

AGENDA

WEDNESDAY 24 MAY 2017

VENUE

**Clocktower Chambers
Palmerston Street
Westport**

2.30pm	Rates Workshop
4.30pm	Refreshments
5.00pm	Public Forum Council Meeting

The Council, in considering each matter, must be:

- (a) Satisfied that it has sufficient information about the practicable options and their benefits, costs and impacts, bearing in mind the significance of the decisions;*
- (b) Satisfied that it knows enough about and will give adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decisions to be made.*

Significance Consideration

Evaluation : Council officers, in preparing these reports have had regard to Council's policy on significance. Council, Committee and Community Board members will make the final assessment on whether the subject under consideration is to be regarded as being significant or not. Unless Council a Committee or the Community Board explicitly determines that the subject under consideration is to be deemed significant then the subject will be deemed as not being significant.

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Public Forum

Apologies

Item	Page	Description	Draft Recommendation
1	4	Members Interest	That Councillors disclose any financial or non-financial interest in any of the agenda items
2	5	Confirmation of Minutes	That the minutes of the meeting held on 26 April 2017 be confirmed.
3	13	Council Committee Minutes May 2017	1. That the Grants Committee for Tourism Grants meeting minutes of 17 May 2017 be received for information. 2. That Council approve a payment of \$11,250 to the Coaltown Trust. This is the rent portion of their funding for the quarter ended March 2017.
4	17	Long Term Plan 2018/2028 - Project Plan	That Council endorse the project plan and approach as outlined.
5	26	Buller Holdings Limited - Financial Report to 31 March 2017	1. That the interim Financial Report be received for information and discussion. 2. That the Finance and Audit Committee recommends the Financial Report for the quarter ended 31 March 2017 be received from Buller Holdings Limited is accepted by Council
6	43	Karamea Community Incorporated Vision 2010 Project Update	That Council advise of their decision.
7	49	Reserve Contributions	That the report be received for information.
8	53	Significant Projects Report	That the report be received for information.
9	61	Financial and Non-Financial Performance and Capital Report for 31 March 2017	That the report be received for information.
10	76	Westport No.1 Water Tunnel - Options Workshop Update	That the report be received for information.
11	85	Mayor's Report	That the report be received for information.

12	87	Mayor's Correspondence	That the report be received for information.
13	106	Chief Executive's Report	That the report be received for information.
14	110	Council Meeting Action List	That the report be received for information.
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BULLER DISTRICT COUNCIL

FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 1

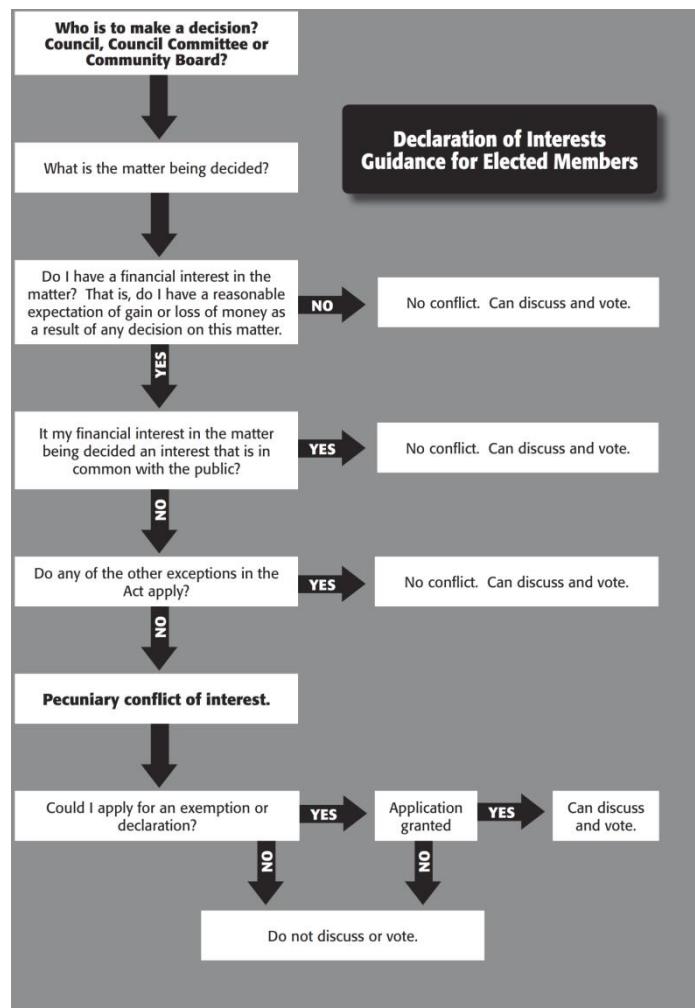
Prepared by - Andy Gowland-Douglas
- Chief Executive

Members Interest

Councillors 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 Personal Assistant, Chief Executive of any changes required to their declared Members Interest Register.

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



Draft Recommendation

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

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 2

Prepared by - Andy Gowland-Douglas
- Chief Executive

Confirmation of Minutes

Minutes of the meeting held on 26 April 2017.

Draft Recommendation

That the minutes of the meeting held on 26 April 2017 be confirmed.

**MINUTES OF THE MEETING OF THE BULLER DISTRICT COUNCIL HELD
AT THE BRIDGE CLUB, LYNDHURST STREET, WESTPORT, ON
WEDNESDAY 26 APRIL 2017 COMMENCING AT 5.00PM**

PRESENT

His Worship the Mayor Garry Howard (Chairperson), Crs SM Barry, JW Cleine, GW Hart, EC Miazga, RM Nahr, GT Neylon, SP Roche and PJ Rutherford.

IN ATTENDANCE

Chief Executive (A Gowland-Douglas), Manager Community and Environment (CM Scanlon), Group Manager Assets and Infrastructure (M Duff), Manager Corporate Services (DJ Phibbs) and PA Chief Executive (LM Pablecheque).

PUBLIC FORUM

Terry Archer, Buller representative on the West Coast Regional Council, provided an update on the Punakaiki rockwall, Granity/Ngakawau erosion, Buller River flood consultation, and the NIWA report for Carters Beach erosion.

Patrick Volk from Punakaiki spoke about a lack of support for the growing tourism industry, previously received from Nikki Roche; a suitable drinking water supply; freedom camping, in particular the Punakaiki Lagoon area and the need for increased policing; the closure of Dickinson Parade, which he never wanted closed, rather the erection of no camping signs; the rockwall being a priority rather than allocating funding to a community centre; and the need for public toilets.

Angela Stenning a Fox River resident expressed concern about freedom campers, and the issues with rubbish and toilet facilities.

Dennis Bergman a Westport ratepayer, spoke about the changing dynamics of the town, now having more low income earners, and high rates, with the burden falling on those that cannot afford to pay. He felt improvements to the Clocktower Chambers and the waterfront development were nice things to have but the additional expense could not be afforded.

Graham Howard presented samples of three types of vegetation acquired from various Westport chip seal footpaths. He spoke in support of concrete footpaths.

APOLOGIES

Resolved: That apologies on behalf of Crs Hawes and Hill be received.

PJ Rutherford/RM Nahr

Carried Unanimously

1 MEMBERS INTEREST

Nil

2 CONFIRMATION OF MINUTES

Resolved: That the minutes of the meeting held on 29 March and 12 April 2017 be confirmed.

GW Hart/JW Cleine

Carried Unanimously

3 COUNCIL COMMITTEE MINUTES MARCH/APRIL 2017

Resolved:

1. That the Grants Committee for Rural Travel Fund meeting minutes of 22 March 2017 be received for information.
2. That the Grants Committee for Community Grants meeting minutes of 22 March 2017 be received for information.
3. That the Inangahua Community Board meeting minutes of 13 April 2017 be received for information.

SM Barry/RM Nahr

Carried Unanimously

4 EVENTS SUPPORT BUDGET

Some councillors felt the events support budget was best considered during the Annual Plan process rather than on a case by case basis, and the original purpose of funding large events would be lost if it formed part of the grants pool. It was also pointed out the original fund had a one-off \$10,000 allocation that had never been spent and was carried over.

There was also merit expressed in retaining the fund for existing events eg Whitebait Festival or up and possible future events.

Moved: That the Events Support budget be allocated once a year during the Annual Plan process.

GT Neylon/JW Cleine

The motion was lost

Resolved: That the Events Support budget of \$10,000, if approved during the 2017/2018 Annual Plan process be allocated by the Grants Committee.

SP Roche/RM Nahr

Carried

Crs Cleine, Neylon and Rutherford voted against

5 KARAMEA SWIMMING POOL REQUEST FOR ADDITIONAL FUNDS

Community feedback that had been received supported the funding allocation to the swimming pool.

Resolved: That the Karamea Swimming Pool project be allocated \$11,000.

PJ Rutherford/GT Neylon

Carried Unanimously

6 COUNCIL ENDOWMENT LEASEHOLD PROPERTY

This item was presented as a result of the Finance and Audit Committee assessing debt recovery for leasehold land. Discussion took place on the likely uptake if leasehold properties were sold at a higher discounted rate and the possibility of negative backlash from property owners who had already freeholded.

Resolved: That Council offer leasehold property owners a 20% discount to freehold their property, up until 30 June 2018.

GW Hart/SP Roche

Carried

Cr Neylon voted against

7 FINANCIAL PERFORMANCE - FEBRUARY 2017

Resolved: **That the report be received for information.**

SP Roche/EC Miazga

Carried Unanimously

8 SIGNIFICANT PROJECTS REPORT

Freedom camping compliance on a joint basis with the Department of Conservation and Grey District Council, was discussed. It was noted that the Department of Conservation cannot have joint compliance and the Grey District Council state they do not receive any complaints. The Action Plan to include follow-up discussions with the Grey District Council.

The Group Manager Assets and Infrastructure reiterated when questioned, that a bore site for the Waimangaroa water supply was still to be identified.

Resolved:

1. That the report be received for information.

2. That the 'Assets and Infrastructure Indicator' be changed to orange.

JW Cleine/SM Barry

Carried Unanimously

9 BULLER YOUTH COUNCIL

An outline of the successful "Rave On" was given, with future events dependent on funding.

Resolved: **That the report be received for information.**

GW Hart/RM Nahr

Carried Unanimously

10 MAYOR'S REPORT

Resolved: That the report be received for information.

GW Hart/JW Cleine

Carried Unanimously

11 MAYOR'S CORRESPONDENCE

Resolved: That the report be received for information.

GW Hart/RM Nahr

Carried Unanimously

12 CHIEF EXECUTIVE'S REPORT

Congratulations was extended to the Chief Executive for receiving a SOLGM scholarship to attend the Mt Eliza Business School.

An explanation was given of the changes proposed to the Animal Control Act whereby dog owners will be able to take advantage of funding for neutering and micro chipping of menacing dogs, rather than enforcing upon them.

Discussion on the Chief Executive's upcoming attendance at the TRENZ forum took place with concern expressed that it was not money well spent. It was felt that Tourism West Coast and tourism industry operators should be funding their own attendance at the forum. The Chief Executive said due to the cost there were no operators attending and it would also be a good opportunity to network as although Tourism West Coast would be attending they would be focusing on the entire West Coast and not just Buller.

Resolved: That the report be received for information.

GW Hart/SM Barry

Carried Unanimously

13 COUNCIL MEETING ACTION LIST

Resolved: That the report be received for information.

GC Howard/RM Nahr

Carried Unanimously

14 TEMPORARY ROAD CLOSURE REQUEST FOR BRASS BAND PARADE

Resolved: That Council approve the temporary road closure of -

- **Palmerston Street; between Brougham and Lyndhurst Streets**
- **Brougham Street; between Adderley and Palmerston Streets**
- **Lyndhurst Street; between Adderley and Russell Streets**

for the brass band street parade on 27 May 2017 between the hours of 10.30am and 11.45am.

PJ Rutherford/RM Nahr

Carried Unanimously

PUBLIC FORUM RESPONSE

- Terry Archer to be thanked for his update and asked to consider providing on a quarterly basis.
- A draft reply to Patrick Volk to be prepared and circulated for councillors comment.
- Dennis Bergman be encouraged to make a submission to Council's Annual Plan.
- Graham Howard to be advised that Council will be discussing footpaths during the Annual Plan submission process.
- Public forum guidelines/fact sheet to be prepared.

There being no further business the meeting concluded at 7.25pm

Confirmed..... Date

BULLER DISTRICT COUNCIL

FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 3

**Prepared by - Garry Howard
- Mayor**

**Reviewed by - Andy Gowland-Douglas
- Chief Executive**

Council Committee Minutes May 2017

Report Summary

Council Committee meetings are not always reported back to Council as this is only required when a decision/resolution of Council is needed.

To allow more public awareness of Council committee meetings the unconfirmed minutes are included where a separate committee report is not included.

Draft Recommendation

1. That the Grants Committee for Tourism Grants meeting minutes of 17 May 2017 be received for information.
2. That Council approve a payment of \$11,250 to the Coaltown Trust. This is the rent portion of their funding for the quarter ended March 2017.

MINUTES OF THE MEETING OF THE BULLER DISTRICT COUNCIL GRANTS COMMITTEE FOR TOURISM GRANTS, HELD AT THE CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT, ON WEDNESDAY 17 MAY 2017, COMMENCED AT 3.30pm.

PRESENT

His worship the Mayor Garry C Howard, Councillors R Nahr (Chairperson), S Barry, G Hart.

IN ATTENDANCE

Community Services Officer (L Thomas)

APOLOGIES

E Miazga & D Hawes

**R Nahr / G Howard
Carried Unanimously**

1. MEMBERS INTEREST

None.

2. CONFIRMATION OF MINUTES

Resolved: That the minutes from the Community Grants Committee meeting held on 8 February 2017 be confirmed.

**G Hart / G Howard
Carried Unanimously**

3. COALTOWN TRUST INC FUNDING AGREEMENT AND QUARTERLY REPORTING

Resolved:

- 1.** That the report be received for information and discussion.
- 2.** That the Grants Committee recommend approval of a payment of \$11,250 being the rent portion of the grant funding to Coaltown Trust for the quarter end March 2017 be made to whole of Council.
- 3.** That minutes of this meeting be included in the May Council agenda as information.

**G Howard / G Hart
Carried Unanimously**

4. PUBLIC EXCLUDED

Resolved: That the public be excluded from the following parts of the proceedings of this meeting.

Item No	Minutes/Report from:	General Subject	Reason for Passing Resolution Section 7 LGOIMA 1987
1.	Craig Scanlon (Manager Community & Environmental Services)	Quarterly Coaltown Report - Appendices	Section 7(2)(a) - protect the privacy of natural persons, including that of deceased natural persons.

**R Nahr / G Howard
Carried Unanimously**

Resolved: That the Committee revert to open meeting and the resolutions and disclosures made whilst the public were excluded remain confidential.

**G Howard / R Nahr
Carried Unanimously**

ADDITIONAL ITEM FOR DISCUSSION:

National Representation Application from Abby Robinson.

Resolved: That a grant of \$1,000 is approved to Abby Robinson.

**R Nahr / G Howard
Carried Unanimously**

There being no further business the Chairperson declared the meeting closed at 4pm.

Confirmed Date

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 4

Prepared by - Andy Gowland-Douglas
- Chief Executive

Reviewed by - Garry Howard
- Mayor

Long Term Plan 2018/2028 Project Plan

Report Summary

The purpose of the report is to outline a project plan for the 2018-2028 Long Term Plan (LTP), including the proposal to give the community more ownership of the development of the vision and community outcomes.

Draft Recommendation

That Council endorse the project plan and approach as outlined.

Issues and Discussion

For local authority staff the preparation of the LTP is one of the most important and complex processes that they will undertake. For councillors this is a key input that they will make toward a strategy for the district and delivery of services for the residents during their triennium as elected members.

The LTP is the main focus for community engagement and debate about Council's future plans for the district. It is seen as that significant that it is subject to an external audit to provide assurance to the community and users of the plan that it is a robust process and a quality document.

Legislative changes both in 2010 (TAFM Changes) and more recently will impact the LTP process. In particular:

- The statutory responsibility that mayors have to lead the policy development will mean greater involvement in the process at an early point.
- Requirements to prepare a 30 year infrastructure strategy for the five mandatory groups of activities means that asset needs must be identified at an early point in the process to “feed into” the financial strategy.
- The move to focus consultation on what is legally known as the “consultation document” means an even stronger focus on early identification of key messages and their presentation to the community.

- Recent high profile issues around the validity of the funding impact statement in some councils have raised concerns about some aspects of quality assurance in what is a vital area of the LTP.

Key Processes for the Development of a LTP

1. Strategic/ High Level Reviews

- 1.1 Strategic Context and Direction Setting:** Strategic context and direction setting represents setting high level parameters for the LTP, its basic direction and the key issues that the plan will need to deal with. At a Council and community level there is key input required at this stage through a series of workshops and community group input. As required by legislation it is important to engage in the 'right debate'

The Council will need to consider economic trends and issues the community faces. For the Buller District Council this will involve identifying our vision and key priorities, community issues and strategic direction and projects for the next 10 years.

Alongside this a high level scan is required to identify political, economic, social, technological and environmental events or trends that will impact on our communities. For example an environmental trend could be how rising sea levels will affect Council and community property and how Council will need to consider primary industry cycles and the effect this may have on our community and population predictions as this will impact on any proposed Council level of services.

The financial impact of the NZTA Financial Assistance Rate on Roothing levels of service and decisions regarding the Karamea special purpose road will be important.

Decisions regarding the Westport Harbour operations and Buller Holdings and how this impacts on Council must also be considered.

- 1.2 Stocktake of Existing Plans and Strategies:** A stocktake of the key projects such as completing water upgrades, the District Plan, integration of the Rates Review consultation and key issues raised during the 2017/2018 Annual Plan and the impact on the LTP must be undertaken.

Council should consider decisions and strategies around shared services and how this may impact on the LTP.

- 1.3 Review Growth Strategy and Forecasting Assumptions:** This task ensures the assumptions around growth over the period of the LTP are clearly articulated and consistently applied.

