



**PUBLIC COPY**

# **AGENDA**

Meeting of the  
Finance, Risk and Audit Committee

**Wednesday 23 March 2022**  
commencing at 3.00pm

*To be held:*  
Via ZOOM

## Finance Risk & Audit Committee

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

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### **Purpose**

The Finance Risk & Audit Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Long Term Plan and Annual Plan.
2. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
3. Guiding and monitoring Council's interests in its Council Controlled Organisations (CCOs),
4. Providing objective advice and recommendations to the governing body on the adequacy and functioning of the Council's risk management, control and governance frameworks and processes.
5. Monitoring Council's compliance with legislation.
6. Monitoring the Council's external and internal audit process.
7. Ensuring the independence and effectiveness of Council's Internal Audit processes.
8. Monitoring existing corporate policies and recommending new or amended policies to prevent and prohibit unethical, questionable or illegal activities.
9. Providing a communication link between management, internal auditors/external auditors and Council.
10. Supporting measures to improve management performance and internal controls.
11. Monitor the Council's approach to risk identification and management, assess the steps undertaken to control and treat the identifiable risks.
12. Review the Chief Executive Office's performance, remuneration and other matters relating to the employment.
13. Such other Matters referred to it by Council.

***In addition to the common delegations on page 9 the Finance Risk & Audit Committee is delegated the following Terms of Reference and powers:***

### Terms of Reference

1. To monitor Council's financial strategy, and performance against that strategy.
2. To monitor Council's financial and non-financial performance against the Council's 10 Year Plan.
3. To approve deferred capital expenditure.
4. To develop and monitor policy related to the following matters:
  - a) Financial management;
  - b) Revenue generation;
  - c) Procurement and tendering; and
  - d) The appointment and remuneration of directors and CCOs
5. To monitor the probity of processes relating to policies developed by the Finance Risk & Audit Committee.
6. To provide clear direction to Council's CCOs on Council's expectations, including feedback on draft statements of intent.
7. To receive Quarterly reports of Council's CCOs, including on board performance.
8. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for Council's approval by Council.
9. To monitor Council's investments External Audit.
10. Engage with Council's external auditors (includes Mayor & CEO) regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
11. Recommend to Council the terms and arrangements for the external audit programme.
12. Review the effectiveness of the Annual Plan audit and 10 Year Plan audit.
13. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.
14. The committee must make recommendations to Council on all matters relating to the employment of the Chief Executive Officer, include performance measures and remuneration.

### Internal Audit

15. In conjunction with the Chief Executive Officer, agree the scope of the annual internal audit work programme.
16. Monitor the delivery of the internal audit work programme to ensure the effectiveness of the Council's internal control framework.
17. Assess whether Internal Audit's recommendations have been properly implemented by management.
18. Review the annual Internal Audit Plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

### Other Matters

19. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks and report 6 monthly to Council.

20. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy and guidelines (including health and safety).
21. Engage with internal and external auditors on any specific one-off audit assignments.
22. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
23. Provide an annual review of Council's risk management framework and amend as required.
24. Review and monitor integrity of interim and annual reports and recommend to Council for adoption.
25. Review and monitor business continuity planning.

**The Committee is delegated the following powers to act:**

- Approval of:
  - Appointments to and remove from, CCO Boards; and
  - A mandate on Council's position in respect of remuneration proposals for CCO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO
- Approval of statements of intent for each CCO
- Approval of proposed major transactions of CCOs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO.
- Approval of operating and/or capital expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive's delegation, excluding expenditure which:
  - contravenes the Council's Financial Strategy; or
  - significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or
  - impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which:
  - exceed the Chief Executive's delegations, but
  - Approval of contractual and other arrangements for supply and services, and revenue generating contracts.

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

- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

**Special Notes:**

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- The Committee may request expert advice through an independent advisor when necessary for the Chief Executive Officer performance and remuneration review.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- The Chief Executive Officer and Group Manager Commercial and Corporate Services are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the committee meetings, as required.
- The Chairperson shall review the travel and other reimbursed expenses of the Chief Executive Officer and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chairperson shall review the travel and other reimbursed expenses of the Mayor and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chief Executive Officer (Principal Advisor) shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud or malpractice.
- The chairperson shall present an annual Audit and Risk Self Review to Council summarising the committee's activities during the year and any related significant results and findings.
- Written updates may be requested to be provided to Council meetings from the FRAC Chair & Group Manager Commercial & Corporate from time to time.

**Oversight of Policies:**

- *Risk Management Framework*
- *Freeholding of Leasehold Land*
- *Revenue and financing*
- *Rates remission*
- *Development and financial contributions*
- *Significance and engagement*
- *Treasury Management*
- *Sensitive Expenditure*



## Finance, Risk and Audit Committee

Venue: Clocktower Chambers, Palmerston Street, Westport

23 March 2022 03:00 PM - 05:00 PM

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**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 1**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**APOLOGIES**

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**1. REPORT SUMMARY**

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

**2. DRAFT RECOMMENDATION**

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

**OR**

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

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 2**

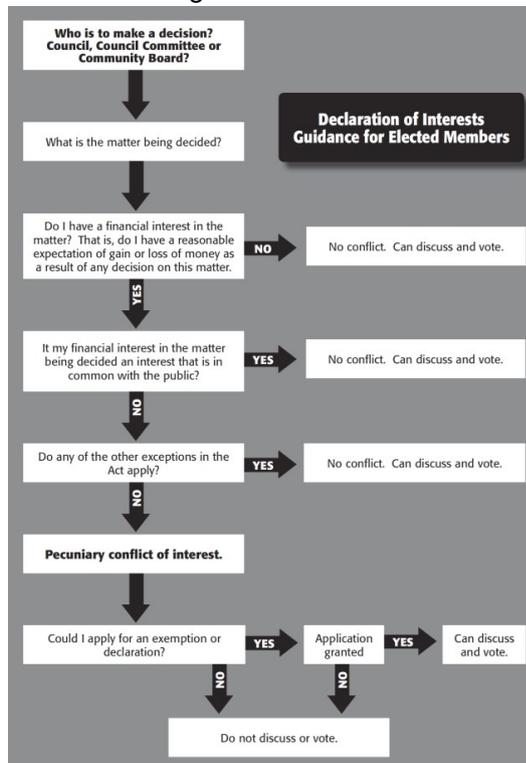
**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**MEMBERS INTEREST**

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

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

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



**DRAFT RECOMMENDATION:**

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

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 3**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**CONFIRMATION OF MINUTES**

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**1. DRAFT RECOMMENDATION**

**That the Finance, Risk and Audit Committee receive and confirm minutes from the meeting of 16 February 2022.**

**MEETING OF THE FINANCE, RISK AND AUDIT COMMITTEE, 3:00PM ON WEDNESDAY  
16 FEBRUARY 2022, VIA ZOOM**

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**PRESENT:** Mayor J Cleine, Deputy Mayor S Roche, Councillors J Bougen, D Hawes, Cr J Howard, M Montgomery, R Nahr, P Rutherford, R Sampson, G Weston, N Tauwhare (Iwi Representative)

**APOLOGIES: Nil**

**IN ATTENDANCE:** S Mason (Chief Executive Officer), R Townrow (Deputy CEO), R Fox (Group Manager Commercial & Corporate Services), L Brooks (Finance Manager), V Hill (Governance Assistant)

**MEDIA:**

**MEETING DECLARED OPEN AT: 3.04 pm**

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**1. APOLOGIES (p8)**

**Discussion:**

There were no apologies received.

**RESOLVED** that there are no apologies to be received and no requests for leave of absence.

**DM S Roche/Cr M Montgomery  
11/11**

**CARRIED UNANIMOUSLY**

**2. MEMBERS INTEREST (p9)**

**Discussion:**

Nil

**RESOLVED** that Finance, Risk and Audit Committee members disclose any financial or non-financial interest in any of the agenda items.

**DM S Roche/Cr G Weston  
11/11**

**CARRIED UNANIMOUSLY**

**3. CONFIRMATION OF MINUTES (p10)**

**Discussion:**

The minutes of the previous meeting were taken as read.

**RESOLVED** that the Finance, Risk and Audit Committee receive and confirm minutes from the meeting of 15 December 2021.

**Cr J Bougen/Cr P Rutherford**

**11/11**

**CARRIED UNANIMOUSLY**

**4. ACTION POINTS (p30)**

**Discussion:**

The following action points were agreed:

Item 161 – Rating Policy Review will go the February Council meeting

Item 184 – Strategic Risk Register will be moved to April 2022

Item 185 – Punakaiki Campground will stay in March 2022

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

**Cr R Nahr/Cr M Montgomery**

**11/11**

**CARRIED UNANIMOUSLY**

**5. HALF YEAR FINANCIAL REPORT 31 DECEMBER 2021 (p33)**

**Discussion:**

Cr P Rutherford queried the commentary around the impact the issue of shares in the whitebait venture had on the financial statements and how this information was captured when the shares would be deemed to be worthless. It was mentioned in the commentary however he could not see it in the report.

S Mason (CEO) advised that there were still conversations being had with the Ministry of Business, Innovation and Enterprise (MBIE) and John Selby. There would be no net financial impact to Buller District Council and loose ends are being finalised. This had been delayed due to other events.

R Fox (GM Commercial & Corporate Services) noted that there would be a neutral transaction through the bank account, excluding the \$200,000 that was provided to establish the project.

Cr R Sampson commented that the format of the report did not include a breakdown of figures.

There was discussion regarding competing priorities in terms of reporting and L Brooks (Finance Manager) reminded councillors that this information is available quarterly and half yearly.

The Finance, Risk and Audit Committee workplan with agreed reporting is that quarterly reports are put up with a full balance sheet, profit and loss and cashflow. In between those quarterly reports we produce detailed profit and loss reports.

DM S Roche commented that a pragmatic approach to the reporting is required as staff are currently under considerable pressure as a consequence of external events.

**RESOLVED** That the Finance Audit and Risk Committee receive the Half Year Financial report for the six months ended 31 December 2021 for information.

**Cr J Howard/Cr M Montgomery**  
11/11

**CARRIED UNANIMOUSLY**

## **6. INVESTMENTS AND BORROWINGS – December 2021 (p46)**

### **Discussion:**

Cr P Rutherford queried why the whitebait shares were not listed in the assets.

DM S Roche noted the only money that came into the Council was \$200,000 and this was an in and out and was a fiscally neutral transaction.

Mayor J Cleine commented that the shares are a part reflection of the drawdown. The reality is the company will no longer exist.

L Brooks (Finance Manager) advised that cash investments are cash transactions that are processed through the bank accounts.

There was further discussion about the technical accounting aspects of this transaction.

Cr R Sampson noted there was no change in the reserves contribution over the last 12 months.

Ms Brooks will verify this.

Cr R Nahr asked that the Debt and Investments Three year Trend be updated for the next meeting.

**RESOLVED** that the Finance, Risk and Audit Committee receive the Investments and Borrowings report for information

**DM S Roche/Cr J Bougen**  
**11/11**

**CARRIED UNANIMOUSLY**

R Townrow (Deputy CEO) joined the meeting via ZOOM at 3.30pm

## **7. PROJECTS IN PARTNERSHIP – MONTHLY UPDATE REPORT (p55)**

### **Discussion:**

There was no Projects in Partnership meeting after the recent flood event. S Mason (CEO) noted the group has not had an opportunity to discuss these reports and that she was happy to take back questions if necessary.

R Townrow (Deputy CEO) reported that to the end of January there was a high level of highlights. Half of the homes from the July flood event have settled their insurance. 40 houses have had repairs completed and stickers removed.

Work with the Ministry of Business, Innovation and Enterprise (MBIE) regarding the temporary village is ongoing and tracking on a tight timeframe.

The community kitchen is now up and running.

Finance wise good progress has been made and the recovery team are organising claims etc.

Communications are a focus and the team is trying to get the message out through different channels.

A report to the steering group tomorrow is still being worked on and Ms Townrow would share that with councillors as well for information.

S Mason (CEO) asked that the report be taken as read and added that the bridge opening has been pushed back as it was not appropriate in the current environment.

There have been conversations around water projects in light of the damage that has occurred and how to approach the way forward.

In response to a query from Cr R Sampson, Ms Mason informed councillors that a request for additional funding for the Toki bridge was driven by funding that has become available and would finish off part of the Council programme for revitalisation.

Funding was available so Council should try to access it.

Opportunities for funding often come out of the blue and these are bought to Council if possible and if significant.. Rather than missing out on smaller opportunities for funding, applications would be made and then bought to Council.

Following the recent weather events and impact on the Waimangaroa Water Supply project as a whole, there would be an assessment talk following the Finance, Risk and Audit Committee meeting.

Cr J Bougen informed councillors that there was concern regarding residents who live below the Reefton water upgrade and the consequence of work that has not been completed by the contractor.

There had been multiple requests for drains to be cleared over the last six months and some were blaming the flooding of houses on the lack of action.

Cr Bougen asked that a Council representative contact the residents at the top of Broadway to acknowledge the situation and let them know they haven't been forgotten.

Ms Mason indicated she would be happy to talk to residents and would have a conversation with Cr Bougen in this regard.

Cr Bougen thanked Ms Mason and said that would be much appreciated.

Cr R Sampson asked for an explanation around the Waimangaroa water supply expenditure, saying the costs seemed exceptional for what has been done.

DM S Roche expected that this would be addressed in a new paper.

Cr J Howard noted an error in the total on page 85 which seems incorrectly stated as \$4,000.

Ms Mason would follow up on this.

**RESOLVED** That the Finance, Risk and Audit Committee receive the Projects in Partnership Update Report for information.

**Cr G Weston/Cr J Howard**  
11/11

**CARRIED UNANIMOUSLY**

R Townrow (Deputy CEO) left the meeting at 3.32pm

## **8. AUDIT MANAGEMENT ACTION POINTS (p105)**

### **Discussion:**

R Fox (GM Commercial & Corporate Services) informed councillors that these were existing points only and that there was still a report on the Westport Airport outstanding.

DM S Roche advised that an audit management letter from Audit NZ is expected any time this week and the audit action points would be updated upon receipt of this.

**RESOLVED** that the Finance, Risk and Audit Committee receive the Audit Management Action Point report for information

**DM S Roche/Cr R Nahr**

**11/11**

**CARRIED UNANIMOUSLY**

Cr P Rutherford commented that performance measures and the setting of targets was more appropriate for someone selling vacuums cleaners in relation to core business.

S Mason (CEO) responded that some of the commentary was related to KPIs in annual reports that did involve a huge amount of work to review and refresh in the Long Term Plan and that the management team would reflect on that message.

**9. COMMERCIAL AND CORPORATE SERVICES WORK PLAN (p140)**

**Discussion:**

R Fox (GM Commercial & Corporate Services) reported that the Strategic Risk Register and the Health and Safety report would be presented to Council next week.

The Capital report would be available at Council next week and anything residual would come to the Finance, Risk and Audit Committee in March.

**RESOLVED** that the Finance, Risk and Audit Committee receive the Commercial and Corporate Services Work Plan for information.

**Cr J Bougen/Cr M Montgomery**

**11/11**

**CARRIED UNANIMOUSLY**

**10. PUBLIC EXCLUDED (P142)**

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

<b>Item No.</b>	<b>Minutes/Report of:</b>	<b>General subject</b>	<b>Reason for passing resolution Section 7 LGOIMA 1987</b>
<b>11</b>	Rod Fox, Group Manager Commercial & Corporate Services	Westport Harbour Wharf Condition Report	LGOIMA s7(2)(c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; and LGOIMA s7(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

3.1: Previous Minutes - 16 February 2022

<b>Item No.</b>	<b>Minutes/Report of:</b>	<b>General subject</b>	<b>Reason for passing resolution Section 7 LGOIMA 1987</b>
12	Rod Fox, Group Manager Commercial & Corporate Services	Port and Dredge Financial Statements	Section 7(2)(i) - Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations, including commercial and industrial negotiations.

**Cr G Weston/Mayor J Cleine**  
11/11  
**CARRIED UNANIMOUSLY**

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2021**

**AGENDA ITEM 4**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**ACTION POINTS**

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**1. DRAFT RECOMMENDATION**

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

**Finance, Risk and Audit Committee**  
**- CURRENT** Action Points

No.	Meeting of:	Action Point	Responsible?	Progress:	Update:	Date required by:
161	20 November 2021	<i>Rating Policy Review:</i> review timing of the rating policy review project.	GM Commercial & Corporate Services		Paper delayed to be received at February Council	Feb-22
184	20 October 2021	<i>Strategic Risk Register</i> G Martyn (HR & H&S Advisor) to review cybersecurity in the Strategic Risk Register and a business continuity plan if there is a breach.	HR & H&S Advisor	•	Preparation has commenced with regards to reviewing and detailing the current status around mitigations for cybersecurity. Note that this will be brought to FRAC April 2022 in the next quarterly Strategic Risk Report	Apr-22
185	20 October 2021	Report be prepared for Council showing Profit and Loss to determine the viability of holding the Punakaiki camp ground as an asset. Detail of income and expenses and options going forward are to be provided, bearing in mind the lease expires in November	GM Commercial & Corporate Services	•		Mar-22

**Finance, Risk and Audit Committee**  
**- CURRENT** Action Points

No.	Meeting of:	Action Point	Responsible?	Progress:	Update:	Date required by:
		2022, with a right of renewal.				

## **FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

### **AGENDA ITEM 5**

**Prepared by:** Julia Gear  
Trainee Financial Accountant

Lynn Brooks  
Finance Manager

**Reviewed by:** Rod Fox  
General Manager Commercial and Corporate Services

#### **FINANCIAL PERFORMANCE – SEVEN MONTHS TO 31 JANUARY 2022**

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

This report provides the Committee with an update on the financial performance for the seven months ending 31 January 2021. The report is presented in three sections including “business as usual”, “additional grants”, and “flood event” sections. This is to help explain the variances to the year one Long Term Plan budget.

The business-as-usual result is an operating deficit of \$113k against a budgeted deficit of \$707k, a positive variance of \$593k. The main contributors to this variance are unbudgeted sponsorship from Development West Coast continued from previous years, gravel removal income, deferred spending in Amenities and Reserves, and timing variances in harbour expenditure and wastewater repairs and maintenance. The report also shows additional regulatory income and costs due to increased demand, higher than budgeted expenditure on water supply, and timing differences in the roading programme and audit fees. Income and expenditure are mainly on budget for other activities.

The additional grant income and expenditure gives a surplus of \$3.8m as grant income for projects has been received in advance of correlating expenditure (and reported expenditure excludes capital expenditure).

