holding 161 Includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18850; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural Small Holding 162 Includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

Rural Small Holding 163 Includes rural small holding rating units, or parts of rating units, within the valuation roll numbered 18860 (but excluding those units within the valuation reference ranges 1886003000 to 1886003600 and 1886023800 to 1886027700).

Rural Small Holding 164 Includes rural small holding rating units, or parts of rating units, within the valuation reference ranges of 1886003000 to 1886003600 and 1886023800 to 1886027700.

Industrial Coal

Properties used primarily in the extraction, storage, and/or distribution of coal.

Industrial 172 includes those industrial rating units, or parts of rating units, which fall within the definition of Industrial Coal above.

Industrial Other

Properties used primarily in the following, as well as all associated land and buildings related to:

- storage sites (except those associated with the three other industrial categories); or
- transport (road, rail, sea), excepting those properties defined as Industrial Harbour; or
- utility services (communications, electricity, gas, water, sanitation); or
- the manufacture of food, drink, and tobacco; or
- the processing of textiles, leather, and fur; or
- the processing of timber products, including manufacturing and storage sites (i.e. sawmills and timber yards, wooden articles of manufacture such as furniture); or
- all other types of mining, not included in the sectors defined as Industrial Coal; or
- engineering, metalwork appliances, and machinery works; or
- chemicals, plastics, rubber, and paper manufacture; or
- other manufacturing industries not defined above; or
- depots and yards of contractors, central and local government; or
- demolition, and fumigation and pest control firms; or
- vacant land designated for the primary purpose of industrial use

Industrial 173 Includes those industrial rating units, or parts of rating units, which fall within the definition of Industrial Other above.

Industrial harbour Properties used for harbour and associated activities.

Industrial 174 Includes those industrial rating units, or parts of rating units, which fall within the definition of Industrial Harbour above.

6. SUIP (SEPARATELY USED OR INHABITED PART) OF A RATING UNIT - DEFINITION

This definition applies for any targeted rate for which liability is calculated for each SUIP.

A separately used or inhabited part of a rating unit includes:

- Any part or parts of a rating unit that is separately used or inhabited by the ratepayer, or any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement, or
- Any part or parts of a rating unit separately used or inhabited by the ratepayer for more than one single use.

Examples of separately used or inhabited parts of a rating unit include:

- A residential property that contains two or more separately occupiable units, flats or houses, each of which is separately inhabited or is capable of separate habitation.
- A commercial, or other non-residential property containing separate residential accommodation in addition to its commercial, farming or other primary use.

- A commercial premise that contains separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business.
- An office block which contains several sets of offices, each of which is used by a different business, or which is capable of operation as separate businesses.

For the avoidance of doubt, a rating unit that has a single use or occupation or is vacant land is treated as having one separately used or inhabited part.

While these examples are indicative of a separate use that the Council will record as a SUIP on the rating information database (and are based on data provided from Quotable Value), they are capable of being rebutted by compelling evidence to the contrary.

Definition of a residential property that is “Separately inhabited or is capable of separate habitation” is: the SUIP may be used or capable of being used as a self-contained unit, and it includes facilities for cooking and ablutions, but does not require laundry facilities to be included.

Rating examples

SECTOR Location	Res 101 Karamea	Res 103 Little Wanganui	Res 103 Mokihinui	Res 103 Seddonville	Res 104 Hector	Res 104 Waimangaroa
Land value	\$145,000	\$125,000	\$90,000	\$70,000	\$110,000	\$80,000
General rates	369.17	430.88	310.23	241.29	357.67	260.13
UAGC	580.00	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	-	382.00	478.00	-	357.00	1,311.00
Targeted Wastewater Rate	-	950.00	-	-	-	-
Targeted Solid Waste Rate	138.00	138.00	199.00	199.00	199.00	199.00
TOTAL RATES	\$1,087.17	\$2,480.88	\$1,567.23	\$1,020.29	\$1,493.67	\$2,350.13
Previous Year	\$994.51	\$2,248.75	\$1,353.58	\$928.34	\$1,381.97	\$2,036.98
% Change to Previous Year	9.32%	10.32%	15.78%	9.91%	8.08%	15.37%

KEY: Res (Residential) Com (Commercial) RR (Rural Residential) Rur (Rural)

Refer to pages [XX-XX](#) for sector code details.

SECTOR Location	Res 106 Westport (Brougham)	Res 106 Westport (Russell)	Res 108 Carters Beach	Res 113 Charleston	Res 114 Punakaiki	Res 101 Ikamatua
Land Value	\$106,000	\$104,000	\$160,000	\$136,000	\$290,000	\$74,000
General Rates	1,119.23	1,098.11	1,016.15	602.82	1,595.79	188.40
UAGC	580.00	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	1,362.00	1,362.00	1,362.00	-	1,431.00	-
Targeted Wastewater Rate	1,129.00	1,129.00	1,129.00	-	-	-
Targeted Solid Waste Rate	199.00	199.00	199.00	199.00	199.00	199.00
NET RATES	\$4,389.23	\$4,368.11	\$4,286.15	\$1,381.82	\$3,805.79	\$967.40
Previous Year	\$3,861.27	\$3,843.74	\$3,775.69	\$1,228.50	\$3,245.94	\$884.43
% Change to Previous Year	13.67%	13.64%	13.52%	12.48%	17.25%	9.38%

KEY: Res (Residential) Com (Commercial) RR (Rural Residential) Rur (Rural)

Refer to pages [XX-XX](#) for sector code details.

SECTOR Location	Res 115 Reefton	Res 101 Springs Junction	Com 131 Karamea	Com 134 Westport	Com 140 Reefton	Rur 141 Karamea
Land Value	\$100,000	\$85,000	\$300,000	\$265,000	\$195,000	\$860,000
General Rates	466.71	216.41	5,031.32	12,371.32	2,569.36	3,819.78
UAGC	580.00	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	1,293.00	-	-	1,362.00	1,293.00	-
Targeted Wastewater Rate	854.00	-	-	1,129.00	854.00	-
Targeted Solid Waste Rate	199.00	369.00	138.00	199.00	199.00	138.00
NET RATES	\$3,392.71	\$1,165.41	\$5,749.32	\$15,641.32	\$5,495.36	\$4,537.78
Previous Year	\$3,025.50	\$1,031.68	\$4,865.39	\$13,203.62	\$4,771.28	\$3,859.47
% Change to Previous Year	12.14%	12.96%	18.17%	18.46%	15.18%	17.58%

KEY: Res (Residential) Com (Commercial) RR (Rural Residential) Rur (Rural)

Refer to pages XX-XX for sector code details.

SECTOR Location	Rur 143 Cape Foulwind	Rur 141 Grey Valley	RR 151 Karamea	RR 152 Granity	RR 151 Fairdown	RR 162 Alma Road
Land Value	\$1,030,000	\$1,500,000	\$290,000	\$149,000	\$240,000	\$275,000
General Rates	3,270.08	6,662.41	1,162.42	572.69	962.00	1,056.98
UAGC	580.00	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	-	-	-	-	-	-
Targeted Wastewater Rate	-	-	-	-	-	-
Targeted Solid Waste Rate	398.00	199.00	138.00	199.00	199.00	-
NET RATES	\$4,248.08	\$7,441.41	\$1,880.42	\$1,351.69	\$1,741.00	\$1,636.98
Previous Year	\$3,621.07	\$6,259.64	\$1,653.13	\$1,203.49	\$1,526.73	\$1,427.59
% Change to Previous Year	17.32%	18.88%	13.75%	12.31%	14.03%	14.67%

KEY: Res (Residential) Com (Commercial) RR (Rural Residential) Rur (Rural)

Refer to pages XX-XX for sector code details.

Assumptions

The Buller District Council Annual Plan is based on a number of significant forecasting assumptions. These assumptions include assessments of a number of factors that might impact on Council and the community including a consideration of how the population may change over the medium term, funding of Council services, and the financial environment.

The assumptions are the best reasonable assessment based on current information, but actual results may differ, and these differences could be large. Council has therefore, included an assessment of how likely the actual may vary from the assumptions and what impact the variances would have on Council and the community. These are overarching assumptions relating to Council's activities. In addition to these assumptions, activity specific assumptions are found within each of the activity sections.

Assumption	Description of risk	Level of uncertainty	Financial Impact	Impact
1. Population growth:				
In the Long-Term Plan for 2021-2031, the Council assumed that the normally resident population as of 1 July 2021 would be in the region of 9,600 persons and that, based on "Infometrics" predictions, there would be small ongoing reductions in population. The Statistics NZ March 2018 census recorded a total of 9,591 person as being normally resident in the district. For the purposes of this Annual Plan, we have assumed that the normally resident population as of 1 July 2024 is in the region of 9,600 persons.	Low population growth may impact on the affordability and scale of Council projects and operations.	Medium	Low	Council will need to reassess the growth rates and whether its projects need to be brought forward or delayed as part of each year's Annual Plan or Long-Term Plan.
2. Inflation/price changes:				
In preparing the Annual Plan Council has utilised the inflation factors as provided by Business and Economic Research Limited (BERL) and adjusted where necessary for localised inflation data. A table of these rates is provided for on page xxx The roading budgets have been aligned to the approved three-year 2024-2027 Waka Kotahi/NZTA roading programme. As such no further escalation has been applied to these budgets.	That inflation is higher or lower than predicted.	Medium to low	High	There is likely to be some variation in the actual rates of inflation from those assumed and this will impact on the financial results of Council. If the variances are significant, Council may need to consider either increasing or decreasing rates and charges or the levels of services for activities. For example, Council planned to spend \$331m in operating expenditure and \$96m in capital over the term of the 2021-2031 Long Term Plan. A 1% movement in inflation could increase or decrease costs by an average of approximately \$427,000

				p.a. There would also be an impact on debt levels.
3. New Zealand Transport Agency funding:				
<p>The New Zealand Transport Agency/ Waka Kotahi financial assistance rate (FAR) provided for Council’s roading programme is confirmed at 75% for local roads (LR) and 100% for the Karamea Special Purpose Road (SPR) for the three-year funding period between 1 July 2024 and 30 June 2027.</p> <p>This Annual Plan assumes that the local roads financial assistance rate will be 75% and the SPR rate will be 100% throughout 2024-2025 for business-as-usual activities of Council, and that these funding assistance rates will apply for the next two financial years.</p> <p>The Annual Plan budget assumes that NZTA will co-fund all of the requested work which was included in the 2024–2027-year bid submitted by BDC in 2023. In turn, Council commits to provide the level of work that is co-funded by NZTA.</p>	<p>That the government will reduce the subsidy available to Councils.</p> <p>That the government will not fund to the level of the bid put to NZTA in 2023.</p>	Medium	High	<p>Any decrease in NZTA/Waka Kotahi funding will require Council to make a decision of whether to increase funding from rates, reduce service levels, remove projects from the Annual Plan or apply a mix of these options.</p> <p>The most likely response would be a reduction in roading expenditure. A 1% drop in the FAR rate would require a reduction of \$150,000 in subsidised expenditure.</p>
4. Karamea Special Purpose Road				
<p>NZTA/Waka Kotahi has indicated to Council that it is proposed that the Karamea Special Purpose Road will lose its designation and revert to a local road from July 2024. Council has taken the position that it will not accept ownership of the Karamea SPR as a local road in 2024-2025.</p> <p>The transition of SPR to district Councils is a national Waka Kotahi/NZTA initiative affecting many communities around the country. To Council’s knowledge, the legalities of what may happen should there be dispute between local government and the government’s transport agency has not been tested. Considerations of the four well-beings would be front of Council’s opinion in order to avoid additional burden to ratepayers. Strategically it also makes sense for the SPR to be reinstated as a state highway (as it previously was) considering the iconic tourist destinations (including Oparara Arches and Heaphy Track), as well as new government funded initiatives such</p>	<p>Financial assistance rate may reduce. Additional costs associated with this road may not be funded by subsidy.</p>	High	High	<p>Because the SPR traverses unstable terrain through the Karamea bluff section, there is an unquantifiable risk and funding uncertainty for the road controlling authority. Should the SPR be included under the local road network, ratepayers may be required to fund unplanned significant maintenance and capital projects.</p> <p>This could increase rates, particularly if expenditure is due to necessary repairs or improvements that do not meet the NZTA/Waka Kotahi</p>

<p>as Pounamu Pathway, relying on a national network approach.</p>				<p>definition of emergency works.</p> <p>The impact to ratepayers to fund the SPR beyond mid-2024 remains uncertain and extremely difficult to estimate. The programmes (options) considered under the NZTA draft transition plan range from no ratepayer contribution (e.g. retain 100% subsidy) to inclusion under the funding assistance rate, noting the percentage for Buller may change at the next triennial.</p> <p>Based on the cost estimates included in the Long-Term Plan for maintaining the SPR, the impact of the proposal to revert it to a local road equates to an additional \$3.04 million to total rates for Council over the remaining seven years of the 2021-2031 Long Term Plan. However, this is not considered to be the likely impact to ratepayers under the scenario the SPR reverts to as options will need to be worked through with a view to avoiding additional burden to ratepayers.</p>
<p>5. One network roading classification</p>				
<p>A joint initiative between the NZTA/ Waka Kotahi and Local Government New Zealand has introduced a road classification system for all roads in New Zealand. The classification system aims:</p> <ul style="list-style-type: none"> • to deliver similar driving experience across New Zealand • to support more consistent asset management across the country • to make collaboration and prioritisation between those organisations responsible for the planning, delivery, operation, and maintenance of the nation's 	<p>Financial assistance rate may reduce depending on the levels of funding agreed to be provided by NZTA.</p>	<p>Low</p>	<p>Medium</p>	<p>Council will be faced with two choices:</p> <ol style="list-style-type: none"> 1. Change the current level of service provided to that set by NZTA/Waka Kotahi. 2. Fund the difference between the current service level and that proposed by NZTA from ratepayer contributions.

<p>roading network, leading to a more efficient and safer network and improved value for money.</p> <p>This will introduce different levels of service across roads of different classification. Council has assumed that there will be no change in the levels of service currently provided.</p>				
6. Useful lives of significant assets:				
<p>Council has made a number of assumptions about the useful life of its assets. These assumptions affect the depreciation charge contained within the Plan. The detail for each asset category and asset depreciation rates are reflected in the Statement of Accounting Policies included in this document.</p>	<p>That the lives of assets are materially different from those contained within the Plan.</p>	Low	High	<p>If the life of the assets are materially different from those contained within the plan, the asset values stated in the prospective balance sheet and the profit contained in the prospective statement of comprehensive statement of revenue and expenditure would be affected. If the life was shorter than expected Council might need to replace the asset sooner than planned and this would need to be funded. Council has a long history of managing assets and has asset management practices in place which reduce the likelihood of assets being very different to projections.</p>
7. Significant asset condition:				
<p>Council understanding of condition of its assets underpins the renewal forecasts in the Annual Plan (and also the significant lives of assets discussed above). Council has sufficient information about the condition of its assets to forecast their probable replacement periods. However, further, more detailed information is desirable to further reduce the risk that actual condition varies from the assumed condition.</p>	<p>That condition information is not a sufficiently accurate representation of the actual condition of assets.</p>	Low	High	<p>If the asset condition is substantially worse than expected, then there is an increased risk of unexpected asset failure and the increased costs of repairing assets would need to be funded. These costs are not in the Long-Term Plan and Council would need to consider how they should be funded - higher rates, use of cash reserves or debt would be options.</p>

8. Vested assets:				
The Long-Term Plan assumed Council will receive \$50,000 vested assets per annum. Vested assets are engineering assets such as roads, sewers and water mains paid for by developers and vested to Council in completion of the subdivision. Based on Council's actual results for the year ended 30 June 2025 it has been assumed for the Annual Plan that Council will receive no vested assets.	That vested assets may vary from budget.	Medium	Low	Vested assets must be maintained by Council, so if growth is higher than forecast Council will need to increase its budget to maintain those assets. The impact of higher or lower growth is not considered significant.
9. Return on investments:				
It is assumed that the return on investments, including the annual dividend of \$1.3m from Council Controlled Organisations surplus and retained earnings on subsidiaries will continue at current level for Buller Recreation and WestReef Services Limited.	That return-on-investment decreases.	Low	Medium	Higher or lower returns will impact on rates as the income will need to be raised from other sources.
10. Interest rates - external borrowings:				
Council assumed an interest rate of 2.3 - 3.1% across the 10-years of the 2021-2031 Long Term Plan. The 2024-2025 Annual Plan has increased interest rate assumptions to reflect current market expectations that rates will flatten out for 2024-2025 after a sustained period of high inflation.	The prevailing interest rate may differ significantly from those estimated.	Medium	High	Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. Council has mitigated these risks with a prudent fixed interest swap programme developed within the limits of Council's Treasury Management Policy. Any new external debt and swaps and the floating portion of existing debt is still exposed to interest rate risk.
11. External borrowings - renewability:				
It has been assumed that Council will be able to renew the existing external loan facility.	Higher interest rates or delay of capital projects.	Low	High	If a loan facility could not be renegotiated with a current debt provider, a change in provider could increase finance costs.
12. Interest rates - term deposits:				
Council had assumed an interest rate range of 0.8-3.3% across the 10 years of the 2021-2031 Long Term Plan. The 2023-2024 Annual Plan has increased the interest rate assumption for term	The prevailing rate may differ from those estimated.	Medium	High	Decreases in term deposit interest rates would lower investment income, which would create cash shortfalls in

deposits from 0.83% in the same year of the Long-Term Plan to 5.5% to reflect current market expectations that rates will flatten out for 2024-2025 after a sustained period of high inflation.				the short-term and could lead to increased general rates in subsequent Annual Plans.
13. Westport Harbour				
<p>All harbour activities including the port and dredging activities are ring-fenced as a separate activity.</p> <p>All funding and expenditure and surpluses and deficits for the Westport Harbour activity accumulate to a separate reserve and is not ratepayer funded.</p> <p>Another significant assumption contained in the Long-Term Plan was that a new large commercial operator would be shipping out of the port from 2023-2024.</p> <p>Council was able to secure as part of its Tranche 2 application to the National Emergency Management Agency \$4.7m to dredge 235,000m³ from the Buller River, based on forecast timing of this project \$2.8m of the forecast \$3.6m in dredging revenue in the Annual Plan is to come from Tranche 2 funding.</p> <p>Out of Port work contributes \$0.5m of forecast dredging revenue and on completion of the Tranche 2 dredging work package the remainder is assumed to come from a commercial operator.</p>	<p>Westport Harbour does not perform as expected, creating greater cash losses or surpluses than predicted. If the large commercial operation did not proceed, then Council would not receive this revenue but nor would it incur these costs.</p>	Medium	High	<p>There may be greater than predicted cash surpluses or losses, impacting the level of cash held by Council. If losses are greater than predicted Council may be required to consider loan funding or rate funding the activity in the future.</p> <p>If the large commercial operation did not proceed 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 other options such as selling the Kawatiri dredge. If the alternative net revenue is less than predicted in the Long-Term Plan Council may be required to consider loan funding or rate funding the shortfall.</p>
14. Climate change:				
<p>Council uses the Ministry for the Environment (MFE) guidelines set out in Coastal Hazards and Climate Change 2017 for estimating sea level Rise (SLR). Council has commenced work on developing climate change adaption action plans in line with the commitment made in the 2021-2031 Long Term Plan. Council will seek to engage with the community on how to shape the plan.</p> <p>As well as the above, Council funded work on Climate Change Council is undertaking a Master Planning activity, which has been funded in the Kawatiri Business Case. The Business Case uses the PARA (Protect, Avoid, Retreat and Accommodate) framework for adaptation. The Master Plan seeks to engage with the community and various government</p>	<p>The potential impacts of climate change might lead to increased costs for Council in both responding to events and building greater resilience into infrastructure.</p>	High	High	<p>Climate change is likely to increase the magnitude of some natural hazards in the medium to long term. Therefore, it is important to incorporate risk management in the design of infrastructure supporting new developments to maintain the same level of service throughout the design lifetime. The design of infrastructure for land development and subdivision needs to provide for the potential impact of sea level rise</p>

<p>agencies and stakeholders to develop a robust and holistic long-term plan – which will look to multi hazard analysis, economic, social, environmental and cultural wellbeing’s and how and where Westport should seek growth for urban environments.</p> <p>The project will run over the 2024 and half the 2025 calendar years.</p>				<p>and the increased frequency of extreme weather events. Council has budgeted for protection of infrastructure in this plan.</p>
<p>15. Natural Disaster:</p>				
<p>The 2021-2031 Long Term Plan assumed there would be limited events during the term of the plan and that such events would not be significant.</p> <p>Subsequent to the adoption of the Long-Term Plan Buller District suffered two separate flood events. A one in 60-year flood event in mid-July 2021 that caused significant displacement of the Westport Community and damage to the district’s infrastructure, and two further flooding events in February 2022 that were combined and treated as a separate flooding event.</p> <p>Council received \$50 million from central government agencies, which has contributed to response and recover activities including roading and water infrastructure repair works, temporary accommodation, waste disposal, welfare support, Community Hub and Navigators programmes, and others.</p> <p>Council is liable for some costs that are not covered by the external funding, the cost of the Emergency Operations Centre, the minimum threshold funding required from Council by the National Emergency Management Agency and Waka Kotahi to access external funding, deductible portion of our insurance claims, and costs rejected as part of claims to the National Emergency Management Agency for various response phases.</p> <p>Council has proposed to fund the total of these costs from its existing cash reserves. A provision of \$1.75 million for Council’s final costs has been made in the Annual Plan. The impact on the Annual Plan is a reduction in short term investments that creates a corresponding increase in the net debt result, and a loss of interest income of \$78,000 per annum that results in a 0.4% planned increase in general rates.</p>	<p>That there is a significant natural disaster in the District, such as flooding, earthquake or fire.</p> <p>That Council’s final costs for flood recovery expenditure for the July and February events is greater than the \$1.75m provided.</p>	<p>Medium</p>	<p>High</p>	<p>Council has adequate insurance to cover natural disasters. However, in the event of another significant event Council will need to re-evaluate its work programme and implement disaster recovery plans. Should Council’s final costs for the July 2021 and February 2022 flood events be higher than the \$1.75m provided depending on the level of exceedance Council will need to decide whether to fund it further from existing cash reserves, debt fund and fund the debt servicing costs through rates or levy a one-off rate in 2025-2026 to recover the amount.</p>

The Annual Plan does not provide for any further significant events.				
16. Potential impact of societal changes:				
Council assumes the resident population will be in the region of 9,600 persons, in line with "Infometrics" predictions. There will likely be an aging population. The proportion of the population over 65-years is forecast to increase by 22% between 2021 and 2033.	An increase in the age of the population may increase demand for some services and housing and place pressures on rates affordability.	Medium	Low	The plan assumed that the demand for senior housing is adequate and can be met through supply. Council may need to adjust its level of service in some areas to meet expectations. Rates affordability will need to be managed by keeping rates within financial prudence benchmarks, and by carefully managing rates debt.
17. External assumptions - Government legislation:				
It is assumed for the period covered by this Annual Plan that no new legislation is introduced.	Central government requires Council to undertake further activities, without corresponding funding or imposes additional compliance costs on local government	Medium	High	If changes in legislation require Council to provide further services, or significantly increases levels of compliance or operating costs then this will need to be offset by increases in fees and charges, and/or in increases in rates. It is unlikely that government will reduce compliance or legislative costs incurred by Council, but if there was a reduction this would enable Council to reduce rates or fees and charges.
18. Repayment of loans				
It has been assumed that the loan from Council to Buller Holdings Limited will not be repaid over the term of the plan.	Inability to service the loan.	Low	Low	Debt will be rolled over on an annual basis.
19. Water reforms legislation				
Due to the outcome of the proposed water reforms being unknown at the time of preparing the 2021-2031 Long Term Plan, the assumption across the ten-years of the plan was that Council would retain ownership of its Three Waters assets. Subsequent to the Long Term Plan a new Water Services Act was introduced then	In the current Long-Term Plan, there was a staged approach to compliance for ensuring all water	Medium	High	This legislation requires Council to provide further service level improvements and it significantly increases the levels of compliance needed and costs to meet compliance.