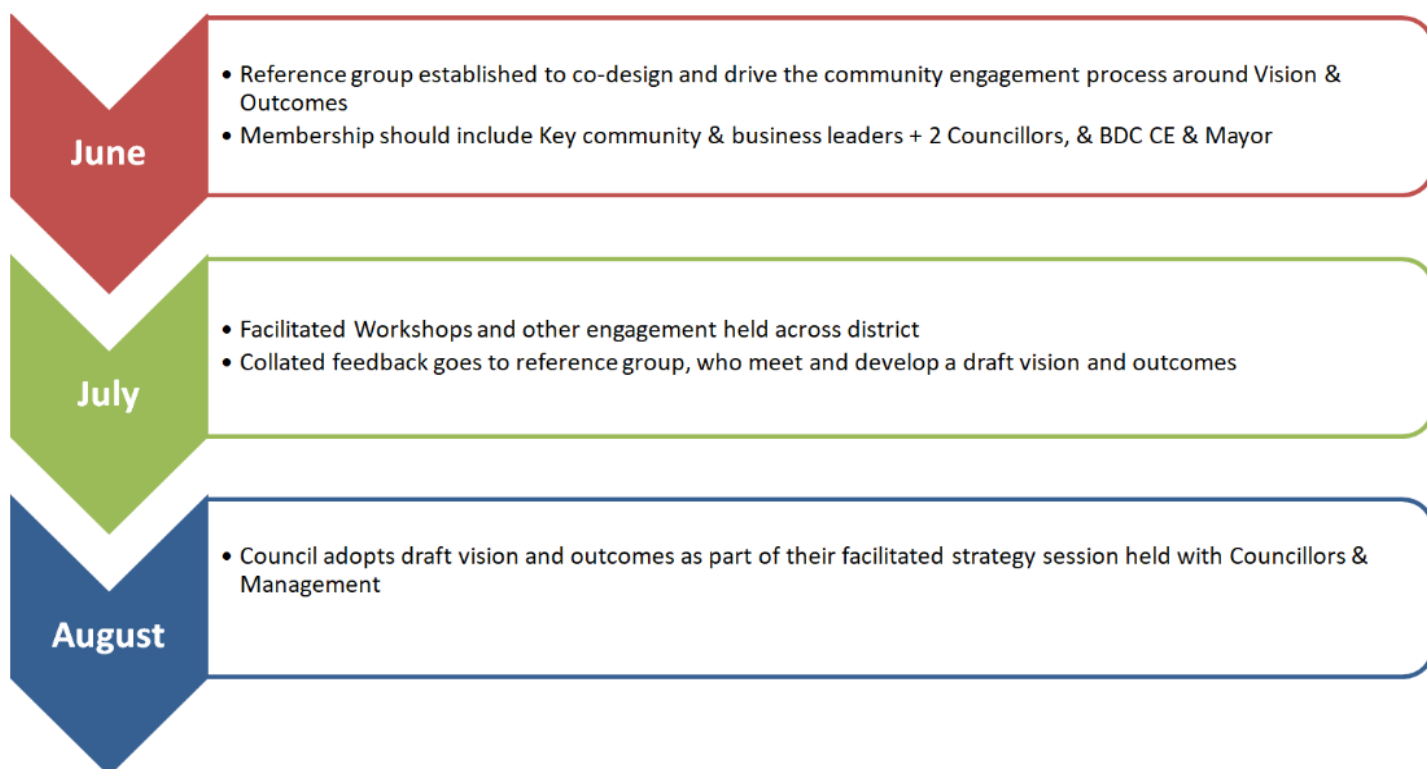
- 2. Policy and Plan Development:** This is an integral part of the LTP and for each plan the bar is being constantly raised around integration and quality of information that is contained. They include:
- 2.1 Community Outcomes Review:** The addition of a community reference group to co-design and drive the engagement process, specifically around the vision and community outcomes, and having this group also draft the vision and outcomes will give a greater level of community ownership to the plan from the earliest possible opportunity.
 - 2.2 Infrastructure Strategy:** This was a new requirement in the 2015-2025 LTP. Key aspects of the strategy must be included in the consultation document. The document must deal with the key infrastructural issues and challenges over the 30 year period. The strategy must include the five groups of network infrastructure: roads and footpaths, drinking water, wastewater disposal, stormwater and solid waste. The infrastructure strategy must link closely with the financial strategy.
 - 2.3 Level of Service Review:** The level of service review will identify the current state of service and then a consideration of potential options. The output is a recommendation to the elected members from the executive management team about service priorities. Decisions must correlate with the Asset Management Plans and financial forecasts.
 - 2.4 Asset Management Plans:** The main focus of this plan is to reflect the results of Council's direction setting and the level of service review. The AMP's must take into account actual/planned growth (or decline), new standards and changing modes of service delivery.
 - 2.5 Financial Strategy:** This strategy outlines the overall direction for the financial management of Council. The strategy sets out the desired financial parameters for Council after considering the financial constraints and service delivery implications and risk. This is a core part of the content for the consultation document. The strategy must include quantified limits on rates, rates increases and debt together with the impact these have on levels of service. The strategy must also deal with the capital expenditure for the five infrastructure services.
 - 2.6 Policy Review:** This refers to the policies that may be required for inclusion in the LTP for review and would generally include revenue and financing, rates remission, significance and treasury management policies.
- 3. Preparation of the Long Term Plan**
- 3.1 Preparation of the Financial Forecasts and Financial Statements:** Consistent with infrastructure and financial strategy, level of service required and asset management plans.
 - 3.2 Preparation of the Draft Plan:** Content includes - financial projections for 10 years of activity and Council wide levels, non-financial

performance indicators (KPIs), specified Council policies required for review, narrative text that describes Council's activities and plans. Integration with the results of the rates review consultation is required.

3.3 Preparation of the Consultation Document and Agreement on the Approach to Consultation:

The consultation document is a key document which must succinctly spell out Council's strategy and issues and how Council will go about addressing the key issues identified by the LTP.

4. **Public Consultation:** This task relates to the specific legislative requirements to publicly consult on the Draft LTP. The key document here is the LTP Consultation Document. We are proposed to do more than is required by adding the initial engagement step for the vision and outcomes which are the overarching principles of the whole LTP. Below is the flow chart explaining the extra steps outlined in the project plan in more detail:



5. Deliberation

This covers the analysis of submissions, provision of advice and the elected members consideration of submissions on the draft plan.

6. Final Plan Preparation and Adoption

6.1 Learning from the last LTP - Some key areas of learning that have arisen from prior LTP's:

- Agreement on forecasting parameters and assumptions eg inflation indices

- Follow a project plan and agree deadlines and resources for key tasks
- Slippage on the deadlines could impact the ability to meet the statutory deadlines
- Quality cohesive and consistent document that tells our story
- Increased focus on non-financial information and the performance management framework
- A detailed review is required of the non-financial performance management framework to ensure that measures and targets are tangible and meaningful
- Top down approach to strategy development rather than fitting the strategy around the numbers
- A sound and robust approach to all forecasting assumptions is important
- It will be vitally important that the forecasting assumptions, Infrastructure Strategy, Asset Management Plan, Financial Strategy and forecasts are aligned and that these plans are linked
- There should be a regular review of progress on the project
- Rating and all associated rating documents must be thoroughly reviewed

6.2 Project Plan

It is essential that Council develops a project plan and appoints a project team as there are other projects timelines and outputs (eg Rating Review) that must be integrated with the development of the LTP. A proposed Project Plan for the development of the LTP is attached.

Considerations

1. Strategic impact

The LTP is a key process and document that determines the direction of Council and the district therefore it has a high strategic impact.

2. Significance Assessment

The Buller District Council Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant. The report and recommendations is not deemed significant under this policy.

3. Values Assessment

The Buller District Council values are: One Team, Community Driven, We Care, Integrity and Future Focussed. This process aligns with these values.

Community Driven: The LTP provides a proactive response to issues raised in the community with regard to the provision of services and facilities. Giving the community more input and ownership in this process shows that we take this value seriously.

We Care: The proposed discussion/action demonstrates that we have considered the impact of the current arrangements and are exploring options to address it.

Future Focussed: Development of a LTP is by nature a future focused activity as it sets our path for the next 10 years.

4. Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event. The critical risk to Council is the LTP project not progressing as planned, not being adopted by the statutory deadline of 30 June 2018 resulting in Council being unable to strike rates for the 2018/2019 financial year. With the plan attached the risk of this occurring is deemed to be low.

5. Policy/Legal Considerations

The Local Government Act (2002) Section 93 stipulates that a local authority must adopt a LTP using the special consultative process.

6. Tangata Whenua

The Local Government Act explicitly provides for input into decision making and consultation under Sections 81 and 82, and consultation with local iwi will be a key part of the engagement process.

7. Views of Those Affected

The community will have input into the development of the LTP early in the process at a strategic level as well as via the special consultative process which is set out in the Local Government Act 2002.

8. Costs

There are costs associated with producing a LTP both internally and externally. A significant cost is the audit of the process and documents by Audit New Zealand, the cost of community engagement and consultation and review of asset management plans are other costs associated with the LTP. These costs occur in the 2017/2018 financial year and have been budgeted for in that financial period.

9. Benefits

A sound project plan for the LTP is likely to contribute to a good process and consequently a satisfactory outcome.

10. Media/Publicity

There will be multiple opportunities for media and publicities throughout the LTP development process, the communications plan will be aiming to maximise this.

Proposed Project Plan: 2018 to 2028 LTP (Draft)

	Task	Assigned Responsibility	Completion required by
1	Establishment of Internal Project Team	Manager Corporate Services	May 2017
2	Establishment of community reference group to co-design engagement process	Chief Executive	Early June 2017
3	Development of LTP communications plan	Project Team + Sage PR	June 2017
4	Council vision and community outcome engagement & workshops with the community	Councillors & Management Team	July 2017
5	Development of draft vision & outcomes using community feedback	Community Reference Group	
6	Council Vision, Priorities and Strategy - Review and adoption of vision and community outcomes - Stocktake of existing plans and strategies - Direction setting - Development of key priorities and projects	Councillors & Management Team	30 August 2017
7	District Population Projection and potential impact on levels of services and AMP's	Manager Corporate Services	30 August 2017
8	Rates review completed	Rates Review Committee	30 August 2017
9	Level of Service (LOS) Review	Management Team and Elected members	30 September 2017
10	Environmental scan Review of significant forecasting assumptions	Manager Corporate Services	31 October 2017
11	Rating Consultation material finalised	Rates Review Committee & Manager Corporate Services	15 November 2017
12	Updating of 30 year Asset Management Plans - Sewer - Stormwater - Roading	Manager: Assets & Infrastructure	28 November 2017

	Task	Assigned Responsibility	Completion required by
	<ul style="list-style-type: none"> - Water - Property LOS, Financial Strategy, Funding, renewal & upgrade strategy, demand, valuation, depreciation		
13	Development of Infrastructure Strategy	Manager: Assets & Infrastructure	28 November 2017
14	Develop Financial Strategy (S101 A 2002) <ul style="list-style-type: none"> - impact of demographics - Rates Caps, Rates Increases, borrowings - Affordability - Sustainability - Tie in with Council, AMP strategy over next 10 years - Understand sensitivity 	Manager: Corporate Services	30 November 2017
15	Review of Performance Management Framework	All Managers & CEO	September to November 2017
16	Review of Policies Revenue and Financing, Treasury Management. Rates etc	Manager: Corporate Services	Mid December 2017
17	Audit review of Plans, Strategies budgets to date	Audit NZ	Mid Dec/Mid Jan 2018
18	Completion of Budget worksheets for all Groups of Activities	All Managers & CEO	December 2017
19	Workshop with BHL re capex, distributions, funding, service level, strategic plans	BHL Directors, Councillors, CEO	Mid January 2018
20	Consolidation of budgets, calculation of loans, overheads	Finance team	Early February 2018
21	Workshop with Clrs and Management	All Managers, CEO	Mid February 2018
22	Narrative & telling the story Consultation Document	All Managers QA: Manager Corporate Services	December to February 2018
23	Finalise Draft LTP	Manager Corporate Services	End March 2018
24	Audit Visit – audit of Draft LTP	Audit NZ	Late Feb/March 2018

	Task	Assigned Responsibility	Completion required by
25	Draft and Consultation documents adopted by Council, advertised and released for public consultation Consultation: roadshows	Councillors CEO	March 2018
26	Roadshows and Submissions received	PA Manager Corporate Services	April 2018
27	Public Hearings	Councillors, Management	Early May 2018
28	Councillors deliberate	Councillors, Management	May 2018
29	Amend LTP and narrative	PA Manager Corporate Services	May and June 2018
30	Final version of LTP audited	Audit NZ	30 June 2018
31	Final version of LTP adopted	Councillors CEO	30 June 2018

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 5

Prepared by - Lynn Brooks
- Management Accountant

Reviewed by - Dean Phibbs
- Manager Corporate Services

Buller Holdings Limited - Financial Report to 31 March 2017

Report Summary

This report presents the interim (unaudited) financial statements for the nine month period ended 31 March 2017 including the budget for this period. The report also presents results against the Statement of Intent targets which are non-financial measures.

Draft Recommendation

1. That the interim Financial Report be received for information and discussion.
2. That the Finance and Audit Committee recommends the Financial Report for the quarter ended 31 March 2017 be received from Buller Holdings Limited is accepted by Council.

Issues and Discussion

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

The Buller District Council owns 100% of the shares in Buller Holdings Limited, therefore Buller Holdings Limited is deemed to be a Council Controlled Organisation.

Commentary on the results of each area of Buller Holdings Limited operations which are Westport Harbour Limited, WestReef Services Limited, Buller Recreation Limited (trading as the Solid Energy Centre) are set out in the accompanying report. This information should be read in conjunction with the financial statements to provide detail about the group reported results of \$3,256,000 revenue above budget, and \$1,445,000 expenditure above budget.

Considerations

1. Strategic Impact

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. The aim of the group is to operate as a successful company and provide a competitive rate of return on the investments of the company.

2. Significance Assessment

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

3. Values

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

4. Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

This report provides oversight of the financial operations of Buller Holdings Limited, but does not elaborate on other risks which may be present with those operations. Risk is mitigated by engaging suitably qualified directors to oversee the operations of the group, and to have a dedicated Committee of Council to oversee and report upon the operations of the group. This Committee is the Council Controlled Trading Organisations Committee.

Financial risk is mitigated when the results of operations are reported on and understood by staff and governance, and provision of the interim report to the Finance and Audit Committee, then to all of Council is made.

5. Policy/Legal Considerations

Buller Holdings Ltd is required to provide quarterly financial results by Council as stipulated in Council's Long Term Plan.

6. Tangata Whenua Consultation Considerations

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

7. Views of Those Affected

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

8. Costs

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

9. Benefits

The benefits of reviewing a quarterly report is the financial results are monitored at a Council wide level on a regular basis.

10. Media/Publicity

There are no media or publicity opportunities with this report.

Financial Report (unaudited)

For

Buller Holdings Ltd

For the Period Ending 31 March 2017

Quarterly report
March 2017

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Statement of Cash Flows	9
Statement of Financial Position	11

Directors Report to the shareholders of Buller Holdings Ltd on the financial performance for the nine months to 31 March 2017:

Commentary:

Revenue exceeds budget for the first 9 months of the group financial year as result of additional out port dredging work and the impact of the North Canterbury Earthquakes on contracting revenues.

Operating costs have also tracked higher than budget due to a variety of reasons, however it is expected this will ease to be more in line with budget over the final quarter.

WestReef has continued to be busy through the quarter with a solid work load across the business and a number of successful tender bids during the quarter, highlight being the successful submission for 2 sections of the Paparoa Memorial track construction project. Going forward preparation for the winter months and winter maintenance on the SH1 Alternative Route continue to be a major focus.

The Kawatiri has completed the dredging requirements for both Eastland & Center Ports and has since returned to Westport. Repairs and Maintenance has now commenced on the vessel in preparation of next year's Nelson dredging and slipping requirements.

A colder sea temperature though the summer period has seen a delayed start to the seasonal fishing season along with a reduction in the quantity of catch to date.

Patronage at Buller Recreation Ltd has continued to fluctuate through the quarter and appears to have benefited from the inclement weather experience over the Xmas period. As always cost savings and opportunities to increase revenue are a major focus of the BRL management team with a number of initiatives investigated during the period.

With a solid forward workload in the contracting business and steady patronage at Buller Recreation the forecast for the coming quarter is positive, however as per previous periods ensuring the stability of Westport Harbour is vital to the end of year result.

Health and Safety continues to be a focus of the Board and it was pleasing to see that there were no significant H & S events occurring in the period and management have continued to develop H&S Systems and compliance.

A detailed update against key indicators is contained in the next section of the report.