The flood event result to date is an overall surplus of \$1.39m. The flood event income and expenses includes government funding as well as community support by way of Mayoral Relief Fund donations, and the corresponding expenditure for those activities.

## 2. RECOMMENDATION

That the Finance Risk and Audit Committee receive the report for information.

## 3. OPERATIONAL FINANCIAL PERFORMANCE

### 3.1 Operational Performance Report – Summary of Results to January 2022

The positive variance to budget for January operating income and expenses is largely due to timing differences in expenditure for some activities. The positive variance in these activities' offsets other activities over budget. To date, council has received \$12.8m more income than budgeted, a 71% increase on business as usual, due to additional grants from the provincial growth fund and other government schemes, and from community and government support provided for assisting flood-affected residents and funding the return to service for damaged infrastructure. Total additional expenditure related to this income is \$7.3m.

Flood related income and expenditure is detailed in the Flood Event section of the appendix. To date council has received \$5.9m government assistance and donations relating to the July 2021 Flood Event. Expenditure for this activity to January totalled \$4.54m and council expects to spend all funds received.

This report does not include income and expenditure relating to the February weather events.

A summary of the results is set out below, along with greater details in the following pages.

	Actual YTD	Budget YTD	Projected Full Year	Budget Full Year	Projected Variance Full Year
Operational Income	17,629,020	17,537,049	29,718,354	31,659,243	(1,940,889)
Operational Expenditure	17,742,649	18,244,344	32,221,679	32,019,012	(202,667)
<b>TOTAL OPERATIONAL VARIANCE</b>					<b>(2,143,556)</b>
Additional Grant Income	7,079,126	284,962	10,452,510	550,000	9,902,510
Additional Grant Expenditure	3,288,867	0	5,501,722	50,000	(5,451,722)
<b>TOTAL UNBUDGETED GRANT VARIANCE</b>					<b>4,450,788</b>
Flood Event Income	5,927,579	0	2,832,387	0	5,927,579
Flood Event Expenditure	4,539,248	0	0	0	(4,539,248)
<b>TOTAL FLOOD EVENT VARIANCE</b>					<b>1,388,331</b>
<b>TOTAL PROFIT / (LOSS)</b>					<b>3,695,563</b>
<b>Net Profit / (loss)</b>	<b>5,064,961</b>	<b>(422,333)</b>	<b>5,279,850</b>	<b>140,231</b>	<b>5,139,619</b>

**BULLER DISTRICT COUNCIL**  
**Financial Report for the Period Ending 31 January 2022**

Prepared by: Julia Gear  
 Reviewed by: Lynn Brooks

	Actual	Year to Date Budget	YTD Variance	Status	Full Year Prediction	Annual Budget (LTP year-1)	Variance Full Year Prediction	Explanation of Variances of \$50,000 or greater
<b>Operational Income</b>								
Community Services	558,829	233,018	325,811	●	581,762	581,762	0	Unbudgeted grant for sponsorship from Development West Coast. NZ Libraries in Partnership
Westport Harbour	1,035,289	757,488	277,801	●	2,267,232	2,267,232	0	Westport Gravel Removal offset by additional expenditure
Democracy	0	0	0	▲	0	0	0	
ED, Tourism & Museum	0	2,919	(2,919)	▲	5,000	5,000	0	
Water Supply	2,405,659	2,426,254	(20,595)	▲	3,368,644	3,368,644	0	
Airport	108,892	109,275	(383)	▲	211,704	211,704	0	
Amenities & Reserves	419,208	514,503	(95,295)	■	1,302,573	1,302,573	0	Fees from Orowaiti Cemetery and Punakali Camp Ground lower than Budgeted. EOY adjustment will incorporate reserve committee financials ~\$400K
Roading & Urban Development	1,500,101	1,548,621	(48,520)	▲	6,038,844	7,979,733	(1,940,889)	Little Wanganui bridge no longer funded
Regulatory	932,743	624,319	308,424	●	984,193	984,193	0	Higher than budgeted Resource and Building consent revenue
Solid Waste	651,371	633,677	17,694	▲	881,399	881,399	0	
Support Services	54,244	44,371	9,873	▲	74,864	74,864	0	
Council - General Rates & Investments	7,926,546	8,602,478	(675,932)	■	11,274,478	11,274,478	0	Westreef subvention payment budgeted for Jan but received in Feb, partially offset by interest on investment income higher than budget
Wastewater	2,036,139	2,040,126	(3,987)	▲	2,727,661	2,727,661	0	
<b>Total Operational Income</b>	<b>17,629,020</b>	<b>17,537,049</b>	<b>91,971</b>	●	<b>29,718,354</b>	<b>31,659,243</b>	<b>(1,940,889)</b>	
<b>Operational Expenditure</b>								
Community Services	1,873,646	1,805,994	(67,652)	■	3,052,785	3,052,785	0	External interest higher than budgeted, but savings across a number of activities. Unbudgeted Libraries in partnership grant towards salaries
Westport Harbour	1,336,365	2,604,536	1,268,171	●	4,664,506	4,664,506	0	Timing of expenditure against budget
Democracy	302,227	296,196	(6,031)	▲	570,060	570,060	0	
ED, Tourism & Museum	274,953	265,030	(9,923)	▲	452,324	452,324	0	
Water Supply	1,534,896	1,457,562	(77,334)	■	2,663,524	2,663,524	0	Reefron, Punakali & Inangahua R&M higher than budgeted
Airport	208,207	233,589	24,882	▲	381,932	381,932	0	
Amenities & Reserves	1,654,324	1,848,009	193,685	●	3,340,454	3,340,454	0	Savings across a number of activities mainly in R&M (\$56K) and contractor payments (\$94K). EOY adjustment will incorporate reserve committee financials ~\$340K
Roading & Urban Development	4,005,052	3,764,705	(240,347)	■	6,734,910	6,532,243	(202,667)	Timing difference for delivery of resal programme.
PSBU (income and expenditure netted off)	423,277	423,277	0	▲	757,176	757,176	0	
Regulatory	1,412,422	951,048	(461,374)	■	1,698,498	1,698,498	0	Additional costs due to higher than expected demand, and some timing variances
Solid Waste	578,800	623,731	44,931	▲	1,045,192	1,045,192	0	
Support Services	2,725,436	2,476,636	(248,800)	■	4,299,263	4,299,263	0	Insurance valuation over budget. Timing of audit fees. Salaries over budget partially due to timing, with balance offset by savings in other activities
Wastewater	1,412,345	1,494,031	81,686	●	2,561,055	2,561,055	0	Variance mainly due to R&M under budget that may resolve by end of year
<b>Total Operational Expenditure</b>	<b>17,742,649</b>	<b>18,244,344</b>	<b>501,695</b>	●	<b>32,221,679</b>	<b>32,019,012</b>	<b>(202,667)</b>	
<b>OPERATIONAL PROFIT / (LOSS)</b>	<b>(113,629)</b>	<b>(707,295)</b>	<b>593,666</b>	●	<b>(2,503,325)</b>	<b>(959,769)</b>	<b>(2,143,556)</b>	

<b>Additional Grants - Income</b>													
Community Services	626,000	34,962	591,038	●	700,000	50,000	650,000	Mayors Taskforce for Jobs, Restoring Flora project, budget for Reefion Economic Development Officer					
Westport Harbour	3,217,001	0	3,217,001	●	4,555,738	0	4,555,738	PGF Funding for Port Precinct and Developments					
Commercial and Corporate Services	604,354	250,000	354,354	●	700,000	500,000	200,000	Whitebait Farm Administration Grant, budget for shares					
Water Supply	1,276,456	0	1,276,456	●	2,641,457	0	2,641,457	Three Waters Mains Projects Punakaiki and Westport					
Amenities & Reserves	1,240,619	0	1,240,619	●	1,740,619	0	1,740,619	Westport Waterfront Redevelopments, Halls & Memorials & TIF funding for Reefion Toilets & Westport Town Pathways					
Solid Waste	114,696	0	114,696	●	114,696	0	114,696	Hector Landfill final claim					
<b>Total Additional Grants income</b>	<b>7,079,126</b>	<b>284,962</b>	<b>6,794,164</b>	●	<b>10,452,510</b>	<b>550,000</b>	<b>9,902,510</b>						

<b>Additional Grants - Expenditure (excludes Capital Expenditure)</b>													
Community Services	348,669	0	(348,669)	■	700,000	50,000	(650,000)	Mayors Taskforce for Jobs, Restoring Flora project, Reefion Economic Development Officer					
Westport Harbour	2,809,860	0	(2,809,860)	■	4,555,738	0	(4,555,738)	PGF Funding for Port Precinct and Developments					
Commercial and Corporate Services	84,354	0	(84,354)	■	200,000		(200,000)	Whitebait Farm Administration					
Water Supply	0	0	0	▲	0	0	0	Three Waters Mains Projects Punakaiki and Westport Capital					
Amenities & Reserves	45,984	0	(45,984)	▲	45,984	0	(45,984)	Balance of Halls and War Memorial funding					
<b>Total Additional Grants Expenditure</b>	<b>3,288,867</b>	<b>0</b>	<b>(3,288,867)</b>	■	<b>6,001,722</b>	<b>550,000</b>	<b>(5,451,722)</b>						

<b>ADDITIONAL GRANTS PROFIT / (LOSS)</b>	<b>3,790,259</b>	<b>284,962</b>	<b>3,505,297</b>	●	<b>4,450,788</b>	<b>0</b>	<b>4,450,788</b>						
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<b>Flood Event - Income</b>													
Mayoral Relief Fund - Donations	781,252	0	781,252	●	0	0	0	Government Funding and Community Donations					
Flood Response Support	1,064,326	0	1,064,326	●	0	0	0	Initial Government Funding for Response					
Flood Recovery Support	4,082,001	0	4,082,001	●	2,832,387	0	0	Government Funding for the Recovery Phase. Predicted full year budget is NZTA funding only					
<b>Total Unbudgeted Flood Event Income</b>	<b>5,927,579</b>	<b>0</b>	<b>5,927,579</b>	●	<b>2,832,387</b>	<b>0</b>	<b>0</b>						

<b>Flood Event - Expenditure</b>													
Mayoral Relief Fund - Grants made	509,479	0	(509,479)	■	0	0	0	Payment of Mayoral Relief Fund					
Flood Response	1,406,891	0	(1,406,891)	■	0	0	0	Costs related to initial response, timing difference.					
Flood Recovery	2,622,878	0	(2,622,878)	■	0	0	0	Costs related to recovery phase					
<b>Total Unbudgeted Flood Event Expenditure</b>	<b>4,539,248</b>	<b>0</b>	<b>(4,539,248)</b>	■	<b>0</b>	<b>0</b>	<b>0</b>						
<b>FLOOD EVENT PROFIT / (LOSS)</b>	<b>1,388,331</b>	<b>0</b>	<b>1,388,331</b>	●	<b>2,832,387</b>	<b>0</b>	<b>0</b>						

<b>TOTAL PROFIT / (LOSS)</b>	<b>5,064,961</b>	<b>(422,333)</b>	<b>5,487,294</b>	●	<b>4,779,850</b>	<b>(519,769)</b>	<b>2,307,232</b>						
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**Key**  
● Favourable variance + \$50k or more  
■ Unfavourable variance - \$50k or more  
▲ Neutral variance within +/- \$50k

Favourable  
 Unfavourable  
 Neutral +/- \$50k

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 6**

**Prepared by** Julia Gear  
Trainee Financial Accountant

Lynn Brooks  
Manager Finance

**Reviewed by** Rod Fox  
General Manager Commercial and Corporate Services

**INVESTMENTS AND BORROWINGS – February 2022**

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**1. REPORT SUMMARY**

This report summarises Council's cash investments and borrowings for the month ending February 2022, and compliance with Council treasury management policy.

**2. DRAFT RECOMMENDATION**

**That the Finance Risk and Audit Committee receive the Investments and Borrowings report for information.**

**3. ISSUES AND DISCUSSION**

**3.1 Investments**

Investments have increased by \$1.4M since 31 January 2022. This is reflected in an increase in the Call Account.

**3.2 Bank Balance**

Council's trading bank balance closing balance was \$452k.

**3.3 Interest Revenue**

Interest revenue to the end of December 2021 is \$247k with a full year budget of \$359k.

Council will continue to reinvest term investment funds at the most favourable interest rate when deposits are available for renewal. The interest rates are improving, and this will be reflected in interest revenue as term deposits are reinvested at maturity.

### **3.4 Borrowings and Net Debt Position**

There has been no change in the total borrowings. Term loans remain at \$33.213m. Net debt (borrowings less term investments and call account balance) has decreased by \$1.4M to \$10.946m.

## **4. CONSIDERATIONS**

### **4.1 Strategic impact**

It is important that Council retains suitable cash holdings and credit facilities to ensure its activities and capital projects can be funded in a timely and affordable manner.

### **4.2 Significance assessment**

The significance policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of council.

### **4.3 Values assessment**

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

Treasury management functions and reporting align most strongly with the values of Future Focussed and Integrity.

Consideration of current and future cash requirements and intergenerational equity are required when managing cash deposits and credit facilities.

Public reporting of investments and borrowings encourages open and honest discussion and decision making.

### **4.4 Risk analysis**

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

Cash flow management is an integral part of ensuring Council is able to deliver the services and projects it has committed to in successive Long Term and Annual Plans.

This risk is mitigated by establishing policies and procedures, engaging staff to manage investment and borrowings and regular reporting to Council to ensure high level oversight.

### **4.5 Policy / legal considerations**

The Local Government Act (2002) and associated regulations prescribe prudent financial management and nationwide benchmarks. The financial prudence benchmarks are now compulsory sections included in Council Long Term/Annual Plans and Annual Reports.

Council's Investment Policy and Treasury Policy govern the management of cash assets and borrowings.

**4.6 Tangata whenua considerations**

None identified.

**4.7 Views of those affected**

Council's financial strategies, investment levels and borrowing projections are included in the Long Term Plan and Annual Plan consultation processes.

**4.8 Costs**

There are no extraordinary costs relating to investments and borrowings.

**4.9 Benefits**

The benefits of structured Treasury management include risk minimisation, prudent cash management and long term financial stability.

**4.10 Media / publicity**

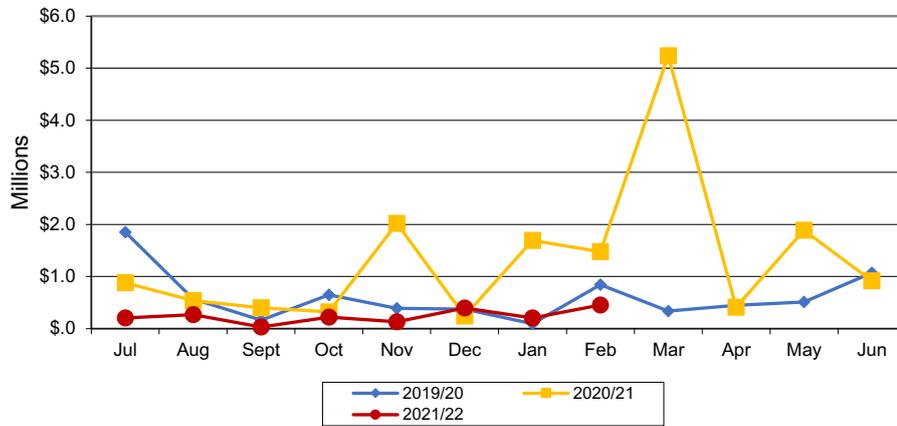
None identified

## INVESTMENTS AND BORROWINGS REPORT

### 1. BANK BALANCE

	This Month 28-Feb-22	Last Month 31-Jan-22	Last Year 28-Feb-21
Council	\$452,277	\$205,104	\$389,641

### 2. MONTH END BANK BALANCE



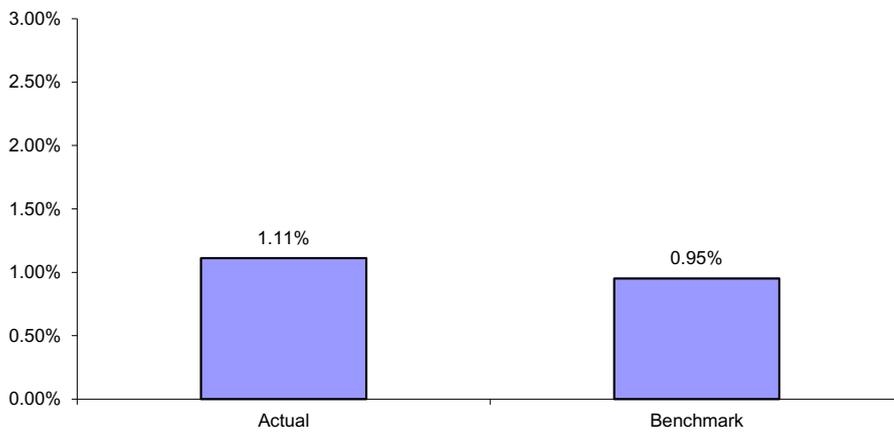
### 3. SUMMARY OF INVESTMENTS

	This Month 28-Feb-22	Last Month 31-Jan-22	Last Year 28-Feb-21
Term deposits (includes Call Account)	22,267,141	20,867,141	19,614,121
Other loans (includes loan to Holding Company)	1,500,809	1,500,809	1,503,596
<b>Total Investments</b>	<b>\$23,767,950</b>	<b>\$22,367,950</b>	<b>\$21,117,717</b>

**4. SOURCE OF FUNDS**

	<b>This Month 28-Feb-22</b>	<b>Last Month 31-Jan-22</b>	<b>Last Year 28-Feb-21</b>
Depreciation Funds	1,530,000	1,530,000	1,000,000
West Coast Package - Govt subsidy for halt to logging	3,398,894	3,398,894	4,003,314
Harbour - profit from past harbour operations	2,389,758	2,389,758	3,011,432
Freeholding Proceeds (sale of leasehold land)	2,839,952	2,839,952	3,540,838
Capital Sponsorship (deposits from V2010 sponsors)	6,034,038	6,034,038	5,834,038
Reserves Contribution Funds	1,214,500	1,214,500	1,214,500
Short Term Funds - rates income plus term deposits pending debt reduction	4,450,000	3,050,000	600,000
LGFA Borrower Notes	410,000	410,000	410,000
	<b>\$22,267,141</b>	<b>\$20,867,141</b>	<b>\$19,614,122</b>

**5. INVESTMENTS PORTFOLIO PERFORMANCE (12 Month Average)**



**6. INTEREST REVENUE**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Budget Full Year</b>
Interest Revenue	\$247,121	\$158,931	\$359,546

## 7. COMPLIANCE WITH INVESTMENT POLICY

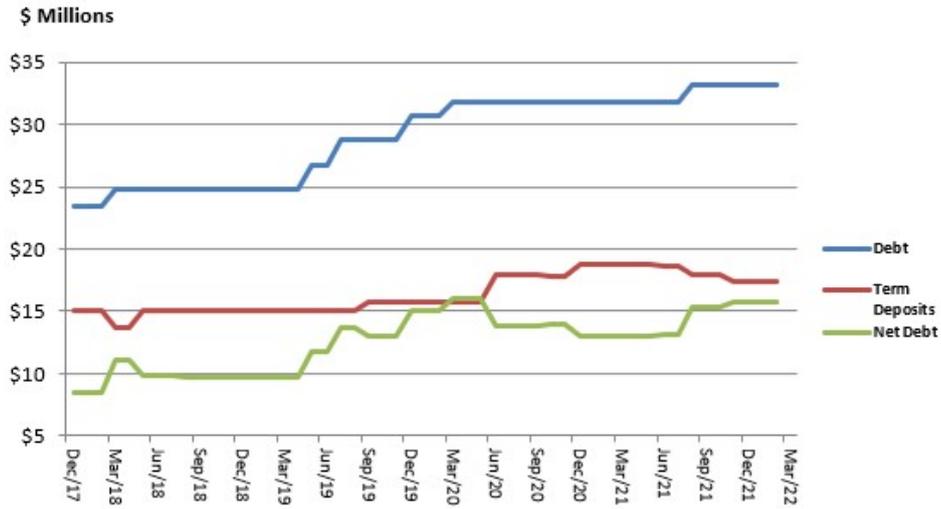
The Treasury Management Policy of Council is that all term deposits are held with New Zealand Registered banks with no more than \$10 million with any one institution. The terms and maturity dates of investments are spread to minimise Council's exposure to interest rate fluctuations while still aiming to optimise interest earned.

Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base. Currently investments in NBS total \$3.468m which represents 15.57% of the total investment portfolio. This planned breach will continue as investments mature and are rolled over as this level of investment is part of a sponsorship agreement.

## 8. SUMMARY OF BORROWINGS

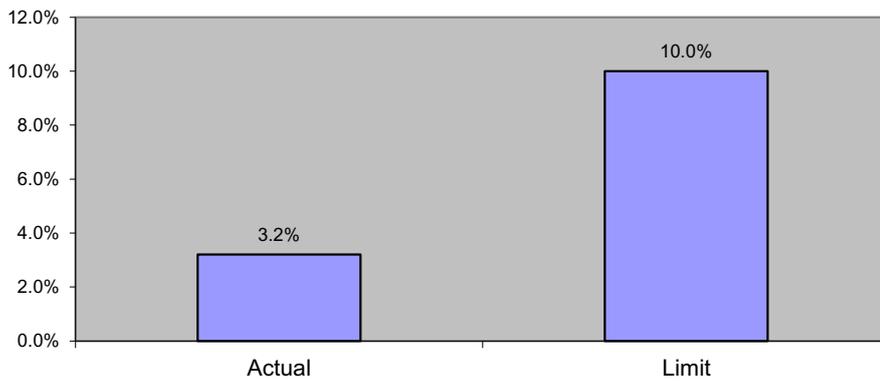
	<b>This Month 28-Feb-22</b>	<b>Last Month 31-Jan-22</b>	<b>Last Year 30-Jun-21</b>
<b>External Debt</b>			
Westpac Loan Facility	13,213,860	13,213,860	11,773,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	<b>\$33,213,860</b>	<b>\$33,213,860</b>	<b>\$31,773,860</b>
Weighted Average Interest Cost	2.69%	3.14%	3.90%
<b>Net Debt</b>			
Total Borrowings	33,213,860	33,213,860	31,773,860
Less: Term deposits (including Call Account)	22,267,141	20,867,141	19,317,292
	<b>\$10,946,719</b>	<b>\$12,346,719</b>	<b>\$12,456,568</b>

**9. DEBT AND INVESTMENTS 3-YEAR TREND**

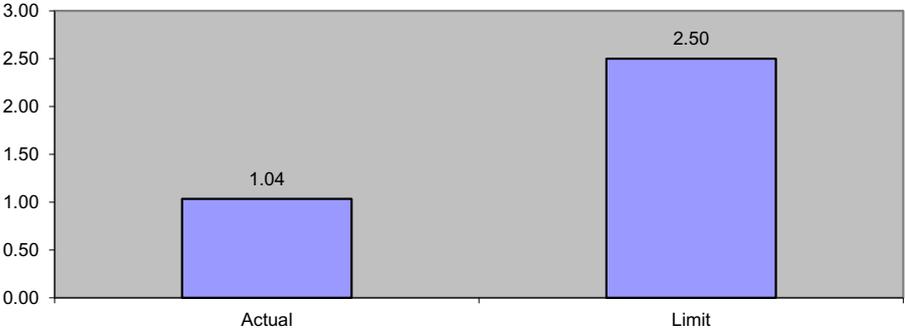


**10. COMPLIANCE WITH TREASURY POLICY**

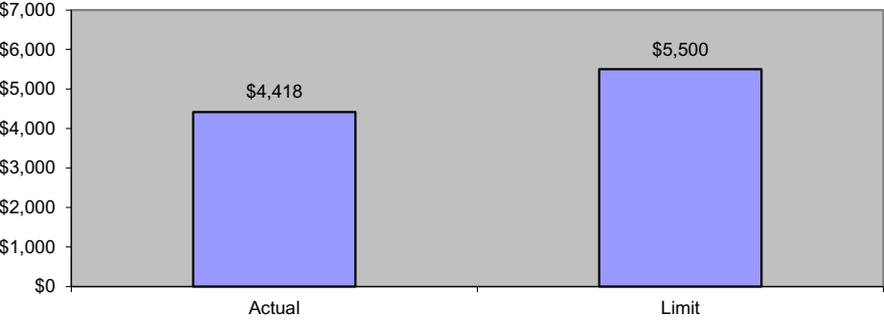
**10.1 Interest Expense / Total Income**



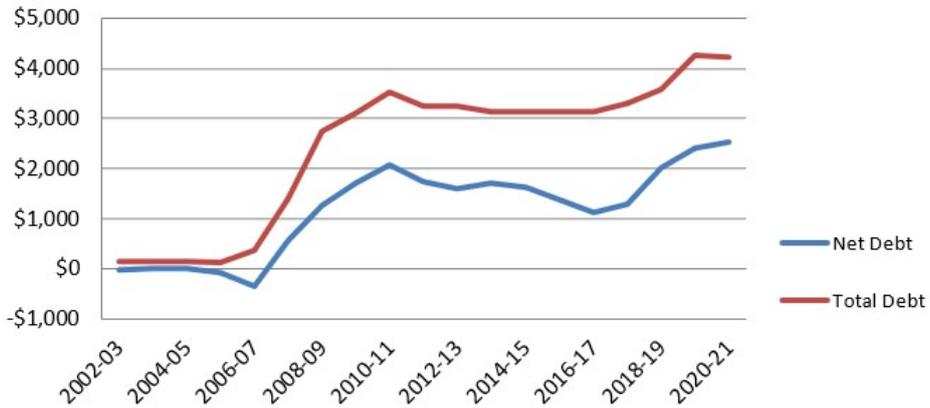
**10.2 Gross Debt / Total Income**



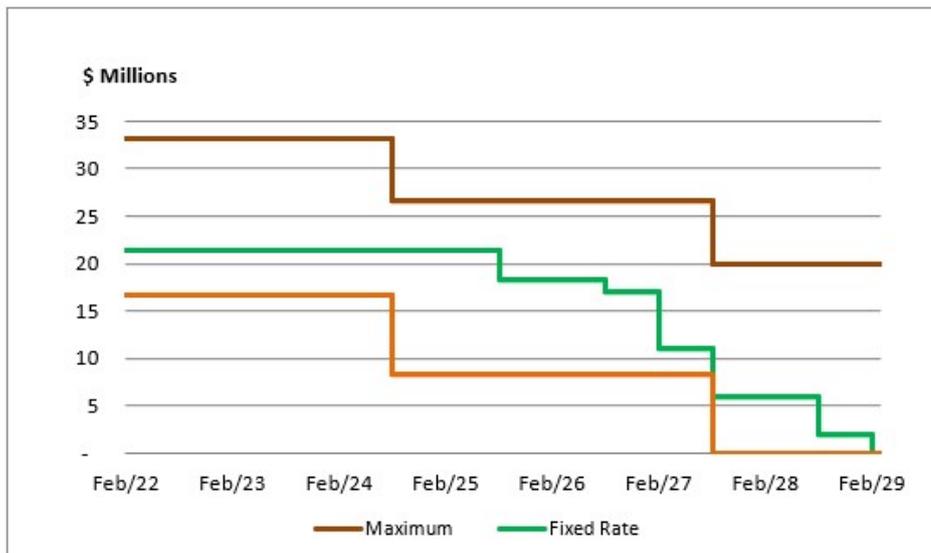
**10.3 Gross Debt per Rateable Property**



**10.4 Debt and Net Debt per Rateable Property**



**10.5 Fixed Rate Debt - Compliance with Treasury Policy**



Investments are in breach of The Council Treasury Management Policy in respect that there is more than 10% of the portfolio invested in Building Societies. Council ratified this breach via resolution to obtain ongoing sponsorship proceeds for the NBS Theatre.

**FINANCE RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 7**

**Prepared by** Glenda Martyn  
Human Resources and Health & Safety Advisor

**Reviewed by** Sharon Mason  
Chief Executive Officer

**HEALTH AND SAFETY REPORT**

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**1. REPORT SUMMARY**

This Health and Safety report is intended to provide the Committee with insight into initiatives and activities including their progress as part of our organisational commitments to providing a safe and healthy workplace.

**2. RECOMMENDATION**

**That the Finance, Risk and Audit Committee receive the Health and Safety report for information.**

**3. ISSUES & DISCUSSION**

**Health, Safety and Wellbeing in the Workplace:**

Council adopted the new Health and Safety Management System July 2021, with implementation occurring across all of council's operations. The new system has been well received by staff, with the Health and Safety Committee focusing on the new H&S organisational risk register for completion March 2022.

Workplace bi-monthly inspections have been implemented to ensure that employees are working in safe working environments across all of BDC facilities, with no significant items highlighted for action. Many remedies that have occurred included, ensuring items are tag and tested, heating and cooling requirements, solo working improvements with clear processes being put into operation.

The quarter from 1 December 2021 to 28 February 2022, there have seen a range of incidents reported, with two reported incidents relating to public interaction of a moderate nature. Eight relating to plant and equipment matters of a minor nature, two security breaches and three relating to breaches of COVID PPE requirements.

Of the injuries reported, 1 person had lost time due to muscular strain of 16 hours.

Incidents Reported	Injuries Reported	Lost Time Hours	Observations
15	3	16	4

#### COVID-19 Update:

The nation is current battling the COVID-19 Omicron outbreak, under the Protection Framework (CPF) Phase 3. BDC continue to implement safety measures for our employees, consultants, contractors and volunteers. Risk assessments have been conducted for each role within BDC to establish the risk of exposure and, contracting or transmitting the virus in the workplace. The organisation worked for a period of time in 'Teams' to enable business continuity and where possible some workers are continuing to work from home.

Internal Rapid Antigen Testing (RAT) Policy has been adopted to ensure the health, safety and wellbeing of all workers and ensure business continuity throughout the COVID-19 Omicron outbreak.

As of 18 March 2022, council has had:

Household Contacts	Positive Cases	Lost Time Hours
2	2	16

#### Safety Reporting Systems

Work is currently being carried out with Buller Holdings Limited in merging our Health and Safety reporting systems and implementing a joint learning management system. This work has recently just commenced with a proposed launch date early May 2022.

#### Training & Development

Council has engaged Michael Hempseed, (a professional TedX speaker and author, who has written books on the human impacts of disasters, mental health and suicide prevention) to facilitate training and development with our workers. Sessions will focus on some of the key safety concerns held by the organisation being working with angry and aggressive people, mental wellbeing, and the long-term impacts of disasters.

## **FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

### **AGENDA ITEM 8**

**Prepared by** Glenda Martyn  
Human Resources and Health & Safety Advisor

**Attachment 1** Council Strategic Risk Register (without updates applied)

**Attachment 2** Council Strategic Risk Register (with updates applied)

### **STRATEGIC RISK REGISTER**

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

The strategic risk register was endorsed by the Finance Risk and Audit Committee (FRAC), 17 July 2019. This register identifies the organisational strategic risks and is monitored monthly by Senior Leadership Team and the Finance Risk and Audit Committee.

The register will be updated quarterly or when new strategic risks are identified or require changes.

#### **2. RECOMMENDATION**

**That the Finance, Risk and Audit Committee:**

- 1. agree to the control plan of items 2, 3, 5, 6, 8, 9, 11, 14, 16, and 18 of the Strategic Risk Register, to be amended as detailed below; and**
- 2. agree to include a new strategic risk of Cyber Security, with proposed inherent risk rating of 16 (Likelihood, Likely (4) v Consequence, Major (4)) and residual risk rating of 12 (Likelihood, possible (3) v Consequence, major (4)).**

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

That review of key controls and the control plan for the following risks be updated to reflect the below:

**2. Climate change and flooding impacts on Council assets and infrastructure (other than Airport)**

July 21 & Feb 22 floods have impacted key infrastructure in Buller. Slips has impacted water assets, roading etc and an assessment programme is underway with funding packages being formulated to central govt for support. *Progress update June 2022.*

**3. Major flooding of Westport Township**

Post July 21 & Feb 22 floods an independent Buller Flood governance group and the Westport Joint Rating committee have been established and working towards a multi-pronged approach to dealing with flood risk. There is WCRC/BDC and central govt partnership approach with elected member representation on both groups. Funding packages are being developed with regards to a multipronged approach of adaption, mitigation and migration. Interim emergency works put in place during the Feb 22 flood will remain in place until a permanent solution is identified. *Progress update June 2022.*

**5. Climate change impacts on public safety**

West Coast Civil Defence Emergency Management continues to be actively governed via joint committee across the West Coast. Buller's is currently recruiting for a full time Emergency Management Officer (EMO), however once appointed they will continue to facilitate training to local stakeholders including Council staff. Hazard mapping has been developed and flood evacuation plans are near completion. National messaging such as 'Long or Strong – Get Gone' and other. Partnership agreement has been approved and updated at the March 2022 Regulatory meeting outlining roles and responsibilities TA's important information is promoted via various methods including Facebook which has a strong following. There is a strong push to improve communications across the Buller which has seen new radio and communication equipment distributed. *Progress update June 2022.*

**6. Information management**

The Information Management project has been scoped and a Schedule of Works agreed upon with the preferred supplier. The project was initiated in October 2021 but has had to be trimmed back due to the inability to attract a Manager IM and Project Lead. It was further delayed due to the Feb 22 flood events. We have now been able to identify a Manager IM, with an intended start date of June 22, and have negotiated with our supplier to provide a Project Lead on a contract basis. The IM project will be recommenced in full in July 22 with an expected completion date of Mar 23. *Progress update September 2022.*

**8. Financial loss from depreciating assets and unrealised opportunities at Westport Port**

Commercial opportunities have been identified and we are currently awaiting the outcome of consent hearings to see if one of these will be able to proceed. An increase to a current arrangement will see further revenue to the port at no extra cost to it. Both exercises are hoped to be completed by June 2022 and an assessment will be done then on the continued viability of the Port and dredge. *Progress update September 2022.*

**9. Lack of key infrastructure for grown tourism demands**

Council to consider through the District Plan (TToPP) and additional regulations. Other infrastructure options and funding opportunities to be explored, alongside strategic planning for growth and development, with considerations to reforms, rebuild programmes, resilience and climate change. *Progress update September 2022.*

**11. Business success of Buller Holdings Ltd**

Council & BHL Governors meet at least four times a year, on a more formal basis, with meeting minutes reported through to FRAC. Director appointments are undertaken with a view to diversity in all areas and future succession planning. BHL through its contracting company WestReef Services Ltd are exploring opportunities for additional external contracting and traffic management services to grow the company. Due to the current COVID environment, face to face meeting with both governance parties have not been able to occur, however will be rescheduled once the peak has passed. *Progress update June 2022.*

**14. Failure to recruit key roles**

Recruitment framework reviewed and updated. Noting the national skill shortage, we are currently facing. Succession planning in key roles occurring throughout the organisation to grow and develop young locals. Career Opportunities booklet developed and vocational pathways presentation to BHS students. Student opportunities for work experience and paid holiday positions developed. *Progress update December 2022.*

**16. Major Pandemic impacts on employees and public health and safety as well as creating a financial risk for Council**

Continue to maintain the PP & BCP documents to ensure they are 'fit for purpose' in the current everchanging climate. Implementation of RAT testing for employees to reduce the likelihood to business closure. Continue to monitor employee's wellness and promote the 'if unwell stay home' message. Enable staff the ability to work from home where possible to maintain business continuity if facilities are closed. *Progress updates December 2022.*

**18. Reefton water supply non-chlorination**

The infrastructure upgrade project is now completed. Budget to proceed with residual disinfectant (chlorination) will be considered in the 2022/23 Annual Plan, to manage the risk of re-contamination. The Water Safety Plan will be revised and resubmitted accordingly. Three water reform continues to progress by central government. *Progress update September 2022.*

**Cyber Security**

Cyber security risk is the probability of exposure or loss resulting from a cyber-attack or data breach of an organisation. A better, more encompassing definition is the potential loss or harm related to technical infrastructure, use of technology or reputation of an organisation.

BDC is becoming more vulnerable to cyber threats due to the increasing reliance on computers, networks, programs, social media and data globally. Global connectivity and increasing use of cloud services with poor default security parameters means the risk of cyber-attacks from outside is increasing.

If Council fail to protect our electronic data against the risk of exposure to cyber terrorism, then we could be exposed to financial losses, legal and reputational impacts resulting in ratepayer information being accessed and Council subject to legal action. The current inherent risk rating proposed of 16 (Likelihood, Likely (4) v Consequence, Major (4)).

Currently Council has a number of key controls in place to mitigate the likelihood of a cyber-attack with worker training and induction, safeguards for remote working and firewall and antivirus protections.

With the above controls in place, it is proposed that the residual risk rating has reduced to a 12 (Likelihood, possible (3) v Consequence, major (4)).

However, Council is still at risk from sophisticated cyber-attacks and to ensure protection, we need to allocate budget to enable greater training and development of workers, with learning management platforms, multi-factor authentication for all users, password complexity to meet best practice and the development of an incident management plan.