<p>repealed, with a new (Taumata Arowai) regulator in force. Council has contacted other South Island Councils to gauge interest in a South Island water services new regional entity, this is in early stages of discussions.</p> <p>For the Annual Plan Council has assumed all three waters assets will remain with Buller District Council for the year under review.</p> <p>In the prior financial year, Council chose to hold water and wastewater rates down to the same level at 2022-2023, and run a cash deficit of \$1.17m, based on the assumption that a new water entity was going to take over the assets and funding. Council has not tried to recoup this cash deficit but has set the rates at a level to fund the present year operating costs for each separate water and wastewater supply.</p>	<p>supplies met the new standards. This Annual Plan does not include compliance for rural water supplies due to affordability issues.</p> <p>By not fully rate funding prior year costs Council is choosing to fund operating deficits out of its cash reserves reducing its external interest revenue.</p>			<p>If actual deficits run higher than predicted cash reserves and external interest revenue will be reduced even further. The expectation is these activities will be managed to within budget.</p> <p>Should the transfer of the Three Water activities to a new South Island Regional water entity not proceed currently being explored, Council will be facing estimated future annual increases in these targeted rates of at least 10% per annum to maintain its investment in the three waters activities and meet its new statutory compliance requirements. Council will work closely with central government to look at alternative affordable funding models to achieve compliance with the new standards.</p>
<p>20. Drinking Water upgrades</p>				
<p>In past years, the capital costs for drinking water standard upgrades to rural drinking water supplies was based on an assumption that a central government subsidy will be available to be claimed if the project is not loan funded.</p> <p>Due to central government reforms during the latter part of 2023 and early part of 2024, Council is not able to assume that central government subsidies will be available for rural drinking water supplies which are non-compliant with the drinking water standards.</p> <p>This Plan includes a provision for some initial planning costs for three supplies – Waimangaroa, Little Wanganui, and Mokihinui – to begin to meet drinking water standards. The budget does not include any provision for Ngakawau-Hector, Cape</p>	<p>There is a risk that treated water meeting regulated standards is required by law, but the small rural communities cannot afford to pay the water rates required to cover the costs of compliance.</p>	<p>Low</p>	<p>High</p>	<p>Provision of safe, clean water may not eventuate if a subsidy is not received.</p> <p>Water schemes may be unaffordable for some communities.</p> <p>Council may face regulatory enforcement including fines or other enforcement action if the drinking water upgrades are not complete.</p>

Foulwind, Punakaiki, and Inangahua Junction, rural drinking water supplies.				
21. Capital projects				
<p>Capital projects are based on an assumption that they will occur when they have been identified in the Annual Plan and for the cost provided.</p> <p>However, this assumption has a high level of uncertainty as projects may cost more, or less, due to more or less work needing to be done and/or a project may need to be delayed.</p> <p>See also further note 26 which explains the introduction of a Scope Adjustment for 2024-2025 year.</p>	<p>There is a risk of deferral of projects to later years of the Long-Term Plan.</p> <p>There is a risk of a project costing more than budgeted for.</p>	High	Medium	<p>Deferral of a project will lower capital expenditure and any associated loans and finance costs.</p> <p>Depreciation would be lower than rated for.</p> <p>Conversely if a project cost is higher than provided for associated loans, finance costs and depreciation would increase. This would require formal approval from Council for the overspend and where appropriate would be offset by a deferral or scope saving in other planned projects.</p>
22. One District Plan				
<p>The Te Tai o Poutini Plan (One District Plan Process) is well underway with the statutory powers associated with district plan making transferred to the West Coast Regional Council. The process is governed by a joint committee of elected members from the three West Coast Councils. Rules that have legal effect under the TTPP relate to Historic Heritage, Sites and Areas of Significance to Māori, Ecosystems and Indigenous Biodiversity, Natural Character and the Margins of Water and the planning team applies these rules alongside the current Operative District Plan for Buller District.</p>	<p>Potential legal challenge to plan.</p>	Medium	Low	<p>Buller not having a plan that aligns or reflects the direction the district wishes to head.</p> <p>Higher costs than Council currently expend on this activity.</p>
23. Covid-19 or Other National Level Pandemic				
<p>That there are no significant Covid-19 or other national pandemic restrictions that prevent Council from carrying out its primary functions, or that any effects from such restrictions do not add any significant costs to Council operation.</p>	<p>That Covid-19 or other health restrictions or effects impact on the ability of Council to carry out its operation or increases cost significantly.</p>	Low	Medium	<p>Council is unable to carry out some of its planned activities or the cost of providing activities and services increases costs to the ratepayer.</p>

24. Landfill aftercare provision				
Council has budgeted \$56,000 per annum to monitor and undertake any remedial work required on its closed landfills. It is assumed that no significant restoration work is required on its closed landfills beyond what has been budgeted and provided for. In respect of the Karamea and Maruia landfills, which have resource consents (and estimated closing dates) until 2034, Council assumes that there have been no material changes to the assessed closure costs since they were last reviewed as part of the 2021-2031 Long Term Plan.	Landfill restoration work is required earlier than planned or higher than budgeted.	Low	Low	Council has a provision fund to call on if restoration work is required to be done earlier.
25. Employee Costs Vacancy Allowance				
Council has assumed that Employee Benefit Expense will not be 100% spent as of 30 June and has included a 4% vacancy allowance reduction in the total expected budget for Employee Benefit Expense.	That position vacancies do not occur, or that vacancies are rapidly filled, therefore the budget reduction for Employee Benefit Expenses is overstated.	Medium	Medium	Council has insufficient budget so is unable to fill vacant roles, especially later in the year as the budget is consumed.
26. Introduction of Scope Adjustment for Capital				
Council has assumed that not all of the Drinking Water and Wastewater capital projects will be completed at year end and has included a budget adjustment of 8% for the capital work in these schemes.	That some capital projects will not be completed due to the reduced budget.	Medium	Medium	Council would have to increase borrowings to complete the capital projects if all the work was completed or forgo some projects due to the reduced budgets. Long term the increased spending would impact on a requirement to collect more rates from the closed account water and wastewater schemes.

Price Adjustments for Inflation

The Council is required to provide a 10-year plan adjusted for inflation. The figures within the plan have been adjusted for price movements. The price adjustors used have been derived from those recommended to local government from Business and Economic Research Limited (BERL) adjusted for local market factors and economic information supplied by the New Zealand Infrastructure Commission around the Three Waters activities. The roading budgets have been aligned to the funding bid put to NZTA for the roading programme, as such no escalation is applied to these budgets.

The following adjustors have been applied at an activity level based on the nature of the input costs for that activity:

Inflation Adjustors: % per annum change

Year ending	June 2024 Long Term Plan	June 2024 Enhanced Annual Plan
Expense Type		
Roading (Transport activity only)	1.029	1.029
Community activities	1.024	1.027
Three Waters Contract and Maintenance Costs (Water in LTP)	1.027	1.100
Water (other expenses)	1.027	1.036
Energy (Local Government Admin in LTP)	1.019	1.200
Insurance (Local Government Admin in LTP)	1.019	1.130
Staff	1.017	1.024
Other (Local Government Admin)	1.019	1.024
Earthmoving	1.038	1.035
Pipelines	1.047	1.040

Statement of Accounting Policies

Statement of responsibility and cautionary note

The purpose of this Annual Plan is to provide information to the community on the planned activities and expenditure of Council over the next year. The use of this information for other purposes other than for which it was prepared may not be appropriate.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. Actual financial results achieved for the period covered may vary from the information presented, and the variations may be material. There are no actual financial results incorporated into these prospective financial statements.

The prospective financial statements comply with Tier 1 Public Benefit Entity (PBE) Accounting Standards (including PBE FRS 42 – Prospective Financial Statements). The prospective financial statements have been prepared using the best information available at the time they were prepared.

Reporting entity

The Buller District Council is a territorial local authority governed by the Local Government Act 2002.

The Buller District Council provides local infrastructure, local public services and provides regulatory functions to the community. The Council does not operate to make a financial return. Accordingly, Buller District Council has designated itself as a Public Benefit Entity for financial reporting purposes.

The prospective financial statements of Buller District Council are for the year ended 30 June 2025.

Basis of preparation

The prospective financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period and there have been no changes in accounting policies during the financial year. The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, investment property and financial instruments.

Statement of compliance

The prospective financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 95 and Part 2 of schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These prospective financial statements are presented and comply with PBE accounting standards.

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless stated. The functional currency of Buller District Council is New Zealand dollars.

Standards and amendments, issued and will be adopted

The following new standards, interpretations and amendments have been issued that will be effective for the reporting period covered by this Annual Plan.

2022 Omnibus Amendments to PBE Standards

This Standard includes amendments for the following:

- (a) Amendments arising from Improvements to IPSAS, 2018, Improvements to IPSAS, 2019 and Improvements to IPSAS, 2021.

(i) The following Standards are amended as a result of Improvements to IPSAS, 2018: PBE IPSAS 16 Investment Property

(ii) The following Standards are amended as a result of Improvements to IPSAS, 2019: PBE IPSAS 30 Financial Instruments: Disclosures PBE IPSAS 13 Leases PBE IPSAS 21 Impairment of Non-Cash-Generating Assets PBE IPSAS 26 Impairment of Cash-Generating Assets

(iii) The following Standards are amended as a result of Improvements to IPSAS, 2021: PBE IPSAS 22 Disclosure of Information about the General Government Sector PBE FRS 47 First-time Adoption of PBE Standards PBE IPSAS 41 Financial Instruments PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets PBE IPSAS 17 Property, Plant and Equipment

(b) Amendments arising from Amendments to IPSAS 5, Borrowing Costs – Non-authoritative Guidance. The amendments relate to PBE IPSAS 5 Borrowing Costs.

(c) Amendments arising from IASB® amendments, relating to the following standards: PBE IAS 12 Income Taxes PBE FRS 47 First-time Adoption of PBE Standards PBE IPSAS 27 Agriculture

(d) New Zealand amendment to PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets

Public Sector Specific Financial Instruments (Non-Authoritative Amendments to PBE IPSAS 41)

The amendments clarify the accounting treatment of public sector specific financial instruments, including some instruments with characteristics similar to financial instruments.

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

This amending Standard sets out amendments to PBE IPSAS 1 Presentation Financial Reports. The amendments require an entity to describe the services provided by its audit or review firm and to disclose the fees incurred by the entity for those services.

The amending Standard has been issued to enhance the existing requirements concerning the disclosure of information about fees incurred by the reporting entity during the reporting period for:

- (a) the audit or review of the entity's financial report; and
- (b) other types of service provided by the entity's audit or review firm.

Additional commencement and application date provisions have been provided to ensure consistency with relevant sections of the Financial Reporting Act 2013 and Legislation Act 2019.

Subsidiaries

Subsidiaries are those entities where Buller District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Buller District Council controls the majority voting power of the governing body or where Buller District Council have irreversibly predetermined such policies.

The subsidiaries of Buller District Council are Buller Holdings Limited, WestReef Services Limited, Buller Recreation Limited and the Buller Health Trust.

Buller District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs attributable to the business combination.

Any excess of the cost of the business combination over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If Buller District Council's interest in the

net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The purchase method of consolidation has been used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

Buller District Council's investment in its subsidiaries is carried at cost in the Buller District Council's own "parent entity" financial statements.

Associates

An associate is an entity over which Buller District Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Buller District Council accounts for an investment in an associate using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate.

The Council has one: The Denniston Heritage Charitable Trust. There is no equity investment and therefore no results are equity accounted for in these prospective financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Buller District Council has a 50/50 joint venture interest in the Westport Airport Authority with Ministry of Transport.

Buller District Council recognises in its prospective financial statements the assets it controls, the liability and expenses it incurs, and the share of revenue that it earns from the joint venture.

Revenue

Revenue is measured at the fair value of consideration received. Revenue from the rendering of services is recognised by the reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided.

Rates revenue

The following policies for rates have been applied:

- General rates, Targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the West Coast Regional Council (WCRC) are not recognised in the prospective financial statements, as the Council is acting as an agent for the WCRC.

Other Revenue

Buller District Council receives Government Grants from the New Zealand Transport Authority, which subsidises part of Buller District Council's costs in maintaining the local roading infrastructure. Grants are received from the Ministry of

Health for eligible water schemes. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure are fulfilled.

Sales of goods are recognised when a product is sold to a customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Buller District Council are recognised as revenue when control over the asset is obtained.

Rental revenue is recognised on a straight-line basis.

Interest revenue is recognised using the effective interest method.

Distributions are recognised when the right to receive the payment has been established.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure at the time when such application has been received.

Discretionary grants are those grants that Buller District Council has no obligation to award and are recognised as expenditure when a successful applicant has been notified of the Buller District Council's decision.

Income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill, or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited against the surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Buller District Council recognises finance leases as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Buller District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the lease term or useful life, whichever is the shortest.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as current liabilities in the Prospective Statement of Financial Position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Loans, including loans to community organisations made by Buller District Council at nil, or below market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset / investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that Buller District Council will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit.

Non-current assets held for sale.

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through the sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Financial assets

Buller District Council classifies its financial assets into the following four categories:

- Financial assets at fair value through surplus or deficit.
- Held-to-maturity investments.
- Loans and receivables; and
- Fair value through other comprehensive revenue.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Purchases and sales of investments are recognised on trade date, the date on which Buller District Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred, Buller District Council having transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial assets at fair value through surplus or deficit

This category has two sub-categories:

- Financial assets held for trading.
- Those designated at fair value through surplus or deficit inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Currently Buller District Council recognises derivative financial instruments in this category.

Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Buller District Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Currently Buller District Council does not hold any financial assets in this category.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in.

the surplus or deficit. Loans and receivables are classified as “trade and receivables” and “short term investments” in the Prospective Statement of Financial Position.

Investments in this category include loans to subsidiaries and other companies and term deposits.

Fair value through other comprehensive revenue and expenses

Financial assets at fair value through other prospective comprehensive revenue and expenses are those that are designated into this category at initial recognition or are not classified in any of the other categories above.

This category encompasses:

- Investments that Buller District Council intends to hold long-term, but which may be realised before maturity.
- Shareholdings that Buller District Council holds for strategic purposes. Buller District Council’s investments in its subsidiary and associate companies are not included in this category as they are held at cost whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other prospective comprehensive revenue and expenses except for impairment losses, which are recognised in the surplus or deficit.

Investments in this category include shares in other companies.

Impairment of financial assets

At each balance sheet date Buller District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Any cumulative losses previously recognised in equity will be removed from equity and shown in the surplus or deficit.

- Term deposits, loans to subsidiaries and associates, and community loans (loans and receivables)

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

- Listed and unlisted shares, listed bonds (fair value through other comprehensive revenue and expense)

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payment is considered to be objective evidence of impairment.

Derivative financial instruments

Buller District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Buller District Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The gain or loss on re-measurement to fair value is recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

Property, plant and equipment

Property, plant and equipment consist of:

Council Assets – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

Infrastructure assets – These include roads, footpaths, traffic facilities, streetlights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

Westport Harbour assets – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

WestReef Services Limited assets – These include leasehold improvements, plant and equipment, office equipment, office furniture, fittings and computer equipment.

Buller Health Trust assets – These include plant and equipment and furniture and fittings.

Property, plant and equipment is shown at cost or revaluation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be reliably measured.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or loss as they are incurred.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land or erosion protection assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Council assets	Depreciation rate (%)	Useful life (Years)
Motor vehicles	15%	7
Office equipment	10% to 50%	2 - 10
Plant and machinery	3.33% to 15%	7 - 30
Buildings	1% to 10%	10 - 100
Library books	10%	10
Airport runway:		
Basecourse	1.3%	75
Seal	5%	20

Westport Harbour assets	Depreciation rate (%)	Useful life (Years)
Wharves	1.67%	60
Buildings	2.5%	40
Plant and machinery	3.3% to 10%	10 - 30
Office equipment	20% to 33.5%	3 - 5
Motor vehicles	10% to 20%	5 - 10
Harbour vessels	5% to 6.7%	15 - 20

Infrastructure assets	Depreciation rate (%)	Useful life (Years)
Roads:		
Formation	Not depreciated	
Basecourse - unsealed roads	Not depreciated	
Basecourse - sealed roads	1% to 2%	50 - 100
Seal	4% to 12.5%	8 - 25
Footpaths:		
Basecourse	Not depreciated	
Pavement	1.25% to 10%	10 - 80
Traffic facilities	5% to 10%	10 - 20
Streetlights	3.33%	30
Bridges	1% to 2%	50 - 100
Culverts	1.11% to 1.25%	80 - 90
Water Reticulation:		
Drains	Not depreciated	
Kerb and channeling	1.25%	80

Pipes	1.10% to 4.10%	25 - 100
Valves, hydrants	1.67%	60
Valves, hydrants	1.67%	60
Intake structures	1.11% to 2%	50 - 90
Reservoirs	1.25%	80
Resource consents	2.85%	35
Pump stations	2% to 6.67%	15 - 50
Treatment equipment	2% to 6.67%	15 - 50
Tunnels	0.7% to 4%	25 - 150
Stormwater Reticulation:		
Pipes	1% to 1.54%	65 - 100
Sewerage Reticulation:		
Pipes	1% to 1.42%	70 - 100
Treatment plants	1.11% to 6.67%	15 - 90
Pump stations	1.11% to 6.67%	15 - 90
Manholes	1.11%	90

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

Revaluation

Those asset classes that are revalued are valued on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Council land - The Airport land was revalued to fair value as determined by market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as of 30 June 2005. Council land is recognised at deemed cost.

Harbour land - The Harbour land was revalued to fair value as determined by market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as of 30 June 2005. Harbour land is recognised at deemed cost.

Infrastructural assets – The infrastructural assets are valued on a three yearly valuation cycle at fair value determined on a depreciated replacement cost basis with preparation or peer review by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent valuation of roading and transport, and Three Waters assets was performed by BECA, and the valuation is effective as of 30 June 2022. All Roading and Transport, and Three Waters infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets as at the valuation date on 30 June 2022 was \$410.135 million.

Accounting for revaluation

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows: Computer software 3 to 5 years 20 to 33.3%.

Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method. Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Valuations with an effective date as of 30 June 2021.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Impairment of non-financial assets

Property, plant and equipment assets, measured at fair value are not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the asset class is revalued.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Property, plant and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed each balance date for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, and goodwill, are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cashflows.

Employee entitlements

Short term benefits

Employee benefits that Buller District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Buller District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Buller District Council anticipates it will be used by staff to cover future absences.

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement; and

The present value of the estimated future cashflows. A discount rate of 1.9%, and an inflation factor of 3.9% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

- Defined contributions schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

Buller District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.

Goods and Services Tax (GST)

All items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Prospective Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

Buller District Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

Critical accounting estimates and assumptions

In preparing these prospective financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

Landfill aftercare provision

The Landfill Aftercare Provision Note (if applicable) discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, e.g., Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, e.g., weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or underestimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's Asset management planning activities, which gives Council further assurance over its useful life estimates. Experienced independent valuers prepare Council's roading asset revaluations and three waters revaluations. The last roading revaluation was prepared by BECA on 30 June 2022. The last three waters revaluation was prepared by BECA on 30 June 2022.

Fees and Charges

All figures are GST inclusive unless expressly stated otherwise.

Library			
Archives		Photocopying	
Initial research (for search conducted by library staff)	\$20.00 first 15 minutes	A4 mono	\$0.20 per sheet
Search fee (for search conducted by library staff)	\$80.00 per hour	A4 mono double-sided	\$0.40 per sheet
Rentals		A4 colour	\$1.00 per sheet
Books - large print	\$0.50	A3 mono	\$0.40 per sheet
Books - rental titles other than best-seller collection	\$1.00	A3 Mono double-sided	\$0.80 per sheet
Books - best-seller collection (two-week loan only)	\$3.00	A3 colour	\$2.00 per sheet
Magazines (first issue year)	\$0.50		
Jigsaws	\$1.00	A4	\$2.00 each
DVD	\$3.00	A3	\$4.00 each
Lost/damaged	Replacement cost plus \$6.00 processing fee	Hire of Meeting Room	
Item recovery charge	\$15.00	Commercial / business / government department	\$150.00 per day
This charge applies to any overdue accounts referred to Council and followed up with a debt collection agency)		Commercial / business / government department	\$75.00 per half day
Requests		Non-profit / community group	\$50.00 per day
Interloan (reciprocal libraries).	\$8.50	Non-profit / community group	\$25.00 per half day
Interloan (non-reciprocal libraries).	\$20.00	Housebound service	
Reserves own collection per book (free for online customer services)	\$1.00	Annual charge	\$20.00
Replacement cards	\$2.00	Non resident subscription	
Sales		Holiday card (valid up to one month).	\$15.00
Books	From \$1.00 - \$5.00	Subscription membership card (valid six months)	\$50.00
Book covering	\$8.00	Fax services	
Internet printing (from People's Network):		Fax - outwards (within New Zealand)	\$2.50
A4 mono	\$0.20 per side	Fax - outwards (outside New Zealand)	\$5.00
A4 colour	\$1.00 per side	Fax – inward	\$1.00
Charging of mobile devices	\$2.00 per device		
Re-surfacing of DVD's	\$ 8.00 per DVD		

Clocktower	
(excluding tenanted areas, Council Chambers and the Mayor's room)	
Commercial/business/government department (longer term rates by negotiation)	\$200.00 per day
Non-profit/community group	\$50.00 per day, up to a maximum of \$400.00 per event

NBS Theatre	
Movie admission	
Adults	\$15.00
Student (with ID)	\$11.00
Children (primary)	\$8.50
Senior citizens (60+).	\$10.00
Family ticket (two adults and two children)	\$42.50
3-D glasses	\$2.50 per pair
Theatre hire	
Variable at discretion of Theatre Manager, plus other direct costs - wages, heating	\$50.00 per hour
Daily Theatre hire rate	
Professional	\$1,200.00
Local	\$500.00
Arts Council and public meetings	\$450.00
Two-day hire	\$1,100.00
Green Room hire rate	
Per hour	\$50.00
Daily rate	\$200.00
Fred Gregory Screen Room hire rate	
Per hour	\$50.00
Daily rate	\$200.00
Equipment usage charges	
Lights	\$16.00 per day
Dimmer packs	\$27.00 per day
Speakers	\$27.00 per day
Microphones, stands, light trees, CD player	\$11.00 per day
Usher, front of house	\$27.00 per hour per person
Laptop, projector and screen	\$30.00 per day
Hire of tablecloths	\$2.00
Hire of chairs	\$4.00
Hire of trestles	\$2.00
Staff technician	\$37.00 per hour
Additional charges	At the discretion of Theatre Manager

Reefton Cinema	
Movie admission	
Adults.	\$15.00
Students (with ID)	\$11.00
Children (under 16)	\$8.50
Seniors 60+	\$10.00
Family ticket (two adults and two children)	\$42.50
3-D glasses	\$2.50 per pair
Cinema hire	

Local daily hire	\$500.00
Cinema hire	\$50.00 per hour
Cinema hire - Arts Council and public meetings	\$450.00 per day

Reefton Community Hall	
Hire rate	
Hire rate to 4:00pm weekdays	\$15.00 per hour
Hire rate, nights, weekends, statutory holidays	\$25.00 per hour
<i>(Variable at discretion of Staff, plus other direct costs - wages, heating)</i>	
Reefton plunket Building /Community room	
Commercial/business/government department	\$165.00 per day
Commercial/business/government department	\$80.00 per half day
Commercial/business/government department	\$25.00 per hour
Non-profit/community group	\$60 per day
Non-profit/community group	\$30 per half day
Non-profit/community group	\$15 per hour

Reserves	
Reefton Community Hall - sports	
U16 training	\$10.00 per hour
Senior training and U16 competition	\$15.00 per hour
Senior competition	\$25.00 per hour
Full night hire	\$250.00
Victoria Square	
Buller Cricket Association	\$220.00 per year
Buller Rugby Union	\$90.00 + 6% gate per year
Rangiemarie Croquet Club	\$100.00 per year
White Star Rugby Club	\$100.00 per year
Westport Contract Bridge Club	\$100.00 per year
Kilkenny Park	
Buller Board Riders	\$200.00 per year
Raynor Park	
White Star Rugby Club	\$100.00 per year
Fire and Emergency NZ	\$100.00 per year
North Beach	
Westport Pony Club	\$100.00 per year
Kawatiri Riding for the Disabled	\$100.00 per year
Sunset Speedway Club	\$100.00 per year
Hall and reserve hire fees	
Fees and charges are set by the relevant sub-committee	

Westport and Reefton Cemeteries	
Plot Fees	
Lawn plot including pre-purchase plot (includes perpetual maintenance)	\$1136.00
Eco plot including pre-purchase plot (includes perpetual maintenance)	\$1136.00
Special area plot (provided for child under 12 years, including still born child)	\$598.00
Ashes plot on ashes berm including pre-purchase plot	\$155.00
Headstone or plaque permit on berm for lawn plot	\$147.00
Headstone or plaque permit on berm for ashes plot	\$74.00
(In recognition of the Returned Services personnel war contribution and service to their country, the Council only charge an internment fee for the burial of Returned Services personnel in Council operated cemeteries.)	
Internment Fees	\$692.00
Internment in lawn plot	\$692.00
Internment in lawn plot extra depth	\$1156.00
Internment for eco-burial/natural burial – Westport Orowaiti Cemetery only	\$692.00
Internment in special area plot (child aged under 12 years)	\$178.00
Internment in special area plot or in purchased Lawn Plot (Still born baby)	\$64.00
Internment of ashes for one	\$128.00
Internment of ashes for two	\$171.00
In case of double bereavement in one family, internment fee reduced by 33%	
Disinternment	\$692.00 + any additional costs
Reinternment	\$692.00 + any additional costs
Additional Fees	
Internments taking place on weekend or public holiday incur an additional fee	\$289.00

Excavation of a grave on weekend or public holiday will incur an additional fee of	\$365.00
Documentation Fees	
Issue of duplicate of any document or certificate	\$53.00
Cemetery burial records search exceeding 10 minutes of staff time	\$45.00

Rubbish	
The contractors will charge solid waste fees, Smart Environmental Ltd and WestReef Services Ltd.	
Maruia Landfill	
Minimum charge for refuse	\$12.00
Light truck/ute/van	\$75.00
Single axle trailer	\$75.00
Double axel trailer	\$100.00

Advertising	
Advertising on Palmerston Street rubbish bins. <i>(One panel on each of the 11 bins. The advertiser is to meet the costs of producing the advertising material.)</i>	Cost to be provided upon application
Advertising on Council-owned State Highway billboards	\$800.00 per month, per site (plus GST)
<i>The advertiser is to meet the costs of producing the advertising material, installation and removal.)</i>	

Service Connections	
All service connections shall be on a cost recovery. The work involved shall be installed to Council specifications and the installations must be undertaken by an approved contractor following the application being approved by Council.	

Senior Housing	
Single unit	\$165,00 (GST exempt) per week
Double unit	\$215.00 (GST exempt) per week
Garage (if available)	\$10.00 (GST exempt) per week

Room rental	
For other rooms not listed, rental rates will be provided on application.	

Licence to occupy	
Application for licence to occupy	\$185.00
Licence to occupy documentation fee	\$1185.00
Annual licence fee	
For dwellings on unformed legal road, as per Council policy	Council will provide rental rates upon application. For dwellings on unformed legal road, as per Council policy
(All other licences by negotiation)	

Road stopping	
Application fee <ul style="list-style-type: none"> if application is approved all costs including staff time are payable in advance, in addition to the application fee) 	\$365.00

Vehicle crossings	
Vehicle crossings are required to be installed to Council specifications and the installation must be undertaken by an approved contractor following the application being approved by Council.	