Statement of Intent Targets:

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

Buller Holdings Limited

Performance Measure	Target	Achievement
Service Performance	<p>The Board of Directors will meet with the Buller District Council CCTO committee on a formal basis a minimum of three times a year and at other times by request.</p> <p>The Chief Executive will provide a formal report to Council on a regular basis or as requested</p> <p>Buller Holdings directors and staff will adhere to the requirements of the protocols and charter agreed with BDC</p> <p>The Chief executive of Buller Holdings Ltd will meet with the Chief executive of Buller District Council six times a year</p>	<p>Council CCTO Committee have met with the board on 26/08/16, 12/12/16, 22/02/17</p> <p>No reports requested during period.</p> <p>Requirement achieved</p> <p>2 meetings YTD</p>

Buller Recreation

Performance Measure	Target	Achievement
Financial Performance	Revenue and expenditure in line with budget	YTD revenue up 3% YTD expenditure below budget by 1%
Service Performance	Fitness membership- 450 members Retention rate >75% Aquatic Services 4000 visits per month (12 month average) 150 swimming students (averaged 4 swimming terms) Safety Nil serious harm incidents to customers or staff 100% compliance with H & S procedures	Currently at 488 for March. Average = 492 for last 12 months. 92% Average 4532 for last 12 months 188 Nil Achieved
Employee Leadership, Development and Retention	Undertake staff satisfaction survey or 360° survey of management to provide feedback on staff engagement and benchmark Hold Bi-monthly meetings with all staff to ensure regular communication with management Document a succession plan for key positions and identify training needs and actions for the next 12 months Complete annual review process with all staff to ensure staff are working to their full potential	Completed December 16 Meetings held every four months Meeting held February Completed Completed
Asset management Plan (AMP)	Maintain a comprehensive AMP for the facility, plant and equipment Complete maintenance and replacement in accordance with AMP (monitor monthly)	Updated and reviewed December 2016 Achieved

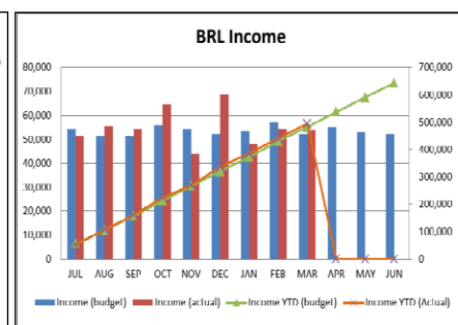
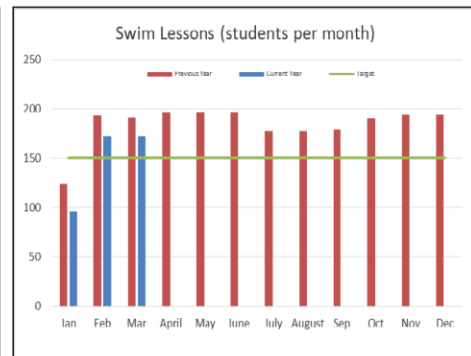
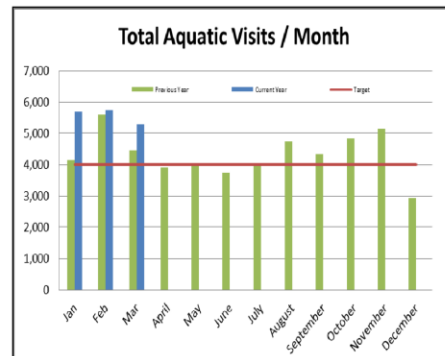
WestReef Services Ltd

Performance Measure	Target	Achievement
Financial Performance	<p>Achieve a pre-tax operating profit of 10% of gross revenue (before any subvention payment)</p> <p>Grow revenue from competitively procured work – target 30% of gross revenue</p>	<p>12% YTD</p> <p>57% YTD</p>
Service Performance	<p>Renewal of TQS1 certification</p> <p>Meet monthly with major clients, BDC engineers and stakeholders/ minimum of 12 meetings per year to obtain feedback</p> <p>Support activities involved with the social and environmental development in the community. Support six activities</p>	<p>Achieved</p> <p>9 YTD</p> <p>30 YTD</p>
Employee Leadership, Development and Retention	<p>Undertake staff satisfaction survey or 360° review of management to provide feedback on staff engagement and a benchmark for future years</p> <p>Ensure succession plans are in place for all senior management positions</p> <p>Weekly staff meetings with minutes kept</p> <p>Lost time incidents <5% of total hours</p>	<p>Survey completed December 16</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>

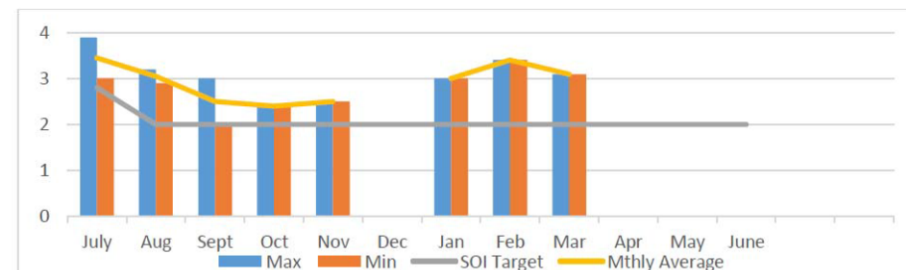
Westport Harbour Ltd

Performance Measure	Target	Achievement
Financial Performance	Pre-tax operating profit before dredge slip/maintenance of at least 9% of gross revenue Pursue all opportunities for growth in business	Not Achieved Discussions with interested parties continues
Service Performance	Maintain by Dredging: <ul style="list-style-type: none"> • A bar depth of >2.8m at chart datum (CD) • An average river depth in the main navigation channel of 3.8m at CD • Sufficient depths for vessel requirements at wharves & jetties • Consistently deliver services to customers in accordance with contracts 	Revised to 2.0m (post Holcim)YTD Nil Days at< 2.0m recorded Achieved – sounding 7/2/17 indicating min depth of 3.8m Achieved –soundings completed but no issues reported Maintained
Personnel	Maintain competency levels required for all employees to deliver high quality performance in their duties Undertake staff satisfaction survey or 360° review of management to provide feedback on staff engagement and a benchmark for future years	Achieved – all seafarer medicals and certification are current Not Achieved – due to restructuring the survey has not yet been completed
Safety	Maintain a comprehensive system of H&S procedures Promote a safety first/zero harm culture with no LTI's	MNZ approved "Safety Management System" 6 x monthly meetings held. No Lost time Injuries YTD
Environment	Avoid harm to environment as consequence of port operations Maintain high quality response to managing any environmental damage	No incidents of environmental damage Oil Spill Response Training up to date

Group Trend Graphs



Buller River Bar Depth



Brian Wood
Chairman

STATEMENT OF FINANCIAL PERFORMANCE
For the period ending 31 March 2017

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	10,947	9,691	398	422
Expenses	10,652	9,207	377	416
	295	484	21	6
Less Subvention payment made (received)	917	-	300	-
OPERATING SURPLUS/(DEFICIT) before taxation	-622	484	321	6

For the period ending 31 March 2016

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	11,130	10,940	469	413
Expenses	10,473	10,463	417	401
	657	477	51	12
Less Subvention payment made	-	-	-	-
OPERATING SURPLUS/(DEFICIT) before taxation	657	477	51	12

STATEMENT OF CHANGES IN EQUITY

For the period ending 31 March 2017

	Actual Group			Actual Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2016	19,131	-3,000	16,130	19,131	-3,434	15,697
Profit for the period	-	295	295	-	321	321
	19,131	-2,705	16,425	19,131	-3,113	16,018
Transactions with owners, recorded directly in equity						
Issued capital	42	-	42	42	-	42
Less Subvention paid to shareholders	-	-917	-917	-	-	-
	42	-917	-875	42	-	42
Closing balance 31 March 2017	19,173	-3,622	15,550	19,173	-3,113	16,060

For the period ending 31 March 2016

	Actual Group			Actual Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2015	19,076	-3,655	15,420	19,076	-3,105	15,971
Rounding		-				
Profit for the period	-	657	657	-	51	51
	19,076	-2,999	16,077	19,076	-3,054	16,022
Transactions with owners, recorded directly in equity						
Issued capital	55	-	55	55	-	55
Less dividend paid to shareholders	-	-	-	-	-	-
	55	-	55	55	0	55
Closing balance 31 March 2016	19,131	-2,999	16,132	19,131	-3,054	16,077

STATEMENT OF CASH FLOWS
For the period ending 31 March 2017

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES	2017		2016	
Cash was provided from:				
Management fees	774	244	656	322
Receipts from Customers	13,529	229	11,921	152
Interest received	23	12	25	16
	14,326	486	12,602	490
Cash was distributed to:				
Payments to suppliers and employees	12,994	513	11,360	474
Taxes paid	-	-	-	-
Interest paid	-	-	-	-
	12,994	513	11,360	475
Net cash inflow/(outflow) from operating activities	1,332	-27	1242	16
CASH FLOWS FROM INVESTING ACTIVITIES				
Realisation of term investments	436	436	2,083	580
Proceeds from sale of fixed assets	11	-	-	-
Loan repayments	-	9	-	9
	447	445	2,083	589
Cash was applied to:				
Term investments	1,011	-	3,117	1,014

Loan Repayments	60	-	60	-
Purchase of fixed assets	351	-	1,350	-
	1,422	-	4,527	1,014
Net cash inflow/(outflow) from investment activities	-975	445	-2444	-425

CASH FLOWS FROM FINANCING ACTIVITIES

Cash was provided from:

Subvention received	-	300	-	-
Share Issue	42	42	55	55
	42	342	55	55

Cash was applied to:

Dividend paid	-	-	-	-
Share Issue	-	42	-	55
Subvention payment made	1,317	400	578	578
Inter Company Loan	-	400	-	-
	1,317	842	578	633
Net cash inflow/(outflow) from financing activities	-1,276	-500	-523	-578

Net increase in cash held	-919	-83	-1725	-987
Add opening cash as at 1 July 2016	2,128	151	2,975	1,076
Closing cash balance	1,209	68	1,250	89
Made up of:				
Bank	1,209	68	1,250	89
Closing cash balance	1,209	68	1,250	89

STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
EQUITY	2017	2017	2016	2016
Share capital	19,173	19,173	19,131	19,131
Accumulated Funds	-622	321	657	51
Retained earnings	-3,000	-3,434	-3,655	-3,105
	15,550	16,060	16,132	16,077

REPRESENTED BY:
ASSETS
Current Assets

Cash and short term deposits	1,210	68	1,251	89
Receivable and prepayments	1,562	48	1,343	58
Inventories	249	0	237	0
Short Term Investments	1,011	0	1,434	434
Distribution Receivable	0	0	0	0
Other	0	451	0	63
Total current assets	4,032	567	4,265	644

Non-current assets

Deferred tax	190	16	194	10
Fixed assets	17,696	380	18,495	380
Goodwill	389	0	389	0
Investment in Subsidiaries	0	17,614	0	17,572

Total non-current assets	18,275	18,010	19,078	17,962
Total Assets	22,307	18,577	23,343	18,606

LIABILITIES
Current liabilities

Payables and accruals	1,575	104	1,129	105
Employee entitlements	615	50	924	60
Provision for Subvention	-	-	-	-
Total current liabilities	2,190	154	2,053	165

Non current liabilities

Advance BDC	0	0	479	0
Deferred Tax	2,117	0	2,163	0
Buller District Council and EECA Loan	2,450	2,364	2,515	2,364
Total non-current liabilities	4,567	2,364	5,158	2,364
Total liabilities	6,757	2,518	7,211	2,529

Net Assets	15,550	16,060	16,132	16,077
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BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 6

Prepared by - Lana Thomas
- Community Services Officer

Reviewed by - Craig Scanlon
- Manager Community and Environment

Karamea Community Incorporated Vision 2010 Project Update

Report Summary

Karamea Community Inc was allocated Vision 2010 funding in July 2015 of \$100,000. This funding was separated over two projects, the first for a cycleway and the second for an overall upgrade to the hub area of Market Cross, including the Community Centre that was formerly the RSA.

Plans have now been updated and need to be adopted by Council so that the group can move forward with their project.

Draft Recommendation

That Council advise of their decision.

Issues and Discussion

In November 2015 Council resolved the following:

1. *Council approve \$47,660 for the cycleway/walkway aspect of Stage One and work to continue in co-ordination with Buller District Council Engineering staff.*
2. *Council approve \$6,600 to allow Karamea Community Group to commission concept plans for the landscape and building design of the Hub area of Market Cross.*
3. *Karamea Community Group then need to submit the concept plans to Council for consideration before the remainder of the \$100,000 (Stage One allocated funding) is approved.*

The Group no longer wish to pursue the cycleway aspect of the project at this time. Therefore, they would like to use all remaining funding, totalling \$93,304, for the "Karamea Hub : A community hub at Market Cross". Plans are still as per what has been previously presented to Council with the main focus being on the refurbishment of the Community Centre.

Attached to this report is the latest draft design brief for the project and proposed timeline.

Considerations

1. Strategic Impact

Council need to finalise what the Vision 2010 funding can be spent on as what was resolved is no longer how the funds are proposed to be spent.

2. Significance Assessment

This is of low significance in accordance with our policy.

3. Risk Analysis

Council must ensure that funds allocated will meet community needs both short and long term.

4. Policy/Legal Considerations

None identified.

5. Tangata Whenua Considerations

None identified.

6. Views of Those Affected

We assume Karamea Community Inc has consulted their community regarding this specific change, as per previous communication. Councillors would have got a good view of this from the community, during their visit to Karamea for the March Council meeting.

7. Costs

The funding in question has already been budgeted and allocated to this group. Costs are now being proposed to be spent differently than the previous Council resolution.

8. Benefits

In approving the proposed planned spend, the Karamea community will have a community building that has a wide range of uses and can be used by various members of the community.

9. Media/Publicity

An opportunity to publicise Council's investment in the district's rural communities.

Karamea Community Centre (formerly the RSA) Project Building and Landscape Design Brief

The purpose of this document is to provide guidelines for responses to expressions of interest for the design work needed to progress this project. This may include organisations interested in doing the building and landscape work.

The concept drawings below provide an indication of the plans which have been made available to the community for comment and which form the parameters for the design(s) together with the attached concept images. The following text is a combination of the text from the Karamea Market Cross Concept Masterplan of the Concept Design for STAGE 1 and comments recorded from the public meeting held in the building on 19 January 2017.

It is also relevant to record that this project is the first stage of implementing the Karamea Market Cross Concept Masterplan and the design should reflect that wider long term context. This brief is divided into two sections:

1. The building, and
2. The landscaping (including modifications to areas exterior to existing structures including the public toilets)

Responses can be for each of these separately or together and in the case of the latter, design proposals must be documented under each category.

1. The Building

- Enhancement of an existing building for greater community use
- Building made more welcoming with improved street appeal and main entry facing the street
- Large verandah as rainy day shelter, stage for outdoors, increased space for indoors with use of zippered screens to verandah edge
- Provision to be made for possible future installation of a commercial kitchen. Note that there is no specific proposal for this amenity but the design should provide for sufficient space in the event that there is a requirement in the future.
- Extend front veranda further towards road (by 1 metre).
- Consider acoustics improvement in the main room for possible live music venue

2. The Landscaping

- Landscaping improved to support the market green
- Green space (lawn) extended out to the street edge to give prominence to the community building and to 'link' with green space and building across the road
- New entry to the public toilets to remove it from the main entrance of the community building
- Public toilets 'down played' in the landscape to put emphasis on the main building
- The concept design provides for a tiled ramp between the building and the public toilets – concern has been expressed about this being a potential slipping hazard and the design should address this. (Note that one option may be for the route from the pensioner housing to Market Cross to be based on the and walking/ cycling concepts

documented in the Concept Designs for Stage 1 of the “An Urban Design for Karamea)

- Covered walkway and lighting for retirement village path to Market Cross

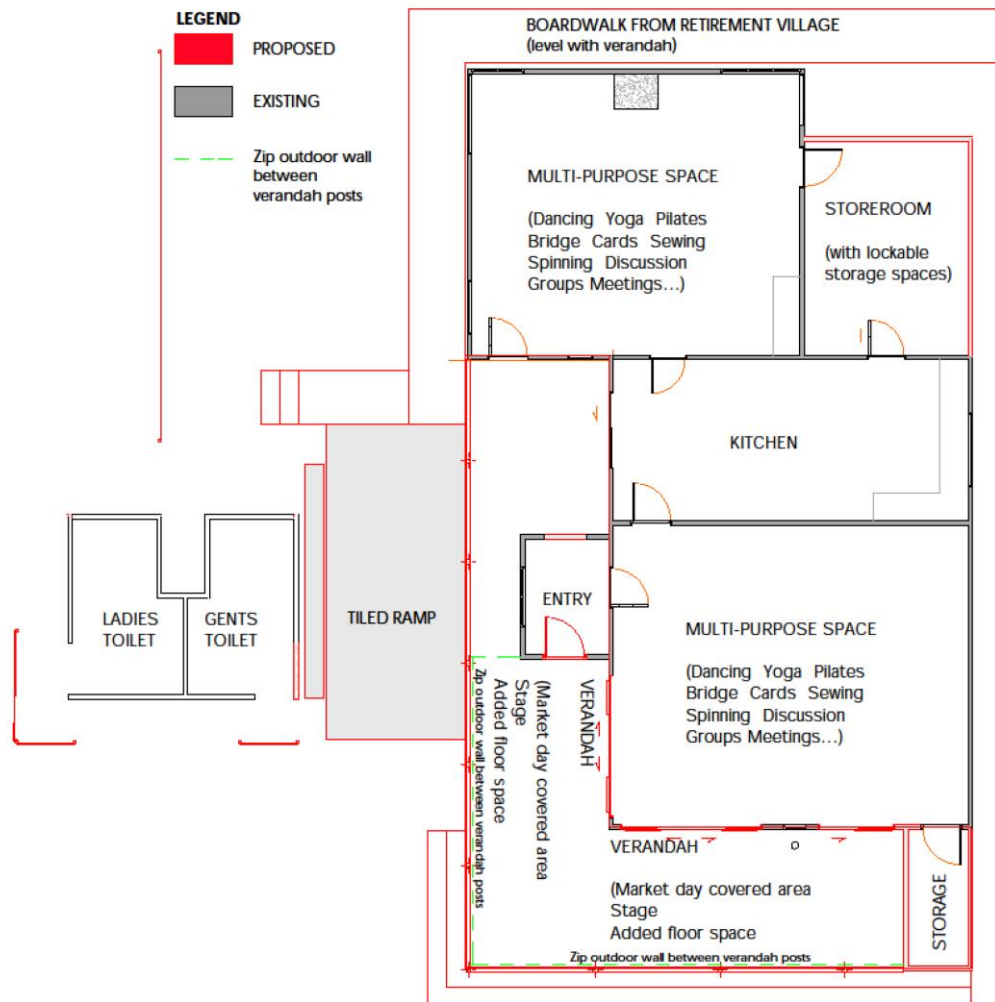
All responses for this design brief must take into account the following:

- Buller District Council (BDC) resource consent requirements (Commercial Building Consent and possible resource Consent) see link below*
- The need for digital files for all drawings
- The drawings will be required by *(set date)* to obtain quotes and undertake community consultation
- Respondents should provide separate indicative costs for the building and landscaping design work if submitting designs for both.