*Risk Assessment Matrix to enable review easily.*

**Table 7: Risk Assessment Matrix**

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

Buller District Council Strategic Risk Register



Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway
#	Potential strategic matter	Brief and uncomplicated	Based on the 8 risk categories in Table 6				Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
1	Natural Disaster Coastal erosion and sea inundation of Westport Airport runway	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Operations & service delivery	3	3	9	Debris exclusion fence constructed (February 2019) to prevent incursion of debris onto runway strip and runway	9	Practical works completed, and final progress report received by FRAC 20 September 2020. All controls are currently in place. Progress Update March 2022.	Mar-22	CEO
2	Natural Disaster Climate change and flooding impacts on Council assets and infrastructure (other than Airport)	IF Council does not protect its assets and infrastructure at risk from coastal erosion, sea inundation and flooding, THEN there may be significant loss and impact	Financial/Economic	5	3	15	Council assets at risk identified in LTP Actively managing known risks e.g. airport seawall	15	Appointment of vital positions in the Infrastructure Planning function has been completed. Business continuity plans are being developed and implemented - As climate change mitigation and adaptation responses are formulated, the requirements for assets and infrastructure will be prioritised in accordance with likelihood and consequence evaluation	Mar-22	GMIS
3	Natural Disaster Major flooding of Westport township	IF adequate flood mitigation planning and/or protection works are not designed and undertaken, THEN a catastrophic flood of the township, resulting from increased high intensity storm events, may occur leading to potential loss of life and considerable financial loss and infrastructure damage	Financial/Economic	5	2	10	River stop banking in place Flood warning (telemetry) systems Property tags around flood levels and consideration in issuing of building consents	10	Matters regarding zoning and hazard risks are active discussion at Trapp (one plan). We continue to incorporate 2 100 group recommendations into strategic planning. 2 100 work group has formally been established. Buller District Council met with West Coast Regional Council (January 21 - staff and councillors) in order to continue the implementation phase of the recommendations collaboratively	Dec-21	Elected Members
4	Assets and Infrastructure Central Government three-waters reform	IF Central Government water reforms are not fit-for-purpose, THEN there may be significant impact and/or uncertainty resulting in legal/regulatory risk	Reputational/stakeholders	3	4	12	Advocacy through LGNZ. Participation in DIA workshops to inform strategic approach. Regional collaboration to address Three Waters reforms.	12	Developments from DIA are being closely monitored, including direction for service delivery. Three Waters reform information continues to unfold, and Council will consider options and make decisions based on thorough assessment of risks and opportunities. Regular updates to be provided through to council via workshops and continued council reports as required	Mar-22	GMIS

Buller District Council Strategic Risk Register



Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway
#	Potential strategic matter	Brief and uncomplicated	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
	Natural Disaster	Climate change impacts on public safety	Health & safety	5	3	15	Emergency Management Officer employed and working on 4 R's of emergency preparedness and response staff training undertaken in emergency response (on-going) Public education and awareness Civil Defence exercises and simulations undertaken	10	West Coast Civil Defence Emergency Management continues to be actively governed via joint committee across the West Coast. Buller's full time Emergency Management Officer (EMO) continues to facilitate training to local stakeholders including Council staff. Hazard mapping has been developed and flood evacuation plans are near completion. National messaging such as 'Long or Strong - Get Gone' and other important information is promoted via various methods including facebook which has a strong following. There is a strong push to improve communications across the Buller which has seen new radio and communication equipment distributed.	Nov-21	Elected Members
5											
	Council systems	Information management	Operations & service delivery	5	2	10	Server back-ups	10	Put in place a council wide document digitising programme through an Information Management project using funding allocated in LTP. Initial stage will be to scope out project in consultation with outside provider then subsequently appoint a Project manager and support staff to oversee completion of Project Plan.	Dec-21	GM CCS
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7	District Economic Vulnerability and Fragility	Failure to attract business and industry to the district	Reputational/stakeholders	3	3	9	Strengthened partnerships with PGF and DWC. Refresh of Economic Development Strategy. Ongoing advocacy.	9	Partnership Programme Governance group overseeing delivery of Central Government funded projects. Tranche 2 Economic Development plan with focus on environment opportunities and funding. Mayors taskforce creating additional opportunities. Ongoing advocacy for new opportunities.  Nailing the Economic Recovery post the Westport Flood, has been identified as a key strand for the recovery programme. The risk that the hospitality accommodation continues to be a long term housing option, therefore minimising access to domestic tourism, which could result in cancellation of events.  Tranche 2 appropriation application to Cabinet to be completed pre-Christmas 2021, along with funding application to DWC, trustees for funding post flood to support businesses recovery. This work is being considered with Key Stakeholders and the Steering Group that has been established to have direct oversight of this programme.	Feb-22	CEO
8	Assets and Infrastructure	Financial loss from depreciating assets and unrealised opportunities at Westport Port	Financial/Economic	3	3	9	Plan in place to source support regarding business. Regular financial reporting to monitor progress.	9	Continue to horizon scan for additional income opportunities, including funding options and asset sales to fund appropriate asset upgrades. LTP adoption including the operations of the Port. Continue to work through Port Strategy.	Nov-21	GM/CCS
9	Assets and Infrastructure	Lack of key infrastructure for growing tourism demands	Reputational/stakeholders	4	2	8	Close working relationship with other key agencies and community.	8	Council to consider through the District Plan additional regulations. Other infrastructure options and funding streams to be explored and considered. Utilise Infrastructure Strategy Committee and Infrastructure Planning roles to better focus and manage issues. Additional considerations through recovery rebuild and nailing the current world pandemic.	Dec-21	GM/IS

Buller District Council Strategic Risk Register



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10	Council Financial Vulnerability	Heavy reliance on rates income with a low and aging population base	Reputational/stakeholders	4	2	8	Commercial & Corporate portfolio established. Strengthened partnership with Iwi, PGF and DWC. Refreshed Economic Development strategy. Ongoing advocacy.	8	Project governance group and framework established to deliver successful PGF projects. We continue to explore a range of projects. Quarterly informatics reports being received and identifies that Buller is "holding its own" in the pandemic environment and that there is a general sense of confidence	Dec-21	CEO
11	Assets and Infrastructure	Business success of Buller Holdings Ltd	Financial/Economic	4	2	8	Rigorous director appointment process to obtain the right focus and skillset. Regular review of strategic direction (input via Letter of Expectation & SOI process) and financial performance. Regular two way updates, reporting and communication.	6	Council & BHL Governors meet at least four times a year, on a more formal basis, with meeting minutes reported through to FRAC. Director appointments are undertaken with a view to diversity in all areas and future succession planning. BHL through its contracting company WestReef Services Ltd are exploring opportunities for additional external contracting and traffic management services to grow the company.	Mar-22	Deputy Mayor and HR & H&S Advisor
12	Assets and Infrastructure	Leaching from historic uncontained waste sites	Environmental	3	2	6	No systematic controls in place	6	Consider investigations/calls to identify other potentially discoverable sites/risks. Undertake monitoring of known locations to determine risks of disturbance and any mitigating measures required	Nov-21	GMIS
13	Assets and Infrastructure	Costs associated with Special Purpose Road (SPR) to Karamea	Reputational/stakeholders	3	2	6	Funding agreement in place that secures 100% contribution by NZTA until 2021 (future funding arrangements are being negotiated)	6	Funding agreement in place that NZTA will fund 100% of the Karamea Highway Special Purpose Road costs until 2024. BDC put up a bid to NZTA for the work programme for the next 3 years, and NZTA agreed to fund 92% of the request. With regard to the SPR, there is no commitment from BDC to own the SPR. Ongoing negotiation with NZTA and development of the SPR Transition Plan, advocating no additional burden for ratepayers.	Feb-22	GMIS

Buller District Council Strategic Risk Register



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14	Human Resources	IF Council does not develop an effective recruitment strategy, THEN key managerial or technical roles may not be filled resulting in significant operational disruption and/or stress to existing staff	Operations & service delivery	3	2	6	Appointment of HR & H&S Advisor to implement strategies for recruitment, retention and succession planning	3	Recruitment framework update underway. Succession planning in key roles occurring throughout the organisation. Career Opportunities booklet developed and vocational pathways presentation to BHS students. Student Opportunities for work experience and paid holiday positions developed	Nov-22	HR & H&S Advisor
15	Natural Disaster	IF Council's buildings are not EQ code-compliant, THEN Council employees and public may be seriously injured or killed in the event of a major earthquake	Health & safety	5	1	5	Systematic assessment of key Council buildings undertaken Earthquake strengthening of key Council buildings where necessary	5	Systematic assessment of key Council buildings undertaken Earthquake strengthening of key Council buildings where necessary. Building assessments of other Council buildings are undertaken as projects occur at individual buildings, with required work being included in the project. Systemic review of all other Council buildings and structures to establish risks and compliance and determine forward plan and priorities. Work with reserve subcommittees to review buildings on reserves and determine forward plan and priorities.	Jun-22	GM CS
16	Health & Safety Financial	IF a nation wide pandemic is called by MoH, and Council's buildings closed, THEN Council may not be able to provide all services and potential impact on income	Health & safety	3	4	12	Pandemic Plan (PP) and Business Continuity Plan (BCP) have been created and will be maintained to a "live" level at all times. Financial monitoring is a key component of our plan.	13	Continue to maintain the PP & BCP documents to ensure they are "fit for purpose" in the current everchanging climate. Continue to monitor employee's wellness and promote the 'if unwell stay home' message. Enable staff the ability to work from home where possible to maintain business continuity if facilities are closed.	Dec-21	HR & H&S Advisor

Buller District Council Strategic Risk Register



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17	Legal Compliance	IF legal requirements for reserves and activities on them are not met, THEN the activities may not be able to continue and/or Council may be subject to legal enforcement action	Legal/Regulatory	3	3	9	Subcommittees established, first meetings held and subsequent meetings being scheduled. Council staff able to provide greater support to subcommittees as and when required	9	Support and training programme to be developed for subcommittees on legal requirements and responsibilities, including health and safety, the Reserves Act, building compliance etc. Overall operational risk register for reserves and halls to be developed and reported through the Community, Environment and Services Committee. Individual operational risk registers to be developed by each subcommittee, with support from Council staff.	Nov-21	GM CS

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#		Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
18	Reefton Water Supply Non - Chlorination	IF the Reefton Water Supply remains unchlorinated, THEN the public health of residents remains at risk and Council may be subject to legal enforcement action	Health & safety - Legal - Regulatory	5	4	20	Precautionary Boil Water Notice, Water quality monitoring at reservoir, shock dosing the reservoir if there is a transgression.	20	Water supply upgrade project now in progress, which scope includes residual disinfectant (chlorination) to manage risk of re-contamination. Water Safety Plan will be revised and resubmitted once the upgrade is complete. Three water reform continues with information package due July 2021 for council and community consideration last quarter of 2021.	Dec-21	GMI/S
19	Failure to engage, consult and communicate with community and stakeholders	IF Council fail to engage our community in significant consultation processes THEN the risk of community confidence and stakeholder dissatisfaction would increase with negative impact on BDC reputation	Reputational/stakeholders	3	3	9	We are committed to maintaining the highest standards of integrity, compliance and ethics. We will continue to develop our governance structures to ensure that we manage business risk, maintain good relationships with our stakeholders and meet Council's delivery expectations and commitments. We will endeavour to make every customer and stakeholder contact a quality one and we will consider the interests of the broader community, including iwi, in delivering our services.	9	Customer Stratification Survey recently conducted with positive results. Will become a biannual process MOU with Iwi reviewed May Council, voting rights at committee effective 1 July 2021. MOU updated to reflect change. The next significant community engagement will be the three waters reforms in the last quarter of 2021. This will need to be a partnership between central and local government..	Dec-21	SLT

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	Potential strategic matter	Brief and uncompleted	Clear, unambiguous, brief description of the risk event and what the impact to Council will be if the event occurs	Based on the 8 risk categories in Table 6	3	3	9	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
1	Natural Disaster	Coastal erosion and sea inundation of Westport Airport runway	If the airport is not protected against coastal erosion, THEN erosion and inundation may continue to occur leading to the presence of Unsafe Conditions and revocation of the airport's Operating Certificate and ability to offer air services	Operations & service delivery	3	3	9	Debris exclusion fence constructed (February 2019) to prevent incursion of debris onto runway strip and runway	9	Practical works completed, and final progress report received by FRAC 20 September 2020. All controls are currently in place.	Sep-22	GM CCS
2	Natural Disaster	Climate change and flooding impacts on Council assets and infrastructure (other than Airport)	If Council does not protect its assets and infrastructure at risk from coastal erosion, sea inundation and flooding, THEN there may be significant loss and impact	Financial/Economic	5	3	15	Council assets at risk identified in IIP. Actively managing known risks e.g. airport seawall	15	July 21 & Feb 22 floods have impacted key infrastructure in Buller. Slips has impacted water assets, roading etc and an assessment programme is underway with funding packages being formulated to central govt for support.	Jun-22	GMS
3	Natural Disaster	Major flooding of Westport township	If adequate flood mitigation planning and/or protection works are not designed and undertaken, THEN a catastrophic flood of the township, resulting from increased high intensity storm events, may occur leading to potential loss of life and considerable financial loss and infrastructure damage	Financial/Economic	5	2	10	River stop banking in place Flood warning (telemetry) systems Property tags around flood levels and consideration in issuing of building consents	10	Post July 21 & Feb 22 floods an independent Buller Flood Governance group and the Westport Joint Rating committee have been established and working towards a multi-pronged approach to dealing with flood risk. There is WCRC/BDC and central govt partnership approach with elected member representation on both groups. Funding packages are being developed with regards to a multipronged approach of adaptation, mitigation and migration. Interim emergency works put in place during the Feb 22 flood will remain in place until a permanent solution is identified.	Jun-22	CEO
4	Assets and Infrastructure	Central Government three-waters reform	If Central Government water reforms are not fit-for-purpose, THEN there may be significant impact and/or uncertainty resulting in legal/regulatory risk	Reputational/stakeholders	3	4	12	Advocacy through LGNZ. Participation in DIA workshops to inform strategic approach. Regional collaboration to address Three Waters reforms.	12	Developments from DIA are being closely monitored, including direction for service delivery. Three Waters reform information continues to unfold, and Council will consider options and make decisions based on thorough assessment of risks and opportunities. Regular updates to be provided through to council via workshops and continued council reports as required	Jun-22	GMS

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#	Potential strategic matter	Clear, unambiguous, brief description of the risk event and what the impact to Council will be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6	5	3	15	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
5	Natural Disaster	Climate change impacts on public safety  If effective Civil Defence processes are not in place, THEN emergency response to an increasing number of civil defence events could be compromised, resulting in avoidable serious injury to, or loss of life of, a member or members of the public	Health & safety	5	3	15	Emergency Management Officer vacancy is covered from Greymouth and working on 4 R's of emergency preparedness and response Staff training undertaken in emergency response (on-going) Public education and awareness Civil Defence exercises and simulations undertaken	10	West Coast Civil Defence Emergency Management continues to be actively governed via joint committee across the West Coast. Buller is currently recruiting for a full time Emergency Management Officer (EMO), however once appointed they will continue to facilitate training to local stakeholders including Council staff. Hazard mapping has been developed and flood evacuation plans are near completion. National messaging such as 'Long or Strong - Get Gone' and other, Partnership agreement has been approved and updated at the March, 2022 Regulatory meeting outlining roles and responsibilities TA's important information is promoted via various methods including Facebook which has a strong following. There is a strong push to improve communications across the Buller which has seen new radio and communication equipment distributed.	Jun-22	CEO
6	Council systems	If a systematic approach to securing and accessing information is not established (including succession planning and staff retirements), THEN important information may be overlooked, undiscoverable or lost, leading to financial loss, lost opportunity, reputational impact or poor service delivery or service disruption	Operations & service delivery	5	2	10	Server back-ups	10	The Information Management project has been scoped and a Schedule of Works agreed upon with the preferred supplier. The project was initiated in October, 2021 but has had to be trimmed back due to the inability to attract a Manager/IM and Project Lead. It was further delayed due to the Feb '22 flood events. We have now been able to identify a Manager/IM, with an intended start date of June 22, and have negotiated with our supplier to provide a Project Lead on a contract basis. The IM project will be recommenced in full in July 22 with an expected completion date of Mar 23..	Sep-22	GM CCS

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#	Potential strategic matter										
7	Failure to attract business and industry to the district	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Reputational/stakeholders	3	3	9	Strengthened partnerships with PGF and DWC. Refresh of Economic Development Strategy. Ongoing advocacy.	9	Description of further controls (if required) from the detailed control plan developed by the risk owner  Partnership Programme Governance group overseeing delivery of Central Government funded projects. Tranche 2 Economic Development plan with focus on environment opportunities and funding. Mayors Taskforce creating additional opportunities. Ongoing advocacy for new opportunities.  Noting the Economic Recovery post the Westport Flood, has been identified as a key strand for the recovery programme. The risk that the hospitality accommodation continues to be a long term housing option, therefore minimising access to domestic tourism, which could result in cancellation of events.  Tranche 2 appropriation application to Cabinet May 2022. This work is being considered with key stakeholders and the Buller Flood Steering Group that has been established to have direct oversight of this. BDC Tranche 2 ED strategy progresses	Sep-22	CEO
8	Financial loss from depreciating assets and unrealised opportunities at Westport Port	IF commercial opportunities are not investigated and realised for the Westport Port, THEN it will continue to cost ratepayers and depreciate in value, resulting in significant financial loss.	Financial/Economic	3	3	9	Plan in place to source outport dredging business. Regular financial reporting to monitor progress.	9	Commercial opportunities have been identified and we are currently awaiting the outcome of content hearings to see if one of these will be able to proceed. An increase to a current arrangement will see further revenue to the port at no extra cost to it. Both exercises are hoped to be completed by June 2022 and an assessment will be done then on the continued viability of the Port and dredge.	Sep-22	GM/CCS