Additional trade waste charges as per schedule 1C of the Trade Waste Bylaw		
Fees and charges are set annually by Council resolution and notified in the Annual Plan. The following charging categories apply to non-domestic/trade waste consumers.		
A2 Additional trade waste charge		
This is an annual charge for recovery of the marginal cost of providing additional trade waste capacity. This charge will be made using the methodology defined in schedule 1D, of Council's Trade Waste Bylaw. This charge will be made on the basis of multiples of domestic dwelling equivalents.		
The Domestic Dwelling Equivalent (DDE) varies depending on the activity. To calculate the total trade waste cost charging groups based on DDE are as follows:		
Charging group	Domestic Dwelling Equivalent (DDE) Band	Trade waste fee
A	<2 DDE	\$0
B	2 - <5 DDE	\$100.00
C	5 - <10 DDE	\$200.00
D	10 - <20 DDE	\$400.00
E	20 - <30 DDE	\$600.00
F	30 - <70 DDE	Determination required
G	<70 DDE	Determination required
A4 Trade waste consent application fee		
This is payable with each Trade Waste Consent Application.		
A5 Compliance or extraordinary application processing costs		
Time and disbursement costs, as incurred on at a rate identified in the Long-Term Plan.		
Extraordinary application processing or compliance costs will subsequently apply.		
Schedule 1D of the Trade Waste Bylaw - methodology for calculating additional trade waste charges.		
The following methodology will be used to apply the fees and charges set out in schedule.		
1C. This methodology is based on principles outline in the Introduction to the bylaw.		
1. The Council will prepare a schedule of non-domestic consumers from their rating database.		
2. Using best available information and local knowledge, the Council will assess the business function or activity and estimate the relevant local capacity of usage criteria of each non-domestic consumer on the schedule.		
3. From load factors for the generic business functions or activities, an average daily flow will be estimated. In special cases, organic load may be considered, if relevant to that activity or if it may have an implication to the sewerage system.		
4. From the estimate of daily flows (or organic load in special cases), the ratio of flow estimated from the activity (or organic load) to that expected from a domestic dwelling and as identified will be calculated.		
5. As the assessment is not necessarily highly accurate, the calculated ratio will be averaged into one of the following groups and the appropriate charge concluded.		
Ratio	Group	Charge
1 - <2	A	1 - no additional charges
2 - <5	B	3 - additional trade waste charges

5 - <10	C	7 - additional trade waste charges
10 - <20	D	15 - additional trade waste charges
20 - 30	E	25 - additional trade waste charges
>30	F	Ratio x additional trade waste charges
>70	G	Formal trade waste consent application required

6. The assessment will be forwarded to the applicant as a provisional trade waste consent, with procedures defined in section 3.2 of the bylaw.

7. For application assessed or known to have a maximum flow greater than 50m³/day, a formal trade waste consent application shall be required to be submitted by the consumer.

For further information regarding the Trade Waste Bylaw contact the Infrastructure Services Department.

South Granity Water Contribution	
Buller District Council has a memorandum of understanding with the South Granity Water Board to collect an annual charge for the upkeep of the South Granity community water supply. The charge is applicable for all properties connected to the water supply and will be included in the rates assessment for the property.	\$288.00 per year
Instalment dates	
South Granity water charges are payable in 4 instalments with the due dates being:	
Instalment 1	28 August 2024
Instalment 2	28 November 2024
Instalment 3	28 February 2025
Instalment 4	28 May 2025
Penalties	
On the penalty date a ten percent (10%) charge will be added to the balance of charges left owing	
A charge of five percent (5%) will be added on 1 September 2024 to any balance owing from any year's charges applied prior to 1 July.	
South Granity Water charges are payable at Council's main office, Brougham Street, Westport (open 8.30am - 4.30pm, Monday to Friday), or the Service Centre at 67 - 69 Broadway, Reefton (open 8.30am - 4.30pm), or by using on-line banking, or through direct credit, direct debit, or credit card.	
All unpaid water charges will incur penalties on the penalty dates as set out in the table below:	
Instalment 1	29 August 2024 10%
Instalment 2	29 November 2024 10%
Instalment 3	29 February 2025 10%
Instalment 4	29 May 2025 10%
Any year's water contribution struck prior to 1 July 2024	1 September 2024 5%

Regulatory Services - resource management

Basis of charges

The Buller District Council has adopted a user pays policy for all resource consent applications and functions that the Council carries out under the Resource Management Act 1991. The purpose of the charges is to recover the actual and reasonable costs incurred by the Council.

In setting these charges, the Council has had regard to the criteria set down in Section 36 of the Resource Management Act (RMA).

Timing of payments

Most of the charges and amounts specified in this schedule (unless otherwise specified) are payable in advance of any action being undertaken by the Council. Pursuant to Section 36(7) of the RMA the Council need not perform the action to which the charge relates until the charge has been paid in full.

Deposits

Deposits are initial charges payable at the time an application is submitted to Council for processing. Notwithstanding that a deposit may be paid, the Council will commence processing the application only when it is satisfied that the information received with the application is adequate.

Since resource consent applications can vary significantly in their content and nature, the Council cannot set a fixed charge that would be fair and reasonable in every case.

The deposit shown in the schedule is the minimum deposit for that particular application category. A deposit higher than the minimum could be required and this would be dependent on the nature and scale of each specific application.

Final costs

When the processing of an application has been completed and a decision has been made, Council will then finalise the cost of processing the application.

(a) Remission of charges

Pursuant to Section 36(5) of the RMA, the Council, at its discretion may remit the whole or any part of the charges listed.

(b) Additional charges

Additional charges may be required under Section 36(3) of the RMA where the deposit is inadequate to cover costs, to enable Council to recover its actual and reasonable costs relating to any particular application.

(c) Discount on the charges

Pursuant to Section 36AA of the RMA the Council will give discounts on administrative charges to applicants whose resource consents have exceeded the prescribed timeframes where the responsibility for the failure rests solely with Council. The refund will be in accordance with the Resource Management (discount on administrative charges) Regulations 2010.

Policy

As a basis for additional costs under Section 36(3) of the RMA 1991, Council will assess such costs on the following basis:

- (a) Staff costs will be charged out at their hourly charge out rates as determined by the Department Manager from time to time.
- (b) Vehicle mileage rates will be charged at \$2.00 per kilometre plus GST for external charging. Travel for Consultants will be charged at cost.
- (c) Staff travel time will be capped at one hour, plus applicable mileage.
- (d) Advertising, materials and laboratory costs will be charged at cost.
- (e). **Costs** for Hearing Commissioners and their disbursements will be recovered at actual rates.
- (f) Legal charges / peer reviews will be recovered at actual rates.

List of charges	
A charge shall be made for each type of application or action listed. All charges unless otherwise specified in this table are a deposit and are inclusive of GST. All references are to the Resource Management Act 1991 and any subsequent amendments unless specified otherwise.	
Application administration fee	\$200.00
Monitoring administration fee	\$200.00
Category A - Land Use Consents	
Description of service	Minimum deposit/fixed charge
Non notified (other than below)	\$1000.00 deposit with full cost recovery
Non notified	\$600.00 deposit with full cost recovery
<ul style="list-style-type: none"> • Electric line installation • Minor bulk, height and location matters • Signs 	
Non-notified relocation of an existing powerpole	\$600.00 flat fee
Notified (eg hearings and joint hearings with the Regional Council)	\$1,300.00 deposit with full cost recovery (e.g. hearings and joint hearings with the Regional Council)
Permitted boundary activities – section 87BA of the Resource Management Act 1991	\$550.00 deposit with full cost recovery
Deemed permitted activities – section 87BB of the Resource Management Act 1991	\$550.00 deposit with full cost recovery
Category B - Subdivision Consents	
Non notified	\$1000.00 deposit with full cost recovery
Notified	\$1,300.00 deposit with full cost recovery
Boundary adjustment	\$700.00 deposit with full cost recovery
Category C - Survey Plan and Related Subdivision Processing	
Section 223 sealing of plan	\$300.00 minimum with full cost recovery
Signing under section 224(c) where no conditions are imposed	\$200.00 minimum with full cost recovery
Signing under section 224(c) where conditions are imposed	\$300.00 minimum with full cost recovery
Section 226 Certificates	\$500.00 minimum with full cost recovery
Right of way and easement amendments (section 348 of LGA 1974)	\$550.00 minimum with full cost recovery
Resolution for no frontage access to a lot (section 321 of LGA 1974)	\$400.00 minimum with full cost recovery
Authenticated copy of section 321 resolution	\$230.00 minimum with full cost recovery
Easements and encumbrances including lifting building line restrictions	\$355.00 minimum with full cost recovery
Other services (e.g. building, engineering advice)	At Cost
Category D - General Consent Processing and Monitoring	
Compliance monitoring on a Resource Consent where a breach of consent condition or conditions are identified - Sec 35(2)(d)	At cost invoiced on completion of investigations
Compliance monitoring of Resource Consent conditions, including Compliance Certificate for completion of conditions	At cost, invoiced on completion of investigations

Objection on decision - section 357-357A	\$400.00 deposit with full cost recovery
Lapsing/cancellation/change/review of conditions:	
Sections 125, 126, 127, 128-132.	\$700.00 deposit with full cost recovery
Notified review of condition - section 128	Full cost recovery
Maintenance bond administration	\$200.00 per condition to be bonded
Performance bond administration	\$300.00 per condition to be bonded
Bond preparation by Council Solicitor	At cost
Legal costs associated with consent application. <ul style="list-style-type: none"> Where one or more submitters make a request under Section 100A of the RMA to have a resource consent application heard by one or more hearing commissioners who are not members of the Council, the applicant will pay the amount that the Council estimates it would cost for the application to be heard had the request not been made, and the submitter(s) who made the request will pay, in equal shares, the cost of the application being heard that exceeds that amount payable by the applicant. Where the applicant requests to have a resource consent application heard by one or more hearing commissioners who are not members of the Council, under Section 100A of the RMA, the applicant will pay the full costs. 	At cost
Category E - Other RMA Functions	
Existing use rights - section 10.	\$900.00 deposit with full cost recovery
Transfer of resource consent	\$50.00
Certificate of Compliance - section 139	\$700.00 deposit with full cost recovery
Signing of s241, cancellation of amalgamation certificate	\$150.00 minimum with full cost recovery
Signing of s243 variation/surrender of easements certificate	\$150.00 minimum with full cost recovery
Signing of s348 certificate	\$150.00 minimum with full cost recovery
Requirement for Designation - Sections 168-173 (Heritage Order Sections 189-191)	
Non-notified	\$1,100.00 deposit with full cost recovery
Notified	\$2,100.00 deposit with full cost recovery
Approval of outline plan - section 176(a).	\$300.00 deposit with full cost recovery
Waiver of outline plan - section 176	\$200.00 flat fee
Requirement for alteration of a designation - Sec 181	
Non-notified	\$600.00 deposit with full cost recovery
Notified	\$900.00 deposit with full cost recovery
Application to determine that a designation should not lapse - Sections 184(1)(b) and (2)(b):	
Non-notified	\$400.00 deposit with full cost recovery

Notified	\$1,100.00 deposit with full cost recovery
Searching and compiling information in respect of plans, resource consent records, planning files, involving more than 30 minutes and per half hour or part thereof	\$35.00 deposit with full cost recovery
Consultation of more than 30 minutes regarding information in respect of District Plan or proposed District Plan interpretation on any one project, excluding explanations associated with the statutory process for processing a consent.	Invoiced on completion of consultation
Written response to interpretations sought on District Plan or any Proposed District Plan rule/s	Invoiced on completion of investigations
Request for private plan change	\$5,100.00 deposit with full cost recovery
Category F - Miscellaneous	
Preparation of any documents for the purposes of the Overseas Investment Commission.	At Cost
Information requests that take longer than 30 minutes to answer	At Cost
Computer freehold register search (or first instrument)	\$45.00
Plus: per additional document	\$15.00
Consultants & miscellaneous fees (i.e., printing costs)	At Cost
Category G - District Plans	
Buller District Plan folder	\$250.00 flat fee
Buller District Plan CD	\$35.00 flat fee
Buller District Plan maps	\$350.00 flat fee
Category H – Charge-out rates (including rates, mining privileges) The following are charge-out rates that will be used to assess actual costs	
Chief Executive	\$200.00 per hour
All divisional managers	\$180.00 per hour
Processing officer (including consultants undertaking processing and monitoring of applications)	\$145.00 - \$250.00 per hour
Assets and infrastructure and building officers	\$115.00 - \$200.00 per hour
Technical support officer planning	\$155.00 per hour
Other staff	Hourly rate set by Manager of the respective department
Cost of commissioners attending hearings	Actual costs
Consultants and contractors (e.g., noise reports, legal advice, does not include processing and monitoring consultants).	Actual costs
Copying, vehicle costs and other administration charges are applicable as prescribed for the whole of Council's operations.	
Notes	
<ul style="list-style-type: none"> • The Council may charge a late default fee of \$100.00 if a resource consent application is withdrawn within five (5) working days of an appointed hearing, in addition to costs. • Consent monitoring charges will be included as conditions on resource consents where appropriate. • Every other certificate, authority, approval, consent, service given or inspection made by the Council under any enactment or regulation not specifically mentioned in the resolution above, where such enactment contains no provision authorising the Council to charge a fee and does not provide that certificate, authority, approval, consent, service or inspection is to be given or made free of charge, will be charged for at cost. This includes cancellation of amalgamation conditions. 	

<ul style="list-style-type: none"> All information searches which take longer than 30 minutes will be charged for. 	
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Building consent fees	
Building consent fees shall be paid by way of deposit up front followed by settlement of any additional cost before uplifting a consent. Fees are as listed below:	
Property Information Memorandums (PIM's).	\$200 with full cost recovery
Spaceheater - freestanding	\$500.00 set fee
Spaceheater - inbuilt	\$600.00 set fee
Minor alterations (<\$20,000) e.g. remove internal wall, install shower. \$380.00 deposit with full cost recovery	\$380 deposit with full cost recovery
Minor work (<\$20,000) e.g. garage/shed/carport/conservatory/re-pile	\$480.00 deposit with full cost recovery
New work/alterations (>\$20,000) but not major construction and multi-proof consents	\$700.00 deposit with full cost recovery
New major construction	\$2,500.00 deposit with full cost recovery
Applications	
Administration fee - All	\$150.00
Inspection fee (per inspection)	\$200.00
(The current inspection fee will apply for any inspections carried out more than two years after the consent was issued regardless of whether an extension of time has previously been granted. If inspections have been prepaid the balance between the fee paid and the current fee will apply).	
Processing and vetting of consent applications	\$200.00 per hour
Code compliance certificate	\$200.00
Compliance schedule - where required up to 3 hours – Additional charges apply exceeding 3 hours	\$600.00
Exempt building work	\$250.00 deposit with full cost recovery
Waiver request form	\$200.00
Building levies (fees are payable on consent of a value in excess of \$20,000)	
Ministry of Building Innovation and Employment (as set by statutory requirements and payable on consent value over \$20,444). (This is changing on the 1st of July 2024, if the value of the building work is less than \$65,000 incl GST, it will be exempt from paying the building levy)	\$2.01 per \$1,000.00 or part thereof
BRANZ (as set by statutory requirements and payable on consent value over \$20,000)	\$1.00 per \$1,000.00 or part thereof
Alpha One (BDC Agent) Levy	
All projects under \$125,000 except spaceheater installations	\$86.25
Manual applications except spaceheater installations	\$200.00 per hour
Building Consent Authority (BCA) Levy	
<\$10,000	\$100.00
\$10,000-\$20,000	\$200.00
\$20,000-\$49,999	\$300.00
\$50,000-\$99,999	\$500.00
\$100,000-\$199,999	\$1000.00
\$200,000-\$349,999	\$1,500.00
\$350,000-\$499,999	\$2,000.00
\$500,000-\$1,000,000	\$2,500.00

> \$1,000,000	\$2,500.00 plus \$1.00 per \$1,000 or part thereof on consent value over \$1,000,000
Other fees	
Land Information Memorandum (LIM) minimum fee of:	\$300.00
Certificate of Acceptance - The full cost of processing a Certificate of Acceptance based on inspection and processing fees plus the full fee, charges and/or levies that would have been payable had the owner or the owners predecessor in title applied for a building consent before carrying out the building work (refer Section 97 Building Act 2004)	
Building Compliance Certificate (sale of alcohol)	Flat fee of \$50.00
Inspection and reports on unauthorised work	\$200.00 per hour
Swimming pool fence inspections fee	\$200.00 per inspection
Field/service/site inspection.	\$200.00 per hour
Building information	\$200.00 per hour
Notices to fix	\$200.00 per hour
Compliance schedules	
Annual administration fee for compliance schedule (includes audit if required) – Two or less	\$200.00
Five or less	\$397.00
Six or more	\$480.00
Late fee	\$200.00
Re-inspection fee	\$200.00
Design or peer review plus specific inspections by specialist external contractors.	Full cost recovery
Certificates for public use	\$150.00 administration fee \$200.00 per hour processing fee
Amendment of consents	\$150.00 administration fee \$200.00 per hour processing fee plus Alpha One levy \$86.25
Building consent - extension of time fee	\$100.00
Building consent - document copying	Refer to Buller District Council website
Registration Costs Section 73, 77 and 83 of the Building Act	
Administration/preparation of signed certificate	On charged at cost plus registration costs to DLR as set by Land Information New Zealand

Health inspection fees	
Premises licence fees	
Additional visits if required	\$126.00 per hour (includes mileage)
Food vending machines	\$39.00
Hairdressers	\$220.50
Mortuary licence	\$276.00
Offensive trades	\$276.00
Camping grounds	\$388.00
Transfer fee of health registrations	\$34.00
Others - itinerant traders	\$276.00
Hawkers	\$25.00

Trading in public places licence (street stalls):	
up to and including a maximum of three (3) days over any seven (7) day period	\$26.25
for more than three (3) days up to seven (7) days over any seven (7) day period	\$42.00
mobile or travelling shops	\$166.00
Licence to Occupy footpaths for dining purposes - temporary structures	\$126.00
If a business is required to be registered under the Food Act 2014, the following charges apply	
Food control plan - national programme (initial)	\$200.00
Food control plan - national programme (renewal of registration).	\$200.00
Printed food control plan	\$30.00
Printed food control diary	\$10.00
Verification visits (per audit)	\$187.00 per hour
Verification follow-up including corrective actions	\$187.00 per hour
Amendment to food control plans based on a change in circumstances	\$50.00
Additional visits to check compliance	\$187.00 per hour
Compliance and monitoring (investigation of complaint resulting in the issue of an improvement notice by Food Safety Officer.	\$187.00 per hour
Environmental Health Officer	
Inspections	\$187.00 per hour
Administration	\$110.00 per hour
Consultation.	\$187.00 per hour

Sale of alcohol licensing	
(refer to Sale and Supply of Alcohol (Fees) Regulations 2013)	
Providing alcohol information	\$125.00 per hour
Alcohol licensing fees for the following can be found at: https://bullerdc.govt.nz/media/h5ck2dwh/fees-and-charges-alcohol-licensing.pdf	
On-licence or off-licence or club licence - new or renewal applications	
On-licence endorsed BYO - new or renewal applications	
· Conveyance licence - new or renewal applications	
· Special licence - new or renewal applications	
· Manager's certificate - new or renewal applications	
· Extract from registrar	
· Temporary authority per licence	
· Temporary licence	

Gambling venue applications	
Application for class 4 gambling venues	\$287.50

Amusement devices	
For one device, for the first seven days of proposed operation or part days thereof	\$11.25
For each additional device, for the first seven days of proposed operation of part days thereof	\$2.25
For each device, for each further period of seven days or part thereof	\$1.12

Dog registration fees	
<p>For the purposes of determining Annual Dog Registration Fees, there will be two categories of dog owner - those considered to demonstrate competent dog ownership known as responsible dog owners (RDO) and those who have not.</p> <p>To demonstrate competence a dog owner must not have had any substantiated complaints in the previous twelve-month period. Animal Control Officers will be responsible for investigating and recording complaints made about dogs.</p> <p>Working Dogs are defined as dogs that are used specifically or solely for herding or droving stock.</p>	
Responsible dog owners will be charged the following registration fees	
Approved dog owners - entire dogs	Non-Working Dogs \$89.50 Working Dogs \$67.50
Approved dog owners - de-sexed dogs	Non-Working Dogs \$69.50 Working Dogs \$52.50
Dog owners who are not able to show competence in dog ownership will be charged the following fees	
Entire dogs	\$154.50
De-sexed dogs	\$134.50
Other fees related to dog registration	
Dogs not registered after due date - per dog	Additional 50%
Duplicate registration tags	\$2.50
Microchipping of dogs	\$40.00
Inspection fee	\$51.00
Animal control officer consultation	\$ 66.50 per hour
Dog impounding	
First impounding within 12 months	\$75.00
Second impounding within 12 months	\$180.00
Third impounding within 12 months	\$200.00
Plus, in each instance above, a sustenance fee per day or part thereof.	\$15.00
Dogs impounded after normal working hours, owner to pay an additional fee	\$50.00
Finder's fee (first offence, registered, able to be identified, able to be received)	\$30.00
Dog Euthanasia	Full cost recovery
Ranging and impounding of animals	
Stock impounding	Actual cost
Every horse, above 12 months of age	\$60.00
Every horse, under 12 months of age	\$60.00
Every mule or ass	\$60.00
Every bull over the age of 9 months	\$60.00
Every ox, cow, steer, heifer or calf	\$60.00
Every ewe, wether or lamb	\$50.00
Every hind or stag	\$60.00
Every goat	\$50.00
Every boar, sow or pig	\$50.00
Impounding and sustenance	

The owner of any stock impounded shall pay, in addition to the above impounding fee, a similar amount per day or part day thereof for sustenance, and actual and reasonable charges incurred in impounding the stock on the following basis: The actual costs on wages plus 140% (plus GST)	
<ul style="list-style-type: none"> Vehicle expenses at \$1.50 per kilometre plus GST for external charging The actual freight costs incurred 	
Administration costs	
Travel costs	vehicle expenses at \$1.50 per kilometre (plus, GST for external charging)
Dogs impounded after normal working hours, owner to pay an additional fee	\$50.00

Information services	
Where written information is sought or staff are employed to provide information other than that in relation to normal inspectoral or by-law requirements,	
an hourly rate of	\$71.50 per hour
Photography costs	\$2.00 per photo
Other services	
All other services rendered by staff which is outside of the services normally provided for in the other fees and charges	\$71.50 per hour.

All departments	
Staff time	
For chargeable services the staff hourly rate is:	\$80.00 per hour
Photocopying	
A4 Mono	\$0.20 per copy
A4 Colour	\$1.00 per copy
A3 Mono	\$0.40 per copy
A3 Colour	\$2.00 per copy
Aerial photos or maps	
GIS preparation and printing:	\$10.00 per item
<ul style="list-style-type: none"> Photocopying charges apply as above for multiple copies. Complex enquiries may incur specialist staff time charges 	
Electronic imaging:	
CD or DV	\$5.00 per job

Westport Airport Authority	
Parking charges	
Daytime (more than 1 hour, but less than 24 hours).	\$5.00 per day
Overnight (24-hour period, plus).	\$10.00 per 24-hour period

Westport port	
<i>(All fees are exclusive of GST. Per day rates - minimum 24 hours)</i>	
Soundings	
By arrangement	\$600.00 per hour

Harbour Vessels	
Harbourmaster general purpose vessel	\$600.00 per hour
Punt (unpowered)	\$32.00 per day
Pilotage	
Per movement (Pilot and transfer vessel included)	\$3750.00
Pilot detained onboard	\$1500.00 per day
Pilot exemption examination	\$965.00
PEC candidate supervision/observation	\$1500.00
Public notices	
Advertisements	Actual cost
Wharfage	
Fish	\$8.20 per metric ton or part thereof (minimum \$40.00)
Other commodities	\$8.20 per metric ton or part thereof (minimum \$40.00)
Passengers	\$34 per passenger landed
Berthage (vessels under 30 metres LOA)	
Casual (any berth)	\$2.95 per metre, per day
Permanent (services included)	\$175.00 per metre, per year
Pole and non-powered berths	\$105.00 per metre, per year
Summer 6 months (1 Jan to 30 June)	\$87.50 per metre
Berthage (vessels over 30 metres LOA)	
Casual (wharf berth only)	\$3.50 per metre, per day
Mooring Fee – Linesmen	\$80 per hour, per person
Punt Hire	
Punt hire	\$25.00 per hour
Slipway Charges	
Haulage (up/down)	\$650.00 minimum charge
<i>(this includes 5 days applicable cradle charge)</i>	
Additional Daily cradle charge	\$115.00 per day
Electricity connection fee	\$32.50
Electricity (metered supply charge).	\$1.00 per kWh
<i>(a cleaning fee of up to \$500.00 will be charged if the site is left untidy)</i>	
Security Access Card Replacement	\$55.00

Westport Office

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PO Box 21, Westport 7866

New Zealand

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Email info@bdc.govt.nz

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Reefton Visitor and Service Centre

66 Broadway, PO Box 75,

Reefton 7851, New Zealand

Freephone 0800 808 821

Phone 64 3 732 8821

Sue Thomson-Casey Memorial Library

87-89 Palmerston Street,

Westport 7825, New Zealand

Phone 64 3 788 8030

bullerdc.govt.nz

Buller District Council

Enhanced Annual Plan 2024/25

Consultation Document

A summary of Buller District Council's
Enhanced Annual Plan 2024/25

About this Consultation Document

This Consultation Document is a condensed version of the Draft Enhanced Annual Plan 2024/25. It provides a snapshot of the Council's services and activities for the next 12 months and the financials around delivering those services and activities. It outlines the two key issues we need to address over the coming 12 months and the options the Council seeks the community's feedback on.

As the name suggests, the Enhanced Annual Plan 2024/25 is a one-year plan and part of a longer-term planning process. We are required to update our ten-year plan (also known as our Long-Term Plan) every three years. This plan sets out our direction and budgets for the next ten years. Usually, in the two years between the long-term plans, we produce an annual plan.