* [PIM-Building Consent Application Pack-Commercial-Work](http://bullerdc.govt.nz/property/building-services/building-application-forms/)
<http://bullerdc.govt.nz/property/building-services/building-application-forms/>



See separate attachment for additional concept drawings



CONCEPT SKETCHES
for
PROPOSED ALTERATIONS TO MARKET CROSS COMMUNITY BUILDING

Karamea Community Centre (formerly the RSA) Project Group

Building and Landscape Improvement Project timelines (V2)

	Item	Complete by	Who
1.	First joint meeting	10 Feb	CVH
2.	Brief for plans	22 March	KCI/RSA
3.	Advertise for draughter/designer	27 Feb	CVH
4.	Approach potential draughter/designers		?
5.	Decision on Plan draughter/designer		KCI/RSA
6.	Plans complete	20 April	Designer
7.	Plans OK'd for public consultation	24 April	KCI/RSA
8.	Plans made available for comment	27 April	CVH
9.	Plans reviewed/amended	18 May	KCI/RSA
10.	Advertise for builder/landscaper	Mid-year	
11.	Approach potential builder/landscapers	Mid-year	?
12.	Building Consent approval	Mid-year	
13.	Resource Consent approval (if required)	Mid-year	
14.	Decision on builder/landscaper	Mid-year	
15.	Contract signed off	Mid-year	
16.	Work commences	2 July	
17.	Project Complete	24 November	
18.	Official opening	Before Xmas 2017	

Karamea Community Centre (formerly the RSA) Project Group

Building and Landscape Improvement Project timelines (V2)

	Item	Complete by	Who
1.	First joint meeting	10 Feb	CVH
2.	Brief for plans	22 March	KCI/RSA
3.	Advertise for draughter/designer	27 Feb	CVH
4.	Approach potential draughter/designers		?
5.	Decision on Plan draughter/designer		KCI/RSA
6.	Plans complete	20 April	Designer
7.	Plans OK'd for public consultation	24 April	KCI/RSA
8.	Plans made available for comment	27 April	CVH
9.	Plans reviewed/amended	18 May	KCI/RSA
10.	Advertise for builder/landscaper	Mid-year	
11.	Approach potential builder/landscapers	Mid-year	?
12.	Building Consent approval	Mid-year	
13.	Resource Consent approval (if required)	Mid-year	
14.	Decision on builder/landscaper	Mid-year	
15.	Contract signed off	Mid-year	
16.	Work commences	2 July	
17.	Project Complete	24 November	
18.	Official opening	Before Xmas 2017	

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 7

Prepared by - Craig Scanlon
- Manager Community and Environment

Reviewed by - Andy Gowland-Douglas
- Chief Executive

Reserve Contributions

Report Summary

To provide clarification on the status of Reserve Contributions monies currently held by Council, and also to seek from Council a strategy for Reserves Contribution, to ensure the district benefits from the fund.

Draft Recommendation

That the report be received for information.

Issues and Discussion

The RMA currently allows for District Plans to specify purposes for which financial contributions can be required as a condition of a resource consent, and how the level of that contribution is to be determined. Provided this is included in the Plan, section 108(2)(a) of the RMA allows for conditions requiring financial contributions to be included on resource consents.

Section 111 of the RMA states that, “Where a consent authority has received a cash contribution under section 108(2)(a), the authority shall deal with that money in reasonable accordance with the purposes for which the money was received.”

Our District Plan includes the ability to take financial contributions for “Provision of Open Space, Public Recreation or other Reserves” (aka ‘reserve contributions’). It states how the level of contribution is to be determined and in relation to purpose says:

“Purpose and circumstances: To upgrade public recreational space and other reserves with facilities for public recreation and enjoyment or the protection of conservation values...”

We have previously taken legal advice on the use of reserve contributions. In order for this money to be used a project must:

1. Be an **upgrade** to an **existing reserve** - it cannot be used to purchase land to become a reserve; and
2. Be on a **reserve** - “reserve” is defined in the Plan as, “any land set apart for any public purpose, as defined in the Reserves Act 1977. There are different types of reserves administered by the Department of Conservation and the word ‘reserves’ in the District Plan can refer to those reserves”; and
3. Involve either:
 - Providing facilities for public recreation and enjoyment (eg it could not be used for mowing the lawn on a domain or fixing existing playground equipment, but it could be used to upgrade playground equipment); or
 - Protecting conservation values

Reserve contributions could be used for projects like the Charleston to Westport Cycleway and the Buller River development where these take place on a “reserve” as defined in the Plan (from information available it appears that at least part of each of these will take place on a ‘reserve’ so this money could be applied to the upgrade of those parts).

Decisions on spending of reserve contributions are made by Council through the Annual Plan process. Council papers from 2005, 2006 and 2008 all refer to allocation of reserve contributions in this way. Council put a “Distribution of Reserve Contributions Policy” in place in 2006. It said that they would be used to fund “all forms of facilities” and that “in general terms, projects which can be funded from reserves contributions should be considered during the Annual Plan process”.

The Risk Committee reviewed this policy in 2014 and recommended to full Council at its meeting on 28 January 2015 that this policy be deleted, which was agreed to. The relevant part of the Council paper said:

“This Policy is written in very general terms and suggests that, “projects which can be funded from reserves contributions should be considered during the Annual Plan process.”

Reserve contributions are collected as conditions of resource consents for subdivisions, under provisions of the Buller District Plan. As required by the Resource Management Act 1991, the District Plan states when these contributions can be taken, what they can be taken for and how they are to be calculated.

It is suggested that this policy is no longer required because the use of reserve contributions is more appropriately dealt with through the District Plan and the Annual Plan/Long Term Plan.

There appears to be some misunderstanding about the requirement to return reserve contributions if they are not spent within a certain time. This is not the case. Development contributions taken under the Local Government Act “for a specified reserve purpose” have to be returned if they are not used within 10 years. Reserve contributions taken under the District Plan/RMA are not subject to any similar provision and do not have to be used within a specified time. This has been confirmed in legal advice.

The current balance of the reserve contribution reserve appears to be approximately \$1.3m. The breakdown of this figure is:

Inangahua Ward	\$18,537
Seddon Ward	\$195,741
Westport Ward	\$1,062,029

There is also an additional \$30,895 that has been difficult to allocate to a Ward as it is on the boundary of the Westport and Seddon Wards.

I have provided the above data, as councillors at a recent workshop expressed a desire to see where the money in the Reserves Contribution has come from.

Please note, that funds from the Reserves Contribution cannot be used on other projects Council is involved in eg water upgrades.

Please also note, that utilisation of this money has no impact on general rates.

Council has a number of options with regards to the Reserves Contributions, they include, but are not limited to:

- Signalling to projects - such as those already mentioned that it would consider requests for funding through the Annual Plan or Long Term Plan process. Decisions on submissions to this year’s Annual Plan could be made with the Reserves Contribution in mind.
- It could form a strategy to assist with decision making, to ensure the money is getting the best return possible for the community. Part of this strategy, could be to formalise ways to spend the contributions within the catchment areas the money was originally collected. A negative to this, is the ongoing maintenance and increased operational costs associated with new builds/or infrastructure.
- It could do nothing, and let the fund accumulate.

Considerations

1. Strategic Impact

Strategically Council has a real opportunity with this fund to enable some economic activity, and ensuring a positive legacy for generations to come.

2. Significance Assessment

This matter is not deemed significant under the Council's Significance and Engagement Policy.

3. Values Assessment

The Buller District Council values are: One Team; Community Driven; We Care; Integrity; and Future Focussed. This report presents potential projects, which with other funding options are important for the community and the future of the district. Effective allocation of the reserve contributions aligns with the future focused value as it provides for future generations.

4. Risk Analysis

Nil

5. Policy/Legal Considerations

The Reserves Contributions can only be utilised for certain purposes. Legal opinions have been obtained to assist decision making.

6. Tangata Whenua Considerations

This matter does not require iwi consultation.

7. Views of Those Affected

Funds have already been obtained. Council has received one submission to the Annual Plan informing Council they will be asking council for funds to assist with the project.

8. Costs

Nil impact on rates.

9. Benefits

I strongly believe that by indicating to some of the groups, that have exciting potential projects that will benefit the entire Buller District that conditional funding is available. It is likely to lead to further leveraging of these organisations to enable them to tap into other revenue opportunities.

10. Media/Publicity

In approving project funding to groups it could be a requirement that the group/organisation acknowledge Council in any publication/advertisements. This showing the range of projects that Council supports, creating a better profile of Council within the community.

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 8

Prepared by - Lynn Brooks
- Management Accountant

Reviewed by - Dean Phibbs
- Manager Corporate Services

Significant Projects Report

Report Summary

This report summarises significant projects and priorities of Council at 31 March 2017. It records both current and future work streams, and is for discussion and monitoring purposes. It should be read in conjunction with the attached detailed Appendix A.

Draft Recommendation

That the report be received for information.

Issues and Discussion

The report provides a high summary of some projects and priorities of Council by each of the following sectors:

- 1 Mayor, Councillors and Chief Executive
- 2 Community and Environment
- 3 Corporate Services
- 4 Operations
- 5 Significant Projects

This report does not include every task undertaken, such as low value routine roading contract work or other regular services provided by Council. Instead it highlights the high value projects at an aggregated level, and/or the non-routine projects.

The Chief Executive and Council are to advise if there are other projects or priorities to be included in the next monthly report to Council.

The following table shows each section of the report as a high level overview. This is similar to other “traffic light” indicators used in Council documents such as the Annual Plan, Long Term Plan and other reports and is included for consistency with those formats.

Activity	Indicator	Comment
Mayor, Councillors and Chief Executive	●	Progress continues with the Little Wanganui/Tapawera/Wangapeka Road and a business case is underway in April 2017. Advocacy for the West Coast Regional Council projects (Westport Flood Protection, Carters Beach and Granity/Ngakawau sea erosion) continues.
Community and Environment	●	The current tasks are on plan and budget. Attention must be paid to the resources required to complete all bylaw reviews which are required in 2017/2018. Freedom Camping is a topical issue and all West Coast Councils are working on a joint solution toward this subject.
Corporate Services	●	The 2017/2018 Annual Plan work stream is on target. The Long Term Plan is in the planning phase. The Free Wifi project has progressed well.
Assets and Infrastructure		
Roading and Urban Development	●	District Signage has progressed so the billboards can be installed however there will be a delay on the wayfinding signs. The riverside development has been reset for the next financial year as it will not be completed by the end of this year. Roothing contracts are being completed as planned, taking into account the weather conditions and that the work is typically scheduled in the later part of the financial year. Poor weather has delayed some planned projects and it is estimated the work will be 95% complete by end of year.
Water Supplies	●	Inangahua bore water scheme is operational, with final costs incurred. The Westport water project is progressing with external advice being prepared for presentation to Council.
Wastewater	●	Projects progressing as planned.
Stormwater	●	Projects progressing as planned.
Solid Waste	●	New litter bins purchased but cost is greater than budget.
Significant Projects	●	The District Plan Review continues to progress well along with the in-house Information Technology projects. The Rates Overhaul project is able to progress now that the new valuation data is uploaded.

	Project on time and budget	●
	Project delays or budget overruns	●

Considerations

1. Strategic Impact

The report helps to monitor the outcomes provided for the community against the strategic direction of Council. In particular, it reports on the effectiveness of the “consolidate and hold” position taken in the last Long Term Plan where it was agreed to minimise rates increases and limit new services or capital spending to those things that could be used as a springboard for district economic growth.

2. Significance Assessment

The Significance and Engagement Policy sets out the criteria and framework for a matter or a transaction to be deemed significant. The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine if a proposal or decision is significant requiring the Council to make judgements about the likely impact of that proposal or decision on:

The district:

- a) The persons who are likely to be particularly affected by, or interested in, the proposal or decision;
- b) The financial impact of the proposal or decision on the Council’s overall resources; and
- c) The capacity of the Council to perform its role and carry out its activities, now and in the future.

The content included in this report has been consulted on with the community through the Long Term Plan and Annual Plan process.

3. Values Assessment

The Buller District Council values are: One Team; Community Driven; We Care; Integrity; and Future Focussed. This report presents the significant projects which are important for the community and the future of the district. Reporting on the significant projects provides an opportunity to review if the areas of focus align with our values.

4. Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

Significant projects are perceived to have some greater than usual potential to place Council at risk as the costs involved can be significant, or the project may have greater technical and legal issues. This risk is mitigated by engaging suitably qualified staff to monitor and regularly report on the projects therefore acting on any issues that arise early on, and to ensure the project progress is well understood by staff and governance.

5. Policy/Legal Considerations

The Local Government Act 2002 governs the activities of Council and sets out the requirement for consultation on the Annual Plan and Long Term Plan to agree the budgets and activities to be funded.

This report assists with two key purposes of that Act (refer to section 3) stating the purpose of the Act is to promote the accountability of local authorities to their communities; and provide for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

6. Tangata Whenua Consultation Considerations

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

7. Views of Those Affected

There is no need to consult with the public or affected parties due to the information being previously consulted upon through Annual Plan processes.

The community will have interest in the progress of the projects and priorities included in the report because new spending affects annual rates charges, and the effectiveness of advocacy has the potential to improve community wellbeing.

8. Costs

There are no extraordinary costs for the items included in this report, as these projects have been budgeted for in the annual plan. Some of the significant projects have no monetary cost to council as they are for advocacy.

9. Benefits

The benefits of reporting on reviewing the significant projects and priorities are understanding the timelines, budgets, resourcing and opportunities that exist for Council.

Reporting on the significant projects and priorities allows Council to compare the activities of Council against the core strategy of Council.

10. Media/Publicity

There are many media or publicity opportunities with the content of this report.

Project Description	Project Manager	Carry Over (over/under	2016/17 Budget	Total Budget	Actual Cost to Feb 2017	Project status	Scope, Design, etc	Quote, Tender, etc	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
MAYOR, COUNCILLORS & CEO												
Little Wanganui/ Tapawera/ Wangapeka Road Advocacy	GH + CEO	0	0			In progress			Nov-15			Better Business Case underway in April 2017. Ongoing.
Integrated Family Health Unit Advocacy	GH + CEO	0	0						Nov-16	Nov-17		Site selection confirmed. Continuing Advocacy.
Future of Westport Port	CCTO Committee	0	0			under continual review			Dec-15	Jun-18		AP LTP Strategy, CCTO Committee and BHL. Updates to be provided.
Reefton Historic Power Generation Project	GH	0	0						Dec-17			Advocacy with Greg Topp.Active discussions continuing.
Ultra Fast Broadband Advocacy	GH + CEO + IT	0	0			In progress			Nov-15			Government Announcement with WC Projects 2019. Now with Chorus. Progressing with MDC, Creative Developments and BEL.
Shared Services Projects with Other Coast Councils	CEO	0	0			ongoing						Ongoing - Roading, IT, Internal Audits, Civil Defence & Local Govt Commission, Economic Development, Policy Development.
Housing for Elderly - Advocacy	GH	0	0						Jun-16	Jun-17		Housing stock & ownership structure i.e. Trust
Westport Gateway Sign	GH	(21,314)	25,000	3,686	1,769	in progress			Nov-15	May-17		Lighting to be completed by end of financial year.
Carlens Beach Sea Erosion Advocacy	GH + CEO	0	0						Aug-17			Community Meetings Held. Advocacy role only. Project sits with WCRC.
"Ngakawau/Granity Sea Erosion Advocacy - Facilitation"	GH + LB	0	0						Aug-17			Community Meetings Held. Advocacy role only. Project sits with WCRC.
Charleston/Cape Foulwind Cycleway	GH	0	0									MOU completed. Continue advocacy.
Kawatiri Sculpture Symposium	GH + PH	0	0			near complete			May-16	Dec-17		Sculptures Installed and near completed, awaiting plaques.
Westport Flood Mitigation	GH	0	0			ongoing						WCRC project, BDC role is advocacy. Submissions close 17 February.
Holcim Exit	GH	0	0									Exit Plan.
17A Review - Local Government Act 2002	CEO	0	0			underway						Required to review cost effectiveness of current arrangements for meeting community needs. Refer to February Council meeting agenda for more information.
Other Mayor, Councillors and CEO Projects	GH	0	0									
		(21,314)	25,000	3,686	1,769							

Project Description	Project Manager	Carry Over (over/under)	2016/17 Budget	Total Budget	Actual Cost to Feb 2017	Project status	Scope, Design, etc	Quote, Tender, etc	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
COMMUNITY & ENVIRONMENT												
Alcohol Policy	CS + RT	0	0			in progress						"Awaiting evidence from stakeholder groups to feed into policy development & legal outcomes"
By-Law Reveiws (all require review)	RT	0	0									To do: two in 2017, all the rest by 2018, NOTE this will be a large workload
Freedom Camping	CEO	0	0			in progress			Feb-17	Oct-17		Joint compliance and monitoring between all West Coast Councils.
Other Community & Environment	CS	0	0									
		0	0	0	0							

Project Description	Project Manager	Carry Over (over/under)	2016/17 Budget	Total Budget	Actual Cost to Feb 2017	Project status	Scope, Design, etc	Quote, Tender, etc	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
CORPORATE SERVICES												
2017/18 Annual Plan	DP	0				In progress			Nov-16	Jun-17		Progressing on time, roadshows advertised at Punakaiki, Reefton, Westport, Ngakawau and Karamea.
Free Wifi Proposal for Palmerston Street in 4 Locations + Airport	GH + RW	4,000	0	4,000	3,611	In progress						Sites installed. Seeking sponsors who will have advertising on the splash page for an annual fee to offset running costs.
Review of Costings for Water Schemes	CEO + Finance Team	0	0	0	0							To be completed as further information provided from Assets & Infrastructure Team
Fire & Emergency NZ Transition	DP	0	0	0	0	In progress			Apr-16	Jun-17		Information sharing with NZ Fire Service underway
Long Term Plan 2018-2028	DP	0	0	0	0	Planning Stage			May-17	Jun-18		Strategic Workshops to be held commencing May/June
Other Corporate Services Projects	DP	0	0	0	0							
		4,000	0	0	3,611							

Project Description	Project Manager	Carry Over (over)/under	2016/17 Budget	Total Budget	Actual Cost to Feb 2017	Project status	Scope, Design, etc	Quote, Tender, etc	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
SIGNIFICANT PROJECTS												
District Plan Review	RT	(7,712)	20,000	12,288	1,545	in progress			Nov-14	TBA		Hearings Committee has heard submissions. Are deliberating on those and will report to Council, who may accept or reject the proposed plan changes.
Rates Review Project Phase II	DP	67,617	0	67,617	15,560	in progress			Apr-16	Jun-18		Committee workshops continue to be held and a workplan is agreed.
IT/Information Technology Projects (inhouse)	HS	237,330	163,833	401,163	200,277	in progress				Jun-17		IM Project at selection stage. Major System update occurred in Feb 2017. Telephony upgrade will be completed by end of year. Hardware updates continuing.
Other Significant Projects												
		297,235	183,833	481,068	217,382							

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 9

Prepared by - Lynn Brooks
- **Management Accountant**
- **Wendy Thompson**
- **Financial Accountant**

Reviewed by - Dean Phibbs
- **Manager Corporate Services**

Financial and Non-Financial Performance and Capital Report for 31 March 2017

Report Summary

To provide Council with a financial and non-financial performance update for the quarter ending 31 March 2017.

Draft Recommendation

That the report be received for information.

1. ANALYSIS AND DISCUSSION: QUARTERLY REPORTS

1.1 Statement of Financial Performance

Operating Result

Council has budgeted for a three quarter deficit of \$891,000. The actual result is a surplus of \$716,000 which is a favourable difference of \$1.6 million. Analysis of the quarterly result is detailed below.