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9	Assets and Infrastructure	Lack of key infrastructure for growing tourism demands	Reputational/stakeholders	4	2	8	Close working relationship with other key agencies and community.	8	Council to consider through the District Plan (ToPP) and additional regulations. Other infrastructure options and funding opportunities to be explored, alongside strategic planning for growth and development, with considerations to reforms, rebuild programmes, resilience and climate change.	Sep-22	GMIS
10	Council Financial Vulnerability	Heavy reliance on rates income with a low and aging population base	Reputational/stakeholders	4	2	8	Commercial & Corporate portfolio established. Strengthened partnership with Iwi, PGF and DWC. Refreshed Economic Development strategy. Ongoing advocacy.	8	Project governance group and framework established to deliver successful PGF projects. We continue to explore a range of projects. Quarterly informatics reports being received and identifies that Buller is "holding its own" in the pandemic environment and that there is a general sense of confidence. BDC 2nd Tranche ED strategy continues	Jun-22	CEO
11	Assets and Infrastructure	Business success of Buller Holdings Ltd	Financial/Economic	4	2	8	Rigorous director appointment process to obtain the right focus and skillset. Regular review of strategic direction (input via Letter of Expectation & SOI process) and financial performance. Regular two way updates, reporting and communication.	6	Council & BHL Governors meet at least four times a year, on a more formal basis, with meeting minutes reported through to FRAC. Director appointments are undertaken with a view to diversity in all areas and future succession planning. BHL through its contracting company WestReef Services Ltd are exploring opportunities for additional external contracting and traffic management services to grow the company. Due to the current COVID environment, governance parties have not been able to occur, however will be rescheduled once the peak has passed.	Jun-22	Deputy Mayor and HR & H&S Advisor
12	Assets and Infrastructure	Leaching from historic uncontained waste sites	Environmental	3	2	6	No systematic controls in place	6	Consider investigations/audit to identify other potentially discoverable sites/risks. Undertake monitoring of known locations to determine risks of disturbance and any mitigating measures required	Jun-22	GMIS

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13	Assets and Infrastructure	Costs associated with Special Purpose Road (SPR) to Karamea NZTA for alternative long-term funding for the Mokihinui to Karamea SPR by 2021/22. THEN rates will exceed affordability levels (due to a required rates increase of >\$300,000), resulting in ratepayer impact and dissatisfaction	Reputational/stakeholders	3	2	6	Funding agreement in place that secures 100% contribution by NZTA until 2021 (future funding arrangements are being negotiated)	6	Funding agreement in place that NZTA will fund 100% of the Karamea Highway Special Purpose Road costs until 2024. BDC put up a bid to NZTA for the work programme for the next 3 years, and NZTA agreed to fund 92% of the request. With regard to the SPR, there is no commitment from BDC to own the SPR. Ongoing negotiation with NZTA and development of the SPR Transition Plan advocating no additional burden for ratepayers.	Jun-22	GMIS
14	Human Resources	IF Council does not develop an effective recruitment strategy, THEN key managerial or technical roles may not be filled resulting in significant operational disruption and/or stress to existing staff	Operations & service delivery	3	2	6	Appointment of HR & H&S Advisor to implement strategies for recruitment, retention and succession planning	3	Recruitment framework reviewed and updated. Noting the national skill shortage we are currently facing, succession planning in key roles occurring throughout the organisation to grow and develop young locals. Career Opportunities booklet developed and vocational pathways presentation to BHS students. Student opportunities for work experience and paid holiday positions developed.	Dec-22	HR & H&S Advisor
15	Natural Disaster	IF Council's buildings are not EQ code-compliant, THEN Council employees and public may be seriously injured or killed in the event of a major earthquake	Health & safety	5	1	5	Systematic assessment of key Council buildings undertaken. Earthquake strengthening of key Council buildings where necessary	5	Systematic assessment of key Council buildings undertaken. Earthquake strengthening of key Council buildings where necessary. Building assessment of other Council buildings are undertaken as projects occur at individual buildings, with required work being included in the project. Systemic review of all other Council buildings and structures to establish risks and compliance and determine forward plan and priorities. Work with reserve subcommittees to review buildings on reserves and determine forward plan and priorities.	Jun-22	GMCS

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16	Health & Safety Financial	Major Pandemic impacts on employees and public health and safety as well as creating financial risk for Council	Health & safety	3	4	12	Pandemic Plan (PP) and Business Continuity Plan (BCP) have been created and will be maintained to a "live" level at all times. Financial monitoring is a key component of our plan.	15	Continue to maintain the PP & BCP documents to ensure they are 'fit for purpose' in the current everchanging climate. Implementation of RAT testing for employees to reduce the likelihood to business closure. Continue to monitor employee's wellness and promote the 'if unwell stay home' message. Enable staff the ability to work from home where possible to maintain business continuity if facilities are closed.	Dec-21	HR & H&S Advisor
17	Legal Compliance	Legal requirements for reserves and activities on them are not met. THEN the activities may not be able to continue and/or Council may be subject to legal enforcement action	Legal/Regulatory	3	3	9	Subcommittees established. First meetings held and subsequent meetings being scheduled. Council staff able to provide greater support to subcommittees as and when required	9	Support and training programme to be developed for subcommittees on legal requirements and responsibilities, including health and safety, the Reserves Act, building compliance etc. Overall operational risk register for reserves and halls to be developed and reported through the Community, Environment and Services Committee. Individual operational risk registers to be developed by each subcommittee, with support from Council staff.	Sep-22	GMC's
18	Legal Compliance	Reefton Water Supply Non-Chlorination If the Reefton Water Supply remains unchlorinated, THEN the public health of residents remains at risk and Council may be subject to legal enforcement action	Health & safety - Legal - Regulatory	5	4	20	Precautionary Boil Water Notice. Water quality monitoring at reservoir, shock dosing the reservoir if there is a transgression.	23	The infrastructure upgrade project is now completed. Budget to proceed with residual disinfectant (Chlorination) will be considered in the 2022/23 Annual Plan. To manage the risk of re-contamination, The Water Safety Plan will be revised and resubmitted accordingly. These water reform continues to progress by central government.	Sep-22	GMI'S

Buller District Council Strategic Risk Register



Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway									
#																				
19	Reputational / Stakeholder Engagement / Political  Potential strategic matter	Brief and uncompleted	Reputational/stakeholders	3	3	9	Level of risk that remains after taking the existing controls into account	9	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6	Reputational/stakeholders	3	3	3	9	Level of risk that remains after taking the existing controls into account	9	Customer Stratification Survey recently conducted with positive results. Will become a biannual process MOU with Iwi reviewed May Council, voting rights at committee effective 1 July 2021. MOU updated to reflect change. Recovery programme communication is being refined, comms strategy has been developed to support post flood event comms	Jun-22	SLT
20	Reputational / Stakeholder Engagement / Political	Delivery of Flood Recovery Action Programme	Reputational/stakeholders Health & Safety	5	4	12	Analysis of the main risks from the objectives from the RAP have been established, ensuring that the principles that guide recovery are considered: <ul style="list-style-type: none"> <li>Protect the health, safety and security of people, animals and property</li> <li>Be locally-led, regionally co-ordinated, nationally supported</li> <li>Be responsive to the community's concerns</li> <li>Engage with the community in making recovery decisions</li> </ul>	12	The Recovery team is currently delivering the Flood Recovery Action Programme (RAP) and continually reviewing and refreshing the outcome framework and risks associated. The five environments, built, natural and rural, community, economic and partnerships are currently delivering RAP with engagement through key stakeholders and contracts finalising the required central government funding and ongoing connectivity with the community through public meetings and the community hub.	Jun-22	SLT									
21	Financial Reputational Legal	Cyber Security	Reputational/stakeholders Financial Legal	4	4	16	Employees inducted with computer system security policy and phishing training. VPN's in place for all remote devices are able to access the network. Firewall and antivirus security along with backups conducted.	12	Multi Factor Authentication for all users to be investigated along with the implementation of the new information management system. Additional learning management systems to aid in staff training and understanding of cyber security	Dec-22	GM CCS & CEO									

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2021**

**AGENDA ITEM 9**

**Prepared by** - Sharon Mason  
- Chief Executive

**MONTHLY REPORT – PROJECTS IN PARTNERSHIP UPDATE REPORT**

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**1 REPORT SUMMARY**

This report provides an update on the progress of the Projects in Partnership Steering Committee. It will be provided to the Finance Risk and Audit Committee on a regular basis until the projects are completed. See attached for progress reports as listed below.

**2 DRAFT RECOMMENDATION**

**That the Finance, Risk and Audit Committee receive the Projects in Partnership Update Report for information.**

**3. REPORTS**

- 1) Whitebait Aquaculture Project** – *awaiting final report*
- 2) Westport Flood Recovery Programme** (*updated report from Projects in Partnership Agenda [Monday 14 March]*)
- 3) Infrastructure Services Portfolio Reports**
  - *District Revitalisation Programme (Westport Waterfront)*
- 4) Commercial & Corporate Services Portfolio Report**
  - *Buller District Port Package*
- 5) Community Services Portfolio**
  - *Buller Planting Project*
    - *(verbal update only, no planting activity in February)*
  - *Community Halls and Memorials*
    - *Waimangaroa Reserve Hall*

**4. THREE WATERS REFORM PROGRAMME UPDATE**

**1) Three Waters Reform Funded:**

- *Westport Water Supply Trunk Main Stage 1*
- *Westport Water Supply Trunk Main Stage 2*
- *Punakaiki Water Supply Trunk Main Renewal*

**2) Council Funded:**

- *Reefton Water Supply Upgrade*
- *Waimangaroa Water Supply Upgrade*

## Westport Flood Recovery Programme

### Project Details

<b>Location and Region:</b>	Westport, Buller District, West Coast
<b>Reporting Period:</b>	For period ending February 2022
<b>Programme Principal/Recipient:</b>	Buller District Council
<b>Programme Partner(s):</b>	NEMA, DIA, Ministry for Business, Innovation & Employment (MBIE), Ministry for Primary Industries, MSD, TAS, RAS, Ngai Tahu, WCDHB, DWC, Homebuilders, Ministry of Health, Insurance Council NZ, TPK, Te Ha O Kawatiri, Ngati Waewae, Buller REAP, No. 37, Poutini Waioara.
<b>Recovery Manager:</b>	Bob Dickson
<b>Programme goal:</b>	To restore and enhance our place by rebuilding our communities in a future focused way as we move towards a strong, resilient, and successful Buller District.
<b>Event Context:</b>	<p>Heavy rainfall from Thursday 15 July 2021 to Sunday 18 July 2021 caused significant flooding within Westport and across the Buller District, from both the Buller River and the Orowaiti estuary.</p> <p>The flow breached Westport's flood defences, with 826 properties and over 2,000 people requiring evacuation.</p> <p>Out of 1983 dwellings in Westport town, 23% of the housing stock will need repair to make them habitable.</p> <p>The event response moved to recovery phase in August 2021.</p> <p>A further "Red Flagged" flood event took place on 2nd – 4<sup>th</sup> February 2022. An emergency declaration was enforced and an evacuation plan for at risk portions of the town enacted.</p> <p>A third flood event occurred on 9<sup>th</sup>-11<sup>th</sup> February. Again, an emergency declaration was enforced and mandatory evacuations were carried out. This event also caused widespread infrastructure damage across the Buller District and resulted in significant damage to rural farms.</p> <p>A further event of localised rainfall occurred at Granity early March causing slips, debris flows, houses at risk (2 red, 1 yellow) and loss of property. The goal of the recovery programme is to restore and enhance our place by rebuilding our communities in a future focused way as we move towards a strong, resilient, and successful Buller District.</p>

### Project Overview/Traffic Light Status/High-Level Summary

#### Key

G = Green; On time, meeting budget and no significant risks or issues

A = Amber; Some delay, risk, or issue. R = Red; Needs attention, delay, risk, issue, or budget situation that threatens completion or is cause for concern

↑ indicates improving, ↓ indicates deteriorating

Aspect	Status	Comments
<b>Overall:</b>	A ↑	Sound inter-agency support continues, the programme actions will continue to be met, the rebuild is now gaining momentum and the Community Hub remains the focal point of the overall programme. Welfare and social support needs remain as a priority and these needs are still prevalent with strong support in place. Demand has increased after the recent 3 events.
<b>Budget:</b>	A ↑	A changing picture with more uncertainty emerging. This reflects the recent events and work underway to carry out rapid assessments and build an understanding of the extent of damage and QS likely costs to reinstate. Waste management budget to be confirmed (noting that the recent 3 events have resulted in further demand for waste removal)
<b>Scope:</b>	G	As per the Recovery Plan. Of note, this plan is now under review to better reflect the changed circumstance of additional floods plus slips. In addition the Transition Report from response to recovery is yet to be finalised due to the need to gather further information.
<b>Resource:</b>	A ↑	Revised to meet the immediate needs of the programme. Additional communications support and infrastructure support sought. Given the expected length of recovery, resource for medium term is now deemed essential. Some internal realignment of the recovery team roles is underway to better reflect new delivery and skill sets.
<b>Schedule:</b>	G	This is now under review given the changed operating environment we now face. Further clarity should emerge next month with a revised pathway.
<b>Risks / Issues:</b>	R	The extent of the Covid spread within our community is increasing and the potential implications for contributing community groups leading the Community Hub have yet to impact. We need to understand what demands may arise on those teams and the flow on effect on the social recovery for people in close proximity accommodation should a Covid outbreak occur.

### State of Play – key activities

Last Month	Next Month
<p>Summary – programme has been impacted by additional flood events and a stocktake of damage and resources to reinstate / repair is underway.</p> <ul style="list-style-type: none"> <li>John Kirwan visited and spent time with the community hub navigators to share mental health support processes. He was very impressed with both the hub and the work being delivered within the community.</li> <li>Tower Insurance have begun advising clients of “at risk” properties that their policies won’t be renewed for future flood events. RAS have been active in seeking additional companies to provide cover and communicating this to affected people.</li> <li>The 21-day rural support checks of affected farming properties is underway across the district. Prior to this, 102 welfare checks were carried out.</li> <li>Navigators have been active in visiting people affected in the Northern Buller. 2 have been assigned to this task.</li> <li>Blessing of the 3 Queen Street houses occurred by Ngati Waewae. These are</li> </ul>	<p>Summary – The primary focus will be on:</p> <ul style="list-style-type: none"> <li>Confirming extent and cost of infrastructure recovery.</li> <li>Resourcing the Recovery team to meet the pending demands of infrastructure recovery.</li> <li>Confirming funding streams to enable recovery programmes to proceed.</li> <li>Identifying what options might be appropriate for the future of the Westport water supply.</li> <li>Complete a geotechnical assessment of the Granity slips and quantify the extent of risk posed to properties below those slips.</li> <li>Continue dialogue with Alma Road residents regarding the proposed temporary housing development.</li> <li>Finalise the Recovery Action Plan and incorporate an exit strategy.</li> <li>Work with NIWA on their Westport Advanced Flood Warning project</li> </ul>

- being occupied from Monday 14<sup>th</sup>.  
Lack of contractor availability has slowed final landscape work on the 5 Stafford Street houses. Occupancy likely late March

## Milestones

Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
Complete remaining Operation Outreach follow ups (as per Environmental Health data)	End of November	30 November	100%	Supported through Hub and Navigators
Business Needs Survey completed	29 October	November week 1	100%	Limited response: sample too small to provide confidence
Events programme delivered	November/Dec	27/11 and 11/12	Planning 90%	In place ready for due dates (Covid impact)
Community Kitchen (one free hot meal weekly)	Mid November	February	100%	Strong demand and working very well.
MBIE land Assessments for temp village.	Late November	End November	100%	At neighbouring residents' engagement stage
8 Temp Houses in Westport occupied	December	March	90%	Requires services and landscaping completion. Under action – delay due to contractor availability.
Re-build ramp up continues with projected peak in February 2022.	Monitor by month (but securing insurance data is challenging)	Late February and through 2022, early 2023.		Dwellings are fully settled, or the managed repair is underway. (No update yet available)
Covid Planning for Hub traffic light system	Prior to December 3	January 2022	100%	Teams fully briefed on traffic light system. Systems in place.
Temporary/Permanent Village in Alma Road – 22 houses	Last Quarter 2022	September 2022	15%	MBIE progressing legal agreements and consenting

## Financials to date 28/02/2022 (excl. GST)

A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.

Item	Appropriation Amount	Actual Spend to Date	Claims submitted to date	Current Claim**	Forecast cost to complete (remaining)	Forecast cost at completion	Project Variance	Commentary
Initial Welfare Response Advance	\$1,000,000	\$ 371,466*	\$1,000,000					
Solid Waste Management	\$1,500,000	\$ 842,206	\$ 816,330	\$ 25,877	\$ 749,946	\$750,000	(\$750,000)	All waste removed from the District. Final tonnage will be known on final invoicing
Community Hub and Connectors (Navigators)	\$1,000,000	\$ 760,054	\$ 600,136	\$ 276,446	\$ 749,946	\$1,510,000	\$510,000	\$510,000 funding sourced from elsewhere.
Temporary Village Infrastructure	\$ 650,000	\$0	\$0	\$0	\$ 650,000	\$650,000	\$0	Costs from here will largely be accrued evenly on a monthly basis (rent, outgoings, service contracts etc). Temporary village confirmed
Immediate response and recovery costs	\$1,450,000	\$ 272,892	\$ 131,388	\$ 123,972	\$ 1,177,108	\$1,450,000	\$0	
Interim funding to the Council to ensure it can both continue and ramp up the recovery process, while providing for its ongoing business as usual activities	\$3,250,000	\$ 777,191	\$ 1,228,426	\$0	\$ 2,472,809	\$3,250,000	\$0	
Infrastructure costs to date excluding roading		\$ 790,519						
<b>Total</b>	<b>\$8,850,000</b>	<b>\$3,814,328</b>	<b>\$3,776,281</b>	<b>\$ 426,295</b>	<b>\$5,057,657</b>	<b>\$7,410,000</b>		

\*Note – Welfare claim currently under assessment

\*\* Note – Claim 5 currently under assessment

<b>Risks/Issues/Opportunities</b>			
Key risks and/or issues arising are detailed below			
<b>Risk/Issue</b>	<b>Magnitude</b>	<b>Likelihood</b>	<b>Mitigation</b>
<b>Full, detailed risk register in maintained by the project team, the following are the most significant risks or issues, or those that have communications implications</b>			
Another significant flood or crises event	High	Moderate	WCRC have released a letter to the community on planned flood protection for the town. Given recent events levels of anxiety within the town are high
Supply chain seems to be generally holding although bathroom and some internal mouldings difficult to obtain.	Moderate	Moderate	Letters of support requesting assistance from Winstones for supporting our local M10 with wallboard supplies have been sent by the mayor and local MP.
COVID pandemic - general	Moderate	High	Processes and hygiene systems in place to enable work continuity to continue.
COVID traffic light system potential to cause problems accommodating unvaccinated displaced residents	High	High	TAS has made alternative arrangements to accommodate (no change)
Community anger and increasing social and health issues	Moderate	High	Increasing communications and engagement activity in place.