This year, we are producing an Enhanced Annual Plan that continues implementing year four of the Long-term Plan 2021-2031. The Minister for Local Government (Hon Simeon Brown) highlighted on Tuesday, February 13 2024, the coalition government's plan for the next 12-18 months to implement Local Water Done Well into legislation and to repeal the Water Services Legislation. As part of that announcement, the Central Government have given three different options as to when the Council will be required to adopt the Long-Term Plan:

- Option 1 – Adopt LTP by June 30 2024
- Option 2 – 3-month deferral, adopt final by 30 September 2024
- Option 3 – Defer the LTP, which was due to be adopted on the June 30 2024 and undertake a reduced 9-year long-term plan from June 2025 - June 2034. With this option it would require an Enhanced Annual Plan for this financial year which needs to be adopted by June 2024

The Council decided to go with option 3.

The 'enhanced' annual plan highlights the activities the Council will be involved in for 2024-2025, including major issues and projects where there are variations from our original estimates from Year four of the LTP 2021-2031. It details what the Council plans to spend in the year ahead and how it will be paid for.

Specific projects and issues have been highlighted against each of the Council's activities and performance targets, enabling you to monitor progress over time. The full Draft 2024 – 2025 Enhanced Annual Plan is available online at www.bullerdc.govt.nz.

Council's role

The Long-Term Plan and Annual Plans are key documents that set the budget and priorities for the services the Council provides in the community – many of which are required by law, including:

- Key infrastructure: roads, footpaths, water, wastewater, stormwater, solid waste and drainage.
- Regulatory responsibilities: Resource Management Act, animal control, policies, monitoring and consents, building consents, food and liquor.
- Community services and support include community grants, libraries, theatres, cinemas, and swimming pools. Emergency management.
- Community facilities include parks, reserves, housing for seniors, and council-owned properties.

Welcome

Message from the Mayor and Chief Executive Officer

Welcome to the consultation phase for Buller District's Draft Annual Plan 2024-2025. Your input becomes more crucial as we navigate the planning process for our district's future. This document reflects our aspirations and commitments for the coming year and marks a significant step in our collective journey towards growth and resilience.

Drawing from the insights of our 2021-2031 Long-Term Plan, the draft Enhanced Annual Plan represents a collaborative effort between our community, elected officials, and council staff. It outlines the Council's goals, what it aims to do in the coming year, and how we plan to pay for this. It is based on year 4 of the 2021-2031 Long-Term Plan (LTP) after the Council voted unanimously to defer the adoption of the 2024-2034 LTP.

The feedback we gathered during the initial engagement phase for the deferred Long-Term Plan has been invaluable. It has equipped our Council and staff with essential perspectives, shaping our decisions to address the district's immediate and long-term challenges. Our commitment to balancing our community's aspirations with the practical realities of managing our resources and infrastructure has never been stronger.

Since adopting the 2021 Long-Term Plan, the Buller community has faced challenges across the district. Central Government agencies have supported us as we sought a strong recovery for our people. However, the recovery period is nearing an end, and we, as a community need to shift our collective focus from recovery to growth.

There is no doubt that planning for the social, cultural, environmental, and economic future of the entire Buller District is a significant responsibility. Significantly, this year, our Council will lead the master planning for the future of Westport – a once-in-a-generation opportunity to set the future direction of the district's central hub. However, we are also undertaking this work in the context of significant reform and the current level of legislative uncertainty, especially surrounding the government's Local Water Done Well policy. Under this approach, we are required to lift our levels of compliance to meet the new standards around water supplies and the need to manage better and address our critical Infrastructure backlog whilst balancing the affordability for our community.

As we present this draft plan, we invite you to share your thoughts, insights, and visions for Buller. Your input is critical in ensuring our plans align with the community's aspirations, guiding how we allocate resources and prioritise projects that matter most to you. Let's shape a future for Buller that reflects our shared values and aspirations.

Nga mihi

Jamie and Simon



Executive Summary

In the face of a challenging economic environment and rising cost of living, the Buller District Council presents the Enhanced Annual Plan 2024/25, a document that is designed to navigate these times with resilience and foresight. It serves as a concise overview of our proposed services, activities, and financial strategies for the forthcoming year, firmly grounded in our commitment to our community and the sustainable development of the district.

This year's Enhanced Annual Plan is distinctive. It extends beyond the usual annual planning process to incorporate insights and directives from the fourth year of our Long-Term Plan (LTP) 2021-2031.

Financial forecasts within the plan are constructed on realistic assumptions, aiming to provide transparency and accountability in how public funds are managed. Our Enhanced Annual Plan spans across key infrastructure maintenance, regulatory responsibilities, community support services, and our community facilities, ensuring a holistic approach to enhancing the quality of life in Buller.

Your input is instrumental in shaping this plan. As we undertake this journey, your feedback is invaluable, ensuring that our collective vision and efforts resonate with the Buller District's needs and aspirations.

Buller District Council are aware of the challenges around affordability and the cost-of-living pressures for all our community. We understand that a total rates movement of 19.7% is a significant increase, but unfortunately, there are significant factors that contribute to this and a lot of which is outside of our control. The summary below shows the major components of the total rates movement:

- Decision to hold water rates in 2023-2024 – 5.2%
- Weighted inflation increase, over and above what is forecast by BERL (Business and Economic Research limited – 5.6%
- NZTA work programme identified to preserve Council's roading network – 3%
- Increasing depreciation and loan servicing costs for the increased capital programme – 2.5%
- New Staff roles required to meet Council's compliance requirement – 1.5%
- Increase in 3 Waters repairs and maintenance – 1.2%

The Enhanced Annual Plan 2024/25 is not merely a document of financial and operational directives, but a testament to our dedication to prudent, inclusive, and visionary governance. As we navigate these challenging times, we remain committed to fostering a sustainable, resilient, and vibrant Buller District poised for recovery, growth, and prosperity.

Have your say

We are seeking submissions.

We want your feedback on our Draft Enhanced Annual Plan for 2024 – 2025. Your feedback is vital in ensuring that the priorities we've identified and how we address key issues align with your vision for Buller.

- Email submissions@bdc.govt.nz
- Online <https://www.surveymonkey.com/>
- Post Buller District Council, PO Box 21, Westport 7866
- Pop into one of our facilities to have a read of our Draft 2024-2025 Enhanced Annual Plan in Westport and Reefton, as well as the Sue Thomson Casey Memorial Library in Westport, the DoC Visitor Centre in Punakaiki, the Karamea Information Centre, and the Northern Buller Resource Centre at Ngakawau.
- Meet us. Come along to one of our drop-in sessions.
- Talk to us. You can talk to your elected members about the Annual Plan.

Find out how to get in touch: <https://bullerdc.govt.nz/>

For more information, see the full Draft Enhanced Annual Plan 2024/25 online at www.bullerdc.govt.nz

Consultation Issues

Council has identified two key issues we must address over the coming 12 months. We could address each of these key issues in several ways. We want your feedback on what option is the best way forward for our community.

Consultation Issue 1 – Roading

What do Buller District Council do if the New Zealand Transport Agency (NZTA) do not fund as much as we applied for?

Transport presents the most significant opportunity for our district in terms of critical infrastructure. This is due to the current funding assistance provided by the central government via Waka Kotahi NZTA. This funding assistance provides the most favourable conditions and financial support we will likely see regarding value for money return on ratepayer investment.

The transport asset base is our largest replacement value, which the Council manages on behalf of our communities, excluding state highways, and is managed directly by Waka Kotahi NZTA. The local transport network includes 319km of sealed roads, 265km of unsealed roads and 87km of footpaths. This has a total value of \$421m and represents more than 70% of the Council's total asset value. Therefore, from a management and preservation perspective, investment is a priority to ensure the network condition is maintained at current levels without further deterioration.

Feedback from our communities, including engagement and surveys, confirms the desire to maintain service levels as they currently are, with no reduction. Therefore, Transport's strategic planning and investment decisions aim to manage network resilience, provide safer travel and improve service delivery efficiencies. This will be guided by the new Central Government Policy Statement (GPS) for Land Transport and the investment level agreed with Waka Kotahi NZTA under the Regional Land Transport Plan (RLTP), which ultimately determines our ratepayer contributions for local roads, footpaths and bridges.

Supporting Council's position is a strong evidence base of technical data and condition assessment across our Transport network. A significant amount of technical, engineering and asset management work has been undertaken to produce the Activity Management Plan (AMP). The asset condition, performance, remaining useful life, and valuation estimates have been diligently reviewed as part of the AMP process to ensure the infrastructure's status is well understood. In addition to providing the Council with high-confidence levels in asset management, the AMP informs the prioritised investment methodology and the Programme Business Case (PBC) prepared for our funding partner, Waka Kotahi NZTA.

The PBC and supporting evidence, including the AMP and network assessments, are used to determine their level of funding commitment. Whilst the RLTP is typically oversubscribed, Buller has consistently performed well in the contestable funding call due largely to the PBC and AMP level of detail we can demonstrate and the strong working relationship between both parties. This has been built on a proven delivery performance and following through on commitments.

The proposed investment programme incorporates operational imperatives, including repairing and maintaining sealed pavements, unsealed (gravel) roads, bridges and structures, environmental and drainage, network management, and managing our roading service level contracts. Capital works include pavement replacement, a reseal programme, unsealed metalling, bridge renewals and replacements, and footpaths.

BULLER DISTRICT COUNCIL | Consultation Document for the Enhanced Annual Plan 2024/25

The great news for Buller is that Waka Kotahi NZTA has confirmed that the Funding Assistance Rate (FAR) for our local roads will be 75% for the next three years. In addition, it has also been confirmed that the Karamea Special Purpose Road (SPR) will maintain its current 100% funding assistance, which significantly reduces the risk to the Council for this vulnerable section of the highway. Both favourable outcomes provide a level of financial support that enables asset preservation and service-level objectives to be achieved by the Council and our communities.

Overall, the civil construction sector and roading have experienced inflation and more than 18% of cost escalations in recent years. Despite this level of cost increase, and through a detailed examination of our prioritised investment methodology by refining our asset preservation and service levels, we have targeted an optimised programme within our affordability constraints by maximising the central government funding support. This will also deliver on our community outcomes and statutory duties.

When preparing this enhanced annual plan, the Council submitted a programme of works to Waka Kotahi NZTA for inclusion in the National Land Transport Programme (NLTP) and, therefore, the RLTP. Waka Kotahi NZTA will release indicative allocations for the NLTP in late May 2024. The final budget allocations are expected on August 31st, 2024. This is partly due to changes within the new government's GPS on land transport.

The key issue is whether Waka Kotahi NZTA will either agree with and support the Council's proposed PBC and budget accordingly or indicate a revised approved budget allocation. Any change is unlikely to exceed what the Council requested, but it may be less.

The Council has three options if Waka Kotahi NZTA approves a lower budget allocation. The first is to revise our ratepayer contribution by the lower approved amount under the FAR model. The second is to continue with the proposed work programme and fund the difference from rates or alternative external sources, and the third is to fund the difference in the BDC contribution to match the 25%

Our options

OPTION ONE

Reduce The Programme to match the Waka Kotahi – New Zealand Transport Agency Approved Funding.

The focus is to be confirmed, and the new Government Policy Statement requirements for Land Transport will likely be considered.

Advantages:

- The advantage is that the rate contribution will not increase, and there could be a rate saving.

Disadvantages:

- The Council may have to reduce the work programme to match the funding. This may have implications for the levels of service delivery, which means doing less work.
- This may increase the risks of the main assets being affected by underinvestment, which could lead to further issues and impact resilience and asset preservation (the backlog gap will widen).
- Roading was the communities' number one priority in the pre-engagement.

Changes to levels of service

The outcome of the Waka Kotahi (NZTA) decision will determine the way forward and the impact on the future level of service on our roading network. The programme outcome will not be known until Waka Kotahi (NZTA) confirms the budget allocations.

Financial Impact

If the Local Roads programme were reduced by \$1m per annum, the Council's share at 25% would result in a potential rate saving of \$0.25m.

BULLER DISTRICT COUNCIL | Consultation Document for the Enhanced Annual Plan 2024/25

Any reductions to the Special Purpose Roads (SPR) (Karamea Highway) will not impact rates as this work is fully funded by Waka Kotahi, meaning only revenue from subsidies will be reduced.

Potential change to rate increases contained in the Draft Annual Plan.

Potential change to rates increases if this option was chosen The example below stated that For \$1m less work on the Local Roads, saving \$250k Council Contribution			
	In Draft Annual Plan	Option 1	Change
General rates increase	16.7%	14.5%	-2.2%
Total rates increase	19.7%	18.4%	-1.3%

OPTION TWO

Continue with the submitted programme, and the council rate funds any difference for local roads and commits to higher rates for the next two rating years—the quantum of \$ and rates % increase is variable depending on the funding shortfall/work programme delivered.

Focus is on asset preservation and current levels of service.

Advantages:

- Roothing was the communities' number one priority in the pre-engagement.
- Current levels of service delivery will be maintained.
- Reduces the principal risks of assets being affected by an under-investment, which could lead to further issues.
- Helps to preserve assets, sustain, and improve resilience.
- Helps to keep pace with inflation.

Disadvantages

- To retain the submitted programme, the Council would need to increase the portion of the rates above the indicative rate increase
- This would impact further on rates affordability.
- It would impact other non-roading high-priority projects.
- Council locks in rates increases in the next two financial years to meet the funding shortfall; \$ and % increase is dependent on the final funding agreed upon but could be significant

Changes to levels of service

The outcome of the Waka Kotahi (NZTA) decision will determine the way forward.

Under Option 2, the Council assumes that only local roads would be considered for additional rates funding, so the proposed levels of service for local roads remain the same.

Karamea Highway (SPR) would be excluded as these roads are 100% funded by Waka Kotahi (NZTA).

Financial Impact

If the Local Roads programme approved by Waka Kotahi were reduced by \$1m per annum, Waka Kotahi's share at 25% would reduce subsidies by \$0.75m. To continue with the submitted programme, the Council would have to fund this shortfall either by a direct increase in general rates or through borrowings.

Loan servicing costs for a \$0.75m ten-year loan at the forecast rate for the Annual Plan are \$0.09m per annum from 2025/2026. As the programme would need to be funded for three years of shortfalls, cumulatively, this will add \$0.28m per annum to general rates by 2027/2028.

BULLER DISTRICT COUNCIL | Consultation Document for the Enhanced Annual Plan 2024/25

Any reductions to SPR have no impact on rates, as Waka Kotahi fully funds this work. Therefore, reducing the spending budgeted for SPR will reduce revenue from subsidies.

Potential change to rate increases contained in the Draft Annual Plan.

Potential change to rates increases if this option was chosen The example below stated that for \$1m less work on the Local Roads, increasing \$750k Council Contribution			
	In Draft Annual Plan	Option 2 Rates funded	Change
General rates increase	16.7%	23.3%	+6.7%
Total rates increase	19.7%	23.7%	+4.0%

OPTION THREE

Keep the Council's level of funding as contained in the Draft AP, but reduce the overall programme to reflect Waka Kotahi's (NZTA) level of investment.

Advantages:

- Rooding was the communities' number one priority in the pre-engagement.
- The level of service won't be reduced as much.
- It will have less of an impact on the assets; however, the investment would still not be what is required.
- It helps preserve assets but will only partially maintain them, sustain them, and improve resilience.

Disadvantages

- The Council will have to reduce the programme of work but will still take on some more than funded.
- This may increase the risks of the main assets being affected by underinvestment, which could lead to further issues and impact resilience and asset preservation (the backlog gap will widen).
- Rooding was the communities' number one priority in the pre-engagement, so it will need to be considered.
- Our assets will not have the required investment.

Changes to levels of service

The outcome of the Waka Kotahi (NZTA) decision will determine the way forward and the impact on the future level of service on our roading network. The programme outcome will not be known until Waka Kotahi (NZTA) confirms the budget allocations.

Financial Impact

As the proposal is to leave the Council's level of funding the same, there is no impact on rates under Option 3.

Any reductions to SPR have no impact on rates as Waka Kotahi fully funds this work. Therefore, revenue from subsidies will be reduced in accordance with a reduction in the level of spending budgeted for SPR.

Policy on rates – how drinking water and wastewater rates are applied

Consultation Issue 2 – Water rates

Policy on rates – how drinking water and wastewater rates are applied

Council is seeking feedback on the policy for how to rate water and wastewater rates.

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Council is considering changing the way "multi residential" and "multi commercial" "differentials" for water and wastewater targeted rates, as well as "major users" rates are charged, and aligning the policy more closely with the methods for charging targeted rates as set out in the Local Government (Rating) Act 2022.

The proposed change considers a per "Separately Used or Inhabited Part of a rating unit" application of charges, using District Valuation Roll data. District Valuation Roll data is collated by Quotable Value NZ and provided to Council; therefore, Council could use this data instead of the "charges tables" in the current water and wastewater charges section of the 2023-2024 rating policy.

The proposed change also considers charging all schemes for availability of supply. This means if a connection could be made to the supply because it is within a set distance of the supply it would be charged 50% of the full charges made for full connection. This would align the treatment of all water and sewer supplies in the district. Currently there are inconsistencies as Punakaiki Water supply and Inangahua Water supply are charged half rates for availability of connection, and Little Wanganui Water and Wastewater are charged half rates for availability of connection, whereas other supplies are not presently charged in this way. The policy also considers applying water meters to significant users in areas outside of Westport.

Because Council cannot meter wastewater, the proposed change considers introducing a per urinal/pan charge for commercial accommodation, schools and health providers.

The scheme rates materially affected by this change in the Annual Plan are the Westport and Reefton Wastewater and Water Supply. There is minimal to no change to the rate per connection for the other schemes calculated in this Draft Annual Plan.

The policy change does not impact the total budgeted revenues required to fund the activities, what it does is increase the number of rateable connections to calculate the rate per connection. By redistributing the required rate take over more connections the impact to individual ratepayers already paying for one connection will pay less than they otherwise would be required if the policy change did not proceed, those with multiple connections or not previously paying will pay more.

The impact of the proposal varies between ratepayers, it is the Reefton and Westport supplies that have the most notable change. Most ratepayers in these supplies would pay less rates if this proposal were adopted, and a smaller number would pay more because there would no longer be a discount given for multiple dwellings or activities on each rating unit.

Council has prepared the Forecast Funding Impact Statement on the basis of the proposed new policy. The full policy can be found in the Enhanced Annual Plan document, please refer to pages x-x..

The current rating policy can be found on Council's website in the 2023-2024 Annual Plan.

Our options

OPTION ONE

Adopt a revised policy on how water and wastewater targeted rates are charged.

The Council is considering changing the way "multi-residential" and "multi-commercial" "differentials" for water and wastewater targeted rates, as well as "major users" rates are charged, and aligning the policy more closely with the methods for charging targeted rates as set out in the Local Government (Rating) Act 2022.

Advantages:

- A clear, compliant policy is applied consistently across all water and wastewater schemes in the Buller District.
- Policy application is driven by external valuer information collated in the Rates Information Database. Therefore, it is not subject to the interpretation and application of many different targeted rate policies as per the current policy.
- Rates charges would be on a one-for-one basis, which would be more impartial/equitable.
- The amount collected benefits ratepayers who do not need to pay as much targeted rates as otherwise would need to be set to meet the costs of each water or wastewater supply.

Disadvantages:

- Changed policy means that some ratepayers with two or more separately used or inhabited portions of a rating unit would be charged more targeted rates than in the past.
- The policy will be driven by external valuer information collated in the Rates Information Database, and the data may need to be updated for a selected group of properties. This will require a valuer to visit each property to assess units of

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use and urinal/pan count. Therefore, consistent application of a new rating system may need to be phased in over two years. This may be seen as inequitable for consumers captured in the first year of transition.

- Some water and wastewater ratepayers will pay higher rates because, in the past, they paid one charge or a reduced charge for many units or separately used or inhabited portions or did not pay for available use.
- The amount collected redistributes the targeted rate burden to ratepayers who have historically been charged reduced or nil rates; the impact on those ratepayers may be significant.

Changes to the level of service

The levels of service would remain the same if this policy were adopted.

Impact of proposed policy change to water and wastewater targeted rates by most affected schemes

Location Type of Targeted Rate	Westport Water	Westport Wastewater	Reefton Water	Reefton Wastewater
Total Count of Rates Charges Under Existing Policy	2,835	2,596	664	589
Total Count of Rate Charges Under Proposed Policy	3,125	2,842	723	642
Change in Total Count of Rate Charges	290	246	59	53

Location Type of Targeted Rate	Westport Water	Westport Wastewater	Reefton Water	Reefton Wastewater
Rate per Connection, including GST, Under Existing Policy	\$ 1,463	\$ 1,237	\$ 1,408	\$ 930
Rate per Connection, including GST, Under the Proposed Policy	\$1,361	\$1,130	\$1,293	\$854
Reduction in Rate per Connection, including GST, under the Proposed Policy	-\$102	-\$107	-\$115	-\$76
Increase in Rate per Connection, including GST, under Existing Policy	\$102	\$107	\$115	\$76

Location Type of Targeted Rate	Westport Water	Westport Wastewater	Reefton Water	Reefton Wastewater
Total Rate Take including GST Under Existing Policy	\$ 4,147,605	\$ 3,210,757	\$ 934,490	\$ 548,142
Total Rate Take including GST Under Proposed Policy	\$4,253,669	\$3,210,985	\$935,020	\$548,541
Change in Total Rate Take between policies	\$106,064	\$228	\$530	\$399
Estimated Reduced Water Metering Revenues	-\$105,000	\$228	\$530	\$399
Change in Total Revenues required to fund the scheme	\$1,064	\$228	\$530	\$399

Note: The above tables include GST.

The difference in total charges to sample properties if the proposal was adopted

Rating examples

For **One** Separately Used or Inhabited Portion

Under Proposed Changed Policy

SECTOR	Res 106	Res 108	Res 115	Com 134	Com 140
Location	Westport	Carters Beach	Reefton	Westport	Reefton
Land Value	\$106,000	\$160,000	\$100,000	\$265,000	\$195,000
General Rates	1,119.23	1,016.15	466.71	12,371.32	2,569.36
UAGC	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	1,362.00	1,362.00	1,293.00	1,362.00	1,293.00
Targeted Wastewater Rate	1,129.00	1,129.00	854.00	1,129.00	854.00
Targeted Solid Waste Rate	199.00	199.00	199.00	199.00	199.00
NET RATES	\$4,389.23	\$4,286.15	\$3,392.71	\$15,641.32	\$5,495.36
Previous Year	\$3,861.27	\$3,775.69	\$3,025.50	\$13,203.62	\$4,771.28
% Change to Previous Year	13.67%	13.52%	12.14%	18.46%	15.18%

Rating examples

For **Two** Separately Used or Inhabited Portions

Under Proposed Changed Policy

SECTOR	Res 106	Res 108	Res 115	Com 134	Com 140
Location	Westport	Carters Beach	Reefton	Westport	Reefton
Land Value	\$106,000	\$160,000	\$100,000	\$265,000	\$195,000
General Rates	1,119.23	1,016.15	466.71	12,371.32	2,569.36
UAGC	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	2,724.00	2,724.00	2,586.00	2,724.00	2,586.00
Targeted Wastewater Rate	2,258.00	2,258.00	1,708.00	2,258.00	1,708.00
Targeted Solid Waste Rate	199.00	199.00	199.00	199.00	199.00
NET RATES	\$6,880.23	\$6,777.15	\$5,539.71	\$18,132.32	\$7,642.36
Previous Year	\$5,404.07	\$5,318.49	\$4,362.50	\$14,746.42	\$6,108.28
% Change to Previous Year	27.32%	27.43%	26.98%	22.96%	25.11%

Rating examples

For **Three** Separately Used or Inhabited Portions

Under Proposed Changed Policy

SECTOR	Res 106	Res 108	Res 115	Com 134	Com 140
Location	Westport	Carters Beach	Reefton	Westport	Reefton
Land Value	\$106,000	\$160,000	\$100,000	\$265,000	\$195,000

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General Rates	1,119.23	1,016.15	466.71	12,371.32	2,569.36
UAGC	580.00	580.00	580.00	580.00	580.00
Targeted Water Rate	4,086.00	4,086.00	3,879.00	4,086.00	3,879.00
Targeted Wastewater Rate	3,387.00	3,387.00	2,562.00	3,387.00	2,562.00
Targeted Solid Waste Rate	199.00	199.00	199.00	199.00	199.00
NET RATES	9,371.23	9,268.15	7,686.71	20,623.32	9,789.36
Previous Year	\$6,726.47	\$6,640.89	\$5,508.50	\$14,637.52	\$7,254.28
% Change to Previous Year	39.32%	39.56%	39.54%	40.89%	34.95%

Note: The above tables include GST.

In addition to the above changes, metered water charges are expected to be reduced, as the increased connections will cover those charges. This would not increase rates revenues. It would change how the water schemes are funded, with a mix of water rates and water metering revenues.

OPTION TWO

Keep the policy the same on how water and wastewater targeted rates are charged.

Under this option, rates on municipal water and wastewater supplies would not be distributed amongst targeted ratepayers differently.

Advantages:

- Targeted rates for Westport Water, Westport Sewer, Reefton Water, and Reefton Sewer would continue to be similar amounts for all ratepayers, who are less likely to object to the application of rates because of the historical practice of charging rates in this way.

Disadvantages:

- Targeted rates for Westport Water, Westport Sewer, Reefton Water, and Reefton Sewer would be higher for these ratepayers because the existing rates policy would capture fewer consumers
- The application of rating policy remains subject to interpretation, is difficult to follow, and needs to be aligned with the Local Government (Rating) Act 2002.
- Rates for similar properties are charged inequitably depending on their location, and the "charging tables" in the existing policy are interpreted inequitably.

Changes to the level of service

The levels of service would remain the same if this policy was adopted.

Option Two - Status Quo			
Schemes Most Affected	Number of connections	Rate per connection incl, GST	Rate Take incl GST
Westport Wastewater	2,596	\$1,237	\$3,210,757
Reefton Wastewater	589	\$930	\$548,142
Westport Water Supply	2,835	\$1,463	\$4,147,605
Reefton Water Supply	664	\$1,408	\$934,490

Key highlights of this Enhanced Annual Plan

The Enhanced Annual Plan 2024/25 (the Annual Plan) is the fourth Annual Plan following the 2021-2031 Long Term Plan (the Long Term Plan). Council continues to follow the original strategy set out in the Long Term Plan, and as such, this Annual Plan does not materially or significantly differ from it.