Operating Revenue

Overall operating revenue totals \$17.4 million compared to a budget of \$15.6 million. The difference of \$1.8 million was predominately made up of variances in the following areas:

Subsidies and grants are \$315,000 above budget. \$338,000 is unbudgeted DWC Stimulus Fund grants, \$24,000 is unbudgeted contributions from the NZ Motor Caravan Association and \$64,000 unbudgeted contributions towards the new Springs Junction toilet facilities; offset by timing differences in community facilities sponsorship receipts.

Dividend and subvention payments are \$917,000 more than budgeted to the end of March 2017.

Fees and charges are \$98,000 above budget. This variance includes \$72,000 unbudgeted lease income and lower receipts in building consent of \$79,000.

Gains on financial derivative contracts of \$509,000 have been valued based on the predictions of future interest rate movements.

Operating Expenditure

Operating expenditure totals \$16.7 million compared to a budget of \$16.5 million. The total variance of \$200,000 and includes:

Employee costs over budget by \$87,000 due to timing of an additional pay cycle less savings in some activities.

Depreciation costs are \$90,000 lower than budgeted due mainly to variations in the IT and amenities and reserves asset programmes to date.

Other expenses were \$303,000 higher than budgeted. This is mainly the result of \$202,000 in unbudgeted grants paid out relating to the DWC Stimulus Fund, \$44,000 costs associated with the Springs Junction toilets and \$20,000 in unbudgeted legal fees related to Ngakawau –Hector water. The balance is spread across a number of other cost centres.

Year-end predictions

Subsidies and grant income and expenditure have both increased due to Council's administration of the unbudgeted Development West Coast Stimulus Fund.

Based on current income and expenditure trends development and financial contributions income is expected to be under budget by \$77,000, employee costs above budget by \$115,000 and depreciation under budget by \$162,000.

There are a number of transactions that are not recognised or budgeted until the end of the financial year including vested assets, asset write-offs, derivative movements, and any movements in investment property or infrastructure values. However, Council has obtained a valuation of financial derivatives as at 31 March 2017

resulting in a gain of \$509,000 due to expected future interest rate rises.

Council deferred the revaluation of infrastructure assets budgeted in the 2015/16 financial year to the 2016/17 financial year due the current climate of low inflation.

1.2 Statement of Financial Position

Net debt (being external debt less term deposits) has reduced by \$1.8 million since the beginning of the financial year. However, debt is expected increase by the end of the financial year to fund some of Council's significant capital projects.

1.3 Cash Flow Statement

Net operating cash flow of \$4.9 million remains positive during the period to 31 March 2017. However, this was offset by fixed asset purchases \$3.1 million, an increase to Council's investments \$1.8 million and repayment of loans \$60,000.

1.4 Dashboard - Financial Performance Indicators

Activity	Revenue	Expenditure	Comment
Democracy	●	●	
Property Amenities and Reserves	●	●	Timing variance - R&M offset by public toilets
Economic Development, Tourism and Museum Support	●	●	
Community Services	●	●	Additional grant and lease income.
Regulatory	●	●	Building, planning under budget
Roading	●	●	Additional emergency reinstatement subsidy
Solid Waste	●	●	
Support	●	●	Consultant fees savings offset by unbudgeted recruitment, legal & subscriptions.
Wastewater	●	●	
Water	●	●	Electricity costs overbudget offset by savings to date
Airport	●	●	






Achieved	●
Not Achieved	●








2. DASHBOARD - Non-Financial Performance Measures

2.1 Background

A well balanced reporting system will include both financial and non-financial measures. Ideally non-performance reporting measures should provide information on key risk areas for Council to enable it to more effectively manage those risks.

The following table of non- performance measures was developed to help monitor key risk areas of Council and to help monitor organisational efficiency within Council.

Activity	No.	Measure	Target	Achieved / Not Achieved	Commentary
Regulatory					
Building	1	Ensure quality assurance requirements for building consent authorities are met as required by regulation 17 of the Building Consent Authorities Regulations 2006	Continue to retain accreditation by passing ANZ Audits		Audits are carried out on a 2 yearly basis. Staff are currently preparing for an upcoming audit in December 2017
Resource Management	2	Process non-notified resource consents within statutory deadlines	100% of consents processed within statutory timeframes		100% Compliance. There have been 43 resource consents completed since June 2016 (2015;39 consents)
Emergency Management	3	Maintain 3 teams of trained civil defence volunteers	30 trained volunteers (3 teams)		100 volunteers. Focus is on increasing participation in Reefton
Water Supplies					
All Water Supplies	4	Safety of drinking water	Meets 100% bacteria/ protozoa compliance criteria		Westport & Reefton meet standard Punakaiki has not achieved 100% compliance.
Westport Water	5	Maintenance/ renewal of water reticulation main	Number of shutdowns for Westport water trunk main		No shutdowns

Wastewater / Sewerage					
All Sewerage Systems	6	Provide adequate capacity by measuring how often does the sewer overflows	less than 5 dry weather sewage overflows from Councils sewerage system per 1,000 sewerage connections		No overflows
Stormwater					
All Stormwater Systems	7	Provide adequate capacity by measuring for each flood event the number of habitable floors affected.	No more than 5 houses inundated by stormwater flooding per event per 1,000 properties connected to Councils stormwater system		No flooding
Solid Waste					
Solid Waste (Litter)	8	Provide adequate capacity for the collection of litter	The number of extra litter bin empties by the contractor above that provided for in the contract with Council		1st quarter 168 bins 2nd quarter 561 bins 3 rd quarter 852 bins
Other Key Areas					
Health & Safety	9	To comply with Health and Safety policies and legislation by monitoring incidents and lost time due to work related accidents for Buller District Council and Buller Holding Subsidiaries	No incidences or lost time from work related accidents for Council and subsidiaries.		BDC: injury 4, non injury 8, lost time 24.5 days Group: injury 41, non injury 34, lost time 50.5 days
Health & Safety	10	To comply with Health and Safety policies and legislation.	Setup systems, procedures and policies to comply with legislation (commentary on progress required).		Council has achieved primary accreditation with ACC. Health and safety gap analysis report prepared.
All Activities	11	Commitment to customer service as measured by the number of complaints or actions required as measured by the number of service level requests outstanding in Council and subsidiaries	Number and type of service level requests outstanding for Council and subsidiaries.		Council currently has completed and closed 563 service requests since June 2016. There are currently 38 outstanding for various reasons including ongoing monitoring.
Westport Airport Authority	12	Passenger numbers remain high enough to continue a viable air passenger service to and from Westport.	Level of passengers does not drop below the level as stipulated in the contract between Council and the airline.		Achieved

3. CONSIDERATIONS

3.1 Strategic Impact

The quarterly financial reports provide an overview of Council's financial performance and position during the financial year. This allows Council to monitor trends and evaluate progress against the strategies, financial budgets and service delivery adopted in the 2015/2025 Long Term Plan and subsequent 2016/217 Annual Plan.

3.2 Significance Assessment

The Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant for the purpose of public consultation but is an important component of monitoring progress against the 2016/2017 Annual Plan.

3.3 Values Assessment

The Buller District Councils values are: One Team; Community Driven; We Care; Future Focussed; and Integrity.

Public reporting of Council's performance against budgets and key performance indicators encourages open and honest discussion and decision making.

3.4 Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

Council prepares financial budgets to balance income and spending for each financial year. Budgets are based on the best information available at the time but subsequent financial performance will be affected by events outside Council's control during the year. Regular monitoring of financial performance reduces the risk of financial pressure on Council because income and expenditure variances are identified early and mitigating actions can be put in place as required.

3.5 Policy/Legal Considerations

The Local Government Act (2002) and associated regulation govern the activities of Buller Council including preparation of Long Term and Annual Plans, financial prudence requirements and annual financial reporting.

The terms of reference of Finance and Audit Committee include monitoring financial performance to budgets.

3.6 Tangata Whenua Considerations

Not applicable.

3.7 Views of Those Affected

Council's financial budgets are consulted on with the community during Long Term and Annual Plan processes.

3.8 Costs

Because this report is for information purposes it does not generate activity or any associated costs.

3.9 Benefits

The benefits of a quarterly financial reporting regime include early identification of budget variances and intervention measures at a Council wide level.

3.10 Media/Publicity

There are no media or publicity opportunities with this report.

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

	Parent Mar -17 Actual \$000	Parent Mar-17 Budget \$000	2016/17 Predicted Full Year \$000	2016/17 Budget Full Year \$000
OPERATING REVENUE				
General rates	6,006	6,006	8,008	8,006
Targeted rates (excluding metered water)	4,107	4,136	5,476	5,514
Metered water charges	123	140	164	187
Rate penalties	121	113	161	150
Subsidies and grants	2,846	2,531	4,703	4,271
Dividend and subvention revenue	917	0	917	910
Investment revenue	384	355	613	613
Development and financial contributions	25	75	33	100
Fees and charges	2,349	2,251	2,954	2,954
Gain on Derivative Contracts	509	0	509	0
Vested assets	0	0	0	100
Total Operating Revenue	\$17,387	\$15,607	\$23,538	\$22,805
OPERATING EXPENDITURE				
Employee costs	3,463	3,377	4,617	4,502
Depreciation and amortisation	3,929	4,019	5,239	5,401
Finance costs	788	914	1,051	1,219
Other expenses	8,491	8,188	11,260	10,746
Assets written off	0	0	350	350
Loss on revaluations of investment land	0	0	165	165
Total Operating Expenditure	\$16,671	\$16,498	\$22,682	\$22,383
Net Surplus (Deficit) Before Taxation	716	(891)	(856)	422
Income Tax Expense	0	0	0	0
Net Surplus (Deficit) After Taxation	716	(891)	(856)	422
Other Comprehensive Revenue & Expenses				
Increase/(decrease) in Infrastructure Revaluation Reserves	0	0	10,068	10,068
Total Comprehensive Revenue & Expenses	\$716	\$(891)	\$10,924	\$10,490

STATEMENT OF CHANGES OF EQUITY

FOR THE 9 MONTHS ENDED
31 MARCH 2017

	Parent	
	Mar-17 Actual \$000	2016/2017 Budget Full Year \$000
Equity as at 1 July	317,007	316,756
Total Comprehensive Revenue and Expense	716	10,490
Total Equity at End of Period	317,723	327,246
Components of Equity		
Accumulated Funds	168,682	168,042
Reserves	4,853	4,949
Asset Revaluation Reserve	144,188	154,255
Total Equity at End of Period	317,723	327,246

STATEMENT OF FINANCIAL POSITION**PERIOD ENDED 31 MARCH 2017**

	Parent		
	Mar-17 Actual \$000	2015/2016 Actual \$000	2016/2017 Budget Full Year \$000
CURRENT ASSETS			
Cash and cash equivalents	3,188	3,308	1,364
Trade and other receivables	3,015	3,263	4,687
Inventories	16	18	13
Other current assets	22	35	21
Short term investments	14,998	13,284	12,284
Assets held for sale	204	204	0
Total Current Assets	21,443	20,112	18,369
NON CURRENT ASSETS			
Investment in council controlled organisations	19,583	19,614	20,253
Other investments	497	386	0
Investment property	7,976	7,976	8,068
Infrastructural assets	276,366	277,773	293,215
Other non current assets	21,291	20,734	20,199
Intangible assets	28	41	265
Total Non Current Assets	325,741	326,524	342,000
Total Assets	\$347,184	\$346,636	\$360,369

STATEMENT OF FINANCIAL POSITION

PERIOD ENDED 31 MARCH 2017

	Parent		
	Mar-17 Actual \$000	2015/16 Actual \$000	2016/2017 Budget Full Year \$000
CURRENT LIABILITIES			
Trade and other payables	2,790	2,444	3,833
Derivative financial instruments	0	0	54
Employee entitlements	653	600	433
Provisions	35	35	0
Current portion of term debt	20	80	77
Total Current Liabilities	3,498	3,159	4,397
NON CURRENT LIABILITIES			
Derivative financial instruments	660	1,169	850
Provisions	1,475	1,475	1,313
Bond deposits	82	83	82
Employee entitlements	246	246	280
Term debt	23,500	23,500	26,201
Total Non Current Liabilities	25,963	26,473	28,726
EQUITY			
Accumulated Funds	168,682	167,962	168,042
Reserves	4,853	4,854	4,949
Asset Revaluation Reserve	144,188	144,188	154,255
Total Equity	317,723	317,004	327,246
Total Liabilities & Equity	\$347,184	\$346,636	\$360,369

STATEMENT OF CASHFLOWS

FOR PERIOD ENDED 31 MARCH 2017

	Parent	
	Mar-17 Actual \$000	2016/2017 Budget Full Year \$000
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Rates	10,428	13,485
Other revenue	5,234	8,342
Interest received	384	745
Dividends and subvention payments received	1,317	1,156
	17,363	23,728
Cash was applied to:		
Payments to suppliers and employers	11,744	15,906
Interest paid	788	1,438
Net GST movement	(50)	0
	12,482	17,344
Net Cash From Operating Activities	\$4,881	\$6,384

STATEMENT OF CASHFLOWS





FOR PERIOD ENDED 31 MARCH 2017	Parent	
	Mar-17 Actual \$000	2016/2017 Budget Full Year \$000
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Sale of investment property	0	160
Investment realised	11,284	0
	11,284	160
Cash was applied to:		
Purchase of fixed assets	3,074	8,605
Purchase of investments	13,109	0
Purchase of equity investments	42	55
	16,225	8,660
Net Cash From Investing Activities	\$(4,941)	\$(8,500)
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Loans raised	0	2,947
Cash was applied to:		
Repayment of loans	60	56
Net Cash From Financing Activities	\$(60)	\$2,891
Net Increase (Decrease) in Cash	(120)	775
Opening Cash as at 1 July	3,308	45
Closing Cash as at 31 December	\$ 3,188	\$ 820

4. CAPITAL PROJECTS

4.1 Financial Operational Performance Indicators

	Income
Budget	\$2,714,087
Projected Income	\$2,023,578
Total Variance	\$690,509 under budget





4.2 Income Variance Explanations

Income	
	Overview Total projected external funding for drinking water projects is predicted to be \$872,638 under budget, and the NZTA funding is expected to be \$64,454 under budget at end of year. This is offset by an additional unbudgeted grant from New Zealand Transport Authority of \$226,500 to fund the extraordinary costs of the toilet block required at Springs Junction and \$20,000 received from the NZ Motorhome Association.
	New Zealand Transport Agency Funding The forecast funding from New Zealand Transport Agency has decreased overall as a result of the finalisation of the expenditure programme approved for funding in this financial year.
	Rural Water Schemes The proposed Ngakawau/Hector water upgrade is delayed as legal review and consultation continues so the associated subsidy is not expected eventuate in this financial year. The Waimangaroa water upgrade subsidy is contingent on achieving project milestones which will be delayed as the siting of a bore site is yet to be determined.
	Rural Water Schemes The water upgrade subsidy for Inangahua is expected to be received during the 2016/2017 financial year as project milestones are achieved.

4.3 Capital Expenditure

	Expenditure
Total Budget including carried forward from 2015/16	\$8,879,885
Projected expenditure	5,438,657
Total Variance	\$3,441,234 Under budget
Variance comprised of:	
Projects deferred to 2017/18	\$(3,919,808)
Projected budget under spend	(110,997)
Projected budget over spend	175,520
Unbudgeted expenditure	414,051
Total Variance	\$3,441,234 Under budget

4.4 Key Expenditure Variances

Expenditure	
	Overview Total capital expenditure is forecast to be under budget by \$3,441,234 (39%) at the end of the financial year. This is driven by timing delays of \$3,919,808, offset by budget overspends or unbudgeted items totalling \$589,571. Budget under spends to 31 December 2016 total \$110,997.
	Budget Under Expenditure Completed Earthquake strengthening at Victoria Square and WestReef Depot under budget \$42,210. Provision for the Reefton Pool capital work has been underspent and will be deferred.
	Budget Over Expenditure At the end of March 2017 the significant budget overspend relates to the telephone system upgrade, Westport and Reefton water projects and the projected total for the Reefton Community Centre which is expected to be \$28,000 over budget.
	Deferrals to 2017/18 Uncertainty around the timing of Westport Waterfront, Signage and Landscaping projects expected to cross over to the 2017/2018 financial year \$608,500. This will be consulted on in the 2017/2018 Annual Plan Waimangaroa and Ngakawau Hector water upgrades not expected to be completed in full during the 2016/2017 financial year. Westport Tunnel bracing timelines extended \$650,000, Document Management project expected to extend into 2017/2018.

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 10

Prepared by - Mike Duff
- Group Manager Assets and Infrastructure

Reviewed by - Andy Gowland-Douglas
- Chief Executive

Westport No.1 Water Tunnel - Options Workshop Update

Report Summary

The purpose of this report is to provide Council with an update from the Westport No.1 Water Tunnel Options Workshop and confirm that the selected go-forward option for completion of the current feasibility study is Option 3a (Extended) ie Pipe-Jacking approximately 600m length to clear the worst tunnel sections.

Draft Recommendation

That the report be received for information.

Issues and Discussion

The reservoirs for the Westport and Carters Beach network are normally supplied through a gravity-flow tunnel system upstream of the treatment plant. After the partial collapse of No.1 Tunnel in 2014, Council commissioned an options study to identify the best solutions.

Several options were proposed, including tunnel repair (stabilisation), micro-tunnelling (pipe-jacking) and directional drilling. The tunnel repair Option 2a was selected on the basis of affordability, whilst acknowledging this was a medium-term solution that would still leave Council with a moderate level of risk.

Further collapse and obstruction within the No.1 Tunnel occurred earlier this year, resulting in no water flow passing through. Water is therefore being supplied to the reservoirs from the alternative pumped system which must operate continuously to meet demand.

In addition, recent changes to Health and Safety and legislative requirements means that tunnel repairs must satisfy mining and quarrying regulations, causing an escalation in risk control measures and costs when compared to the original options study assessment.

At an extraordinary meeting held 10 May 2017, Council resolved to eliminate all tunnel repair solutions from consideration (including Option 2a), on the basis that a longer term solution with lower risk may be more economically comparable.

With tunnel repairs eliminated, the focus of the current feasibility study changed to selecting a new go-forward option from those remaining in Table 4 of the Opus Supplementary Report March 2016.