## Communications

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

#### Activity

- Weekly text burst activity (text home 5477) being delivered each Friday evening as a round-up of recovery operations for the week. This has been well received.
- The Recovery web site has been modified and is now active.
- Website engagement remains strong

Website Stats (westportfloodrecovery.org.nz)		
Month	Unique Visitors	Page Views
October	653	9109
November	1765	11359
December	1970	9445
January	1042	6370
February	1422	8328

- Additional communications resource contracted
- Economic recovery post is being added to the Recovery website. Registration responses will be shared with DWC.
- Westport Flood Recovery Facebook page continues to be a useful tool for getting information directly to a section of our community.
- As at 10/2/21 the page has 318 followers. Further stats in the table below:
  - Whilst there has been a dip in reach and visits through the Christmas period, we are expecting a lift in February as the page generates more engagement as a result of the February weather event(s).

	September	October	November	December	January	February
Page Reach	1845	4704	16256	2357	749	9953
Page Visits	147	518	355	318	91	1614
New Likes	87	58	59	37	24	125

#### Anticipated

- Continued escalation of concerns about rate of recovery – positive proactive communications could mitigate
- Concerns about potential future flood prevention methods are likely to start being raised

Recovery Plan Outcomes	
The five environments (or paths to recovery)	
Environment	Outcome
Community	<ul style="list-style-type: none"> <li>Essential needs of individuals and whānau are met and community health and wellbeing are supported.</li> <li>Community spirit, pride and resilience is strengthened.</li> <li>Families/whānau have healthy homes to move into.</li> </ul>
Natural/Rural	<ul style="list-style-type: none"> <li>The impact of the flood and its recovery does not leave lasting negative environmental effects on our land, water, and coastal environments.</li> <li>The primary sector is fully supported and functioning.</li> </ul>
Built	<ul style="list-style-type: none"> <li>Homes are re-built and re-occupied.</li> <li>Three waters infrastructure and services are restored.</li> <li>The community understands and supports the level of flood protection provided</li> </ul>
Economic	<ul style="list-style-type: none"> <li>Support is targeted to help restore businesses and to provide certainty around business and employment continuity.</li> <li>Opportunities for future economic growth and resilience are fully explored and implemented.</li> </ul>
Partnerships	<ul style="list-style-type: none"> <li>Appropriate account is given to the principles of the Treaty of Waitangi and foster opportunities to maintain and improve Māori contribution in the recovery programme.</li> <li>Nurture the special relationship tangata whenua have with te taiao (the environment) and their economic, cultural, and spiritual values, including their role as kaitiaki</li> </ul>
	<p><b>Status/Comments</b></p> <p>Delivery of these outcomes are based upon the Social / Rural Recovery plan and strong support is evident from Ngai Tahu, Buller-REAP, Homebuilders, Te Ha O Kawatiri, No 37, Potikohua Trust, DSW, Mayoral Fund and volunteers. Other key contributors are Salvation Army, Rotary and Red Cross.</p> <p>MPI and Rural Support network have been very active here along with MSD, Fed Farmers, Dairy NZ.</p> <p><b>Enhanced Task Force Green is now being activated to assist with rural clean up</b></p> <p>3 Waters infrastructure has been impacted. Assessments and remedial activity in place.</p> <p>DWC have taken the lead role for business needs analysis and consequential support packages. Recovery is promoting this further to extend the available support. However, it appears that present insurance spend within the local business area is providing a major boost and may prove sufficient stimulation. Recovery business lead is working closely with DWC to gauge what (if any) further support is required (no change)</p> <p>Poutini Waioira is the lead agency for the Navigator programme. This is proving to be a very good support model and uptake is high. Its value is evident in the wrap around social support available and positive client commentary.</p> <p>TPK continues to provide support to affected Māori households and families</p> <p>Ngāti Waewae member is a key part of the Recovery Team and continues to provide good support and advice.</p>

Infrastructure Programmes – District Revitalisation – Monthly Status Report – January 2022	
Reporting Period:	For the month ending 31 <sup>st</sup> January 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	MBIE via Provincial Development Unit, KiwiRail
Programme Manager:	Mike Duff (Acting)
Project Manager/s	<ul style="list-style-type: none"> <li>• Westport Waterfront “The Riverbank”:               <ul style="list-style-type: none"> <li>○ Stages 1 &amp; 2 – Glenn Irving</li> <li>○ Stage 3a – Vannessa Anderson &amp; Brendan Hills</li> <li>○ Stage 3b – Glenn Irving</li> </ul> </li> </ul>

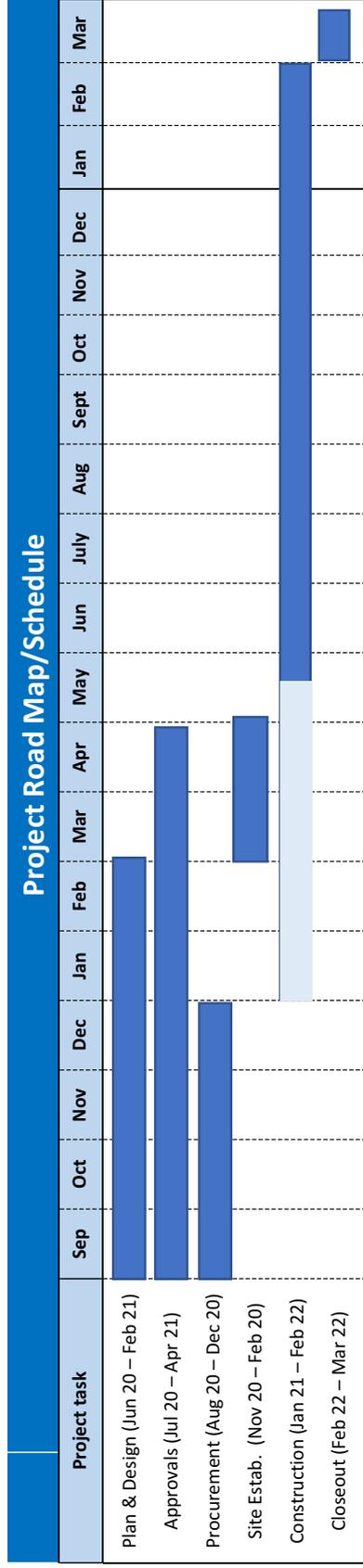


Project aspect	Status	Comments
Overall:	G	Toki Bridge Grand Opening Day scheduled for 23rd February 2022.
Budget:	A	PGF Stage 3a \$1.86M for Toki Bridge complemented by BDC 2018 & 2021 LTP's Stage 1 \$305k, Stage 2a \$260k, Stage 2b \$300k and TIF Stage 3b \$300k. Total available budget \$3.025M. Value Engineering and Phasing of Works has kept construction contract for Toki Bridge and embankment on budget. Forecast estimate to complete will inform the priority and completion of remaining scope items.
Scope:	G	Stage 3a: Phase 1 – Toki Bridge and embankment, Phase 2 – Additional riverside landscaping, town precinct parking. Stage 3b connector trails (south to Buller Bridge, north to Floating Basin). Future stages including town precinct Brougham St pedestrian plaza currently seeking additional funding.
Resource:	G	All key integrated owners team appointments completed as per resource plan.
Schedule:	G	Stage 3a: Phase 1 scheduled for completion mid-February 2022 for Toki Bridge grand opening. Phase 2 and Stage 3b scheduled for completion by June 2022, incorporating riverside landscaping, town precinct parking and connector trails.
Risks / Issues:	A	Maintained in Risk Register, summary key risks all under management. Further Covid Considerations – Now under Red Protection Framework

State of Play	
Last Month (December & January)	Next Month (February)
<ul style="list-style-type: none"> <li>▪ Installation of bridge ballustrades, ramp panels and footpaths</li> <li>▪ Commencement of site clean and landscaping</li> <li>▪ Preparations for bridge inspections and QA review</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engineering certification and KiwiRail approvals</li> <li>▪ Toki Bridge Grand Opening scheduled for 23<sup>rd</sup> February 2022</li> <li>▪ Completion of embankment and landscaping works</li> <li>▪ Continuation of additional riverside landscaping and town precinct parking</li> <li>▪ Continuation of TIF connector trails</li> </ul>

Financials				
Approved Budget	Spend to Date	Forecast cost at completion	Project Variance	Commentary
<i>What is the approved budget?</i>	<i>What is the project spend to date (as at Reporting date)?</i>	<i>How much will it cost to complete this project?</i>	<i>Forecast position (surplus/deficit) at completion</i>	<i>Explanation for variance and what is needed.</i>
Stage 1 - \$305K (part)	\$305K	\$305K	0	2018 LTP Part Years 1 & 2 (42255509)
Stage 2a - \$260K	\$260K	\$260K	0	2018 LTP Year 3 (42255509)
Stage 2b - \$300K	\$280K	\$300K	0	2021 LTP Year 1 (42255509)
Stage 3a PGF - \$1.86M	\$1.60M	\$1.86M	0	PGF Funding Agreement – Toki Bridge (4225558001)
Stage 3b TIF - \$300K	\$40K	\$300K	0	TIF Funding Agreement – Connector Trails (42135509)
Totals	\$2.485M	\$3.025M		

Milestones					
Milestone	Baseline Date	Actual Date	% Complete	Comment	
1) Planning and initial site investigations	29/06/20	29/06/20	100	Project initiation, concept designs and site investigations	
2) Finalise design	6/11/20	12/11/20	100		
3) Secure statutory and other necessary approvals	30/04/21	21/05/21	100		
4) Complete construction procurement	30/12/20	20/04/21	100	Contract executed	
5) Complete initial site works	24/01/21	24/05/21	100		
6) Complete construction	09/08/21		95		
7) Project closeout	23/09/21				

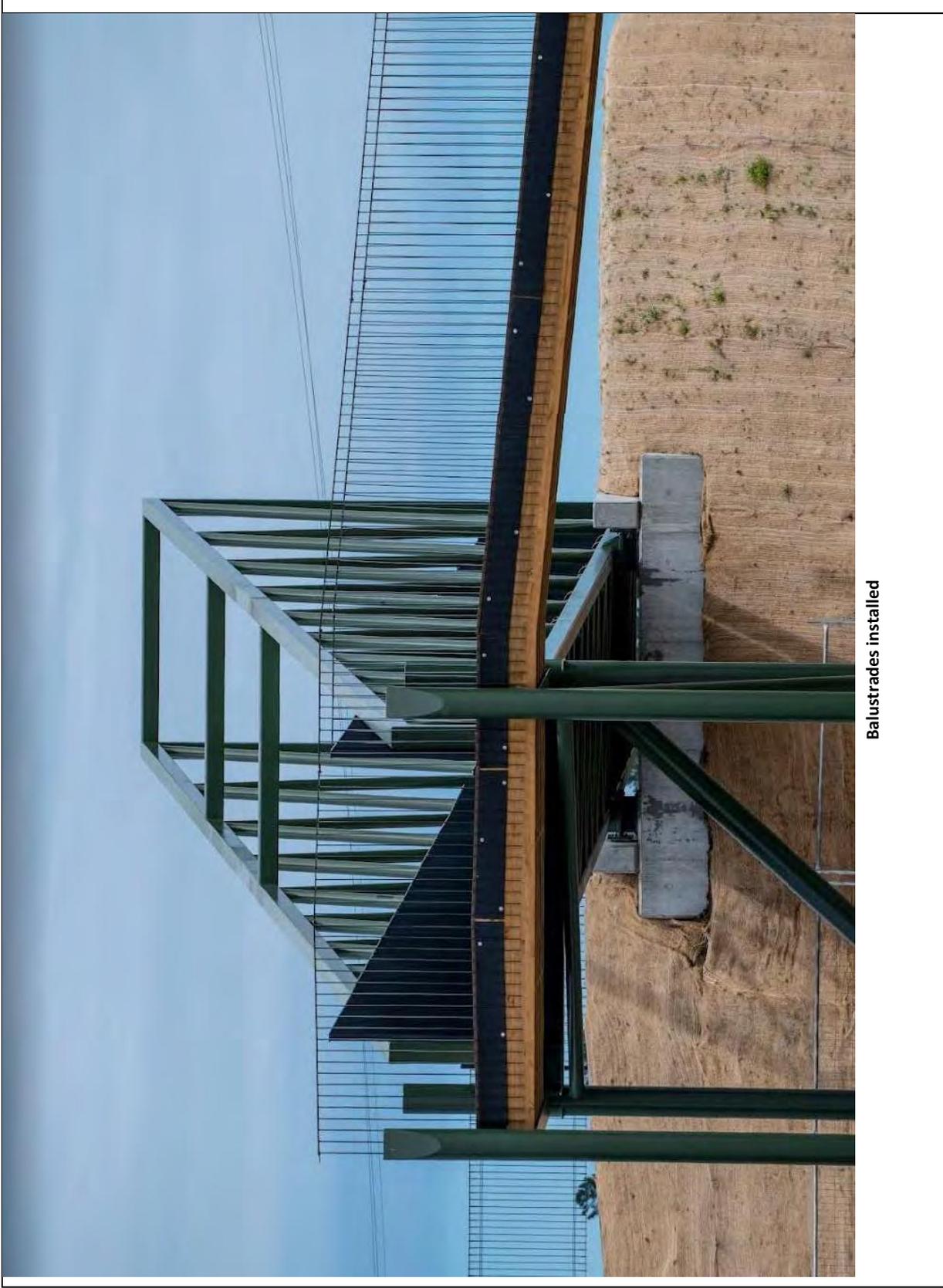


Productivity Outputs (for Provincial Development Unit)	
What is the number of people who worked on this project in any capacity this month as a result of PGF funding?	30
How many of these are Contractors – building, construction, project management	25
How many of these are Consultants – advisory services, feasibility studies	5
How many of these are part time (Less than 30 hours per week)	20
How many of these are full time? (30 + hrs per week)	10

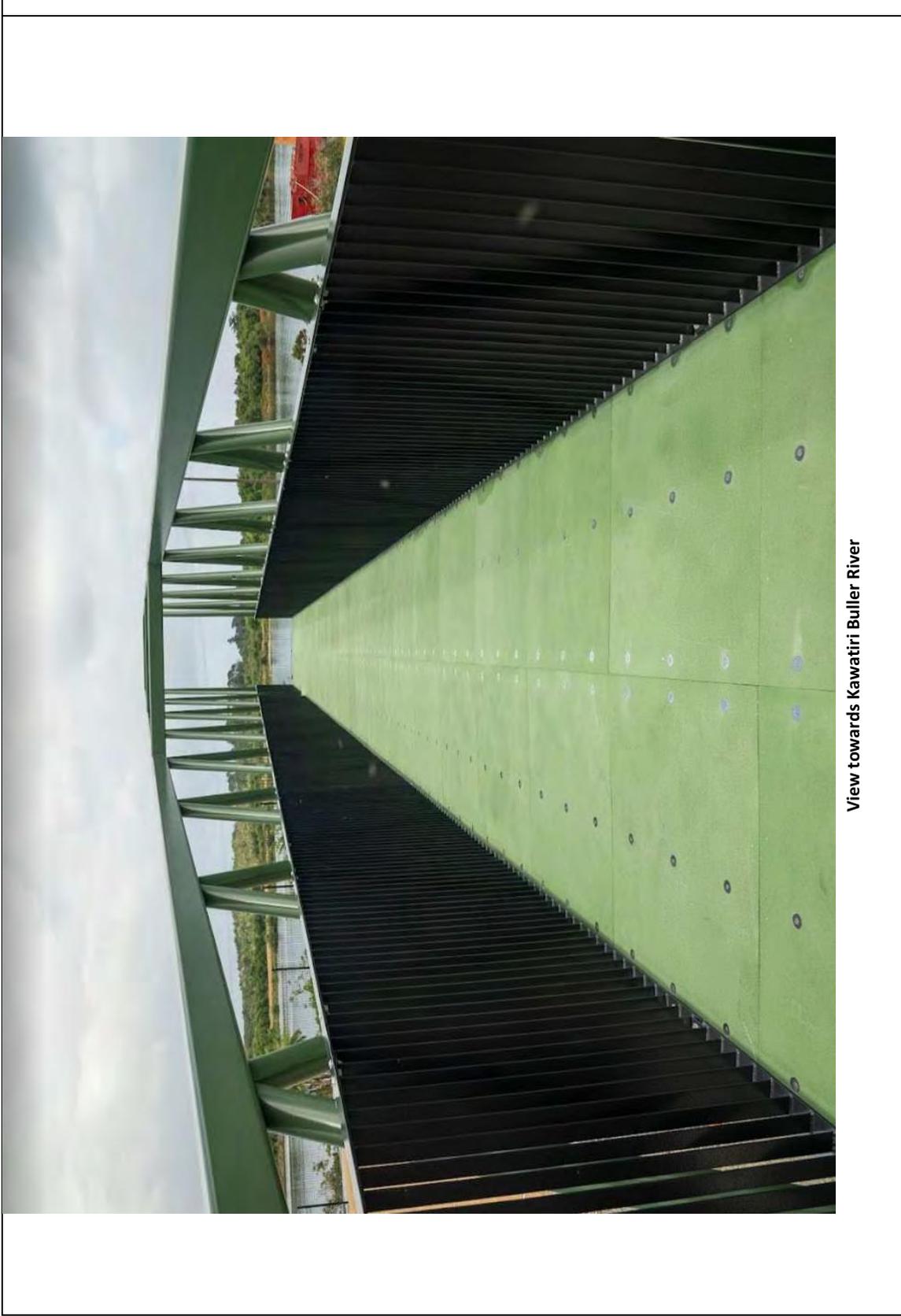
## Project Images



**Toki Bridge**



**Balustrades installed**



**View towards Kawatiri Buller River**

## Buller District Port Package (R07.02907.02/03)

### Project Details

<b>Location and Region:</b>	Westport, Buller district, West Coast
<b>Contracted Amount:</b>	\$3,300,000 excl. GST
<b>Reporting Period:</b>	For period ending 28 <sup>th</sup> February 2022
<b>Project Principal/Recipient:</b>	Buller District Council
<b>Project Partner(s):</b>	Ministry for Business, Innovation & Employment (MBIE)
<b>Project Manager:</b>	Phil Rossiter
<b>Programme Outcomes:</b>	(a) new employment, the preservation of jobs and the redeployment of workers in communities and within the infrastructure sector hit by COVID-19; and (b) investment toward a more productive, sustainable, and inclusive economy, enabling our regions to grow and support a modern and connected New Zealand.