BULLER DISTRICT FINANCIAL HIGHLIGHTS	
Total Rates Increase	19.7%
Forecast Net Debt	\$37.9m
Forecast Capital Spend	\$19.4m

The 19.7% is a total rates movement across the district, this will not necessarily be the case for everyone. It's important to note that the total rates are made up of the following areas:

General Rates	16.7%
Targeted Rates	24.3%
Total Rates Movement	19.7%

The following commentary explains the variations to the budgets for 2024-2025 that are arising from matters that the Council were not aware of in preparing the Long Term Plan, such as changes in economic conditions, the impact of extreme weather events on the Council's financials, and the impact of Three Waters reform and other Central Government reforms.

One of the requirements of the Enhanced Annual Plan Option was that the Council had to consult on the 2024-2025 Enhanced Annual Plan. Council acknowledges that it would have chosen to consult under the normal Annual Plan legislative requirements given the material changes in the long-term plan. These have been driven via new capital projects identified that are after the Long Term Plan, meaning that the net debt limit of \$25m set out in the Financial Strategy would be breached, with predicted net debt on June 30th June 2025, being \$37.8m and rates increases of 19.7% compared to 4.8% in the same period of the Long Term Plan.

Overall, the Council proposes a 19.7% increase in total rates revenue compared to 4.8% in the same year in the Long-Term Plan. The increase in total rates compared to the Long-Term Plan reflects the significantly higher interest and inflation rates experienced compared to market predictions available when preparing the Long-Term Plan in 2021. It also includes a 5.2% jump in water and wastewater rates, as these were not increased in 2023-2024, which is a significant driver of the total rate increase. The increase also reflects the impacts of Central Government reforms and regulations requiring greater Local Government Investment, particularly in the Three Waters activities and the cost of continuing to invest in our roading network, an area that the community indicated during the latest round of consultation was an area of importance for Council to focus on.

As a comparison, the long-run Local Government cost index applicable when preparing the Long-Term Plan was 2.2%; the Business and Economics Research Ltd (BERL) cost adjusters 2023 update saw this increase to 2.4%. The Council's weighted average inflation increase for the Enhanced Annual Plan is closer to 5.6% due to the outcome of infrastructure maintenance contract reviews with major suppliers. Significant expenditure items such as insurance, electricity and employee expenses all experience actual increases greater than the BERL cost adjusters, and those real revised rates have been used as the basis for the 2024-2025 Enhanced Annual Plan.

When preparing the Long-Term Plan, Westpac's economic forecasts predicted that the official cash rate (OCR) would remain 0.25% until December 2025. Updated forecasts prepared in March 2024 predict that for the 2024-2025 financial year, the OCR will remain at 5.5% until June 2024, reducing to 4.5% by June 2025, with the current rate being 5.5%.

Impact of roading bid

When preparing this enhanced annual plan, the Council has submitted a three-year programme of works for 2024-2027 to Waka Kotahi – New Zealand Transport Agency for inclusion in the National Land Transport Programme (NLTP).

The bid's focus is on asset preservation and maintaining current service levels. Due to price escalation in roading contractors and materials, along with the work identified as required in the next three years, the cost to undertake this in 2024-2025 will increase by \$7.5m from the 2023-2024 Annual Plan budgets.

Just over half of this increase relates to work undertaken on the Karamea Highway, a Special Purpose Road that Waka Kotahi NZTA has confirmed will continue to fund at 100% until June 30 2027. Therefore, it has no impact on rates.

The remainder is to be spent on local roads, and Waka Kotahi NZTA has increased its share of funding from 72% to 75% from 2024-2027. The impact of the roading programme is an additional \$0.56m of general rates required in 2024-2025 to fund the Council's share, which represents a 5% increase in general rates, and a 3% increase in total rates revenue.

Waka Kotahi will not release indicative approved budgets for the NLTP until late May 2024, and the final budgets are not expected until August 2024. This is partly due to the lack of a new Government Policy on Land Transport.

Advantages of the submitted bid:

- Roading was the communities' number one priority in the pre-engagement.
- Current levels of service delivery will be maintained.
- Reduces the main risks of assets being affected by an under-investment, which could lead to further issues.
- Helps to preserve assets, sustain, and improve resilience.
- Helps to keep pace with inflation.

FINANCIAL PERFORMANCE AND MEASURES

	2023-2024 Annual Plan \$000	2024-2025 Long Term Plan \$000	2024-2025 Draft Annual Plan \$000
Operating Revenue	\$54,449	\$34,694	\$44,135
Operating Expenses	\$36,152	\$32,221	\$41,381
Operating Surplus/ (Deficit)	\$18,297	\$2,473	\$2,754

Operating Result

Council is budgeting an operating surplus of \$2.75m in the 2024-2025 Annual Plan, an increase of \$0.28 m compared to the proposed operating surplus of \$2.47m for the same year in the 2021-2031 Long Term Plan.

Operating revenue is predicted to increase by \$9.4m compared to the Long-Term Plan made up of:

- a \$4.37m increase in grants and subsidies, \$6.9m from Waka Kotahi for the increased roading programme, less \$2.2m provided in the Long-Term Plan for a new water treatment plant and intake source at Punakaiki that was assumed to be externally funded by the government,
- a \$3.5m increase in rates revenue, \$1.9m increase in general rates and \$1.75m in targeted rates, and
- \$1.57m increase in other operating revenue made up of \$0.5m rental revenue from Council's Senior Housing portfolio assumed to be continued from 2024/2025 in the Long-Term Plan and new income from leasing houses in Paparoa Way located in conjunction with the Ministry of Business and Innovation post flood, along with \$0.3m higher external interest revenue reflecting higher interest rates and higher Regulatory fees revenue from a combination of fees increases and higher levels of activity in building and resource consenting activities.






Offset by a \$9.2m increase in operating Expenditure due to:

- Predicted increases in other expenses of \$3.8m, of which \$1.6m relates to the roading programme and \$0.8m to three waters contracted and general repairs and maintenance,

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- Employee benefit expenses of \$2.0m, \$0.7m relate to the project management office made permanent subsequent to the Long-Term Plan and funded by capital project budgets not directly by rates, external funding from the Department of Internal Affairs for staff to respond to the additional workload from the proposed three waters transition, and two new roading roles as part of the increased roading programme that are 75% funded by Waka Kotahi NZTA subsidies, \$0.6m relates to the cumulative impact of higher market movements than forecast in the Long-Term Plan, along with new roles required for Council to maintain its delivery of services and compliance requirements.
- depreciation of \$1.8m, and
- finance costs \$1.4m.

Performance Measures

Financial Prudence Benchmarks		Planned	Achieved
Rates increases affordability benchmark	Planned rates increases are no more than the long run cost local government cost index increase (2.4% BERL update 2023; 2.2% in LTP).	19.7%	
Debt affordability benchmark	Planned net debt (debt less term deposits) is less than \$25m.	\$37.9m	
Balanced budget benchmark	Planned total revenue less excluded items is equal to or greater than operating expenditure less excluded items.	106.5%	
Essential services benchmark	Planned capital expenditure on network services is equal to or greater than depreciation on network services.	226.6%	
Debt servicing benchmark	Planned borrowing costs are equal or less than 10% of planned revenue.	4.9%	

- The Council predicts it will not meet the rates affordability and debt affordability benchmarks in its 2024-2025 Annual Plan.
- The Council forecast that it would meet all financial prudence measures in the Long-Term Plan except for the rate increase measure, which is forecasted to be 4.8%.
- The forecast rate increase measure has risen from 4.8% in year 4 of the 2021-2031 Long Term Plan to 19.7% in this Annual Plan. Drivers for the rate increases are:
 - The largest increase of 5.2% is due to the decision to hold the 3 Waters targeted rates in the 2023-2024 Annual Plan and running \$1.2m of deficits compared to only \$0.2m of deficits in the 2024-2025 Annual Plan,
 - Council is facing a weighted inflationary increase of around 5.6% on its costs, with local pressures over and above what is forecast by Business and Economics Research Ltd (BERL)
 - 3% relates to the Waka Kotahi – New Zealand Transport Agency work programme identified to preserve the Council's roading network and for some key safety improvements,
 - 2.5% relates to increasing depreciation and loan servicing costs relating to Council's increased capital programme and revaluations,
 - 1.5% relates to new staff roles required to meet the Council's compliance requirements and
 - 1.2% increase in 3 Waters repairs and maintenance and routine maintenance contracts.
- Forecast net debt breaches the limit set in the Long-Term Plan financial strategy by \$12.5m. The Long-Term Plan forecasts net debt to be \$23.8m on June 30th and 2025, made up of \$37.5m of external debt-less term deposits of \$13.7m. The 2024-2025 Annual Plan forecasts net debt to be \$37.9m, made up of \$45.4m of external debt, less term deposits of \$7.5m.
 - Subsequent Annual Plans saw new external debt requirements totalling \$7.9m being required.
 - The 2022-2023 Annual Plan included new loans for the Westport water trunk main extension, \$1.65 m revised down to \$1m, and the Westport Wastewater resource consent renewal and discharge upgrade, \$2.24 m revised down to \$1.8m.
 - The 2023-2024 Annual Plan saw \$1.3m of loan funding for Westport Water resilience work, an increase in Stormwater upgrades of \$1m, and the carryover loan for the Waimangaroa Water Supply treatment project of \$1.45m in the Long-Term Plan after the floods became a resilience project with loan funding of \$2m.
 - The current plan includes new external debt for Westport water supply proposed capital of \$3.8m mainly for completing the trunk main renewal project and an increase in Council's loan for share purchases in Buller Holdings Limited of \$1.6m to fund past capital investment into the Pusle Recreation Facility by BHL. These new external loans are offset by the \$1.9m loan for the Brougham House upgrade being reduced to \$0.7m funded from term deposits due to a reduction in the scope of this project, and the local re-processor plant of \$1.4m not proceeding in 2024-2025 as signalled in the Long-Term Plan.
 - Term deposits are forecast to be \$6.2m lower than the same period in the Long-Term Plan due to:
 - Utilising term deposits as internal loans to fund a forecast of \$3.7m more capital works than provided for in the Long Term Plan,

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- the decision in the 2023-2024 Annual Plan to fund \$1.75m of flood response and recovery costs out of term deposits that were not able to be funded out of the central government flood recovery funding package,
- along with the \$1.2m deficits in the three waters activities from stabilising the targeted rates in 2023-2024.

The year ahead – significant capital expenditure

We are forecasting a total capital expenditure of \$19.4 million in 2024 – 2025, a significant increase over the past two years.

The table above details \$18.1m of the total planned capital expenditure of \$19.4 m. The remaining budgeted capital expenditure of \$1.3m is across Council's business as usual functions for items that are individually planned to be less than \$100,000 for the year.

Here are some of the larger capital projects scheduled in 2024-2025.

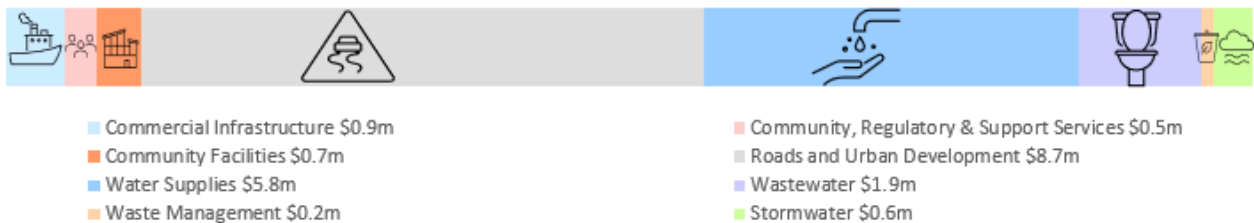
	Draft Annual Plan 2024 -2025	Funding Source
Roading		
Local Roads:		
Renewals	\$4.5m	75% Waka Kotahi subsidies 25% general rates
Karamea Highway:		
<ul style="list-style-type: none"> Renewals 	\$4.1m	100% Waka Kotahi subsidies
Water		
Westport Water		
<ul style="list-style-type: none"> Trunkmain Renewal 	\$2.9m	external loan
<ul style="list-style-type: none"> Renewals 	\$0.6m	\$0.25m depreciation
<ul style="list-style-type: none"> Backflow prevention rollout 	\$0.2m	funding \$0.75m;
<ul style="list-style-type: none"> Raw water bypass and bulk flow meters 	\$0.3m	funded from
<ul style="list-style-type: none"> Water resilience upgrade and assessments and strategies 	\$0.4m	targeted rates
Reefton Water		
<ul style="list-style-type: none"> Renewals 	\$0.3m	internal loan \$0.3m
<ul style="list-style-type: none"> Backflow prevention rollout 	\$0.1m	depreciation funding \$0.1m; funded from targeted rates
Little Wanganui Water easement for private property intake and drinking water standards compliance improvements	\$0.1m	internal loans funded from targeted rates
Mokihinui Water repairs to leaking pipes and access track, an easement for private property intake and drinking water standards compliance improvements	\$0.1m	internal loans funded from targeted rates
Waimangaroa Water security fencing and drinking water standards compliance improvements	\$0.1m	internal loans funded from targeted rates
Punakaiki Water complete chlorination and finalisation of private land access	\$0.4m	internal loans funded from targeted rates
Inangahua Junction Water main renewals and generator	\$0.1m	internal loans funded from targeted rates
Wastewater		
Westport Sewer renewals and upgrades	\$1.3m	internal loan \$0.8m depreciation funding \$0.5m; funded from targeted rates

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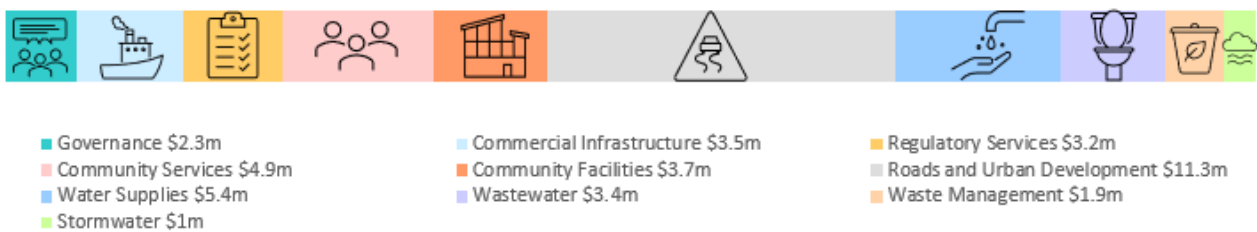
Reefton Sewer renewals and upgrades	\$0.5m	internal loan \$0.4m depreciation funding \$0.1m; funded from targeted rates
Stormwater		
Stormwater Upgrades and Replacements	\$0.6m	external loan \$0.3m depreciation funding \$0.3m; funded from general rates
Solid Waste		
Contracted Refuse (litter bins and transfer stations)	\$0.2m	Depreciation funding funded from general rates
Community Facilities		
Civil Defence EOC upgrade investigations	\$0.2m	depreciation funding funded by general rates
Sue Thomson Casey Memorial Library exterior repaint	\$0.2m	depreciation funding funded from general rates
Commercial Infrastructure		
Kawatiri Dredge DOP pump installation and engine upgrades	\$0.8m	Self-funding
Total externally funded	\$7.5m	includes Waka Kotahi subsidies
Total Council funded	\$10.5m	
Total Significant Capital	18.1m	

Where the money goes

Capital Expenditure - to purchase or create assets



Operational Expenditure – the costs of providing ongoing services



Funded by Rates – how much rates contribute to each activity



■ Governance \$1.9m	■ Regulatory Services \$1.6m	■ Community Services \$3.8m
■ Community Facilities \$1.7m	■ Roads and Urban Development \$2.4m	■ Water Supplies \$5.1m
■ Wastewater \$3.3m	■ Waste Management \$1.5m	■ Stormwater \$0.9m

Changes in the district rates

The total general and targeted rates budgeted increase is 14.9% higher than for the same year in the Long Term Plan, with an overall predicted 2024-2025 Annual Plan increase of 19.7%.

General rates are proposed to increase by 16.7%. Council collects its general rates revenue through a mix of a Uniform Annual General Charge (UAGC) that is a fixed amount per rating unit, with the remainder collected by a variable rate assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use and the activities that are permitted for the area in which the land is situated as per the District Plan.

Council proposes to lift the UAGC from the current rate of \$550 including GST to \$580 including GST from 1 July 2024 an increase of 5.5%. Increases in the UAGC impact more on lower value properties overall rates increases.

The differential charges are proposed to increase by 20.4%, as this is based on land value increases in these rates impact more on higher value properties overall rates increases.

Targeted rates for Water Supply schemes are facing proposed increases of between 0% for Ngakawau-Hector, 18% for Reefton up to 30% or Mokihinui, with the remaining schemes looking at around a 20-24% increase.

Targeted rates to Wastewater Disposal schemes have proposed increases of 2% Westport, 5% Reefton and 7% Little Wanganui.

Targeted rates for Waste Management schemes have proposed increases of 12% Zone 1, 0% Zone 2 (Karamea) and 22% Zone 3 (Mariaua).

As illustrated by the below sample of properties the impact of the rates increases and how they impact individual properties total rates increase depends on a number of factors such as where a property is situated, their land value, and what services they receive from Council.

The below properties show a range of proposed increases from 9.32% for a residential property in Karamea with a land value of \$145,000 through to 18.88% for a rural property in Mai Mai with a land value of \$1,500,000.

Examples of rate changes

These are a sample of some properties to demonstrate how the draft 2024-2025 Enhance Annual Plan changes will affect rates in these areas. 2023/2024 rates are what is currently being paid, with the rates for 2024/2025 showing what rates are proposed to be and the change in dollar and percentage terms for each property

Location	Land Value	Rates including GST		Variation	
		2023/2024	2024/2025	\$	%
Res 101 Karamea	\$145,000	\$995	\$1,087	\$93	9.32%
Res 103 Little Wanganui	\$125,000	\$2,249	\$2,481	\$232	10.32%
Res 103 Mokihinui	\$90,000	\$1,354	\$1,567	\$214	15.78%
Res 103 Seddonville	\$70,000	\$928	\$1,020	\$92	9.91%
Res 104 Hector	\$110,000	\$1,382	\$1,494	\$112	8.08%
Res 104 Waimangaroa	\$80,000	\$2,037	\$2,350	\$313	15.37%
Res 106 Brougham Street	\$106,000	\$3,861	\$4,389	\$528	13.67%
Res 106 Russell Street	\$104,000	\$3,844	\$4,368	\$524	13.64%
Res 108 Carters Beach	\$160,000	\$3,776	\$4,286	\$510	13.52%

BULLER DISTRICT COUNCIL | Consultation Document for the Enhanced Annual Plan 2024/25

Res 113 Charleston	\$136,000	\$1,229	\$1,382	\$153	12.48%
Res 114 Punakaiki	\$290,000	\$3,246	\$3,806	\$560	17.25%
Res 101 Ikamatua	\$74,000	\$884	\$967	\$83	9.38%
Res 115 Reefton	\$100,000	\$3,026	\$3,393	\$367	12.14%
Res 101 Springs Junction	\$85,000	\$1,032	\$1,165	\$134	12.96%
Com 131 Karamea	\$300,000	\$4,865	\$5,749	\$884	18.17%
Com 134 Westport	\$265,000	\$13,204	\$15,641	\$2,438	18.46%
Com 140 Reefton	\$195,000	\$4,771	\$5,495	\$724	15.18%
Rur 141 Karamea	\$860,000	\$3,859	\$4,538	\$678	17.58%
Our 143 Cape Foulwind	\$1,030,000	\$3,621	\$4,248	\$627	17.32%
Rur 141 Mai Mai	\$1,500,000	\$6,260	\$7,441	\$1,182	18.88%
RR 151 Karamea	\$290,000	\$1,653	\$1,880	\$227	13.75%
RR 152 Grantly	\$149,000	\$1,203	\$1,352	\$148	12.31%
RR 151 Westport	\$240,000	\$1,527	\$1,741	\$214	14.03%
RR 152 Westport	\$275,000	\$1,428	\$1,637	\$209	14.67%

RATE INCREASES

	2023-2024 Annual Plan \$000	2024-2025 Long Term Plan \$000	2024-2025 Draft Enhanced Annual Plan \$000
Total rates	\$18,755	\$18,836	\$22,452
Rateable properties	7,525	7,517	7,566
Average rates	\$2,492	\$2,506	\$2,967
Rate movements	+9.5%	+4.8%	+19.1%

Note:

- The annual average rate is the sum of the general and targeted rates divided by the number of ratepayers.
- There will be properties that pay less and others that pay more, depending on the services they receive.
- Total forecast rates revenue to be collected increased by 19.7%, but the increase in average rates per property is lower due to growth in the number of rateable properties.

Understanding your rates

Rates assessment

Rates assessments consist of two types of rates: general rates and targeted rates.

General rates

Everybody pays a general rate, which is based, first, on the land value of their property. General rates are value-based, and the amount payable rises in accordance with the land value. General rates are also affected by the use category defined for each property. Some categories pay higher rates, and some pay lower rates.

Targeted rates

Targeted rates are payable by properties in a certain geographical area or those deemed to be in receipt of a particular benefit. They can be calculated on a value basis or a uniform basis. All of the Council's targeted rates are calculated uniform or flat, 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 applies 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).

Have your say

We are seeking submissions.

The Council wants to hear your thoughts about our draft Enhanced Annual Plan. The council's draft plan and consultation document are available for public consideration from Friday, April 12, with submissions being accepted until 4:30 p.m. Monday, May 20.

During the consultation period, there are several ways to learn more about the draft plan and give us your feedback.

- Drop-in sessions will be held throughout the district.
- Read the consultation document and the draft plan online at www.bullerdc.govt.nz.
- Consultation documents and submission forms can be collected from the Council's offices and libraries in Westport and Reefton, as well as i-Sites and Resource Centres across the district.
- You can request that the documents be sent by emailing submissions@bdc.govt.nz or calling us.
- You can complete your submission online.
- You can talk to your elected members about the draft plan. Councillors' contact details are available at www.bullerdc.govt.nz.

Key dates for the Enhanced Annual Plan 2024/25

- Submissions open Friday, April 12, 2024
- Submissions close at 4:30 pm Monday, May 20, 2024
- The hearings will be held on May 30-31. If you indicated 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 - This is an opportunity to provide additional information to Councillors.
- Deliberations will be held from June 5 to June 6. Councillors will consider all submissions and make any necessary changes to the draft EAP.
- Enhanced Annual Plan will be adopted on June 26, 2024
- The document will come into effect from July 1, 2024

What about fees and charges?

We have completed our annual review of fees and charges and are proposing some changes for 2024-2025. To view the draft and provide feedback, please go to www.bullerdc.govt.nz.

Supporting information

Draft Enhanced Annual Plan 2024/25

Supporting information is available at Council facilities in Westport and Reefton, as well as the Sue Thomson Casey Memorial Library in Westport, the DoC Visitor Centre in Punakaiki, the Karamea Information Centre, and the Northern Buller Resource Centre

Buller District Council

Westport Office

4-6 Brougham Street,
PO Box 21, Westport 7866
New Zealand
Freephone 0800 807 239
Phone 03 788 9111
Email info@bdc.govt.nz

Reefton Visitor and Service Centre

66 Broadway, PO Box 75,
Reefton 7851, New Zealand
Freephone 0800 808 821
Phone 64 3 732 8821

Sue Thomson-Casey Memorial Library

87-89 Palmerston Street,
Westport 7825, New Zealand
Phone 64 3 788 8030
bullerdc.govt.nz

We are seeking submissions and want your feedback.

Our Draft Enhanced Annual Plan 2024/25 is the guiding document for our district over the next financial year, and we want your feedback during the consultation period.

BULLER DISTRICT COUNCIL

EXTRAORDINARY MEETING

10 APRIL 2024

AGENDA ITEM 4

Prepared by: Eric de Boer.
Manager Infrastructure Delivery

Reviewed by: Michael Duff
Group Manager Infrastructure Services

Attachments: 1. Zone 1 Rubbish Collection Statement of Proposal – April 2024
2. Council Report 13 December 2023

ZONE 1 RUBBISH COLLECTION – STATEMENT OF PROPOSAL & SPECIAL CONSULTATIVE PROCEDURE

1. REPORT PURPOSE

The purpose of this report is to seek approval of the Zone 1 Rubbish Collection Statement of Proposal (refer Attachment 1) and to then undertake a Special Consultative Procedure as required under the Local Government Act 2002, which allows Zone 1 residents to provide their feedback for the proposed options.

2. REPORT SUMMARY

The report provides a summary of the options considered in the Statement of Proposal and what would be consulted via the Special Consultative Procedure. The report also includes background from the previous consultation process held in August and September 2023 and the decision made by Council in December 2023 to reconsult with the community.

3. DRAFT RECOMMENDATION

That Council:

- 1. Receives the report and attachments.**
- 2. Approves the Zone 1 Rubbish Collection Statement of Proposal in order to consult with the community.**

3. Approves the Zone 1 Rubbish Collection Special Consultative Procedure to proceed between April and May 2024.

4. CONTEXT

4.1 Background

Rubbish collection services in Buller Zone 1 are currently offered via a private commercial operation managed and operated by Smart Environmental. The services are provided using a Pay As You Throw (PAYT) model using either 60 litre rubbish plastic bags or a private wheelie bin service on a periodic basis.

The official refuse bags are currently sold for \$9.10 including GST. The current contract for waste management services with Smart Environmental Limited has been extended until 30 June 2025.

Council has previously completed a consultation process in August and September 2023. The outcomes and resolutions are set out in the report to Council December 2023 (refer Attachment 2).

4.2 Statement of Proposal

The Statement of Proposal outlines how Council is proposing changes to the way that household rubbish collection services are delivered and funded in Zone 1 from 1 July 2025.