The selection process was managed through an Options Workshop held 16 May 2017 as per the following attendees list and agenda:

Options Workshop Attendees (Project Control Group, Subject Matter Experts, Observers)		
Name	Organisation	Workshop Role
Participants		
Mike Duff	BDC	Project Sponsor
Sam Murphy	BDC	Asset Owner
Ian Forsyth	BDC	Utilities Engineer
Tony Robertson	BDC	Utilities and Services Manager
Chris Bergin	Opus	Project Manager
Wayne Stewart	Opus	Workshop Facilitator
David Stewart	Opus	Subject Matter Expert
John Black	Opus	Subject Matter Expert
Stephen Lowe	WestReef	Subject Matter Expert
Dylan Taylor	WestReef	Subject Matter Expert
Lucas Hateley	WestReef	Subject Matter Expert
Observers		
Cr Jamie Cleine	BDC	Observer
Cr Greg Hart	BDC	Observer
Cr Shayne Barry	BDC	Observer (Part-Time)

Options Workshop Agenda (10.30am to 2.30pm at Buller District Library Westport)			
Time	Item	Duration	Who
10.30am	Welcome and Context	5min	Project Sponsor
10.35am	Introduction and Workshop Purpose	10min	Workshop Facilitator
10.45am	Information (Summary of Facts)	15min	All
11.00am	Assessment Process Review	15min	All
11.15am	Option Selection Process: Bottom-Up	1hr 15min	All
12.30pm	Break	30min	All
1.00pm	Top-Down Checks and Balances: Lock-In	1hr	All
2.00pm	Next Steps for Feasibility Study	30min	All
2.30pm	Close (Actual Close 2pm)		

Options Workshop Outcome

After clarifying the desired outcome of affordable, adequate and reliable water supply for Westport, the workshop process identified key objectives and corresponding criteria from which to assess the options.

Following a bottom-up evaluation and top-down review, Option 3a (Extended) was unanimously selected as the go-forward option on which to complete the current feasibility study.

Option 3a is a Pipe-Jacking solution through the existing tunnel. The (Extended) suffix denotes an increase in length from the originally scoped 450m for Option 3a, up to 600m in order to clear the worst tunnel sections. This improves the reliability of the option significantly, as the remaining 600m of tunnel is in relatively sound condition.

Option 3a (Extended) also has the capability, at any time, for further investment and risk control on the remaining 600m of tunnel, by either:

- Pipe-Jacking full length – effectively Option 3b
- Directional Drilling – a new hybrid referred to in the Workshop as Option 3c

Refer to Attachment A for the full Options Workshop report.

Option 3a (Extended) – As per Option 3a, except 600m length instead of 450m

Table 4: Summary of Preliminary Estimates of Lifetime costs for options

Option	Capital Cost - including fees and pumping cost (Expected)	Ongoing Maintenance Cost (PV) - once built (Expected Estimates)t		Total Lifetime Cost (Expected) (Rounded)	Design Life (approx.) (years)	Residual safety and collapse risk ^{1,2}
		Annual Cost	Total Accumulated (30 years)			
Option 1: Do Nothing	*3	\$120,000	\$1,674,300	\$1,700,000	1	Very High (unacceptable)
Option 2a: Repair of worst sections of tunnel (without enlargement)	\$630,000	\$50,000	\$697,500	\$1,300,000	20	Moderate
Option 2b: Stabilisation of 400 m section of tunnel - with tunnel enlargement	\$1,500,000	\$30,000	\$398,700	\$2,000,000	40	Low to moderate
Option 2c: Stabilisation of full length of tunnel (1200 m) - with tunnel enlargement	\$3,300,000	\$5,000	\$66,450	\$3,400,000	60	Low
Option 3a: Installation of 1050 mm dia. pipe through Existing Tunnel (450 m).	\$1,500,000	\$30,000	\$398,700	\$1,900,000	40	Low to moderate
Option 3b: Installation of 1050mm dia. pipe through Existing Tunnel (1200 m)	\$3,650,000	\$2,500	\$33,225	\$3,700,000	100	Low
Option 4a: Installation of Pipe, Directional Drilling, through tunnel (1200m)	\$3,600,000	\$30,000	\$398,700	\$4,000,000	70	Low
Option 4b: Installation of pipe, directional drilling, through virgin ground (1200 m)	\$5,450,000	\$2,500	\$33,225	\$5,500,000	100	Low to very low
Option 4c: Installation of pipe, directional drilling, through virgin ground (1600 m)	\$6,700,000	\$1,000	\$13,290	\$6,700,000	100	Very Low

Note:

1. The residual risk excludes safety risks during construction

2. The piped options in particular also have risks of silting up and ground movement which need to be managed

3. For Option 1 in effect a safe repair of the collapse will be required (ie Do Minimum) to enable entry hence cost will be higher than indicated

Option 3 Theme - Image of Pipe-Jacking



Feasibility Study Status

The Feasibility Study for Westport No.1 Water Tunnel project will now proceed with Option 3a (Extended) to define key aspects of:

- Scope
- Methodology
- Cost (Capital and Operating)
- Schedule
- Procurement
- Risk, Health and Safety and Quality

The Feasibility Study will summarise these and other critical attributes of the project in readiness for the major gate review.

This major gate review is through full Council, via a report from Assets and Infrastructure, which is currently scheduled for the June 2017 meeting. If the Council report recommends Option 3a (Extended) based on the Feasibility Study, and this is approved by Council, the project will then proceed to implementation phase.

Considerations

1. Strategic Impact

The successful delivery of major assets and infrastructure projects in accordance with our LTP is critical to the success of our district.

2. Significance Assessment

Major projects are considered highly significant in terms of capital and operating expenditure, complexity, impact to levels of service and community benefit.

3. Risk Analysis

Major project risks are managed in accordance with Council's risk management processes including a "what could go wrong?" approach to ensure all practicable steps are being taken to assess, control and monitor identified risks.

4. Policy/Legal Considerations

Council must comply with the relevant policy and legal requirements including the Public Works Act 1981, the Health and Safety at Work Act 2015, the Resource Management Act 1991, Local Government Act 2002 and Council's own Procurement Policy.

5. Tangata Whenua Considerations

Nil noted.

6. Views of Those Affected

Affected parties and stakeholders including community members, private sector, government ministries, agencies and authorities are consulted throughout the project delivery process.

7. Costs

Costs for major projects are expended against cost codes in our Annual Plan. Deviations (trends and changes) from approved control baselines will be indicated as budget variances and reported to Council accordingly.

8. Benefits

The benefits of major projects are in accordance with our LTP and aligned with community outcomes including well-being, learning, who we are, sustainable environment and prosperity.

9. Media/Publicity

Publicity is expected with major projects, not all of which will be positive. However, this should not deter from the reasons for delivering important assets and infrastructure for the community.

- No water from #1 and # 2 tunnel
- Costing \$20k/month for pumping
- Supply system unable to meet demand (at critical times)
- Several collapses

5 Evaluation Criteria

Reflecting on the agreed project objectives, the participants developed the following list of evaluation criteria.

- **Speed** to open the tunnel thereby reducing pumping costs and the risk that the community will run out of water.
- **Residual Safety:** - safety to those building and operating the water supply system. It was acknowledged that only options that can be built and operated with an acceptable level of safety should be considered. In some cases, an option may take longer and cost more in order to create a safe working environment.
- **Reliability:** - An assessment of how long an option might resolve the water supply problem before additional investment is needed in future years.
- **Whole of Life Cost:** Consider both construction and operational (ongoing maintenance) costs.
- **Constructability:** - The risk that after investing in an option, it fails to achieving outcomes being sought either in full or in part. It must be acknowledged that while directional drilling and pipe-jacking are regularly used on projects, they do not come without risk of failure. The participants shared a concern that the resistance created by jacking a very long pipe may exceed the force provided by the pipe-jacking equipment and the jacking may need to be abandoned before it achieves the full length needed. There was also concerns about the risk that the directional drilling process would result in the pipe being built with a vertical sag curve that would reduce the volume of water that would ultimately pass through the pipe under gravity flow.
- **Maintenance:** the ability for a person to enter the pipeline to undertake inspections and maintenance.

The participants agreed that while safety was an important criteria, any residual safety concerns could be mitigated by taking more time during construction or increasing construction costs. In terms of maintenance, the participants agreed that there was uncertainty as to whether a person would need to access the pipe in the future for maintenance. Future inspections could be undertaken using measure that did not require a person to enter the pipe/tunnel such as remotely controlled vehicles.

As a result the participants agreed to reduce the evaluation criteria to those that were most important to the decision making process. This gave the following four criteria: -

- Speed
- Reliability
- Whole of Life Cost
- Constructability

6 Option Evaluation

The full option evaluation decision matrix is provided in Attachment 2. Table 1 is the simplified matrix using the reduced evaluation criteria and after removal of Option 4A. Option 4A was considered by the group to having such a high risk of failure (not achieving the objectives) that it should be discarded.

	Option 3A	Option 3B	Option 3C	Option 4B	Option 4C
Speed	3 to 6	6 to 18	6 to 9	6 to 9	7 to 10
Reliability	40 to 70	70 to 100	70 to 100	70 to 100	100 to 140
Whole of Life Cost	\$1.9 to \$2.5	\$3.7 to \$4.0	\$2.5 to \$3.0	\$5 to \$6	\$6 to \$7
Constructability	Low/Med- V Good	Med – V Good	Low/Med – Good	Med V Poor	Low/Med V Poor

The Table 1 simplified decision matrix shows that Option 3A is likely to have the tunnel open within half the time of other options, not only saving \$240,000 p.a. (based on current costs of \$20,000/month) in pumping costs, but reducing the risk of the temporally supply system being unable to meet demand and the community running out of water. Option 3A can also be delivered at least half the cost of other options. In terms of constructability, Option 3A provides a lower risk of not obtaining the outcomes that are being sought compared to other options.

However as Option 3A only deals with the rock fall (blockage) about halfway along Tunnel 1, there remains a couple of risks to the water supply line.

- There is a median risk that a slip could still damage Tunnel 2 in future years. This is considered to be the highest residual risk associated with Option 3A.
- While Option 3A does not eliminate the possibility that a blockage could occur within the section of Tunnel 1 that has not been lined with a pipe, the participants agreed that the probability of this occurring over the next 100 years was small.

7 Preferred Option

Based on Table 1 simplified decision matrix, the workshop participants agreed that Option 3A was the preferred option, rated top in 3 of the 4 key evaluation criteria. In saying that Option 3A only called for a pipe to be driven 450m into the tunnel, which is the minimum length needed to breach the collapse. The participants agreed that further consideration should be undertaken to increase the pipe length to 600m so that the pipe extends past the worst section of the tunnel that may be subject to falls in future years.

Furthermore, it was agreed that Option 3A is in effect a first stage of Option 3B and Option 3C (or even Option 4C). In other words, constructing Option 3A today would not prevent other options being constructed in the future should the need arrive. Furthermore, except for the additional cost of reestablishment, undertaking the repair work in stages does not result in any of the repair cost of Option 3A being wasted. The participants agreed that the additional costs associated with reestablishment in future years was more than offset by the cost savings of spreading expenditure over time rather than spending it all today.

The participants noted that in the unlikely event that failures occur in the remaining length of tunnel 1 or the slip damages tunnel 2, then the Council still has available to it the choice of building Option 3B, Option 3C or Option 4C in future years.

8 Other Matters

Consider obtaining agreement to use Cement Factory water supply system.

9 What we need to know going forward

- Safety in confined spaces during construction and maintenance.
- Should 3b or 3c be done now or left to a later date?
- Confirm whether we should extend project to avoid slip and include tunnel 2.
- Confirm pipe size.
- Determine what consents/designations and approvals are required.
- Do we need to grout voids?
- How far to extend pipe jacking – 450m or 600m?
- Procurement.
- Risk ownership.
- Early contractor involvement.

Attachment One: - List of Participants

Name	Organisation
Mike Duff	BDC
Sam Murphy	BDC
Ian Forsyth	BDC
Tony Robertson	BDC
Chris Bergin	Opus
Wayne Stewart	Opus (facilitator)
David Stewart	Opus
John Black	Opus
Rob Blakemore	Wellington Water
Stephen Lowe	Westreef
Dylan Taylor	Westreef
Lucas Hately	Westreef

Attachment Two: - Decision Matrix

Decision Matrix							
Evaluation Criteria	Measurement	Option 3A	Option 3B	Option 3C	Option 4A	Option 4B	Option 4C
		Pipe Jack – (450m to 600m)	Pipe Jack total distance	Pipe Jack 450m to 600m and then use directional drilling	Directional Drilling within exiting tunnel	Directional Drilling Virgin	Directional Drilling Virgin Plus extend into Tunnel 2 to avoid potential slip.
Speed	(Months)	3 to 6	6 to 18	6 to 9	Fatal	6 to 9	7 to 10
Residual Safety	(Safe/Unsafe)	Can be mitigated	Can be mitigated	Can be mitigated		Few	Few
Reliability	Life (Years)	40 to 70	70 to 100	70 to 100		70 to 100	100 to 140
Whole of Life Cost	(\$ million)	\$1.9 to \$2.5	\$3.7 to \$4.0	\$2.5 to \$3.0		\$5 to \$6	\$6 to \$7
Constructability							
• Risk of not achieving outcomes	Low/Med/High	Low/Med ^{2,5}	Med ^{2,3,5}	Low/Med ^{2,5}	Almost Certain	Med ^{1,2,4,5}	Low/Med ^{1,4,5,6}
• Quality of outcomes	V Poor /Poor /Good /V Good	V Good	V Good	Good		V Poor	V Poor
Maintenance	(Yes/No)	Partial Yes	Yes	Yes		No	No
Notes 1. Risk of Portal 2. Risk of making tunnel connection 3. Risks of being unable to push pipe full length 4. Welding Quality 5. Ability to be staged 6. Risk of being unable to pull pipe full length							

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 11

Prepared by - Garry Howard
- Mayor

Mayor's Report

Report Summary

This report is an overview of the key activities from 18 April to 16 May 2017.

Draft Recommendation

That the report be received for information.

Calendar of Events Attended

Events Attended

Date	Event
18 April	Annual Plan Roadshow, Westport
19 April	Annual Plan Roadshow, Karamea
20 April	Annual Plan Roadshow, Ngakawau
25 April	ANZAC Day
26 April	Council Meeting
27 April	CCTO Meeting BHL Updates
3 May	TPP Ambassador Programme, Greymouth
9 May	O'Connor Home Management Committee
10 May	Oceana Gold, Reefton Extraordinary Council Meeting, Westport Water Regional Growth Study Update NZ Conservation Board additions to Paparoa National Park
11 May	Mayors and Chair, Hokitika
16 May	Deputy Auditor-General Hon. Judith Collins Buller REAP

Tai Poutini Polytechnic

I was very impressed with the launch and content of the West Coast Ambassador Programme. The aim is to empower all West Coast residents to become impassioned ambassadors, acknowledging our culture, our environment and friendly welcome that visitors can take home as a special attribute of their visit. Encourage all people that are in contact with visitors to take the opportunity to undertake the three hour training programme that Tai Poutini Polytechnic will provide throughout the West Coast shortly.

Oceana Gold Rehabilitation of Globe Mine, Reefton

The restoration work that has been completed over the past years at Globe Mine is stunning with hundreds of thousands of plants established in original top soil that was stored to one side and now put back along with natural plant matter the provides ongoing nutrients. One of the notable attributes of the restoration is how clean the area is of any litter. While there will be a number of years and many more plants to be planted if the current restoration regime continues Oceana will have a project that they can showcase internationally. Council and the Inangahua Community Board have established a good relationship to ensure there are community benefits in the work being undertaken.

Mokihinui Basin (45,000ha) and York Creek (23,000ha) being added to Kahurangi National Park and Paparoa National Park

It was very good for Councillors to have a briefing from the NZ Conservation Board Chairperson Warren Parker (refer correspondence).

Hon. Judith Collins Visit

As Minister of Energy and Resources it was very good to have the Hon. Judith Collins take a first-hand look at current and proposed mineral extractions from Denniston and Stockton. Having Ministers on the ground, gaining local knowledge of the area and issues is so important and a number of subjects were discussed with Minister Collins.

Accolades for Council Staff

Deputy Mayor Graeme Neylon and I attended a meeting to discuss potential new business for Buller. The business people provide consulting services both nationally and internationally. They had been in contact with Council staff to check on consenting issues and other requirements of Council. They were “blown away” with the response of staff and the positive assistance provided. It is very heartening to have such a compliment and such positive communication provided by Council has considerable benefit for the district.

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 12

Prepared by - Garry Howard
- Mayor

Mayor's Correspondence

Correspondence attached as follows -

Waste Energy WC Ltd - Heads of Agreement

Department of Conservation - Te Tau Ihu Meeting Notes and Updated Draft
MOU

Tourism Industry Aotearoa - How your community can benefit more from
tourism

NZ Conservation Authority - Addition of Land, Mokihinui Basin to Kahurangi
National Park and York Creek Block to Paparoa National Park

Minister of Local Government - Havelock North Drinking Water

Draft Recommendation

That the report be received for information.

HEADS OF AGREEMENT

BETWEEN

Buller District Council (hereinafter referred to as "BDC") and **Waste Energy WC Ltd** (hereinafter referred to as "WEWC")

BACKGROUND:

- A. WEWC is a registered New Zealand company with intellectual property, expertise and capability in 'Waste to Energy' waste management systems, through which landfill and other waste can be converted into electricity and other forms of energy.
- B. 'Waste' referred to in this agreement is Municipal Waste (MSW), Commercial Waste, E Waste (any Electronic equipment), Tanalised timber, tyres, sewage sludge, organic waste and any other waste that can be processed through the proposed plant.
- C. WEWC wishes to engage with BDC in discussions for the **diversion of waste** from BDC's transfer stations and landfill to supply waste to WEWC's proposed Waste to Energy Processing Plant to be located in an appropriate site on the West Coast (the "Proposal").
- D. WEWC and BDC acknowledge that the Proposal, if given effect to, has potential benefits for each of them and they both agree to establish a consultation process to engage in discussions and negotiations around the Proposal to establish the most appropriate outcome for both parties.
- E. Ultimately, if agreed, the parties will give effect to the Proposal by entering into formal legal arrangements for BDC to divert and dispose of their waste through the Waste to Energy plant proposed for Westport.
- F. The parties enter into this heads of agreement to set out a framework for how they will consult, engage and work with each other to further the Proposal.