### Project Overview (High-Level Summary)

Aspect	Status	Comments
<b>Overall:</b>	A	The project is following its planned trajectory, albeit with delays in several key project components that will require the first half of 2022 to conclude.
<b>Budget:</b>	G	\$3.3M has been secured from the COVID-19 Response and Recovery Fund for two key strategic areas: 1) \$2M for Westport gravel removal and wharf back-sheathing repairs; and 2) \$1.3M for investment and repairs, maintenance and upgrades to the bulk shipping and fishing precincts. The budget is considered sufficient to achieve the project intent. Additional private investment is expected to follow this catalyst funding.
<b>Scope:</b>	A	The project intent is clear and a detailed scope has been evolving in response to unforeseen changes (i.e., the July 2021 flood) that have changed the focus and sequencing of work in the bulk shipping precinct.
<b>Resource:</b>	A	Contractor resourcing and availability is constrained and is having an impact on timeliness. This is not just Covid-related, but more so because of July 2021 and February 2022 flooding.
<b>Schedule:</b>	A	Delays in project execution have meant several milestones passed before the Funding Agreement was executed and constrained availability of contractors and materials has prevented any catch-up. A schedule extension has been flagged since mid to late 2021 and has been formally requested from MBIE until mid-2022.
<b>Risks / Issues:</b>	G	No significant/acute project risks have been identified at this stage, other than the low to moderate issues declared later in this report.

State of Play	
Last Month	Next Month
<ul style="list-style-type: none"> <li>Gravel extraction in the Buller River continued, with the operation surpassing 100,000m<sup>3</sup> of gravel extracted since the programme began in mid-2021. The operation is on target to better its target extraction volume of 120,000m<sup>3</sup>.</li> <li>The Ablutions Facility was placed on its foundations at the entrance to the new floating pontoon access gangway. Service connection (electricity supply) commenced.</li> <li>Repairs were undertaken to the Fishing Wharf near Talley's to repair broken/dilapidated edge boards, structural elements, and service (power/water) supports.</li> <li>On-going liaison with suppliers to scope work for upgraded port entry/exit civil works and security gate and access arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>No river gravel extraction planned as Dredge crew is rostered off.</li> <li>Commence installation of new protective steel ducting throughout fishing precinct to protect upgraded electrical reticulation. Installation of new power boxes/stands to service berthed vessels to follow.</li> <li>Commence installation of new water supply pipe throughout the fishing precinct as part of the above reticulation work.</li> <li>Progress Ablutions Facility water supply connection to Ablutions facility (pending WestReef availability amid other pressing flood-related priorities).</li> <li>Progress concept for new Port entry arrangements off Bright Street (contractor availability allowing).</li> <li>Receive timing and estimate for repair of harbourmaster office.</li> <li>Progress discussions with NEMA about bulk wharf repair/reinstatement.</li> </ul>

Project Road Map/Schedule								
Programme/Project task	Feb '22	Mar '22	Apr '22	May '22	Jun '22	Jul '22	Aug '22	Comments
Work Programme A: Westport gravel removal and seawall repairs								Project schedule reforecast and schedule extension requested from MBIE until mid-2022. Request being considered at present
Work programme B: Westport bulk shipping and fishing precincts								Project schedule reforecast and schedule extension requested from MBIE until mid-2022. Request being considered at present

<b>Milestones</b>						
<b>Milestone</b>	<b>Baseline Date</b>	<b>Actual/Target Date</b>	<b>% Complete</b>	<b>Comments</b>		
<b>Work Programme A: Westport gravel removal and seawall repairs</b>						
Award design contract	30/09/2020	21/12/2020	100	Engineer (WSP ChCh) appointed for expert input and advice on wharf structures. Hydrological and survey input appointed for gravel extraction		
Award procurement contract	30/10/2020	1/04/2021	100	Gravel extraction is river based; therefore, dredge is required and will be used		
Obtain all consents	30/11/2020	1/04/2021	100	Consents in place for river-based dredging		
Award construction contract	30/11/2020	30/04/2021	100	Gravel extraction is river-based; therefore, dredge is required		
Complete construction	30/04/2021	30/06/2022	75	Underway and on-going		
Opening event	31/03/2022	31/08/2022	0			
<b>Milestone</b>	<b>Baseline Date</b>	<b>Actual/Target Date</b>	<b>% Complete</b>	<b>Comments</b>		
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>						
Award detailed design contract	30/10/2020	31/01/2021	100	Innumerable design tasks – not one design contract		
Award procurement contract	30/10/2020	30/04/2022	50	Innumerable tasks and therefore not setting up for one procurement contract. Tasks being procured in-line with scale and complexity and procurement guidelines. Milestone may need to be redefined		
Obtain all consents	31/12/2020	31/05/2021	0	Yet to be defined/commence		
Obtain all property rights	31/12/2020	31/05/2021	0	Yet to be defined/commence		
Award construction contract	28/02/2021	30/04/2022	40	Some construction/repair/maintenance tasks already underway		
Complete construction	28/02/2022	31/07/2022	0			
Opening event	31/03/2022	31/08/2022	0			

## Financials

A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.

Programme/Project Item	Indicative Cost	Actual Spend	Forecast (remaining) cost to complete	Project Variance	Commentary
<b>Work Programme A: Westport gravel removal and seawall repairs</b>					
Project management and coordination	\$75,000	\$92,860	\$30,000	\$47,860	Additional planning and task coordination required
Engineering assessments and design	\$35,000	\$16,945	\$15,000	<b>-\$3,055</b>	Additional engineering assessment and design required
Consents	\$10,000	\$0	\$0	<b>-\$10,000</b>	No consents identified as required
Procurement, legal and tenders	\$20,000	\$0	\$5,000	<b>-\$15,000</b>	Less legal/procurement input forecast
Civils works/site works for gravel extraction	\$1,400,000	\$1,155,000	\$525,000	\$280,000	Significant gravel volumes identified requiring extraction
R&M to seawalls/wharf back-sheathing	\$460,000	\$17,980	\$100,000	<b>-\$342,020</b>	Nil variance forecast at this stage. Project estimate considered realistic.
<b>Component Total</b>	<b>\$2,000,000</b>	<b>\$1,282,785</b>	<b>\$675,000</b>	<b>-\$42,215</b>	<b>Project tasks being managed to work with available budget</b>
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>					
Project management and coordination	\$40,000	\$21,410	\$35,000	\$16,410	Additional planning and task coordination required
Procurement, legal and tenders	\$20,000	\$14,984	\$5,000	<b>-\$16</b>	Less legal/procurement input forecast
Design and engineering assessment and consents (building consent for ablation block)	\$30,000	\$92,912	\$30,000	\$92,912	Intensive engineering design and assessment input required
Civil works/site works	\$1,210,000	\$335,160	\$800,000	<b>-\$74,840</b>	Nil variance forecast at this stage. Project estimate considered realistic.
<b>Component Total</b>	<b>\$1,300,000</b>	<b>\$464,466</b>	<b>\$870,000</b>	<b>\$34,466</b>	<b>Project tasks being managed to work with available budget</b>
<b>PROJECT Total</b>	<b>\$3,300,000</b>	<b>\$1,747,251</b>	<b>\$1,545,000</b>	<b>-\$7,749</b>	<b>Minor positive variance (surplus) forecast at this stage</b>

## Employment Outcomes

The following table shows the number of people working to deliver the project in the current reporting period

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type (Full-time; Part-time; Contractor; Consultant)
A (Gravel extraction)	6	0	1	0	0	0	0	Dredge worked for most of February
B (Bulk and Fishing Precinct)	16	0	14	0	1	0	1	2 BDC staff; 14 contractors/consultants
<b>Total</b>	<b>18</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	

The following table shows total current, past, and expected future jobs

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future
18	Nil (for the reporting period)	Approximately 15 further roles/jobs are forecast for the life of the project.

Additional narrative to explain the above table or to give other relevant information

Nil

## Risks/Issues/Opportunities

Key risks and/or issues arising are detailed below

Risk/Issue	Magnitude	Likelihood	Mitigation
(Issue – Schedule Slippage) – A schedule delay has been forecast and reported since mid-2021, and a formal extension has been requested to address. Until the schedule extension is approved and re-baselined, this remains an issue to be aware of.	Low-Moderate	High	Formal schedule extension requested (consideration in progress).
(Issue – Flood Damage to Bulk Wharves) – Flood damage has impacted the bulk precinct wharves and planned improvements are no longer prudent unless larger structural repair/reinstatement can be undertaken (beyond the means and scope of this project). This has impacted on planned works in the bulk precinct.	Moderate	High	Continue discussions with NEMA to determine whether associated flood repairs can be funded and undertaken to enable work to proceed.

## Social Procurement Outcomes

The following table shows achievements to date against the Social Procurement Objectives agreed to

Outcome	Measure	Status/Comments
Employment of targeted workers	<p>Prioritising workers identifying as:</p> <ol style="list-style-type: none"> <li>1) Local (in-region) workers;</li> <li>2) Māori or Pasifika;</li> <li>3) Employment of women prioritised where possible</li> </ol>	15 of the 18 personnel involved in the project for the reporting period were local. One identified as a targeted worker in relation to gender. The extent to which the measure can be controlled by the project is somewhat limited and is significantly influenced by contractor workforce composition.
Local businesses	75% of the direct contracts and sub-contracts associated with the project will be awarded to businesses owned and operated by people who reside and operate in the region	Local business involvement is tracking above the target threshold.
Worker conditions	100% of workers engaged on the project will be paid the living wage or greater and 100% of employees will be covered and managed by a fit-for-purpose and current health and safety system	Target fully-met to date and is expected to be achieved for project duration. This measure will be monitored and reported as the project progresses
Environmental responsibility	<p>Adoption of practises that enable the project to be delivered sustainably, including by:</p> <ul style="list-style-type: none"> <li>- protecting or enhancing the local ecosystem and its indigenous biodiversity</li> <li>- actively seeking to minimise the carbon impact of project delivery, to support the transition to a net zero emissions economy</li> <li>- minimising waste, re-using materials, and where possible incorporating the principles of the circular economy</li> <li>- using water resources efficiently</li> <li>- using low-impact, sustainably and locally sourced materials and products; and/or</li> <li>- including resilience to the impacts of a changing climate</li> </ul>	In-progress. Biggest impact and contribution to environmental responsibility will be delivered via the construction (and operational) phase of the project. A number of planned works relate specifically to environmental risks. This measure will be monitored and reported as the project progresses

## Communications

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

Communication planning and roll-out scheduled to follow scope and construction staging definition.

## Additional/Other Information

Nil.

# MONTHLY REPORT



<b>Project Title</b>	Waimangaroa Reserve Hall, Waimangaroa
<b>Reference Number</b>	R07.02069.008
<b>Location and Region:</b>	Waimangaroa, Buller
<b>Contracted Amount:</b>	\$146,795
<b>Report Date:</b>	For the month ending February 2022
<b>Programme Outcomes:</b>	<ul style="list-style-type: none"> <li>• prioritise the employment of local workers displaced by the COVID economic crisis;</li> <li>• occur at pace, time being critical; and</li> <li>• assist in meeting the Social Procurement Objectives</li> </ul>

## 1. Project Updates

Provide a description and analysis of actual progress against planned progress for each project milestone to show that the project is occurring as planned.

<b>Project Milestone</b>	<b>Details of progress</b>
Installation of Gib	The installation of gib board on the walls and ceilings has been ongoing and is nearly completed.
Project Manager Change	Following the redeployment of staff due to the Westport flooding event, a project manager has now been appointed to complete this project. An extension has been granted. Change to the agreement extending out the end date to 31 March 2022
Commercial Kitchen supply and fit-out	Commenced - The commercial kitchen package from supplier 'Southern Hospitality Limited' is organized for site fitting once the internal linings in the kitchen are completed
Carpentry - building repairs	The Builder – Johnny Morrow has completed the internal timber framing and the subcontractors have completed pre-piping services. The Builder is ready to commence gib linings. The first BC inspection is completed, including framing/Pre-wrap and Preline, wall bracing, foul water.
Plumbing – Pre-pipe	Plumber – Barry Lightbown has completed the plumbing pre-piping.
Gas fitting – pre-pipe	Craft Plumbing and Gas has completed the gas pre-pipe.
Electrical – Pre-wire	WLS Electrical has completed the pre-wiring.

**2. Redeployment Outcomes**

One (1) should be counted for any full time, part time, contractor or consultant.

2.1 Complete the following table for the number of people working to deliver the project in the current reporting period.

Project Milestone	No. prev Unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women
Commercial Kitchen		0				
Carpentry		1				
Plumber		1				
Gas Fitter		0				
Electrician		1				
Total		3				

2.2 Please complete the following table for the number of people working to deliver the project for the previous month

<p><b>Total People Working</b></p> <p>Number of people working on the project throughout the reporting month (you can include existing employees here such as finance team members etc).</p>

2.3 Please complete the following table showing the total number of created roles and a breakdown of part-time and full-time people working on the project for the previous month, as well as for Contractors and Consultants. This table should be calculated excluding existing employees.

<p align="center"><b>Total Created Roles</b></p> <p align="center">Number of roles created by this project (add together contractors plus consultants).</p>

<p><b>Contractor*</b></p> <p>Non-Employee providing contractor services (such as a fencing contractor, builder, fixed term contractor, etc.)</p> <p>3</p>	<p><b>Consultant*</b></p> <p>Non-Employee providing professional advisory services (such as an engineering consultant or architect, etc.)</p> <p>0</p>
<p><b>Full-time</b></p> <p>How many of the Total Created Roles worked over 30 hours a week throughout the reporting month</p> <p>1</p>	<p><b>Part-Time</b></p> <p>How many of the Total Created roles worked under 30 hours a week throughout the reporting month</p> <p>2</p>

## 9.1: Attachment 1: Projects in Partnerships - Monthly Update

2.4 Please complete the following with total numbers for previous jobs and expected jobs in the future. This table should be calculated excluding existing employees.

People previously but no longer employed on the project	Expected jobs in the future
4	7

2.5 Please provide any additional information that is not able to be captured in the tables above e.g. providing numbers of volunteers that may be also working on your project.

The kitchen fabrication and delivery is complete along with the joinery fabrication. This project is coordinated with community based volunteers (Hall Subcommittee) and Council and the nature of the locally employed trade's people has been pragmatic and important to the local community. Progress has been slow, however the one builder is making progress. A second builder is still being sort to assist building progress, however the local plumber has offer to help the builder with gib lining installation in the meantime so this may meet the shortfall. This project will move a bit quicker once the internal linings, plastering and undercoat painting have been completed and then the kitchen, toilet, plumbing, gas and electrical fittings and fixtures can be installed by the multiple subcontractors and builder.

### 3. Supplier Diversity Outcomes

Complete the following table for the number and value of each direct or sub-contract awarded to local, Māori and/or Pasifika-owned businesses during the current reporting period.

Name of business	Business type (Māori, Pasifika, local)	Contract type (direct, sub-contract)	Contract purpose (briefly describe)	Length of contract (months)	Total value of contract (\$)	No. new employees (as a result of contract)
PC Production NZ	Local	Direct	Asbestos	1 week	\$9,105	
Buller DC	Local	Direct	Build consent	1 day	\$2,663	
Fire Safety Solutions	Local	Direct	Fire Safety report	1 weeks	\$1,450	
Architect Allan Walters	Local	Direct	Architectural services	1 week	\$3,450	
Southern Hospitality Ltd	Christchurch	Direct Contractor	Supply of commercial kitchen package	8 weeks	\$42,650	
John Moro Builders	Local	Direct Contractor	Building repairs and upgrade including commercial kitchen install	6 month	\$12,330	
WLS Electrical	Local	Direct Contractor	Supply and install upgraded electrical	1 month, completed over 6	\$8,876	

## 9.1: Attachment 1: Projects in Partnerships - Monthly Update

			service and fittings	month period		
Craft Plumbing & Gas	Local	Direct Contractor	Supply and install gas fittings for commercial kitchen	3 weeks - completed over 6 month period	\$2,510	
Lightbown Plumbing	Local	Direct Contractor	Supply and install plumbing and drainage to building	6 weeks - completed over 6 month period	\$18,899	
Mitre 10 - Building materials, including timber framing/ linings, carpentry fixtures and fittings, paint and the supply and install of smaller area of floor coverings to meet BC compliance	Local supplier – Mitre 10 plus local flooring contractor/installer (TBC) and volunteer labour for painting task	Suppliers	Building materials	Completed over 6 month period	\$44,862	

#### 4. Social Procurement Objectives

Please provide detail in the table below (Please state N/A if the objective is not applicable).

<b>State your Social Procurement Objectives (as agreed during contracting)</b>	<b>State your Social Procurement Measures (as agreed during contracting)</b>	<b>Show achievements to date against each of the Social Procurement Objectives</b>
Social Procurement Outcome - Employment of targeted workers	Six local contractors have worked on the project to date. The project management is being carried out by an existing Buller District Council staff member, liaising with the local Reserve Subcommittee	This project was originally coordinated by a community based Reserve hall volunteer group, with the intent to employ local people struggling to find work. The approach has been challenging and to remain as pragmatic as possible, progress has been slow.
Social Procurement Outcome - Environmental Responsibility	All work will be carried out in a responsibly manner to tradesmen standards and all waste materials will be managed and disposed of responsibly	The Buller DC project lead is working with the community volunteers and trades people to arrange a good tidy up of the hall, to enable clearer and safer access for this work to progress
Social Procurement Outcome - Local Businesses	Engaged local Trades to deliver upgrade work on this local Waimangaroa.	BDC project lead is with the community volunteers and trades people to achieve this upgrade

## 9.1: Attachment 1: Projects in Partnerships - Monthly Update

	Community Hall, to provide a safe and usable venue for the local community.	work in agreement with the community
Social Procurement Outcome - Supplier Diversity	Specialist kitchen supplies have been sourced from outside the District.	A mix of part-time local contractors and also a specialist commercial kitchen supplier have been used to date
Social Procurement Outcome - Skills and Training	The builder – John Morrow is utilising skilled volunteers where possible	A second local builder is being approached to help on this project
Social Procurement Outcome - Worker Conditions	The builder & the BDC project lead are managing the site work conditions/site safety	All trades workers complete a Health and Safety assessment and manage the H&S of the site, using a Job Hazard Safety Assessment process. Clear communication is used and all volunteer workers are taken through a volunteer induction process, to identifying tasks and risk controls necessary

### 5. Financials

Please provide a summary of funding received and expenditure to date with actual against budgeted, for each budget area in the table below. Please use GST exclusive figures.