All costs presented in the Statement of Proposal are in 2023/24 financial year figures to allow an accurate comparison of options in today's pricing. They will be subject to change when implemented in 2025.

There are four options to consider through the consultation:

- Option 1** Status Quo - Private sector provides a weekly pre-paid bag and wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.
- Option 2** Private sector provides wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.
- Option 3** Council, through a private contractor provides a fortnightly wheelie bin collection with a single 120 litre bin size, PAYT. Council sets pricing and charges for the service (each household will receive a 120-litre wheelie bin).

- Option 4** Council, through a private contractor provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres. Council sets rate for each bin size and charges via targeted rate (each household will receive a 120-litre wheelie bin unless they opt for a different size).

5. SCENARIOS

There are two basic scenarios available to Council:

1. Approve the Zone 1 Rubbish Collection Statement of Proposal and undertake a Special Consultative Procedure during April and May 2024, noting this aligns with the previous Council resolution to reconsult with the community on the number of options with cost estimates. **This is recommended.**

OR

2. Not approve the Zone 1 Rubbish Collection Statement of Proposal or to undertake a Special Consultative Procedure during April and May 2024, noting this would defer consultation until next year's Long Term Plan and the current waste services contract would need further extension beyond current expiry of 30 June 2025. **This is not recommended.**

6. CONSIDERATIONS

6.1 Strategic Impact

Section 42 of the Waste Minimisation Act 2008 establishes that a territorial authority must promote effective and efficient waste management and minimisation within its district for the direct benefit of the rate payer.

Section 52 of the Waste Minimisation Act 2008 establishes that a territorial authority may undertake, or contract for, any waste management and minimisation service, facility, or activity (whether the service, facility, or activity is undertaken in its own district or otherwise).

The Long Term Plan 2021-2031 requires Council to continue providing solid waste activities for the collection, transfer and final disposal of waste materials generated by households and businesses within the district.

The Regional Waste Minimisation and Management Plan 2018 – 2024, adopted by the three West Coast Councils in 2018, sets out how the Councils will progress work more collaboratively to ensure an efficient and effective regime of waste management and minimisation across the West Coast Region.

6.1 Significance Assessment

The proposal for change has high significance to the local residents and will be consulted upon as part of the Local Government Act 2002 requirements.

6.2 Risk Management Implications

There are cost impacts on residents due to the change in service levels for rubbish collection. Council needs an effective mechanism to mitigate the impacts of the ongoing increases in the cost of waste management and recycling services in the Buller District.

There are a range of views within the community regarding the best way to deliver and fund rubbish collection services. This means that there may not be an option that will fully address every concern raised through the consultation process.

6.3 Values

Provision of appropriate solid waste and recycling collection services aligns with Council's legal requirements.

6.4 Policy / Legal Considerations

Waste management services contract must be in accordance with the Waste Minimisation Act 2008 and the proposed waste management model of services must be approved and adopted by Council before it can be consulted on. The Special Consultative Procedure will be undertaken in accordance with Section 83 of Local Government Act 2002.

6.5 Tangata Whenua Considerations

Outside of established Council Iwi engagement processes, no further consultation on the Statement of Proposal has been undertaken.

6.6 Views of Those Affected

Under of the Local Government Act 2002 there is a statutory requirement that community consultation be undertaken in accordance with Section 83 (Special Consultative Procedure). All requirements to date have been met including providing an opportunity for submitters to present their views.

6.7 Costs

Costs estimates have been provided for each of the options based on metrics across other districts in New Zealand. Future cost impacts will be considered at all stages of the procurement planning process. Once a preferred supplier has been selected, the costs will be included in the subsequent Long Term Plans and Annual Plans.

6.8 Benefits

The selection of an appropriate rubbish collection service for Zone 1 will provide an appropriate level of service for those residents.

6.9 Media / Publicity

This proposal and consultation process may attract high public interest and media attention. An appropriate Communication Plan will provide appropriate channels for media and publicity management.



ZONE 1 RUBBISH COLLECTION
CONSULTATION
STATEMENT OF PROPOSAL - APRIL 2024

To be implemented from 1 July 2025

Buller District Council

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1 The current situation in zone one

1.1 Background

Under the requirements of the Waste Minimisation Act 2008 Buller District Council must promote effective and efficient waste management and minimisation within the District. This is achieved by:

- Having a Regional Waste Minimisation and Management Plan.
- Providing a rubbish and recycling collection for zone one households in Westport and Reefton.
- Providing for a rubbish and recyclable materials drop off at transfer stations in Westport and Reefton and at Maruia and Karamea small landfills.

This proposal applies only to the rubbish collection service for households in zone one. Zone one covers Westport, the areas from Westport to the North until Mōkihinui Bridge, including Seddonville, Granity and Waimangaroa, Cape Foulwind, Charleston, Fox River and Punakaiki to the South and Buller Gorge Road, Inangahua, Reefton, Blackball, Ikamatua to the East.

The current waste management level of service offered in zones two and three are not proposed to change.

1.2 Current kerbside rubbish collection service in zone one

A kerbside rubbish collection service is currently offered via a private commercial operation managed and operated by Smart Environmental Ltd. The service is a Pay As You Throw (PAYT) model using either 60 litre official rubbish bags or a private wheelie bin service on a periodic basis. The official rubbish bags are currently sold for \$9.10 incl. GST. Bin costs vary depending on the bin size and collection frequency and the prices are set by Smart Environmental Ltd. This service is self-funding and not subsidised by Council.

1.3 Current kerbside recycling collection service in zone one

A kerbside recycling collection service is currently provided using a 240L recycling bin and a 45L glass crate, funded by Council via the waste management rate currently at \$178 incl. GST per annum. The service is delivered by Smart Environmental Ltd on behalf of the Council. The kerbside recycling collection system in zone one is not proposed to change.



Image of existing bags and recycling containers.

1.4 Transfer stations and landfills

Transfer stations located at Westport and Reefton accept rubbish and recyclable materials. The public can also drop off rubbish and some recyclable material at Karamea landfill and Maruia landfill.

Rubbish from zone one households in Westport and Reefton is transported to Nelson's York Valley Landfill. Recyclable materials are transported to the materials recovery facility operated by Smart Environmental Ltd in Westport, they are then sorted into different products and transported to markets around the country and abroad.

2. Drivers for change

2.1 Issues and how we propose to resolve them

A number of issues were identified and presented to Council in July 2023, which suggest it is timely to make a change to kerbside household collections:

- The waste collection sector is moving away from bags to wheelie bins for health and safety reasons. Wheelie bins reduce the risk of infection from waste and manual handling injuries.
- The Ministry for the Environment has announced the standardisation of household collection services focussed on recyclable materials and food waste.
- There is ongoing illegal dumping across the District and providing a consistent service for all households is anticipated to reduce illegal dumping.
- By controlling services, Council is able to invest on behalf of the community to capture more materials for recycling and recovery.
- By providing a universal household collection service to the specified areas of the Buller District, Council is able to manage costs for each household.

2.2 Zone 1 Rubbish Collection Consultation 2023

Council agreed at its July 2023 meeting to consult with the community on a proposed change in the delivery of Zone 1 Rubbish Collection. The consultation took place from 7 August to 8 September 2023 and proposed four key changes:

1. A shift from using 60 litre rubbish bags to having a 120 litre wheelie bin provided by Council.
2. Mandatory rubbish and recycling collection.
3. Changing from weekly to fortnightly rubbish collection.
4. Paying for rubbish and recycling collection through rates (rather than buying rubbish bags) i.e. a targeted universal rate charge.

Written and oral submissions highlighted a range of views from the community including some supporting a shift to collection of rubbish in wheelie bins, concerns about a shift away from the current 'pay as you throw' approach, concerns about making rubbish collection mandatory and few specific comments about Council delivering the rubbish collection through a third party.

The consultation resulted in a range of submissions and public views and feedback on the proposal. Overall, 73% of the submitters were opposed to the proposal.

2.3 Decision to reconsult

The outcomes of the consultation and subsequent options and scenarios were presented in a report to Council on 13 December 2023. The first decision Council needed to make was whether to maintain the delivery of Zone 1 Rubbish Collection through the private sector (which is the status quo), or for Council to take over to provide the service via a delivery contractor. The second decision was whether to continue with a bag collection or to introduce wheelie bins. The third decision was whether to introduce the new service without further community consultation, to reconsult with the community on the recommended options using estimated costs or to reconsult with the community using tender prices.

At the December 2023 meeting, Council resolved to select four options to consult on for the Zone 1 Rubbish Collection. Two of which were to be private sector driven (Option Status Quo and Option 1B) the other two options were Council driven (Option 2B and Option 2E).

The council December 2023 meeting agenda can be found at:

<https://bullerdc.govt.nz/media/gjxnb235/231213-council-agenda-public.pdf>

Council resolved to reconsult with the community on the recommended options using estimated costs.

3. The proposal

Council is proposing changes to the way that rubbish collection services are delivered and funded in zone one from mid-2025. All costs presented in this statement of proposal are in 2023/24 financial year figures to allow an accurate comparison of options using today's pricing. They will be subject to change when implemented in 2025.

There are four options to consider through this consultation:

- Option 1 -** Status Quo - Private sector provides a weekly pre-paid bag and wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.
- Option 2 -** Private sector provides a fortnightly wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.
- Option 3 -** Council, through a private contractor provides a fortnightly wheelie bin collection with a single 120 litre bin size, PAYT. Council sets pricing and charges for the service (each household will receive a 120 litre wheelie bin).
- Option 4 -** Council, through a private contractor provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres. Council sets rate for each bin size and charges via targeted rate (each household will receive a 120 litre wheelie bin unless they opt for a different size).

The above options do not include the current recycling rate of \$178, - incl GST as of 2023/24 financial year. The options have been estimated in today's dollars for the purposes of consultation on a comparison between differing levels of service for rubbish collection. The recycling rate will continue to be in addition to these costs.

The option Council decides on will be rolled out for all Zone 1 Rubbish Collection. The table below provides the cost estimates, advantages and disadvantages of each option:

Table 1: Consultation options

Service delivered via Private Commercial Operator		Service provided by Council, via a contractor	
Option 1 – Status Quo - Private sector provides a weekly pre-paid bag and wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.	Option 2 – Private sector provides a fortnightly wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.	Option 3 – Council, through a private contractor provides a fortnightly wheelie bin collection with a single 120 litre bin size, PAYT. Council sets pricing and charges for the service.	Option 4 – Council, through a private contractor provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres. Council sets rate for each bin size and charges via targeted rate.
<p>Current cost to the ratepayer:</p> <p>Bags \$9.10 per 60 litre bag \$236.60 per annum (for one 60 litre bag per fortnight) \$473.20 per annum (for one 60 litre bag per week) \$946.40 per annum (for two 60 litre bags per week)</p> <p>120 litre wheelie bin \$28.50 per pick up \$741.00 per annum (collected fortnightly)</p> <p>240 litre wheelie bin \$39.30 per pick up \$1,021.80 per annum (collected fortnightly)</p>	<p>Estimated cost to the ratepayer:</p> <p>120 litre wheelie bin \$24.50 per pick up \$637 per annum (collected fortnightly)</p> <p>240 litre wheelie bin \$34.50 per pick up \$897 per annum (collected fortnightly).</p>	<p>Estimated cost to the ratepayer:</p> <p>120 litre wheelie bin \$17.00 per pick up \$442.00 per annum (collected fortnightly)</p>	<p>Estimated cost to the ratepayer:</p> <p>80 litre wheelie bin \$245 per annum (collected fortnightly)</p> <p>120 litre wheelie bin \$295 per annum (collected fortnightly)</p> <p>240 litre wheelie bin \$435 per annum (collected fortnightly)</p>

Service delivered via Private Commercial Operator		Service provided by Council, via a contractor	
<p>Option 1 – Status Quo - Private sector provides a weekly pre-paid bag and wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.</p>	<p>Option 2 – Private sector provides a fortnightly wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.</p>	<p>Option 3 – Council, through a private contractor provides a fortnightly wheelie bin collection with a single 120 litre bin size, PAYT. Council sets pricing and charges for the service.</p>	<p>Option 4 – Council, through a private contractor provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres. Council sets rate for each bin size and charges via targeted rate.</p>
<p>Advantages Users only pay for what they use, via pre-purchased bags, bin tags payment methods can be introduced by the contractor.</p> <p>Wheelie bins can allow fortnightly collection instead of weekly, this will be defined by the contractor to optimise the delivery service.</p> <p>Households that minimise waste (produce less than one bag per fortnight) will pay less.</p> <p>Disadvantages Households are required to purchase pre-paid rubbish bags or arrange for a wheelie bin service from a private contractor.</p> <p>Price per household is likely to be higher for PAYT compared to Targeted Rate funded service for the higher users and rubbish generators.</p> <p>Increased illegal dumping risks if Contractor-set pricing too high.</p>	<p>Advantages Users only pay for what they use, via pre-purchased bin tags.</p> <p>Wheelie bins can allow fortnightly collection instead of weekly.</p> <p>Improved H&S and environmental containment versus current rubbish bags.</p> <p>Disadvantages Households are required to arrange for a wheelie bin service from a private contractor.</p> <p>Price per household is likely to be higher for PAYT compared to Targeted Rate funded service.</p> <p>Price per household is likely to be higher for a weekly collection compared to a fortnightly collection.</p> <p>Increased illegal dumping risks if Contractor-set pricing too high.</p>	<p>Advantages Users only pay for what they use, via pre-purchased bin tags.</p> <p>Each household will receive a 120 litre wheelie bin).</p> <p>Wheelie bins can allow fortnightly collection.</p> <p>Improved H&S and environmental containment versus current rubbish bags.</p> <p>Disadvantages Upfront Council establishment and ongoing administration costs as well as the management for collection services.</p> <p>Service inefficiency as routes operate regardless of collection quantity.</p> <p>Price per household is likely to be higher for PAYT compared to Targeted Rate funded service.</p> <p>Higher collection costs may result in illegal dumping.</p>	<p>Advantages Several bin size options available (80L, 120L, 240L) and potential for optimised cost structures.</p> <p>Each household will receive a 120 litre wheelie bin unless they opt for a different size.</p> <p>Households that minimise waste can opt for a smaller bin at a lower cost.</p> <p>The availability of a refuse bin for residents with regular pick-up times, that is already charged for via rates, is likely to lead to a more appropriate disposal of waste and may potentially reduce illegal dumping.</p> <p>Improved H&S and environmental containment versus current rubbish bags. Households do not need to purchase pre-paid rubbish bags or arrange for a wheelie bin service from a private contractor.</p> <p>Price per household is likely to be lower for fortnightly collection compared to weekly collection.</p> <p>This is a common approach across New Zealand.</p>

Service delivered via Private Commercial Operator		Service provided by Council, via a contractor	
<p>Option 1 – Status Quo - Private sector provides a weekly pre-paid bag and wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.</p>	<p>Option 2 – Private sector provides a fortnightly wheelie bin collection via PAYT. Contractor sets pricing and charges for the service.</p>	<p>Option 3 – Council, through a private contractor provides a fortnightly wheelie bin collection with a single 120 litre bin size, PAYT. Council sets pricing and charges for the service.</p>	<p>Option 4 – Council, through a private contractor provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres. Council sets rate for each bin size and charges via targeted rate.</p>
<p>Households are likely to minimise the number of times they put their bin or bag out, potentially resulting in smelly rubbish.</p> <p>If pre-paid tags are used for wheelie bins, some may get stolen.</p> <p>Bag collections result in more health and safety issues for the contractor.</p> <p>Service inefficiency as routes operate regardless of collection quantity.</p>	<p>Households are likely to minimise the number of times they put their bin out, potentially resulting in smelly rubbish. If pre-paid tags are used for wheelie bins, some may get stolen.</p> <p>Service inefficiency as routes operate regardless of collection quantity.</p>	<p>Households are likely to minimise the number of times they put their bin out, potentially resulting in smelly rubbish. If pre-paid tags are used for wheelie bins, some may get stolen.</p> <p>Council needs to account for the procurement of wheelie bins. This cost will need to be recovered either over the life of the bins or the life of the contract.</p>	<p>Disadvantages</p> <p>Upfront Council establishment and ongoing administration costs as well as the management of the collection services.</p> <p>Not a user pays model, Council rates paid regardless of service level required or used.</p> <p>No cost incentive to minimise household rubbish disposal within bin size capacity.</p> <p>Landlords will pay for their tenant's rubbish collection and may pass this on through an increase in rent.</p> <p>Council needs to account for the procurement of wheelie bins. This cost will need to be recovered either over the life of the bins or the life of the contract.</p> <p>Illegal dumping may still continue from some sectors of the community.</p>

4. Have Your Say

The Local Government Act 2002, requires councils to consult with residents and affected parties on significant changes to levels of service.

This means that council seek community views about the proposed changes to the Zone 1 Rubbish collection through a public consultation before any final decisions are made. Anyone can give feedback on the proposal including individuals, organizations, and businesses.

Community feedback opens Friday, 12 April 2024 and closes at 4.30pm on Monday 13 May 2024. Late submissions will not be considered.

People can give their feedback by:

- Completing an online submission form.
- Completing a hard copy submission form.

There will be an opportunity to talk in support of your submission at a Council hearing, which is still to be scheduled. Only proposals submitted completing the online submission form or the hard copy submission will be considered.

To find out more, go to <https://bullerdc.govt.nz/have-your-say/new-waste-management-system-2025/> (To be updated by 12th April 2024)

BULLER DISTRICT COUNCIL**13 DECEMBER 2023****AGENDA ITEM: 05**

- Prepared by** - Eric de Boer
- Manager Infrastructure Delivery
- Reviewed by** - Michael Duff
- Group Manager Infrastructure Services
- Attachments** - Attachment 1. Submission Analysis Report
- Attachment 2. Summary of Oral Submissions

ZONE 1 RUBBISH COLLECTION – LEVEL OF SERVICE CONSULTATION, OPTIONS AND PROPOSED NEXT STEPS

1. REPORT PURPOSE

The report summarises the community consultation process conducted from August to September 2023. It also provides a review of the various service level options available to Council and sets out a series of potential scenarios to determine the most appropriate way forward in order to determine and select the rubbish collection service for Zone 1 households.

2. REPORT SUMMARY

The consultation undertaken in August and September 2023 proposed a change from the current private weekly 'Pay As You Throw' (PAYT) service using rubbish bags and privately contracted wheelie bins to a fortnightly, rates funded 120 litre wheelie bin collection service for Zone 1 households.

The consultation resulted in a range of submissions and public views and feedback on the proposal. 73% of the submitters were opposed to the proposal. There remain a range of other options available to Council to provide rubbish collection services across Zone 1.

Through an options selection model the primary and most significant decision is whether to maintain the delivery of rubbish collection services through the private sector (which is the status quo), or for Council to take over to provide the service via a delivery contractor.

- Option 1 – Private Sector Service (status quo)
- Option 2 – Council Service

There are several sub-options identified in the selection model, which further refine the level of service.

Option 1	Private Sector Service	Funding Mechanism
Option 1-A	Private Sector provides bag collection	PAYT – Contractor sets pricing
Option 1-B	Private Sector provides wheelie bin collection	PAYT – Contractor sets pricing
Option 2	Council Service	Funding Mechanism
Option 2-A	BDC provides a Weekly bag collection	PAYT – Council sets pricing
Option 2-B	BDC provides a fortnightly wheelie bin collection with a single 120 litre bin size	PAYT – Council sets pricing
Option 2-C	BDC provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres	PAYT – Council sets pricing
Option 2-D	BDC provides a fortnightly wheelie bin collection with a single 120 litre bin size	Targeted Rate– Council sets pricing
Option 2-E	BDC provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres	Targeted Rate– Council sets pricing

Staff have reviewed the above options and considered these in context of sector direction and community feedback and recommend the following suite to move forward for consultation:

Recommended Options to Reconsult		
Option 1-B	Private Sector provides wheelie bin collection	PAYT – Contractor sets pricing
Option 2-B	BDC provides a fortnightly wheelie bin collection with a single 120 litre bin size	PAYT – Council sets pricing
Option 2-E	BDC provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres	Targeted Rate– Council sets pricing

In terms of process to move forward, staff have identified three scenarios available for Council to consider:

Scenarios to Proceed		
Scenario 1	Select Level of Service option 1-B Private Sector provides wheelie bin collection PAYT and implement now.	Not recommended
Scenario 2	Reconsult with the community on recommended options using estimated costs.	Recommended Scenario
Scenario 3	Reconsult with the community on recommended options using tender prices.	Not recommended

It is recommended that Council selects Scenario 2 and consults with the community prior to obtaining tendered pricing. Then at the conclusion of that consultation process decides whether to proceed to market for tendered pricing.

3. DRAFT RECOMMENDATION

That the Council:

- 3.1 Receives the report and attachments.**
- 3.2 Approves the recommended options (1-B, 2-B and 2-E) to reconsult with the community.**
- 3.3 Approves Scenario 2 as the recommended process to reconsult with the community based on estimated costs, not tender prices.**
- 3.4 Delegate authority to the Chief Executive Officer to approve the public consultation process and documentation in relation to the recommendations above.**

4 CONTEXT

The current contract for waste minimisation and management services in Buller comes to an end in February 2024 (this is in progress to be extended to mid-2025). Council has to date worked with Grey District Council and Westland District Council to look at a potential for delivering consistent household collection and transfer station services across the West Coast into the future. This is anticipated to make delivery of services more efficient and increase the resilience of service delivery. A number of issues were identified and presented to Council in July 2023, which suggest it is timely to make a change to household collections:

- The waste collection sector is moving away from bags to wheelie bins for health and safety reasons.
- The Ministry for the Environment has announced the standardisation of household collection services focussed on recyclable materials and food waste.
- There is ongoing illegal dumping across the District and providing a consistent service for all households is anticipated to reduce illegal dumping.
- By controlling services, Council is able to invest on behalf of the community to capture more materials for recycling and recovery.
- By providing a universal household collection services to the specified areas of the Buller District, Council is able to manage costs for each household.

As a result, Council agreed at its July 2023 meeting to consult with the community on a change in the delivery of waste management services. The consultation took place from 7 August to 8 September 2023 and proposed four key changes:

1. A shift from using 60 litre rubbish bags to having a 120 litre wheelie bin provided by Council.
2. Mandatory rubbish and recycling collection.
3. Changing from weekly to fortnightly rubbish collection.
4. Paying for rubbish and recycling collection through rates (rather than buying rubbish bags) i.e. a targeted universal rate charge.

Written and oral submissions highlighted a range of views from the community including some supporting a shift to collection of rubbish in wheelie bins, concerns about a shift away from the current 'pay as you throw' approach, concerns about making rubbish collection mandatory and little specific comments about Council delivering the rubbish collection through a third party.

The outcomes of the consultation and decision to hear submissions were presented in a report to the Regulatory and Hearings Committee on 11 October 2023. The hearings also took place on 11 October 2023.

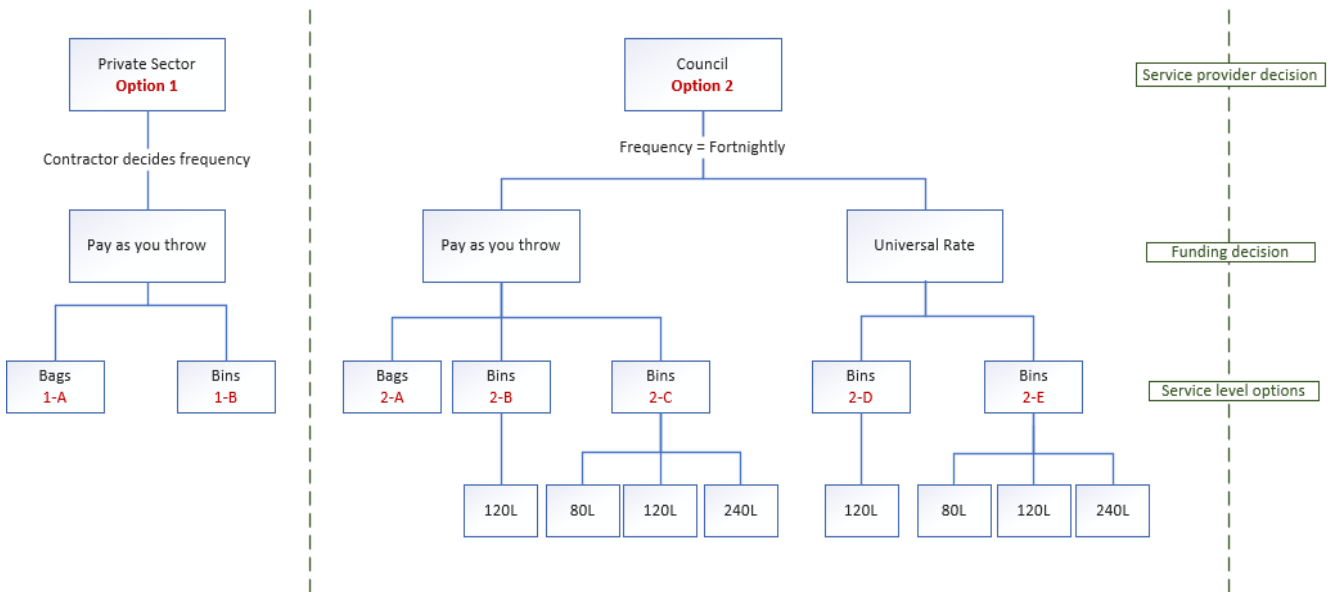
The details of the hearings were discussed at a subsequent workshop with Councillors on 1 November 2023 and staff agreed to bring a report to Council outlining the next steps including level of service options and scenarios to achieve the right rubbish collection service for Zone 1 households.

5 THE OPTIONS AVAILABLE TO COUNCIL

The Council has several service level options available to it in order to deliver rubbish collection across Zone 1.

A primary decision is whether to maintain the status quo and deliver the rubbish collection services through the private sector or for Council to deliver the service.