TERMS OF ENGAGEMENT:

Nature of this heads of agreement

- 1. This heads of agreement commences on the date that both parties have signed it and continues until either party gives written notice to the other that it wishes to bring this heads of agreement to an end.
- 2. This heads of agreement is not intended to be, and is not, a legally binding contract or agreement except for the obligations expressed in clauses 7 to 9 inclusive (which obligations relate to intellectual property and confidential information and are legally binding and enforceable).
- 3. BDC accepts that WEWC intends to discuss the acquisition of waste from transfer stations and landfills operated by other local authorities with those authorities and to that extent the nature of the Proposal is not exclusive to BDC.
- 4. Nothing in this heads of agreement obliges either party to enter into any formal binding legal document or documents to give effect to the Proposal.

Feasibility of the Proposal and further discussions

5. WEWC intends, at its own cost, to undertake a feasibility investigation into the Proposal, which investigation may include, without limitation, the financial feasibility of the Proposal and the need to, and likelihood of, obtaining any consents, permissions or authorities to implement the Proposal.
6. As part of its feasibility and discussions with BDC:
 - (a) BDC and WEWC agree to enter into consultation to confirm volumes and types of local waste that will be available from BDC;
 - (b) BDC and WEWC will agree an appropriate fee rate to be paid to WEWC by BDC as the waste is diverted from BDC transfer stations or landfills;
 - (c) WEWC does not want to disrupt the current waste collection of BDC's contractors' contracts and will propose WEWC's diversion operation will be after the waste has passed over the Transfer Station or Landfill weighbridge after recycling has been carried out;
 - (d) WEWC's objective with this consultation is to agree to fee terms with BDC where there will be no increase in what the current fees are now for BDC disposal of the waste with the exception of planned BDC fee increases and those applied by Government;
 - (e) Fee increases will be discussed and included in the final contract however any increase in this fee will most likely only be linked to CPI annual adjustment;
 - (f) WEWC will discuss options for Shredder/Baler/Wrapping system to be installed at BDC's transfer station or landfill where applicable. All costs associated with this option will be attributed to WEWC;
 - (g) WEWC will be responsible for all freight of waste from BDC's transfer station or landfill to the Waste to Energy plant;
 - (h) The waste types WEWC are interested in are MSW, Commercial Waste, E Waste, Tanalised timber waste, tyres, sewage sludge, organic waste and any other waste that can be processed though the proposed plant;
 - (i) WEWC propose some differing fees for specific wastes such as tyres and toxic waste; and
 - (j) WEWC and BDC will discuss a rebate system where options are considered for community support projects funded by rebates on volumes and Calorific values of waste.

Intellectual Property

7. Each party shall continue to hold the rights, title and interests of that party's IP and nothing in this heads of agreement shall in any way operate to, or be construed as, granting one party any rights, title or interest in the other party's IP. Without limiting the above, BDC acknowledges that BDC shall have no right, title or interest in any IP owned by or developed by or for WEWC associated with the Proposal.
8. For the purposes of this heads of agreement "IP" includes both in New Zealand and throughout the world, all intellectual property rights, including without limitation subsisting or relating to any designs, drawings, documents, procedures, techniques, specifications, data, calculations, ideas, reports, patents, copyright, discovery, trade secret, know-how, computer software, confidential information and any business, technical or service information.

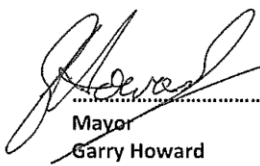
Confidentiality

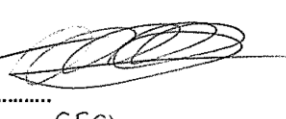
9. The parties shall each keep this heads of agreement, the Proposal, all discussions relating to them, the fact of their existence and that such discussions having taken place, and all related information and matters and all information provided by one party to the other for the consideration of the Proposal ("Confidential Information") strictly confidential between the parties, and shall not disclose such Confidential Information to any other person, other than where:
 - (a) disclosure is reasonably required to professional advisers or directors and shareholders of a party to enable that party to meet its obligations under this heads of agreement;
 - (b) disclosure is required by law;
 - (c) the matter disclosed is already in the public domain otherwise than as a consequence of an earlier breach of confidentiality by a party; or
 - (d) both parties have given their prior written consent.
10. The parties' obligations under clauses 7 to 9 inclusive above shall remain binding on the parties following the expiry or termination of this heads of agreement for any reason.

Signed for and on behalf of:

Buller District Council

Waste Energy WC Limited


.....
Mayor
Garry Howard


.....
CEO
Andy Crawford-Douglas

.....
Chairman of the Board

Date: 15/5/2017

Please place the attached in correspondence noting Cr Dave Hawes will speak to the Partnership Agreement.

Garry Howard | Mayor

DDI: 03 788 9684 | **Mobile:** 027 447 4371 | **Email:** garry@bdc.govt.nz

Buller District Council | **Freephone:** 0800 807 239 | www.bullerdc.govt.nz | www.buller.co.nz

PO Box 21 | Westport 7866

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From: Kelly Stevens [<mailto:kstevens@doc.govt.nz>]

Sent: Wednesday, 17 May 2017 2:49 PM

To: Garry Howard <garry@bdc.govt.nz>

Subject: FW: Te Tau Ihu meeting notes and updated draft MOU

Kia ora Garry

As discussed please find attached the draft MOU document and the meeting notes from Te Tau Ihu meeting that Dave attended in Nelson just before Easter. While we were aiming to have feedback on the draft MOU by now, the majority of Parties have needed more time to discuss with their Boards or Councils.

I am touching base with everyone again in the next week and we are hoping to have a final MOU by the end of the month. From there we can circulate this for the Parties to once again discuss with their Boards or Councils and hopefully get resolution that they will sign.

Happy to discuss or provide further information if that helps when you are discussing at your council meeting.

Thanks Kelly

Kelly Stevens

Ranger, Partnerships - *Kaitiaki Manutaki*

Department of Conservation - *Te Papa Atawhai*

DDI: +64 3 756 9144 VPN: 5244

Mobile: 0274063070

Days of work: Monday-Thursday 9am to 3pm



MEETING NOTES / MINUTES – TE TAU IHU ALLIANCE GROUP HUI

Date: - Wednesday 12th April 10am to 12.30pm

Location: – Elm Room, Headingly Centre, Grace Church, 452 Lower Queen Street, Richmond, NELSON

Attendees: – Jarom Hippolite from Ngāti Koata. Frans van Boekhout from Ngāti Tama. Raymond Smith from Ngāti Kuia. Rob Smith and Paul Sheldon from TDC. Susan Moore-Lavo and Clare Barton from NCC. . Peter Hamill from Marlborough District Council. Dave Hawes Councillor from Buller District Council. Dave Hayes, Matt Hippolite and Kelly Stevens from DOC.

Apologies: - Richard Bradley from Te Rūnanga A Rangitane o Wairau, Hemi Toia from Te Rūnanga o Ngāti Rārua, Butch Bradley from Ngāti Apa. Adrienne Kenny Bruno Brosnan from Te Ātiawa o Te Waka a Māui. Leana Bariball from Ngāti Toa Rangatira. Francois Tumahai from Ngāti Waewae. Alan Johnson from Marlborough District Council, Garry Howard, Mayor from Buller District Council and Leigh Marshall from Nelson Nature, Chris Golding DOC.

Meeting opened with a Mihi Whakatau and Karakia led by Raymond Smith, Ngati Kuia

Introductions and housekeeping and apologies received from those listed above were noted.

Context and recap

Matt Hippolite led the recap of how the group has progressed to this point. The Te Tau Ihu Alliance has grown from an initial concept idea which sought to achieve landscape scale collaborative conservation projects within the Nelson Tasman region. By working collaboratively we could potentially attract resources for new work, grow synergies to more effectively achieve existing work as well as develop social, cultural and economic outcomes alongside conservation outcomes.

Matt highlighted how at our first meeting in September 2016, Hemi Toia and Butch Bradley encouraged the group to think bigger and of the opportunities to work across the whole of the Te Tau Ihu rather than the initial Nelson Tasman scope. Matt also highlighted how this has further grown to encompass parts of Tai Poutini with the encouragement from the NEXT Foundation to think of the whole of the Kahurangi National Park as a potential project and therefore this and hence the invitation to Buller District Council and Ngati Waewae.

Matt also highlighted the numerous funding opportunities that may be available for landscape scale conservation projects including Predator Free 2050 with \$20 over 4 years, NEXT Foundation \$100M over 10 years, The Nature Conservancy \$1.4B international fund and MPI Wilding Conifer Fund \$16M this year. It was noted however, these funds often have tight application periods and that the Alliance needs to be ready and in a position to support or have management plans ready to submit to these (or other) funds. The group discussed how the Alliance Group is establishing themselves so that we can support or coordinate landscape scale projects across the Buller, Marlborough, Nelson and Tasman region.

Draft MOU and TOR discussion

Kelly sought further feedback and comments on the draft MOU and TORs that had been developed collectively with those that attended the February meeting. Kelly highlighted that we had received some feedback on the draft MOU and TOR from when it had been sent out individually to iwi.

The draft vision of “A partnership for environmental leadership in Te Tau Ihu – connecting people and place together for now and for the future” still resonated with the attendees at the meeting.

Whakatauki – there was a brief discussion on the two whakatauki options that were suggested at the previous February meeting. These were:

Ma whero ma pango ka oti ai te mahi

With red and black the work will be complete, this refers to co-operation where if everyone does their part, the work will be complete. The colours refer to the traditional kowhaiwhai patterns on the inside of the meeting house.

OR

E hinga atu he tetekura ka haramai he tetekura

The aspirations of one generation become the responsibility of the next.

Some feedback received prior to the meeting from those unable to attend was that the first Whakatauki fitted the groups vision and intention which is all about collaboration and working in partnership. The attendees discussed this and also agreed that the first one would be a suitable and appropriate choice. The draft MOU has been amended to reflect this.

The name of the Alliance Group was discussed and the use of the word Te Tau Ihu and whether this was still relevant given the suggested expanded geographic boundary and invitation to the Ngati Waewae and Buller District Council to join the Alliance. Raymond shared his knowledge of prior to Te Tau Ihu being used in settlement. He shared a story that Te Tau Ihu and Top of the South actually once referred to everything north of Kaipoi and the Arahura. So this highlighted that potentially the name Te Tau Ihu could still be used. However, Raymond and others also suggested we needed to seek feedback from others who weren't present including Ngati Waewae. In the meantime Te Tau Ihu has continued to be used in the draft MOU and TOR documents.

Some concerns were raised that the Scope (clauses 4 to 7) may actually be too broad and needs to be further defined. This was because NCC thought that in order to gain support for the Alliance Group and the MOU their Councillors may need to see further specific outcomes.

Others (including some iwi unable to attend) felt that if the scope was to be further defined and more specific outcomes listed then this may be construed as determining or telling each organisation what it can or can't do. It was clarified that the scope (regardless of how broad or defined) is not meant to determine or detract from what each organisation works on, that is we all acknowledged each organisation will still have its own values, policies, priorities and projects that it will continue to drive but the Alliance is a space where we may be able to see synergies and opportunities to collaborate on similar projects that fit within the wider Alliance vision.

The scope was amended to ensure it linked back to the collaborative landscape scale conservation projects, as this is where the group can see that they can add value and realise the opportunity of attracting new funding. Everyone present agreed that the point in 7, which states that the Alliance group delivers not only conservation outcomes but also support social, cultural and economic outcomes to the region as well was a key component of the scope of the Alliance Group.

The Terms of Reference document was also discussed, and whether we needed a Chairperson. Clare Barton and Susan Moore-Lavo from NCC suggested that perhaps it needed to be a facilitator role rather than Chairperson, given the Alliance Group doesn't have a specific decision making function. The role is about understanding various projects or opportunities within the Buller, Marlborough, Nelson and Tasman region and being able to see how they complement and work to achieve the Alliance Groups vision and therefore we would lend our support towards these projects and potential funding applications they seek. The clauses regarding the Role of the Chairperson has subsequently been amended to reflect this discussion.

The TOR clause regarding a Quorum was kept, however it was amended for numbers needed to hold a meeting rather than decision making, given we aren't specifically about decision making. The updated draft TOR suggest that there shall be no less than 10 members of the Alliance Group present for meetings to be held.

Next steps

The next steps for the Alliance Group were discussed with acknowledgement that everyone would need to discuss with their respective organisations as well as ensuring we can capture feedback and comments from those who were unable to attend the meeting.

It was suggested by those in attendance that Kelly could make the small changes to the draft MOU and TOR and share these with everyone within the next couple of days and request any final comments back by the 5th of May (3 weeks).

Following this any additional changes could be made before the final MOU and TOR being sent back to everyone to share within their organisations and seek agreement on whether they wish to formalise this and become signatory. It was noted that this may take a month or two given that this will have to go to various meetings including to trustees, chairs, councillors. It may be June / July by the time we get this agreement. It was suggested that this may be a suitable time for the next week and it may be an opportunity to share it further with the media or announcement the Alliance Group.

It was also noted that some iwi or councils may not yet be in a position or may not want to join the MOU and TOR at this stage. However, as outlined from the begin of this concept development the opportunity to join and become a signatory will remain open. Essentially the Alliance Group is a coalition of the ready and willing.

The meeting closed with Jarom leading the closing karakia.

Summary of action points arising from meeting

Who	Action required	Deadline
Kelly	Update draft MOU and TOR with suggested amendments from the meeting.	12 April 2017
Kelly	Share the update draft MOU and meeting minutes with all Parties seeking feedback by Friday the 5 th of May	12 April 2017
All Parties	Send any feedback or suggested updates on the latest draft MOU and TOR to Kelly	5 May 2017
Kelly	Kelly to send out final of MOU and TOR to all Parties	May 2017
All Parties	Share with their organisations and seek to recommend that their organisations formally sign and adopt the Memorandum of Understanding and Terms of Reference.	June 2017

DRAFT MEMORANDUM OF UNDERSTANDING

TE TAU IHU ALLIANCE

THIS MEMORANDUM OF UNDERSTANDING IS MADE IS xxxx DAY OF XXXXX

PARTIES

The Parties are:

1. Ngāti Apa ki te Rā Tō Trust
2. Te Pātaka a Ngāti Kōata Trust
3. Te Rūnanga o Ngāti Kuia Trust
4. Te Rūnanga o Ngāti Rārua
5. Ngāti Tama ki Te Waipounamu Trust
6. Te Rūnanga O Toa Rangatira Inc
7. Te Atiawa o Te Waka-a-Māui Trust
8. Rangitāne o Wairau Settlement Trust
9. Te Rūnanga o Ngāti Waewae
10. Tasman District Council
11. Nelson City Council
12. Marlborough District Council
13. Buller District Council
14. Department of Conservation - Te Papa Atawhai

And subsequently such other parties that as may be invited and agree to be bound by the provisions of this Memorandum of Understanding (MOU).



BACKGROUND

- A. This Memorandum of Understanding (MOU) recognises that the Parties consider that there are considerable benefits of working collaboratively to achieve significant conservation gains in Te Tau Ihu.
- B. The Parties propose to develop a formal relationship and Alliance that involves an agreement to collaborate, look for synergies and align conservation efforts across Te Tau Ihu.
- C. This Memorandum of Understanding formalises and records the vision, scope and principles that the Parties expect to underpin their ongoing relationship with each other.

OPERATIVE PARTS

- 1. The Parties agree that the arrangements set out in **Schedule One** of this document are the basis on which they wish to base their relationship.

Signed by Rangitāne o Wairau Settlement Trust Chair	Signed by Te Atiawa o Te Waka-a-Māui Trust	Signed by Ngāti Apa ki te Rā Tō Trust	Signed by Te Pātaka a Ngāti Kōata Trust
Signed by Te Rūnanga o Ngāti Kuia Trust	Signed by Te Rūnanga o Ngāti Rārua	Signed by Ngāti Tama ki Te Waipounamu Trust	Signed by Te Runanga O Toa Rangatira Inc
Signed by Te Rūnanga o Ngāti Waewae	Signed by Department of Conservation Te Papa Atawhai Director Operations	Signed by Buller District Council Mayor	Signed by Tasman District Council Mayor
Signed by Nelson City Council Mayor	Signed by Marlborough District Council Mayor		

SCHEDULE ONE

Background

1. The Te Tau Ihu Alliance Group is a concept which aims to help coordinate the achievement of landscape scale collaborative conservation projects across the Buller, Marlborough, Nelson and Tasman region. The drivers are to work collaboratively to achieve significant conservation gains by attracting resources for new work, growing synergy to more effectively achieve existing work and developing social, cultural and economic contributors to future proof the outcomes.
2. For landscape scale conservation to be successful a strong alliance across local government, iwi and the Department of Conservation (DOC) is needed. A strong Te Tau Ihu Alliance would enable the establishment a region-wide conservation programme and the implementation of projects within it.

Vision

3. The Parties are united in the vision:

A partnership for environmental leadership in Te Tau Ihu / Top of the South – connecting people and place together for now and for the future.

Ma whero ma pango ka oti ai te mahi

With red and black the work will be complete, this refers to co-operation where if everyone does their part, the work will be complete. The colours refer to the traditional kowhaiwhai patterns on the inside of the meeting house.

Scope

4. The purpose and function of our Te Tau Ihu Alliance is to align and collaborate on conservation projects across Te Tau Ihu to provide a collaborative voice for conservation.
5. This includes identifying, prioritising and integrating conservation work across the Buller, Tasman, Nelson and Marlborough region. The function of our Te Tau Ihu Alliance will be to provide support, context and advice to projects within the region and help coordinate or support funding applications.
6. The scope of the Alliance is the coordination of collaborative landscape scale conservation projects.
7. The Parties are committed to ensuring that the Alliance delivers not only conservation outcomes but also supports social, cultural and economic outcomes to the region as well.

Nature of Relationship

8. The Parties wish to conduct their relationship (“the relationship”) on the basis of good faith and respect for each other’s views.
9. The Parties may refer to the relationship in their dealings with others as “working with our Te Tau Ihu Alliance”.
10. The Addendum Terms of Reference further outlines how the Alliance group will function.

Relationship Principles

11. The Parties to this MOU are committed to developing a meaningful and enduring relationship with the intention to work together to achieve mutually beneficial objectives and outcomes that enable the successful delivery of our Te Tau Ihu

Alliance. The Parties to this MOU agree to abide by the following relationship principles when the Parties engage with each other and others:

- Integrity
Each Party will treat each other with the utmost respect, honesty and fairness.
- Dominion
Each Party has dominion over their respective organisation.
- Consultation
Each Party agrees to consult on matters relating to the Te Tau Ihu Alliance programme and agrees to contribute to strategic and annual planning processes in an integrated manner.
- Availability
Each Party agreed to make every effort to attend each meeting.