- Option 1. Status quo. The private sector delivering a rubbish collection service using bags or wheelie bins.
- Option 2. Council delivering a rubbish collection service through a delivery contractor using wheelie bins either rates funded or pay as you throw.



Option 1: Private Sector provides rubbish collection services.

The Private Sector provides rubbish collection services across Zone 1 (Option 1). Within this option stream there are the following sub-options:

Option	Description	Funding Mechanism
Option 1-A	Private Sector provides bag collection	PAYT – Contractor sets pricing
Option 1-B	Private Sector provides wheelie bin collection	PAYT – Contractor sets pricing

If the private sector is chosen to deliver the waste services, it is in effect a version of status quo. If that is the selected option to move forward, Council can act on any feedback from the community and inform the contractor to provide either bags or wheelie bins via its tender process.

Option 2: Council provides rubbish collection services.

This stream of options sees a shift to Council providing rubbish collection services across Zone 1 (Option 2) via a collection contractor. Within this option stream there are the following sub-options:

Option	Description	Funding Mechanism
Option 2-A	BDC provides a weekly bag collection	PAYT – Council sets pricing
Option 2-B	BDC provides a fortnightly wheelie bin collection with a single 120 litre bin size	PAYT – Council sets pricing
Option 2-C	BDC provides a fortnightly wheelie bin collection with a several different litre bin size, i.e. 80 litres, 120 litres or 240 litres	PAYT – Council sets pricing
Option 2-D	BDC provides a fortnightly wheelie bin collection with a single 120 litre bin size	Targeted Rate– Council sets pricing
Option 2-E	BDC provides a fortnightly wheelie bin collection with a several different litre bin size, i.e. 80 litres, 120 litres or 240 litres	Targeted Rate– Council sets pricing

Who will deliver rubbish collection?

Where the private sector delivers rubbish collection key features include:

- The individual companies set the pricing.
- In Westport / Reefton the size of the market means there is limited competition.
- The private sector is unlikely to provide recycling services without Council funding.

Where Council delivers the rubbish collection service through a delivery contractor, key features include:

- Council sets the pricing.
- Council can control the quality of service through contract terms and management.
- Rubbish collection can be managed alongside recycling services.

Drawing on Councillor's workshop deliberations on 1st November 2023, on balance, it would appear that Council delivering rubbish collection through a contractor is the preferred option, allowing Council to directly control pricing and quality.

How will rubbish be collected?

Rubbish collection using bags has the following features:

- Adopting a 'Pay As You Throw' approach is relatively straightforward through selling bags and is understood by the user.
- Bag collections are less safe with repetitive manual handling and movement of collection staff in a live traffic environment.
- There is no direct control on capacity, with residents free to buy multiple bags if they want to.
- Bags can be damaged by animals while waiting on collection, resulting in litter.
- Bags need to be carried to the kerbside for collection.
- Bags are typically collected weekly.
- Bags are not strongly supported by the market moving forward and will attract a high tender costs or perhaps no tenders at all.

Rubbish collection using wheelie bins has the following characteristics:

- Adopting a 'Pay As You Throw' approach is possible through the use of tags.
- Bin collections can be automated.
- Rubbish collection capacity can be controlled. Some local authorities in New Zealand offer variable bin sizes to reflect the needs of different households.
- Rubbish is contained (in the household and while awaiting collection) avoiding litter.
- Bins can be wheeled to the kerbside for collection.

The advantages and disadvantages of the two options are summarised below.

Collection option	Advantages	Disadvantages
Bags	<ul style="list-style-type: none"> • Can be funded through user pays. • Can be funded via a set annual targeted rate for a set number of bags (52). 	<ul style="list-style-type: none"> • Less safe than alternatives. • Bags can be damaged by animals. • Bags need to be carried to the kerbside.
Wheelie bins	<ul style="list-style-type: none"> • Can be funded through user pays. • Automated collection is more efficient (reducing cost), • Containment means fortnightly collection is possible (reducing cost). • Bins are wheeled to the kerbside. • Less plastic put in landfill. 	<ul style="list-style-type: none"> • There is an upfront cost for the bins.

Drawing on Councillor's workshop deliberations on 1st November 2023, on balance, using wheelie bins for rubbish collection is the preferred option due to convenience and cost factors and it also saw some level of support during the consultation.

A fortnightly collection of rubbish in 120 litre wheelie bins provides similar capacity to weekly collection using a single 60 L bag per household. i.e. the current service.

How will rubbish collection be funded?

Feedback from the community on a single option for wheelie bin collections highlighted a strong desire for flexibility. Multiple submitters noted that the current 'Pay As You Throw' approach suits their needs.

Adopting a 'Pay As You Throw' approach has the following characteristics:

- For wheelie bin-based collection, removable tags have been implemented in New Zealand and RfID based approaches may be possible.
- Households pay for the service they require as they require it.
- Due to the uncertainty about the number of bins requiring collection each week, price of collection is likely to be slightly higher.
- Households are likely to minimise the number of times they put their bin out, potentially resulting in smelly rubbish.
- Contractors will develop their pricing for collection based on assumptions regarding the number of bins put out each week and the total quantity of rubbish collected.
- Relatively high tag pricing may cause problems with tags being stolen.

- The administrative cost means providing for variable bin sizes alongside a ‘pay as you throw’ approach will be complex and expensive.

Adopting a targeted rate funded approach has the following features:

- Each household pays the same amount (for a single service option)
- Households can be offered service options, for example:
 1. Different wheelie bin sizes.
 2. Choosing to opt out of the service.
 3. Rebates for ‘low’ usage.
- Contractors will develop their pricing for collection based on assumptions regarding the number of bins put out each week and the total quantity of rubbish collected.
- Since the bin service is ‘paid’ for households are more likely to put out bins for collection regularly.
- This is a common approach across New Zealand, often with variable bin size options offered. Grey and Westland Districts offer a targeted rate funded collection with a single option.
- The frequency of collection can be changed easily at a later date to coincide with the introduction of a new service.

The advantages and disadvantages of the different funding options are summarised below.

Collection option	Advantages	Disadvantages
‘Pay As You Throw’ (status quo)	<ul style="list-style-type: none"> • Users only pay for what they use. 	<ul style="list-style-type: none"> • Collection services need to be provided regardless of whether containers are put out for collection (cost impact). • High per collection costs in Buller District may encourage illegal dumping.
Target rate – single option on bin size	<ul style="list-style-type: none"> • Simple to administer. • With collection paid for, households are less likely to illegally dump rubbish. • More certainty on waste quantity for the collection contractor. 	<ul style="list-style-type: none"> • There is no recognition of households that minimise waste. • Landlords will end up paying for their tenant’s rubbish collection.

Collection option	Advantages	Disadvantages
Target rate – various bin size options	<ul style="list-style-type: none"> • Some cost saving for households that minimise waste. • With collection paid for, households are less likely to illegally dump rubbish. • More certainty on waste quantity for the collection contractor. 	<ul style="list-style-type: none"> • More complex administration. • Landlords will end up paying for their tenant's rubbish collection.

With respect to how to fund the service there is no single option that addresses all of the issues raised in the consultation process.

While pay as you throw enables those who minimise waste to save money, the cost for collection is likely to be higher (due to uncertainty about waste quantity and household participation).

A targeted rate approach with a single bin size option appears not to be supported by the community based on the consultation undertaken.

A targeted rate approach with several bin size options provides some flexibility while also providing some certainty for contractors (managing cost impacts). This approach is common across New Zealand.

Recommended Options

In summary, if Council is to select only one Level of Service (LOS) to be implemented, the staff recommended approach is for the Private Sector to deliver the rubbish collection service using wheelie bins.

Option	Description	Funding Mechanism
Option 1-B	Private Sector provides wheelie bin collection	PAYT – Contractor sets pricing

However, staff recommend that the following options also be included when reconsulting with the community because this is simpler to administer, it is likely to result in less illegally dumped rubbish, it provides more certainty on waste quantities for the collection contractor and it provides more cost savings for the household that minimise waste.

Option	Description	Funding Mechanism
Option 2-B	BDC provides a fortnightly wheelie bin collection with a single 120 litre bin size	PAYT – Council sets pricing
Option 2-E	BDC provides a fortnightly wheelie bin collection with several different bin size options, i.e. 80 litres, 120 litres or 240 litres	Targeted Rate– Council sets pricing

The outcome of the previous consultation did not provide sufficient clarity regarding the funding options and levels of service. It is recommended that Council proceeds with reconsulting with the community on the above options.

6 SCENARIOS CONSIDERED

The following three scenarios have been identified in order to move the re-consultation process forward:

Scenario 1 – Select a Level of Service Option and proceed to implementation.

This scenario means Council decides to select a Level of Service (LoS) option and proceeds to implementation of a new service by mid-2025 without further consultation.

In this scenario, Council may choose any of the identified options, noting would recommend Option 1-B i.e. the Private Sector to deliver the rubbish collection service using wheelie bins.

The following risks have been identified with this scenario:

- Making a LoS decision now without seeking further guidance from the community may result in a service being implemented, which is not supported by the community.

Scenario 2 – Reconsult with the community using estimated costs for the recommended options.

This scenario means Council decides to reconsult with the community based on the options recommended by staff and estimated costs.

This scenario involves:

- Councillors approving the recommended options.
- Consulting on these options by relying on the best available cost estimates (without a tender price).
- A full consultation process (consultation, submissions, outcomes, hearings, deliberations and resolution) separately or as part of the Long-Term Plan consultation process.
- Adopt a single option after consultation depending on the outcome.

- Undertake a procurement process (depending on the option selected).

The following benefits and risks have been identified with this scenario:

- The community will have another opportunity to provide feedback on the options under consideration and following this, Council will have all the information required to make a fully informed decision about the right rubbish collection service to be provided to Zone 1 households.
- Pricing will remain uncertain until after the procurement process.

Scenario 3 – Reconsult with the community using firm tender pricing for the recommended options.

This scenario means Council decides to reconsult with the community based on the options recommended by staff and tender pricing.

This is similar to Scenario 2 except tender prices are obtained before consultation instead of using estimate costs.

The following risks have been identified with this scenario:

- To run a procurement process prior to consultation for the recommended options runs the risk of asking the market to ‘price-check’ a proposal not yet resolved by Council. This is against appropriate supplier selection and tendering practices where Council is required to engage in ‘fair play’ contract tendering with the intent to actually commit to a contract and have decided on a level of service before going to tender.

Recommended scenario

It is recommended that Scenario 2 is selected as the preferred next step.

7 CONSULTATION FEEDBACK

In total 339 submissions were received (158 online and 181 written). This is a high response rate for a formal consultation process.

The submissions were analysed by research and engagement experts Public Voice using a thematic analysis approach. The key outcomes being:

- 73% of the submitters were *opposed* or *strongly opposed* to the proposal, 22% were *in favour* or *strongly in favour* and 5% are *neither opposed or in favour*.
- 41% said that the proposal disadvantages those that produce less waste.
- 38% noted concerns about the higher costs compared to the flexibility to the current approach.
- 37% said they prefer a ‘pay as you throw’ system.
- 21% were in opposition to a mandatory service.
- 18% thought that the new model will increase waste generation.

Others concerns included uncertainty regarding costs, feeling that the new model penalises waste minimisation, that landlords would pay for tenants or rents would be increased and that bins are harder to handle for people with physical disabilities. There was also some positive and supportive feedback related to the fact that bins are in general easier to manage than bags, the proposal will reduce the use of plastics bags, the proposal may decrease illegal dumping, the cost is reasonable, and the bins are animal proof.

Attachment 1 presents the Submission Analysis Report prepared by Public Voice.

7.1 Hearings

Public hearings were undertaken on the 11 October of 2023. A total of 25 people attended to speak to their submissions.

The key themes from the oral submissions were:

- Preference for the current ‘user pays’ as this encourages recycling and allows people to pay for the waste they produce.
- Opposed to the system being mandatory as this could be a financial burden on households and people shouldn’t pay for the waste others produce.
- Providing a 120-litre wheelie bin encourages people to fill the bin and doesn’t align with a zero-waste vision.
- Some preference for bins instead of bags.

Attachment 2 presents a Summary of the oral submissions.

7.2 Final Consultation outcome

The written and oral submissions highlighted a range of views in the community. Common themes included:

- General support for a shift to collecting rubbish in wheelie bins, noting that some members of the community would benefit from assistance manoeuvring bins to the kerbside.
- Concerns about a shift away from the current ‘pay as you throw’ approach to funding rubbish collection. Key concerns were that a rate funded collection would:
 - Impose cost on households that make minimum use of the kerbside rubbish collection service.
 - Remove the current financial incentive to minimise rubbish.
- Concerns about making rubbish collection mandatory (universal rate).

8 BACKGROUND

8.1 Waste Management New Services Statement of Proposal

The current waste management and recycling services are summarised below. They comprise kerbside collection of rubbish and recycling for Zone 1 households (Westport and Reefton), rubbish transfer stations in Westport and Reefton and landfills with recycling facilities at Karamea and Maruia.

8.2 Kerbside rubbish collection services (household collection services)

Rubbish kerbside collection services are currently offered via a private commercial operation managed and operated by Smart Environmental. The services are provided using a pay as you throw model using either 60 litre rubbish plastic bags or a private wheelie bin service on a periodic basis. The official rubbish bags are currently sold for \$9.10 incl GST. Bin costs vary depending on the bin size and collection frequency and the rates are set by Smart Environmental Ltd. Rates are not used to subsidise the household rubbish collection.

The waste management services proposal consulted on throughout August and September suggested that from 2025 onward the kerbside rubbish (household collection) could become a service controlled and managed by Council and operated by a third-party contractor on behalf of the Council. The proposal suggested using 120 litre wheelie bins collected fortnightly and funded by a targeted rate for all serviced properties. The cost for the rubbish collection was estimated at \$197 to \$272 annually per serviced property based on similar services on the West Coast.

In this scenario, the rubbish collection rate would be added to the current waste management rate of \$178 for recycling services. This means the full target rate would increase from \$178 to an estimated range \$375 - \$450 per household. The shift to wheelie bins and fortnightly collection is a change in the level of service and the shift from the 'pay as you throw' to a rates funded collection is a change in the funding approach for the service.

8.3 Kerbside recycling collection services

The recycling kerbside collection services are currently provided by a 240L recycling bin and a 45L glass crate, funded via rates by the waste management rates (\$178 incl GST per annum). The service is operated by Smart Environmental Ltd on behalf of the Council (different to the rubbish collection service that is operated via Smart Environmental Ltd as a private commercial operation).

No changes are proposed to the kerbside recycling collection level of service or funding.

8.4 Key waste indicators

Key metrics for the existing rubbish and recycling collection include:

- Rubbish bag sales suggest around 30% of residents use the rubbish bag service (assuming one bag every two weeks).
- Recycling contamination is around 27%. This is high when compared to national standards and is an area that Council and Smart Environmental are actively working on.
- Only 10% (280 Tonnes per year) of the rubbish is collected by the kerbside collection service with the remainder dropped off at Transfer Stations. The proportion of waste collected at kerbside is low compared to other parts of New Zealand.

8.5 Drivers of kerbside rubbish and recycling system performance and cost

Based on experience across New Zealand and internationally, several factors have an impact on performance (the capture of materials for recycling, avoiding illegal dumping) and cost.

Providing easy access to kerbside rubbish collection can contribute to reducing dumping and contamination of recycling collections. This includes:

- A reasonable cost of service.
- Maximising convenience for users, for example providing wheelie bins and offering back door collections for residents with limited mobility.
- Limiting capacity for kerbside rubbish collections can encourage residents to recycle or compost materials. In New Zealand there is a trend to offer 120 litre rubbish bins collected fortnightly or smaller bins weekly.

The collection approach has an impact on cost as follows:

- Automated collection (wheelie bins with remote lifting arm) is likely to be cheaper than manual handling (lifting bags into rubbish collection vehicles).
- Frequency of collection, less frequent collection will be lower cost.

8.6 Approaches to kerbside rubbish and recycling elsewhere in New Zealand

It is useful to consider how similar services are delivered elsewhere in New Zealand. The table below summarises approaches including rubbish collection approach and funding.

Council	Rubbish collection	Rubbish collection funding	Recycling collection (all rates funded)
Grey District	Wheelie bin	Targeted rate	Wheelie bin and glass crate
Westland District	Wheelie bin	Targeted rate	Wheelie bin (no glass)
Thames Coromandel	Wheelie bin	User pays (tags)	Wheelie bin and glass crate
Auckland Council	Wheelie bin	Targeted rate	Wheelie bin (glass in)
Tauranga	Wheelie bin	Targeted rate (size options)	Wheelie bin and glass crate
Hamilton	Wheelie bin	Targeted rate (size options)	Wheelie bin and glass crate
Marlborough	Wheelie bin	Targeted rate (size options)	Wheelie bin and glass crate
Queenstown	Wheelie bin	Targeted rate	Wheelie bin and glass bin
Lower Hutt	Wheelie bin	Targeted rate (size options)	Wheelie bin and glass crate

9 CONSIDERATIONS

9.1 Strategic Impact

Section 42 of the Waste Minimisation Act 2008 establishes that a territorial authority must promote effective and efficient waste management and minimisation within its district for the direct benefit of the rate payer.

Section 52 of the Waste Minimisation Act 2008 establishes that a territorial authority may undertake, or contract for, any waste management and minimisation service, facility, or activity (whether the service, facility, or activity is undertaken in its own district or otherwise).

The Long-Term Plan 2021-2031 requires Council to continue providing solid waste activity for the collection, transfer and final disposal of waste materials generated by households and businesses within the district.

The Regional Waste Minimisation and Management Plan 2018 – 2024, adopted by the three West Coast Councils in 2018, sets out how the Councils will progress work more collaboratively to ensure an efficient and effective regime of waste management and minimisation across the West Coast Region.

9.2 Significance Assessment

The proposal for change has high significance to the local residents and will be consulted upon as part of the Local Government Act 2002 requirements.

9.3 Risk Management Implications

There are cost impacts on residents due to the change in service levels for rubbish collection. Council requires an effective mechanism to mitigate the impacts of the ongoing increases in the cost of waste management and recycling services in the Buller District. There are a range of views within the community regarding the best way to deliver and fund rubbish collection services. This means that there is no one option that will address all concerns raised through the consultation process.

9.4 Values

Provision of appropriate solid waste and recycling collection services aligns with Council values which are: Community Driven, One Team, Future Focussed, Integrity and We Care.

9.5 Policy / Legal Considerations

Waste management services must be in accordance with the Waste Minimisation Act 2008 and the proposed waste management model of services must be approved and adopted by Council before it can be consulted on. Special Consultative Procedure is undertaken in accordance with Section 83 of Local Government Act 2002.

9.6 Tangata Whenua Considerations

Council works in partnership with local iwi and will continue to consult on matters of mana whenua rights, interests, values, culture and traditions.

9.7 Views of Those Affected

Affected parties and stakeholders including community members, private sector, government ministries, agencies and authorities are to be consulted throughout the project delivery process.

9.8 Costs

Costs impacts will be considered at all stages of the procurement planning, which includes the public consultation on the statement of service levels and the cost impacts will then again need to be include once the tendered costs are known into any Councils Long Term Plans or Annual Plans.

9.9 Benefits

The selection of an appropriated kerbside collection system will provide a common service to zone 1 residents, potentially decrease the recycling contamination rates, reduce illegal dumping and help to reduce greenhouse gas emission.

9.10 Media / Publicity

All media and publicity will be managed through established communications channels and informed by an approved communications strategy. Information and any milestone events will be communicated to key stakeholders, local

community and interested parties and this will be uploaded onto Councils website.



Household waste collection services, zone one

Summary of submissions
September 2023

HOUSEHOLD WASTE COLLECTION SERVICES, ZONE ONE

About PublicVoice

PublicVoice Limited has completed this research project. PublicVoice is a leading research and engagement consultancy headquartered in Wellington, New Zealand. We concentrate on public policy research and consultation, providing services to various local and central government agencies throughout New Zealand. To learn more about our work, please visit www.publicvoice.co.nz.

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Introduction

This report compiles feedback from the public consultation about the proposed waste system for Buller, Zone One. It's important to note that this is a public consultation, not a scientific survey. Thus, the feedback represents the participants' views and may not capture the broader community's perspectives. The insights collected offer diverse community viewpoints and will guide councillors in making informed decisions about the new system.

Background

The proposed changes involve switching from rubbish bags to bins and how residents pay for their rubbish collection. The council must consult with the community under the Local Government Act 2002 as this is a significant change.

For most properties in zone one, this would mean:

- A shift from using 60-litre rubbish bags to having a 120-litre wheelie bin provided by Council.
- Mandatory rubbish and recycling collection.
- Changing from weekly to fortnightly collection of rubbish.
- Paying for rubbish and recycling collection through rates (rather than buying rubbish bags).

The consultation process

The consultation process included:

- Community meetings
- Online survey
- Written submission forms

Three hundred thirty-nine submissions were received.

Community meetings

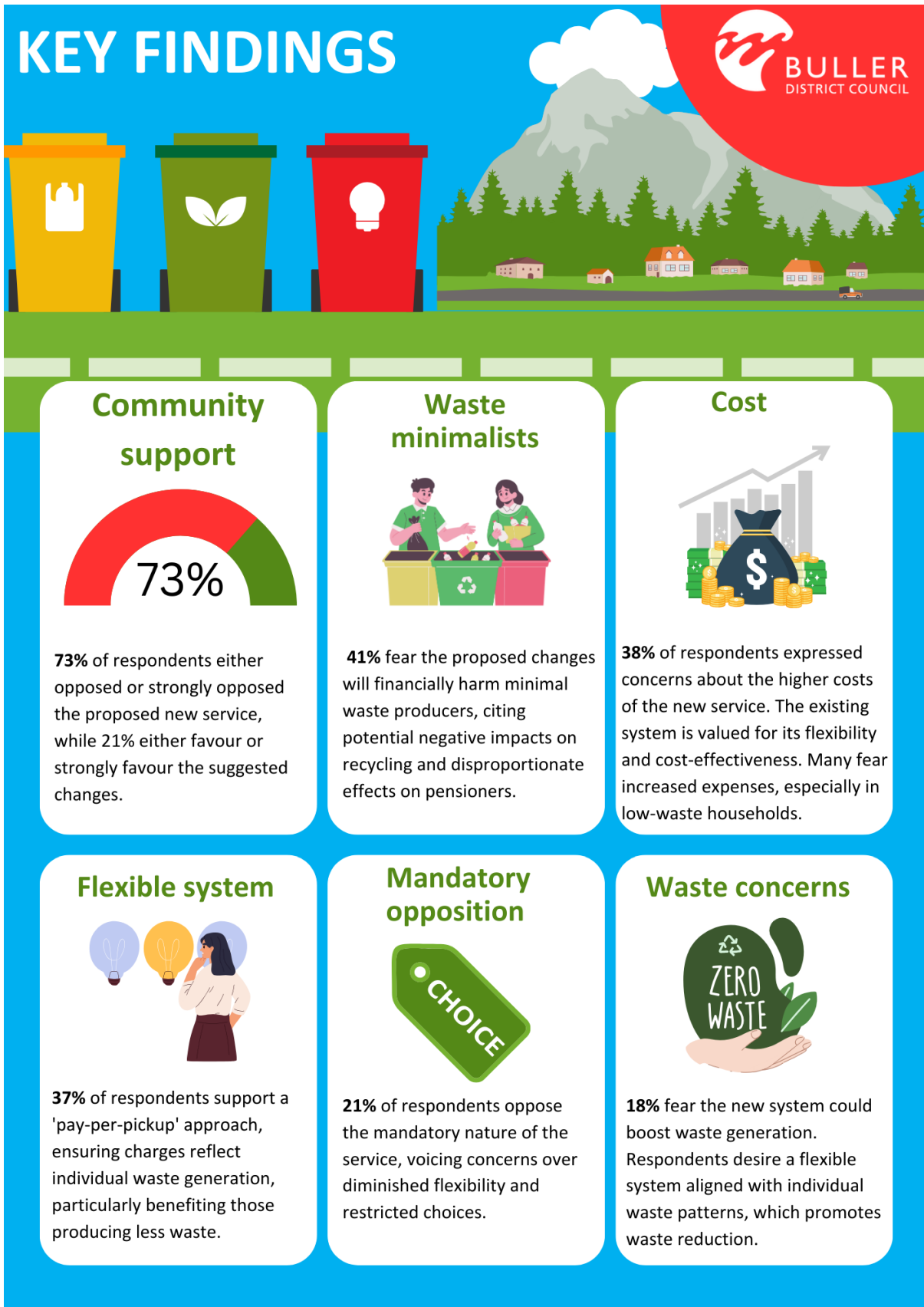
Buller District Council held community meetings in Westport and Reefton. Residents were invited to join us to hear more about the proposed changes. The Westport meeting was live-streamed on the Council's YouTube channel for people who couldn't be there in person.

Online survey

An online survey was developed and hosted on the Council's website. One hundred fifty-eight submissions were received via online survey.

Written submission form

One hundred eighty-one written submissions were received either using the form provided by the BDC or by email/letter.



Data analysis methodology

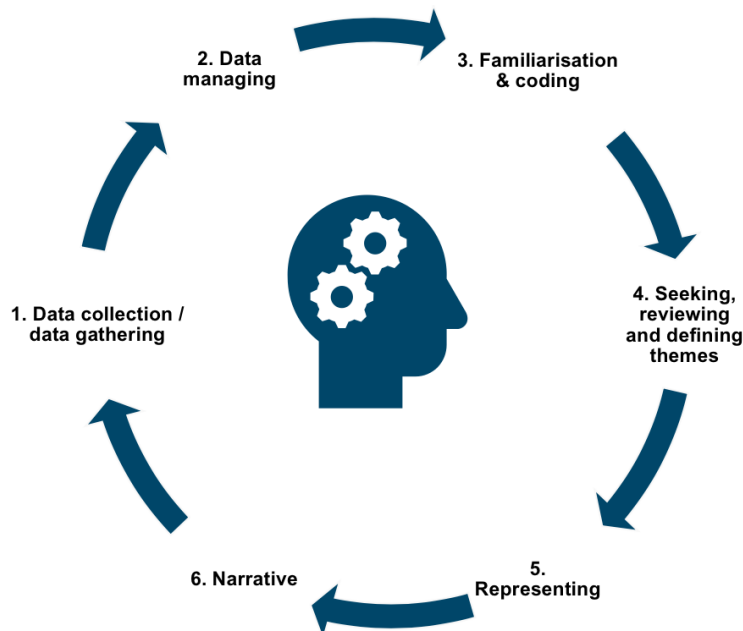
Thematic analysis

For the qualitative analysis of responses from open-ended questions and written feedback, PublicVoice employed a thematic analysis approach. This approach is rooted in the systematic framework introduced by Braun and Clarke in 2006, and it offers a structured method for identifying, analysing, and interpreting patterns of meaning within data. The following outlines the specific phases of this methodology:

1. **Familiarisation with the Data:** Analysts immersed themselves in the data through repeated reading to understand its content deeply.
2. **Generating Initial Codes:** A systematic coding process was executed across the entire dataset. This foundational step organised the data into distinct segments, labelling them to reflect key insights.
3. **Searching for Themes:** Initial codes were subsequently grouped into potential overarching themes and subthemes, providing broader patterns of meaning.
4. **Reviewing Themes:** Themes were refined to ensure their relevance to the coded extracts and the broader dataset. Themes without substantial supporting data or which were overly diverse were reconsidered.
5. **Defining and Naming Themes:** Each theme was meticulously refined to encapsulate its core, with further deliberation on potential sub-themes.
6. **Report Compilation:** The analysis was then articulated into a cohesive narrative supported by pertinent data extracts. This provided a descriptive overview and a deeper interpretative analysis in alignment with the research objectives.

Additionally, to bolster the efficiency and accuracy of the thematic analysis, PublicVoice integrated tools such as MAXQDA and Caplena. Platforms like MAXQDA help streamline the coding process and ensure a comprehensive examination of themes in the data.

The analysis process



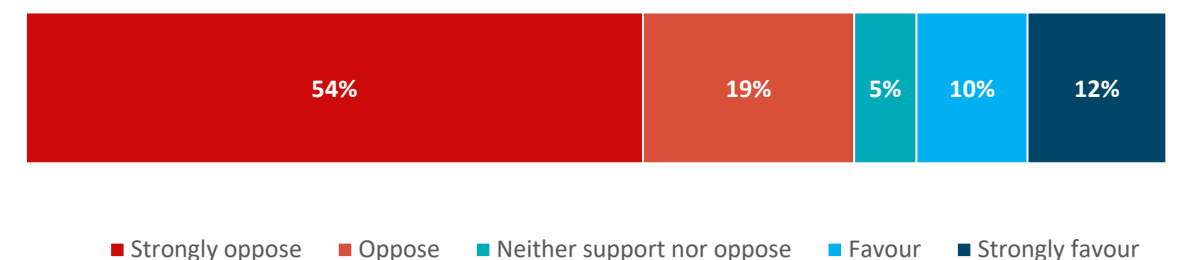
Reporting

Tables illustrating the frequency of subthemes associated with each theme have been included to demonstrate the significance of each theme.

Summary of community consultation

What do you think about the proposed changes to household waste collection services in zone one?

Of the respondents to this question, 73% strongly opposed or opposed the proposed alterations to household waste collection services. Specifically, 54% voiced strong opposition, while 19% opposed the changes—conversely, 10% favour the changes, with 12% expressing strong favour. Meanwhile, 5% of respondents remained neutral, neither supporting nor opposing the changes. These findings are detailed in [Figure 1](#) and [Table 1](#).



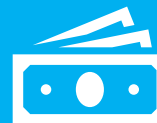
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Figure 1: What do you think about the proposed changes to household waste collection services in zone one?

	%	n
Strongly oppose	54%	178
Oppose	19%	61
Neither support nor oppose	5%	18
Favour	10%	32
Strongly favour	12%	40

Table 1: What do you think about the proposed changes to household waste collection services in zone one?

SERVICE COSTS



The topic of service costs emerged as a focal point among the feedback from respondents. Predominantly, there's apprehension about the financial implications of the proposed waste management changes. Respondents expressed concerns about anticipated higher service costs, potential inequities for those producing minimal waste, and the lack of transparent pricing. Furthermore, the debate over who should bear the financial responsibility, especially in the landlord-tenant dynamic, has been highlighted. Lastly, the current pricing structures for rubbish bags and landfill services have been scrutinised, with calls for more affordability and clarity.

Subtheme	Frequency	%
Concern financial inequity for waste minimalists	138	41%
Concern regarding higher cost of new service	130	38%
Concern about uncertainty/transparency in pricing	35	10%
Concern low users subsidise costs for high users	31	9%
Current bag prices are too high	9	3%
Concern landlords have to pay for tenants' bins	8	2%
Concern regarding rent rises for tenants	6	2%

Table 2: Service cost – sub-themes

A detailed breakdown of each subtheme is outlined below

Concern regarding financial inequity for waste minimalists: Some respondents believe that those who produce minimal waste will be financially disadvantaged by the proposed changes. The potential adverse effects of recycling and the disproportionate impact on pensioners are mentioned.

“I do not wish to have a rubbish bin as I don’t collect rubbish at all. I don’t use council rubbish bags or have bins picked up. I do use the recycling and the glass bins which I’m happy with. I believe user pays and believe that it’s unacceptable to expect anyone to pay for something they do not use. I do not need at all for a rubbish bin therefore oppose being forced to pay for one.”

Concern regarding higher cost of new service: There's a significant concern about an anticipated increase in service costs with the new system. The current bag system's flexibility is valued, and there are calls for more affordable alternatives.

“We only use a plastic bag every 6 weeks or so. Even though I prefer the use of the bins, I don't want to pay the equivalent to a bag a week. I also oppose the added costs to our rates as they are expensive enough.”

HOUSEHOLD WASTE COLLECTION SERVICES, ZONE ONE

Concern about uncertainty/transparency in pricing: The lack of clarity in pricing for the new system is prevalent. Respondents feel current rubbish bag prices may not reflect real costs and are sceptical of the mandatory bin system's pricing.

"We are ratepayers who generally use one 60L rubbish bag per fortnight. While we are not opposed to the proposal as such, we do not support an increase in rates to advance this proposal. We consider it unreasonable to ask ratepayers to support a new scheme without knowing with some certainty how much it will cost..."

Concern low users subsidise costs for high users: The fear is that individuals who generate less waste may end up unfairly subsidising those who produce more.

"Should be User Pays. A single person or pensioner on their own should not have to subsidise a large family or a household of say 5+ tenants. In Christchurch they have small bins for 1-2 person properties & larger bins for larger households. Could this not be more appealing costwise to ratepayers?"

Current bag prices are too high: The existing cost of rubbish bags is deemed excessive, especially impacting those on fixed incomes.

"I put out 1 bag at a price of \$9.20 every 3 weeks, there is only me here now. I still think the bags are out priced but we have to get rid of our rubbish. I would burn a lot of it and I have a compost bin. It is a bit of a struggling managing on a pension and paying expensive rates. Don't want to pay anymore. No wonder there is so much rubbish thrown out in the Buller Gorge or the rubbish bins in town overflowing."

Concern landlords have to pay for tenants' bins: Some respondents believe it's unfair for landlords to bear the financial responsibility for their tenants' waste disposal.

"I think bins are a great idea but as a multi property owner I think it's unfair for the house owners to absorb all the costs it should be up to individual people to pay for a bin"

Concern regarding rent rises for tenants: There's apprehension about the potential integration of waste disposal costs into rates, leading to a rise in rents.

"This proposed scheme is obviously going to increase rates. However, for those who own rentals, they will now be paying for rubbish disposal for their tenants. This cost will have to be recouped through a rise in rent which are already high enough. It's going to be a lose-lose all around as far as I can see."

SERVICE IMPLEMENTATION



Service implementation feedback reflected a range of viewpoints, primarily focusing on the proposed system's flexibility, frequency, and fairness. Many respondents are in two minds about switching bags to bins but have clear preferences on how the system should be financially structured. The emphasis lies heavily on a user-pays system, ensuring equity for residents based on their waste generation. While some see the merits of the change, they have reservations about the mandatory nature of the proposals and the resulting implications.

Sub theme	Frequency	%
Prefer more flexible system e.g. pay per pickup	126	37%
Prefer less frequent pickup	10	3%
Prefer more frequent pickup	6	2%

Table 3: Service implementation – sub-themes

Prefer more flexible system e.g. pay per pickup: Many respondents support a more flexible waste collection system. The 'pay-per-pickup' model emerged as a favoured approach, allowing charges based on actual usage. Such a model, respondents argue, ensures that those who generate minimal waste aren't unfairly burdened.

“Ok with the bins being issued. But should be user pays not mandatory. We should be encouraged to create less waste. The fortnightly empty will encourage more waste.”

Prefer less frequent pickup: Some feedback indicates a preference for less frequent bin collections, highlighting benefits like reduced illegal dumping and improved waste management. Not all households generate enough waste for a fortnightly collection, so there were suggestions for monthly pickups or adjustable bin sizes to cater to different needs.

“Definitely NOT mandatory each fortnight. Once per month would suffice most households and still encourage people to think about the amount of household waste they are creating. Each fortnight would encourage people to fill it to get the most out of it- hence more consumption and wastage. Also, older folk or smaller families/couples probably wouldn't fill an entire bin each fortnight. Could have two options- fortnight and monthly- colour code them eg. Green and red (green=fortnightly collection, red= monthly) and charge as needed to household, let people choose and change as requirements change. Standard could be fortnightly unless opt out for monthly Collection fee.”

Prefer more frequent pickup: Contrastingly, several respondents advocate for more frequent waste pickups. Concerns primarily revolve around the potential odour and pest issues from fortnightly collections. Proposals include alternating rubbish and recycling collection days or implementing a weekly collection schedule.

“Think a great idea but rubbish bin collect needs to be weekly”

SERVICE PREFERENCES



Feedback regarding service preferences revealed a spectrum of concerns and suggestions from the respondents. Many expressed unease about potential changes impacting costs, operational ease, and efficiency. A recurring sentiment was the desire for greater control and flexibility over waste management choices.

Sub theme	Frequency	%
Oppose mandatory nature of service	70	21%
Prefer status quo	33	10%
Prefer self-disposal at transfer stations	29	9%

Table 4: Service preferences Table 3: Service implementation – sub-themes

Service preferences

Feedback regarding service preferences revealed a spectrum of concerns and suggestions from the respondents. Many expressed unease about potential changes impacting costs, operational ease, and overall efficiency. A recurring sentiment was the desire for greater control and flexibility over waste management choices.

Oppose mandatory nature of service: A noticeable segment of respondents opposed the idea of a mandatory service. Their feedback highlighted concerns about limited flexibility and having their choices restricted.

“I really like the idea of the rubbish bins rather than the plastic bags but I do not like choice being taken away and the fact that we will be charged for a service we may not use - how does this fit with encouraging recycling and what about cleaning of the bins if stuff is just chucked in?”

Prefer status quo: A group of respondents favoured the current system. They appreciate its structure and expressed reservations about shifting to a new system that might disrupt their current familiarity and perceived efficiency.

“Things should be left as they are, this should NOT be Mandatory, we have a bin and ring when we want this emptied which is about once a month or so. We should not have to pay if we are not getting our bins emptied.”

Prefer self-disposal at transfer stations: Several participants leaned towards self-disposal at transfer stations. This preference stems from a desire for more hands-on control and possibly scepticism towards centralised collection systems. Some see the act of self-disposal as a more direct and accountable approach to managing waste.

“We don't purchase rubbish bags and instead go to the Reefton transfer station once every 1-2 months and it costs like \$20 a trip. We already don't use the kerbside recycling collection service fortnightly because we don't fill up the bin much. We only use the service once every 6-8 weeks.”

ENVIRONMENTAL CONCERNS



A prevailing sentiment expressed by the respondents pertains to the environment and its protection. Their feedback points towards apprehension over the proposed shift from a user-pays rubbish bag system to a mandatory bin system. Many respondents see this as a potential setback in the collective effort to reduce waste and promote recycling. The underlying concern revolves around the lack of incentives for sustainable practices and the possible negative consequences for the environment and conscientious waste reducers.

Sub theme	Frequency	%
Concern that the proposal disincentivises waste reduction	62	18%
Concern that proposal penalises waste reducers	35	10%
Concern that new system won't stop illegal dumping	19	6%

Table 5: Environmental concerns – sub-themes

Concern that the proposal disincentivises waste reduction: Feedback highlighted concerns that the new system might inadvertently promote waste generation. Many respondents advocated for a system that mirrors individual waste production patterns, offering flexibility. Fears about costs, increased propensity for flytipping, and higher landfill use were also raised.

“As I would only use a maximum of 4 rubbish bags a year I strongly object to paying a mandatory fee for rubbish. I recycle what is able to be recycled and compost what I can I don't have the need for a rubbish bin... If I am forced to pay a mandatory fee I won't be inclined to recycle or compost and will just make sure that I get value for money and make sure it is full. The incentive for people to care about recycling, composting and the amount of rubbish won't be there...”

Concern that proposal penalises waste reducers: A significant portion of the feedback centred around apprehensions that diligent waste reducers could be at a disadvantage. These individuals, who conscientiously manage their waste and actively engage in recycling, feel the proposal could increase their costs unfairly. The prevailing suggestion is a shift towards a "user pays" or pay-per-use model, aligning costs more closely with individual waste production.

“...This is a massive dis-incentive to consume less waste. It clearly penalises those of us who produce very little waste, who re-cycle assiduously, and who take the problem of rubbish seriously...”

Concern that new system won't stop illegal dumping: Further concerns were raised about the potential of the proposed system to exacerbate illegal dumping. The community perceives this change as a move away from the established values of waste reduction and recycling. Respondents underscored the need for transparent cost structures and raised questions about the integrity of the proposal in curbing unauthorised waste disposal.

“...Bins won't stop flytipping. Flytippers drive past dump to beach and a fair amount of what is dumped is recyclable could have been left at dump at no cost. Cost might be an issue for some fly tippers, but for most people who fly tip they will continue to do so. People need to be educated and encouraged to lessen the amount of rubbish they produce...”

SUPPORT & POSITIVE FEEDBACK



The variety of responses uncovers a range of sentiments, both endorsing and expressing concerns about the proposed changes to the waste disposal system. While the consensus leans towards the benefits and efficiencies that bins can bring over bags, there are also suggestions and nuances that authorities might consider to make the transition smoother.

Sub theme	Frequency	%
Bins easier to manage than bags	35	10%
General support	18	5%
Will reduce plastic bags	14	4%
Will reduce illegal dumping	13	4%
Support conditional on costs not increasing	9	3%
Cost is reasonable	8	2%
Bins are animal-proof	7	2%

Table 6: Support & Positive feedback – sub-themes

Bins easier to manage than bags: Respondents largely support switching bags to bins, highlighting their easier manageability. They cite bins as more user-friendly, notably in their ability to deter animals and minimise risks linked with sharp objects. Alongside this positivity, ideas like a barcode system to monitor bin usage emerge, suggesting that while bins are favoured, there's room for refining their integration into the waste management system.

“Having a 120L wheelie bin for waste will work much better for us than the current rubbish bags - - bins are much easier for us to use / move - wekas can't get rubbish out of a wheelie bin – ‘sharp rubbish’ can't penetrate a wheelie bin...”

General support: A noticeable segment of the community offers general endorsement of the proposal, recognising its potential to refine waste management practices and contribute to a cleaner environment.

“I'm all for it. Encourage people to dispose of household waste responsibly. Bags are messy, not convenient I prefer an annual fee”

Will reduce plastic bags: The debate around the potential reduction of plastic bags is mixed. Some applaud the transition as a move towards efficiency and reduced illegal dumping, while others put forth alternative measures, like promoting biodegradable bags or introducing community initiatives such as opshops.

“Support the increased efficiencies the proposal represents, including the reduction in plastic bag usage.”

HOUSEHOLD WASTE COLLECTION SERVICES, ZONE ONE

Will reduce illegal dumping: Feedback suggests that introducing user-friendly and animal-resistant wheelie bins might discourage illegal dumping. Embedding the cost in rates is a step that could further minimise fly-tipping and promote a cleaner community.

“With the mandatory rubbish collection - a positive outcome would be the lack of dumping of rubbish in public bins and illegal dumping. There should be no need to do so. It also eliminates the need for plastic bags.”

Support conditional on costs not increasing: While bins are favoured over bags, there's a shared concern about keeping the switch affordable. Respondents suggest the council might look into alternative financial strategies to prevent potential rate increases, emphasising the importance of balancing efficiency with affordability.

“I'm in favour of the proposals in terms of its application but not of the price. If the recycling costs \$178 per annum there is no way general rubbish should be at the same cost. Recycling requires far more handling by not only the collectors themselves but the onflow. General waste using bins will be automated...”

Cost is reasonable: Some respondents appreciate the proposed rate structure, finding it fair. They highlight wheelie bins' convenience and potential efficiencies as an asset, suggesting that integrating costs into standard rates could promote wider acceptance and a cleaner environment.

“The proposed changes will be cleaner and more user friendly. The increase in rates is less than one rubbish bag a week and I believe the majority of households would use more than one rubbish bag a week, so even though the changes come with a rates increase most households would benefit financially with the changes.”

Bins are animal-proof: The animal-resistant nature of wheelie bins receives praise. Ease of use and resistance to pests, particularly weka, are key advantages. Even so, there's a hint of concern around environmental considerations, such as plastic usage and its broader implications for sustainability.

“I was about to write and suggest this very thing when you brought the proposal out, so I'm very much in favour. Am tired of cats and dogs ripping the bags open and them not being collected, then having to pick it all up in another bag to start over again the next week.”

BINS



Some respondents emphasised the need for choice in bin sizes, with many advocating for larger options like 240L, catering to varied household needs. They argue that while the 120L bin may suit some, others with larger families or waste habits might find it restrictive. On the contrary, a group expresses reservations about the shift from bags to bins, pinpointing the potential logistical challenges of handling bins. These concerns are especially pronounced for those with mobility limitations, suggesting the changes might inadvertently disadvantage specific community segments.

Sub theme	Frequency	%
Provide choice of bin sizes e.g. 240L	15	4%
Bins harder to manage than bags	9	3%
Concerns about odour and pest attraction	5	1%

Table 7: Bins – sub-themes

Provide choice of bin sizes e.g. 240L: Many community members advocate for more flexibility in bin sizes, recognising different household needs. While the 120L option might suffice for some, larger families or those with specific waste management habits prefer larger 240L bins. The potential strain of a one-size-fits-all approach, particularly concerning cost implications for frequent users, is a recurrent theme. However, the underlying sentiment is a strong desire for customisable options, whether in the form of different bin sizes or alternative solutions to cater to varied waste outputs.

“I do believe if this is to become mandatory for fortnightly collection, households should have the opportunity to choose between a 120l or a 240l bin. As our house hold fills a 240l bin a fortnight so how are we to dispose of the rest of our rubbish that doesn't fit into these smaller bins.”

Bins harder to manage than bags: Transitioning from bags to bins isn't welcomed universally. For a subset of respondents, the logistical challenges tied to bin usage are of concern. This encompasses the difficulties related to transporting and manoeuvring bins, especially for those who might have physical disabilities or limited mobility.

“...The large wheelie bins are also awkward for many people, especially the elderly, or for those who have long driveways. In our case this change will necessitate hitching up the trailer to cart both the recycling and rubbish bins to the start of our driveway. Currently, we can simply put the recycling bin in the car and drop it on the way to work...”

OTHER



The 'Other' section groups together themes and comments mentioned less often.

Theme	Sub theme	Frequency	%
WASTE MANAGEMENT SOLUTIONS			
	Need for further recycling/waste solutions	18	5%
	Need for local landfill	8	2%
CONSULTATION & FEEDBACK			
	Concern regarding consultation	9	3%
EDUCATION & AWARENESS			
	Public education on waste reduction	6	2%

Table 8: Other - themes and sub-themes

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Key deliberation notes – Oral Submissions

Alun Bollinger – If people are made to pay for bins, they'd chuck everything in it, disregarding recycling.

Ray Curnow – Opposed to user pays ideology for any essential services, produces negative outcomes – unacceptably high outcome of recycling contamination, close to 30%.

Dennis Straker – Opposed to mandatory system, where cost is automatically added to rates.

Jan Coll – Not equitable and unfair burden on those who don't create 120L waste per fortnight. Smaller bins could be an option for pensioners. Should have a fair, user-pays model.

Stephen Griffin – Current contract allows ratepayers to determine how they will pay to get rid of waste. New system provides no incentive to recycle. Should not be mandatory to have bin and pay fortnightly in rates – should be user pays system.

Dave Millar – User pays system is more equitable. Further options should be explored into waste to energy.

Murray Upson – In favour of keeping the current system until further options are explored.

Jon Ruas – Plastic and paper could be incinerated.

Bert Waghorn – Inequitable for pensioners and single person households, struggle with the increased cost – should consider pensioners paying half price.

Lex Blackadder – Council should handle their own rubbish instead of putting it out to contractors.

Paul Reynolds – Opposed to subsidising other peoples rubbish dumping, those less affluent forced to subsidise those who are more wealthy – single people, pensioners subsidising.

Catherine Douglas – Shouldn't pay for something that you don't use, should be user pays. Pensioners will struggle to find the extra money. Should be using local businesses.

Dave Hawes – Reasons for change is amalgamation to a regional contract – system is designed around this. Adding in 120L wheelie bin to rates doesn't encourage zero waste vision – encourages filling bin.

Mary McGill Andrews – Best way to consider waste reduction is user pays system – don't mind general charge but should be a significant user pays system. Single person households will be subsidising larger households with more waste – shifting cost.

Leo Frederick Whittle – Current system is simple and straightforward, incentivising waste minimisation. Extra bin is unnecessary and increases cost.

Kenneth Todd – Adding rubbish bins won't encourage recycling. Should be freedom of choice to have a bin or not – opt out.

Frida Inta – No evidence rubbish bin will increase recycling – instead opposite. Supports a 60L or 80L rubbish bin picked up fortnightly. Supports a green waste bin in the future.

Phil Rutherford – Supports bins over bags, concern for the increased cost to pensioners and single households. Consider a mix of annual charges and user pays - prefers 60L bin fortnightly charged to rates, with 60L bags still available for larger waste users.

Graham Howard – Shouldn't change current system, large difference in cost for those who don't produce much rubbish.

Emma Hargreaves – Pensioners can't afford the extra cost – subsidising those producing more rubbish. In favour of user pays system – suggests using a barcode on bins and charge per use. Stick to the current system.

Pat Brown – Bins are more user-friendly than bags. In favour of user pays system, pensioners will struggle to pay for bin in rates.

Paul Hattersley – Single and fixed income household disadvantaged. Doesn't encourage recycling, encourages extra waste.

Janette Hateley – In favour of user pays system - barcode or scan on pickup system. User pays system is fair and individual – people doing the right thing will compensate those doing nothing.

Neil Stevenson – In favour of bin.

Yvonne Scarlett – In favour of bin – more user-friendly. Fortnightly pick-up too frequent, should look at monthly pick-up.

Key Questions for Councillors 1 November workshop.

Who will deliver collections?

Catherine Douglas – Should be using local businesses.

Lex Blackadder – Council should handle their own rubbish instead of putting it out to contractors.

How will rubbish be collected?

Bags

Murray Upson – In favour of keeping the current system until further options are explored.

Leo Frederick Whittle – Current system is simple and straightforward, incentivising waste minimisation.

Kenneth Todd – Adding rubbish bins won't encourage recycling.

Frida Inta – No evidence rubbish bin will increase recycling – instead opposite.

Graham Howard – Shouldn't change current system.

Bins

Phil Rutherford – Supports bins over bags.

Pat Brown – Bins are more user-friendly than bags.

Neil Stevenson – In favour of bin.

Yvonne Scarlett – In favour of bin.

How will rubbish collection be funded?

Pay as you throw

Dennis Straker – Opposed to mandatory system, where cost is automatically added to rates.

Jan Coll – Should have a fair, user-pays model.

Stephen Griffin – Should not be mandatory to have bin and pay fortnightly in rates – should be user pays system.

Paul Reynolds – Opposed to subsidising other people's rubbish dumping.

Dave Millar – User pays system is more equitable.

Catherine Douglas – Shouldn't pay for something that you don't use, should be user pays.

Mary McGill Andrews – Best way to consider waste reduction is user pays system – don't mind general charge but should be a significant user pays system.

Emma Hargreaves – In favour of user pays system – suggests using a barcode on bins and charge per use.

Pat Brown – In favour of user pays system, pensioners will struggle to pay for bin in rates.

Janette Hateley – In favour of user pays system - barcode or scan on pickup system. User pays system is fair and individual.

Targeted rate variations

Ray Curnow – Opposed to user pays ideology for any essential services.

Jan Coll – Smaller bins could be an option for pensioners.

Bert Waghorn – should consider pensioners paying half price.

Kenneth Todd – choice to have a bin or not – opt out.

Frida Inta – Supports a 60L or 80L rubbish bin picked up fortnightly.

Phil Rutherford – Consider a mix of annual charges and user pays - prefers 60L bin fortnightly charged to rates, with 60L bags still available for larger waste users.

Yvonne Scarlett – Fortnightly pick-up too frequent, should look at monthly pick-up.

**BULLER DISTRICT COUNCIL
EXTRAORDINARY MEETING**

10 APRIL 2024

AGENDA ITEM 5

Prepared by Simon Pickford
Chief Executive Officer

PUBLIC EXCLUDED

1. REPORT SUMMARY

Subject to the Local Government Official Information and Meetings Act 1987 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 Section 7 LGOIMA 1987
1 and 2	Group Manager Infrastructure Services	Acceptance of tender for flood recovery return to service for transportation.	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);
3	S Pickford - CEO	Employment Relations Matter	(s 7(2)(a)) - To protect the privacy of natural persons, including that of deceased natural persons