Withdrawal

12. If a Party wishes to withdrawal, it may do so by giving four weeks written notice to the other Parties.

Communication

13. Subject to reasonable notice, the Parties agree and will commit to meet quarterly to discuss issues of mutual interests, including business and work planning and new research and knowledge.
14. If matters arise that may be of interest to any Party, a contact person designated by each Party is to be informed. That person should develop an effective working relationship with the other Party,
15. If the designated contact person changes in any organisation, there should be a handover process so that the new person can quickly settle into the role.
16. In the interests of clear communication, any public statements that could be construed as being for or on behalf of our Te Tau Ihu Alliance, must be made only after agreement with the other Parties. The Parties will agree to a communications protocol.

Intellectual Property and Data Sharing

17. All intellectual property brought to the relationship by each Party remains vested in that Party.

Confidentiality

18. Confidential information means proprietary science, technical and business information disclosed during the relationship.
19. No Party shall disclose directly or indirectly the confidential information received from other Parties to any third party without written consent.

Dispute Resolution

20. Any dispute concerning the subject matter of this document will be settled by full and frank discussion and negotiation between the Parties. Should the dispute not be resolved satisfactorily by these means, the Parties agree that they will engage in mediation conducted in accordance with the terms of LEADR New Zealand Inc Standard Mediation Agreement.

Review of MOU

21. The Parties shall review the Operative Parts in Schedule One of this MOU three years from the date of this MOU first being signed.

Addendum -Draft Terms of reference

Role of Parties of the Alliance Group

1. The Alliance Group Parties will identify and integrate conservation priorities across the Buller, Tasman, Nelson and Marlborough region consistent with the vision and scope of the MOU.
2. The Parties shall bring their strengths to the Alliance Group to help achieve the agreed vision and identified priorities.
3. Each Party on the Alliance Group will report back to the organisation that he/she represents with recommendations from the Alliance Group and seek that organisation's direction.
4. Each organisation may decide to take full or partial responsibility for specific actions recommended by the Alliance Group.
5. An organisation's formal support of specific actions will be communicated back to the Group by the organisation's representative. An organisation may choose to support specific actions in various ways, e.g. by allocating funding and/or including action items within planning documents and work programmes.

Role of the Facilitator of the Alliance Group

6. One member should be appointed as Facilitator of the Alliance Group.
7. The facilitator will:
 - prepare the agenda for Alliance Group meetings with input from the Alliance Group Parties;
 - facilitate the meetings and assist the Alliance Group to reach consensus on issues and options;
 - act as the spokesperson for the Alliance Group; and
 - as necessary, support or present Alliance Group recommendations to the signatories.
8. The term for appointment as Facilitator shall be for a period of one year with an option for reconfirmation.
9. One member should be appointed as Vice Facilitator of the Alliance Group to provide support and coverage if the Facilitator is unavailable. This will be appointed and reviewed on an annual basis.
10. The Department of Conservation offers to provide the facilitator role for the Alliance Group, if required, for three years from the date that the MOU is first signed.

Quorum for meetings

11. While the Alliance Group does not have a decision making mandate, there shall be no less than 10 members of the Alliance Group present for meetings to be held.

Reporting

12. Notes of Alliance Group meetings will be taken by a member of the Group (to be selected by Group consensus) and circulated before the next meeting of the Group.
13. The Department of Conservation offers to undertake the notes of the Alliance Group meetings and circulate these before the next meeting for three years from the date that the MOU is first signed.

14. Each Party will be responsible for reporting back to the organisation that he/she represents.

Frequency of meeting

15. The Parties shall meet as an Alliance Group quarterly, with additional meetings or workshops, if required.

Servicing of meetings

16. The Department of Conservation offers to provide documentation and logistical support for the Alliance Group meetings and provide staff support for three years from the date that the MOU is first signed.

Review

17. The Parties will review these TOR three years from the date that it is first signed.

ENDS

04 May 2017



Garry Howard
Mayor
Buller District Council
PO Box 21
WESTPORT 7866



Dear Garry

How your community can benefit more from tourism

Domestic and international visitors make a valuable economic contribution to your community, and your council has the opportunity to help your region capitalise on the current tourism boom.

To assist your considerations, I am pleased to enclose your personal copy of Tourism Industry Aotearoa's *Local Government Tourism Growth Action Plan*.

This highlights the value of tourism to your region, including the amount visitors spent in your area in 2016. It also identifies eight priority actions for councils over the next two years. They are closely aligned to the industry's Tourism 2025 growth framework.

With strong projected growth in visitor spend, we all need to ensure our communities are ready to maximise the benefits tourism can bring.

A supportive council is vital to ensuring your communities reap the benefits of the strong visitor economy. Council investment in infrastructure – roads, water/waste disposal, attractions and events – as well as your support for promotional bodies, contributes to the quality of the visitor experience. We want councils to consider the needs of visitors as well as residents in their planning processes.

We encourage you to use the action items in the enclosed document as a reference point to develop strategies to maximise the value of tourism that you can build into your Long Term Plan.

To further support your decision-making, TIA has recently released the *National Tourism Infrastructure Assessment*. This research, carried out by Deloitte for TIA, identifies national and regional infrastructure priorities, and establishes a Prioritisation Framework for assessing infrastructure priorities. Councils around the country contributed to this project and we thank them for their assistance. To read the *National Tourism Infrastructure Assessment*, visit our website www.tia.org.nz.

If you would like to discuss these issues further or explore how your community can benefit more from international and domestic tourism, please feel free to contact me, email steve.hanrahan@tia.org.nz.

Yours sincerely



Steve Hanrahan
Advocacy Manager

Strategic Partners supporting the TIA and the tourism industry

TOURISM INDUSTRY AOTEAROA
Level 4, 79 Boulcott Street, PO Box 1697
Wellington 6140, New Zealand
P +64 4 499 0104 E info@tia.org.nz W tia.org.nz



99933880075002 1500

Auckland
\$7514m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Bay of Plenty
\$802m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Central Otago
\$180m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Christchurch
\$2175m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Clutha
\$62m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Coromandel
\$413m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Dunedin
\$694m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Fiordland
\$217m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Gisborne
\$159m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Hawke's Bay
\$583m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Kapiti-Horowhenua
\$252m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Kawerau-Whakatane
\$131m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Manawatu
\$538m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Northland
\$1037m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Queenstown
\$2109m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Southland
\$391m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Taranaki
\$335m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Taupo
\$578m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Waikato
\$1385m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Wairarapa
\$162m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Waitaki
\$173m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Wanaka
\$460m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Wellington
\$2033m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

West Coast
\$488m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Whanganui
\$123m

International visitors' total spend (YE Dec 2016; \$m)
Domestic visitors' total spend (YE Dec 2016; \$m)

Regional Tourism Expenditure

Annual total visitor spend (YE Dec 2016; \$m)
for the Regional Tourism Organisation areas



Source: MBIE Monthly Regional Tourism Estimates (due to rounding, domestic and international expenditure totals may not equal total visitor spend.)



Contact TIA: Tourism Industry Aotearoa has resources and expertise to support your council and community to benefit from tourism. Contact TIA on info@tia.org.nz or phone **04 499 0104**.

12 May 2017

OFFICE OF THE MAYOR

Garry Howard

Warren Parker
New Zealand Conservation Authority
C/- Dr Rick McGovern-Wilson

Email: rmcgovern@doc.govt.nz

Dear Warren

RE: ADDITION OF LAND, MOKIHINUI BASIN (45,000 Ha) TO KAHURANGI NATIONAL PARK AND YORK CREEK BLOCK (23,000 Ha) TO PAPAROA NATIONAL PARK

Many thanks for your consultation with Buller District Councillors on Wednesday 10th May 2017.

We acknowledge both areas currently sit under Department of Conservation management.

The York Creek was purchased by the Natural Heritage Fund in late 2016 for its conservation values and, given information presented, the addition to Paparoa National Park is appropriate.

The Mokihinui Basin includes the recently established Old Ghost Road, being an icon for the Buller District and gaining international status for trampers and mountain bikers. Buller District Councillors would want to ensure that National Park status will not be detrimental in any way to the operation of the track, run by the Mokihinui-Lyell Backcountry Trust. While not required by Section 7 Land Addition, we request that the NZ Conservation Authority have consultation with the Mokihinui-Lyell Backcountry Trust to ensure all aspects of placing the Mokihinui Basin into the Kahurangi National Park are fully understood. Also that licences or concessions to operate are not detrimentally affected on the basis that the Trust is comfortable the Councillors present at the meeting displayed positive support for the proposal.

As a district, we are struggling with infrastructure and, in particular, ongoing maintenance costs of rubbish, sewerage and water. These are basic requirements that our visitors rightly expect us to be able to provide and we would appreciate the NZ Conservation Authority's support to address this issue with Central Government funding.

We would also like the NZ Conservation Authority to be mindful, that in order for our communities' survival, infrastructure (ie. the Northern Link road) and access to resources is required in the district.

Buller District Council is very pleased to be working with the Department of Conservation and the NZ Conservation Authority to ensure the enduring future of our environment and communities.

Kind regards





Office of Hon Anne Tolley

MP for East Coast
Minister for Social Development
Minister for Children
Minister of Local Government

12 May 2017

Andy Gownland-Douglas
Buller District Council
PO Box 21
WESTPORT 7866



Dear Ms Gownland-Douglas

I wanted to take the opportunity to write to you as you will be aware of the release of the Stage One report of the Government Inquiry into Havelock North Drinking-Water. I welcome this report and thank the Inquiry Panel for its thorough investigation.

It is vitally important that public drinking-water suppliers embrace high standards of care. The Stage One report has given us many helpful insights and points to note.

Although this stage was focused on the Havelock North area, I am urging all local authorities nation-wide to review their current practices in light of the report's findings, both at an operational and strategic level and where necessary make any required changes.

One of the identified failings was centred around organisational practice, behaviour and regular communication between all stakeholders. Examples of good practice identified in the report include:

- collaboration between territorial authorities, regional councils and drinking water assessors;
- regular planned inspection and maintenance of key drinking water assets;
- good governance oversight of water supply safety issues; and
- up to date emergency response plans.

As I know you are, I am committed to local government providing excellent services for our communities. I will be paying close attention to Stage Two, which will focus on the wider systems, lessons to be learned and provide recommendations for the future. That stage is due to be completed by 8 December 2017.

Yours sincerely

Hon Anne Tolley
Minister of Local Government

cc: Mayor Garry Howard

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 13

Prepared by - Andy Gowland-Douglas
- Chief Executive

Chief Executive's Report

Report Summary

This report is an overview of key activities since the April report, and an update on some key strategic issues.

Draft Recommendation

That the report be received for information.

Organisational Development

Human resources

We now have the assistance of Kim Hibbs for 10 hours a week in the Human Resources space. Kim is the HR Advisor employed jointly by Westland and West Coast Regional Councils. This is a trial to see how this might work as a shared service. She will be assisting with the Assets and Infrastructure realignment as well as HR policy review and development

Strategic Issues/Updates

Havelock North Drinking Water Inquiry

Stage 1 of the inquiry has now been completed and the findings publically released.

The Inquiry has found that several of the parties with responsibility for the water supply in Havelock North, particularly the District and Regional Council: *“failed to adhere to the high levels of care and diligence necessary to protect public health and to avoid outbreaks of serious illness. A higher standard of care needed to be embraced, akin to that applied in the fields of medicine and aviation where the consequences of a failure could similarly be illness, injury or death.”*

This was both in terms of protecting the source and adequately monitoring the supply. The inquiry found that adequate risk assessment was not in place, which highlights the importance of the risk based approach we are currently applying to Council water supplies. Not having this in place leaves us very vulnerable. It is very important therefore that we continue on the current path given these findings.

The terms of reference for stage 2 have also been confirmed and this is expected to be completed by December 2017. This will focus on the systemic issues highlighted in stage 1, and make recommendations about managing water supply nationally. This may involve the development of a new regulatory framework for water.

Mid-Sized Tourism infrastructure Grants

Further funding for this programme was announced at TRENZ last week by the Minister of Tourism, Paula Bennett. It will go from \$12m per annum to approximately \$25m per annum over four years. All councils have been encouraged to put as many projects forward as possible to clearly demonstrate the demand. This funding is not only for toilets, it can also be used for visitor information centres etc. We already have two applications in the current round and will be working on others when the next round opens.

TRENZ



As reported at last month's council meeting I attended the last day of TRENZ in Auckland, both for the stakeholder's event, to meet key industry people and to observe the expo in operation.

The stakeholder's event was very valuable and was an opportunity to hear from and speak to all the key NZ tourism Chief Executives, as well as the Ministry. Deputy Minister Nicky Wagner was in attendance. Many Mayors and Chief Executives from other parts of the country were at the event, and it was noted that this is the first time the West Coast has attended, and our attendance was well received. It is an important forum to not only learn of the national direction and priorities, but to have all of these key people in the same room at the same time is invaluable. I was able to speak to most of these key people about Buller.

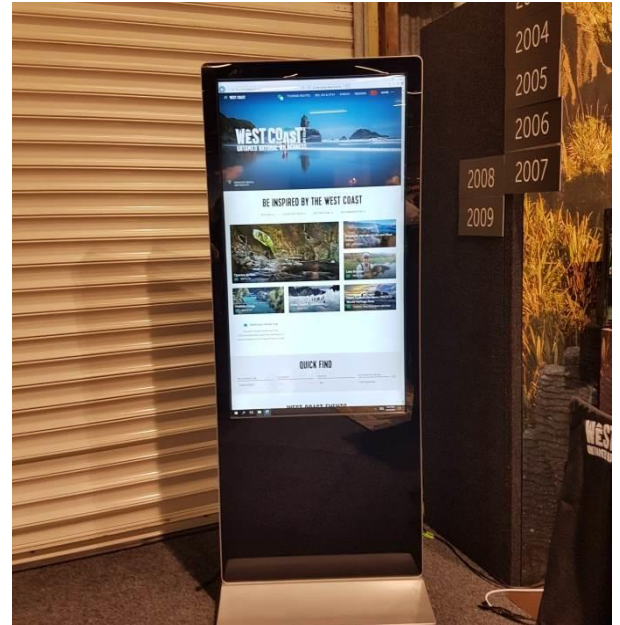
Part of the purpose for attending was also to see how we and the wider West Coast are represented, and I have to say I was very impressed. I had people like Chris Luxton from Air NZ comment to me that our RTO is one of the most effective in the country on the small budget they have and they punch well above their weight. As joint funders of this organisation this is very reassuring for us to hear. The West Coast stand was tremendously popular and used some great technology to draw people in. Tourism West Coast did a great job of representing us in the absence of any local operators, however it is essential that we work with Advance Northern West Coast (ANWC) to ensure that we can have operators represented directly next year. One joint stand would be all that is required, and the cost would be \$7,000-\$9,000. We will simply continue to be the poor cousins in the region and will not grow our

market share until we do. There may be an opportunity for ANWC to partner with Hospitality NZ to fund this. I plan to meet with ANWC as soon as possible to share my learnings from the event.

The next event is in Dunedin in May 2018 and it is highly recommended that either myself or the Mayor are in attendance on that last day as it has proven to be a very valuable forum.



Kelly from TWC speaking to international buyers



The interactive touch screen



The 3D holographic video display

Key Meetings Attended

19 April - Annual Plan Roadshow - Karamea
20 April - Annual Plan Roadshow - Ngakawau
26 April - West Coast Chief Executives meeting
26 April - Economic Development Arrangements steering group workshop
10 May - Economic Development Arrangements Presentation - Reefton
11 May - Mayors and Chair
12 May - TRENZ
16 May - Lunch and meeting with Minister Judith Collins

Coming Up

25 May - West Coast Chief Executives Planning Day
31 May - DHB/MoH - Council Water services meeting
15-16 June - Rural and Provincial Sector meeting - TBC

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 24 MAY 2017

Report for Agenda Item No 14

Prepared by - Andy Gowland-Douglas
- Chief Executive

Council Meeting Action List

1. Background

1.1 To provide Council with an action list from the last meeting.

Draft Recommendation

That the report be received for information.

Item	Previous Action	Proposed Action	Progress	Assigned	Completion Date
Water Supply Upgrades October 2014	Update and provide a timeline of the proposed upgrades to Rural Water Treatment Plants, and when they are to be consulted with the appropriate communities.	Provide progress update on Council responsible water supplies, incorporated in Water Supplies Quarterly Status Report	Reported on at March 2017 meeting	Group Manager Assets & Infrastructure	Ongoing
Peel Street Depot February 2016	That a cost benefit analysis be prepared regarding the remediation work required on the contaminated Peel Street property.	Provide progress update on Peel Street Depot, incorporated in Major Projects Quarterly Status Report	Reported on at March 2017 meeting	Group Manager Assets & Infrastructure	June 2017 Council Meeting
Buller Youth Council September 2016		Terms of constitution, type of liaison, website sharing, to be worked on.	Reported on at April Meeting	Cr Hart	July 2017 Council Meeting
Disused Wharf Removal October 2016	That all current information available, including flood protection work, be collated by Council in consultation with Westport Harbour Limited, and report back to Council.	Provide progress update on Waterfront Development Strategy and Master Plan, incorporated in Major Projects Quarterly Status Report NB: Development Strategy widens riverside scope to consider overall business case, risk assessment, community needs, environmental impact, social/economic benefit, legislative and statutory compliance, LTP alignment, land ownership and flood protection.		Chief Executive, Group Manager Assets & Infrastructure	June 2017 Council Meeting

Item	Previous Action	Action	Progress	Assigned	Completion Date
Punakaiki Community Liaison Meeting March 2017		<ul style="list-style-type: none"> Investigate ways to advocate for freeing up land for residential and/or commercial development Act as conduit for input into the Dolomite Point re-development project Consider increasing funding for compliance in regard to freedom camping (work with Grey District Council) Expedite the water filter remedial process 			
Reserve Contributions March 2017		That Council place on the Action List, for a workshop to be held in April to provide greater understanding for all Councillors of Reserve Contributions and the application of such funds. The workshop is to provide the background, current policy and any past Council resolutions or directions pertaining to the use of reserve contributions along with options for Councillors consideration. The objective of the workshop will be to get a sense of understanding and thinking of Councillors to allow management to put a report to the May meeting.	Workshop held. Report for May 2017 Council Meeting.	Manager Community & Environment	

Item	Previous Action	Action	Progress	Assigned	Completion Date
Public Forum April 2017		Guidelines to be formulated with a fact sheet made available for those wishing to speak during the public forum section of the Council meeting.		Chief Executive	