Budget Area	Received from PGF	Budgeted	Actual	Co-funding spend if any	Note
	<b>\$146,795</b>				
Architect Allan Walters	\$3,450	\$3,450	\$3,450		
Buller District Council	\$2,663	\$2,663	\$2,663		
Fire Safety Solutions	\$1,450	\$1,450	\$1,450		
PC Productions Asbestos	\$9,105	\$9,105	\$9,105		
Southern Hospitality Ltd	\$42,650	\$42,650	\$42,650		
John Moro Builders	\$12,330	\$12,330	\$3,670		(June'21 invoice pending)
WLS Electrical	\$8,876	\$8,876	\$1,215		
Craft Plumbing & Gas	\$2,510	\$2,510	\$525		

## 9.1: Attachment 1: Projects in Partnerships - Monthly Update

Lightbown Plumbing/Mico Plumbing	\$18,899	\$18,899	\$7,540		
Martins Mitre 10 Westport	\$44,358	\$44,358	\$3,986		
WestReef waste skip hire	\$504	\$504	\$504		
Chris Enoka	\$1,840.00	\$12,330	\$1,840.00		
<b>Total</b>	<b>\$146,795</b>		<b>\$78,594</b>		

### 6. Forward Work Programme

Outline forward work to be completed in the next month

<b>Project Element</b>	<b>Outline of Planned Work (for next month)</b>
Kitchen Installation/Flooring	Project Manager has advised that they are working on finishing the gibing in the kitchen so that the appliances and furniture can be installed. This will depend on the availability of a gib stopper and someone to install the flooring.
Electrical Fittings	Project Manager advised that they may have to find a new Electrician as current one could be moving on. Wiring has been run and has just to be connected to fittings / switchboard.
Project Manager to recommence work	Project manager to finalise plans and restart works as described below, a change in resourcing and new staff coming on board means this will now be prioritised.
Building work	Continue the internal framing and lining
BC Inspection	Arrange port-line inspection
Building work	Commence external concrete entrance ramp/steps. Measure and order safety handrails
Sub Contractors	Arrange subcontractors for fit-out and connection of the service; for when the internal linings, plastering and undercoat painting have been completed and then the kitchen, toilet, plumbing, gas and electrical fittings and fixtures can be installed

**7. Risks/Issues**

Top **five (5)** risks and/or issues arising or expected to arise, their impact on the project and planned mitigations.

<b>Risks / Issues</b>	<b>Likelihood (Low / Medium / High)</b>	<b>Potential Impact (Low / Medium / High)</b>	<b>Mitigation</b>
Weather Event Feb.22	High	High	Due to the latest weather event the project has slowed down due to the shortage of Tradesman available to complete works.
Asbestos	High	High	Due to the discovery of asbestos in the eaves of the building, and having to be professionally removed, this has slowed progress further.
Westport Floods July	High	High	Project manager has been redirected to work on Westport flood recover programme which has put this project on hold. Extension to programme granted and will begin towards the end of November
H&S - Working in a public space – public safety and well as workers safety.	Low	Medium	Clearly mark work zone, workers to stay aware of surroundings at all times, use a spotter during higher risk work to mitigate unauthorised people entering the work zone. Contractors are trained and competent and will use all the appropriate PPE, plant and equipment for the various tasks, including some height work.
Issues arising from Fire Safety access/egress	Low	Low	Site access and pathways are to be kept clear of blockages and trip hazards

## 9.1: Attachment 1: Projects in Partnerships - Monthly Update

Risks / Issues	Likelihood (Low / Medium / High)	Potential Impact (Low / Medium / High)	Mitigation
Weather Event Feb.22	High	High	Due to the latest weather event the project has slowed down due to the shortage of Tradesman available to complete works.
Asbestos	High	High	Due to the discovery of asbestos in the eaves of the building, and having to be professionally removed, this has slowed progress further.
Westport Floods July	High	High	Project manager has been redirected to work on Westport flood recover programme which has put this project on hold. Extension to programme granted and will begin towards the end of November
Consent requirements	Low	Medium	Volunteer labour to be inducted and assigned tasks and management according to competency and experience.

### 8. Communications

An update on media, marketing and communications activity for this Project

The Buller District Council Communications team will be kept aware of progress as the project develops to keep the community, media, marketing and communications informed on the project.

### 9. Any other information such as further opportunities arising from the project, expected and unexpected outcomes (both positive and negative) etc.

This project was originally coordinated by a community based Reserve hall volunteer group, with the intent to employ local people struggling to find work. This approach has been challenging and for the project works to remain as pragmatic as possible, the progress has been slow. Unfortunately this project has past the target date of 31st March'21 and is likely to take up to 12 additional months due to the nature of the work and currently available suitable resources. BDC project lead is currently investigating options to engage a 2<sup>nd</sup> local builder to assist. A new project manager has been on boarded to progress the project and complete in 2022.

## 10. Impact of COVID-19

All of New Zealand entered COVID-19 Alert Level 4 at 11.59pm on Tuesday 17 August, 2021:	Scale of impact (1 -no impact; 2 - small; 3 - moderate; 4 - major; 5 - severe)	Provide additional details on the impact, especially those not covered by following question
To what extent has the August 2021 COVID-19 Alert Level change impacted this project?	2	Potential material issues due to supply into the country.
To what extent do you expect the August 2021 COVID-19 Alert Level change to impact this project in the coming months?	2	As above

Have any of the following been <u>negatively</u> impacted by the August 2021 COVID-19 Alert Level change?	Yes/ No	Provide additional narrative on the negative impacts
Costs	Unknown at this stage	N/A
Milestone delivery in the next month	Unknown at this stage	N/A
Availability of labour	Unknown at this stage	N/A
Availability of materials and equipment	Unknown at this stage	N/A
Cashflow	Unknown at this stage	N/A
On-site productivity	Unknown at this stage	N/A

## Definitions

\***Contractor** - an individual who is either hired directly or via a third party to perform duties that would normally be provided by an existing staff member on the project.

\***Consultant** - a company or an individual where service provision is linked to a defined outcome, typically with remuneration linked to agreed milestones, or deliverables, and where supervision of the individuals is the function and responsibility of the consultancy organisation (or shared with the client).

## Project Status Reports Report – Westport Water Supply – Stage 1 Trunk Main Renewal (Terrace) – February 2022



### Programme/Project Details

<b>Location and Region:</b>	Westport Trunk Main - Terrace Section – West Coast
<b>Project Budget:</b>	\$1,070,980
<b>Reporting Period:</b>	For the month ending 28 <sup>th</sup> February 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	WestReef Services Ltd
<b>Project Manager:</b>	Gia Kristel Algje, Calibre Consulting Ltd – Project Manager
<b>Programme Outcomes:</b>	New PE Trunk Main from water treatment plant to bottom of escarpment

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

Aspect	Status	Comments
<b>Overall:</b>	G	Separable Portion 1 (Original Contract) works completed. Separable Portion 2 design review and approval underway. Awaiting revised programme of works from WestReef.
<b>Budget:</b>	G	Changes tracked and reviewed by The Engineer.
<b>Scope:</b>	G	Separable Portion 1 (SP1) Original Works has achieved Practical Completion. SP2 (SP2) Variations works including extension of pipeline (600mm), Giles Creek pipe bridge design and construction yet to complete.
<b>Resource:</b>	G	(WestReef) Design and Build Contractor. Gia Kristel Algje (Calibre) Project Manager. John Black technical advisor (WSP)
<b>Schedule:</b>	A	Awaiting revised programme from WestReef noting effects of recent flood events to Contractor availability and awaiting design approval for pipe on bridge crossing.
<b>Risks / Issues:</b>	G	Risk & opportunities register included within report.

<b>State of Play</b>	
<b>Last Month February</b>	<ul style="list-style-type: none"> <li>• Contractor has sent through pictures and a list of materials procured as part of Separable Portion 1</li> <li>• Detailed Design of Pipeline at Bridge Crossing has been submitted (Pending BDC Approval)</li> <li>• Separable Portion 2 (from previous update by WSRL):                             <ul style="list-style-type: none"> <li>- PE pipe has been welded and strung out along the length from the bottom of terrace to the bridge</li> <li>- Excavation has been completed for the final placement of the pipe</li> <li>- Terrace main drained and connected to the new PE 240m</li> </ul> </li> </ul>
<b>Next Month March</b>	<ul style="list-style-type: none"> <li>• Receive revised programme and contractor documentation for Separable Portion 2</li> <li>• Bridge crossing design to be approved (by BDC).</li> <li>• Pipe section over bridge crossing (programme TBC)</li> </ul>

Updated Project Road Map/ Schedule																			
Project task	May	Jun - Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar - Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
Tender																			Contract signed end of May 2020 with WestReef Services.
Design																			Design Ongoing for Separable Portion 2.
Site Establishment																			Completed
Construction																			SP2 Construction to commenced Physical Works December 2021 Current Contract programme, completion date TBC
Commissioning, Testing Closeout																			TBC

Milestones					
Milestone	Baseline Date	Actual Date	% Complete	Comments	
0) Letter of intent		14 April 2020	100%		
1) Contract awarded		21 May 2020	100%		
2) Planning and initial site investigations			100%	Site Investigation (Inc. two Geotech visits) Complete	
3) Finalise design		18 December 2020	100%	Updated Detailed design approved	
Pipeline Extension, Bridge Crossing Design		23 February 2022	80%	Awaiting BDC Approval	
4) Commence work on site	24 Nov 2020	11 Jan 2021	100%		
4) Pipeline Installation Complete	April 2021	Oct 2021	80%	Separable Portion 1 (Original Contract pipeline installation complete). Separable Portion 2 (Extension of Pipeline works commenced, bridge crossing awaiting design approval)	
5) Commissioning & Practical Completion	30 April 2021		N/A	(TBC)	

### Financials (GL 7301556015)

A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.

Programme/Project Item	Indicative Cost	Actual Spend to 28 February 2022	Accruals to 28 February 2022	Forecast cost to complete	Project Variance	Commentary
Funding						\$543,500 from Three Waters Reform Grant
Funding						\$527,480 from BDC annual plan 2020/21
Westport Terrace Section Trunkmain Contract	\$773,172.00					
Project Delivery	\$297,808.00		\$8,584			
<b>Total</b>	<b>\$1,070,980.00</b>	<b>\$981,208.67</b>	<b>\$989,792.67</b>	<b>\$180,242.09</b>	<b>\$90,470.76</b>	<b>Overspend due to additional costs that have been transferred in, will be covered by additional budget that has been found in the Westport Water CAPEX budget</b>

## Risks/Issues/Opportunities

Key risks and/or issues arising are detailed below

Risk/Issue	Magnitude	Likelihood	Mitigation
Environmental	medium	low	Contractor has submitted an environmental plan as part of their submissions.
Slope Stability through site	medium	low	Design has been updated by WestReef to remove any supports from the Terrace Face Geotech and Designer to attend site to confirm design parameters still applicable.
Increased risk of losing control of PE pipe when laying down the terrace PE pipe	medium	low	WR to lay pipe from top down and will have detailed, methodology plan and H&S plan for installation down the terrace. H&B to provide constructability review of WR methodology
Delay due to weather	low	low	Works undertaken in Summer months.
Poor quality Welds to Pipe	medium	low	Comprehensive QA systems and regular testing of welds & reporting
High Pressure Watermains – causing injury or damage	low	low	WestReef submitted Project Plan confirms staff are trained, qualified and experienced in maintaining /working with high pressure water reticulation systems.
New Pipeline fails Commissioning testing	medium	low	Addressed in Contractors submitted Methodology - Contractor consideration to pressure testing in section, note complex testing regime for large diameter PE pipes due to pipe expansion.
Chlorination, surface water contamination	low	low	Addressed in Contractors submitted Methodology - Contractor to control large volumes of discharge of super chlorinated water.
Construction delay resulting from defective welding machine	low	low	Contractors' early reaction to unsatisfactory weld QA data. Machine sent to Christchurch for repair.
Risk: Change of NZS4129 meaning tendered PE fittings no longer can be certified at the required PN	Medium	Medium	Contractor has proposed alternative fittings. This has been reviewed by John Black of WSP and approved by BDC.
Risk: Contract at large	Medium	Medium	For variation works, separable portions undertaken. Estimated completion date TBC
Pipeline over Giles Creek Bridge Crossing	Medium	Medium	Scope and pipeline design awaiting approval. Additional valves to be installed to enable temporary bypass if required as part of emergency plan/ resilience of pipeline

## Redeployment Outcomes

The following table shows the number of people working to deliver the project in the current reporting period.

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - Full-time - Part-time - Contractor - Consultant
Westport Trunkmain Terrace								
Buller District Council	1	0	0	0	0	0	1	Full Time
Calibre Group	2	0	0	0	0	0	1	Consultant
WestReef	5	0	4	0	0	0	1	Contractor Fulltime Consultant
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	

The following table shows total current, past, and expected future jobs

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future Note Considering February only
7	0	9

## Communications

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

Nothing at this stage.

Project Status Report - Westport Water Supply – Stage 2 Trunk Main Renewal – February 2022	
Programme/Project Details	
<b>Location and Region:</b>	Westport Trunk Main – West Coast
<b>Project Budget:</b>	\$3,500,000
<b>Reporting Period:</b>	For the month ending 28 <sup>th</sup> February 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	Hadlee & Brunton
<b>Project Manager:</b>	Gia Kristel Algje, Calibre Consulting Ltd – Project Manager
<b>Programme Outcomes:</b>	Upgrade the Trunk Main from the PRV to Westport



**BULLER**  
DISTRICT COUNCIL  
Te Kaitiaki Takekōwhiri

Project Overview/traffic_Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)		
Aspect	Status	Comments
<b>Overall:</b>	G	Design completed, final design workshop completed and construction drawings issued for all open trench works. Some value engineering left for the PRV. Drilling works is dependent on design still to be confirmed. Work related to easement agreements continues, with remaining agreements in principle anticipating close-out in two to three weeks' time. Site establishment affected by recent flooding (extent to be confirmed with H&B). Pipe delivered to site and welding ongoing.
<b>Budget:</b>	G	\$3,500,000
<b>Scope:</b>	G	Design and Construction to replace the existing Trunk Main from the Pressure Reduction Valve Shed to the Westport township.
<b>Resource:</b>	G	David Brunton (Hadlee & Brunton EC), Gia Kristel Algje (Calibre) Project Manager, Fletcher Vautier Moore (S Ritchie – Reviewing of legal status of land parcels for proposed alignment).
<b>Schedule:</b>	A	Target Completion end of June 2022. <i>Awaiting revised programme, which run concurrently with other works on site, specific to drilling works.</i>
<b>Risks / Issues:</b>	G	Risk & opportunities register included within report.

Current Updated Programme	
<p><b>Last Month February</b></p> <ul style="list-style-type: none"> <li>• Easement agreements work continues. One out of four agreements signed.</li> <li>• Site establishment. Vehicle access and pipe laydown area created at Cresswells</li> <li>• Delivered all the 450mm and 400mm pipe to site and continue welding into strings.</li> </ul>	<p><b>Next Month March</b></p> <ul style="list-style-type: none"> <li>• Easements and access agreement formalized (remaining 3 signed)</li> <li>• Pipe welding completed</li> <li>• Receive final PRV Design – Construction Drawings from H&amp;B</li> <li>• Commence open cut works</li> </ul>

Updated Project Road Map/Schedule																							
Project task	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments		
Contractor Optioneering																							
Design Optioneering Workshop																							
Contractor Developed Design																							
BDC Approval of Developed design																							
Resource Consents and Easements and access Agreement																							Draft agreement to grant easement between the Council and landowners in place. Working on getting formalised agreements.
Detailed Design																							Detailed design for drilling works to continue concurrently with construction works.
Construction																							Awaiting Confirmation of specific programme
Commissioning																							Sequential testing of sections of new Pipe laid.
Draft Completion Date																							30 June 2022

Milestones					
Milestone	Baseline Date	Actual Date	% Complete	Comments	
1) Signed ECI Contract	18 Dec 2021		100%		
2) Design Optioneering Workshop with BDC	12 Feb 2021	29 Jan 2021	100%		
3) Confirmation of Preferred method and material type	26 Feb 2021	30 March 2021	100%		
4) BDC Approval of Developed Concept design	5 March 2021	30 March 2021	100%		
5) Detailed Design Commences	8 March 2021	01 April 21	90%	Note design process will continue beyond construction start date as work will be delivered in sections.	
6) Design Process Complete	13 Aug 2021	(Open Cut Sections) Dec 2021 Drilling TBC		Note design process will continue beyond construction start date as work will be delivered in sections	
7) Resource Consents lodged	15 March 2021	NA			
8) Start Construction	12 April 2021	Dec 2021		Construction in Stages with overland jumper main to mitigate risk of damage to existing main during work.	
9) Sequential testing and commissioning	7 July 2021	TBC		As Pipe sections are laid the pipes will be tested in sections	
9) Construction completion	26 Nov 2021	TBC			
10) Final Commissioning and Testing	10 Dec 2021	TBC			

Financials								
A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.								
Programme/Project Item	Indicative Budget Cost	Actual Spend to 28 February	Accruals to 28 February	Forecast cost to complete	Project Variance	Commentary		
Funding	\$3,500,000					\$3,500,000 from Three Waters Reform Grant		
Westport Trunkmain Project	\$2,750,000	\$1,272,272.75	\$200,537.66	\$1,277,189.59	\$0			
Project Delivery	\$750,000	\$322,679.66	\$8,744.42	\$366,000.00	\$52,576			
<b>Total</b>	<b>\$3,500,000</b>	<b>\$1,594,952.41</b>			<b>\$0</b>			

Risks/Issues/Outcomes			
Key risks and/or issues arising are detailed below			
Risk/Issue	Magnitude	Likelihood	Mitigation
Damage to existing watermain when installing new main	medium	low	Narrow Easements, use of temporary above ground jumper main, work in sections and isolate work, Renew in section and pressure test. New Alignment proposed to avoid Stephens Road and Kiwi Rail Land
Ground Conditions – High Water table/organics	medium	low	Equipment Selection, Selection of Wrapped Ballast/bedding material, Pumping and Dewatering.
Environmental Management Plan	low	low	Dewatering Issues and handling of super chlorinated water included in Assessment of Environmental Effects.
Resource Consenting	medium	low	Early involvement of WCRC in Optioneering workshop to promote collaboration.
Traffic Management /Rail Corridor	low	low	Investigation and suitable planning.
Cost Escalation	medium	low	Estimates during Optioneering. May be mitigated by reduction in overall length of pipe or termination point under this project. Note current plan includes new pipe to Derby Street.
Difficult Land Access	medium	low	Early consultation interaction by Council to enable mitigation through discussions with landowners / Iwi/ Kiwi Rail
Archaeological	low	low	Check records and determine impact on consenting.
Existing Easement Status	medium	medium	Early assessment of the Status of Easements requires confirmation and mitigated through Council assistance in clarifying existing status.
Weather / Rain	medium	medium	Significance of Wet Weather will be determined by choice or method of construction. Open trench more significant than Lining Option or Trenchless Installation method.
Earthquake-induced liquefaction (settlement and lateral spreading) based on a 1:500 ULS event	Medium	Medium	Additional geotechnical investigation conducted to refine assessments and provide options for best alignment shift and depth of pipeline. Review critical areas and review construction methodology. Pipe material performance in this type of event will also be considered. Build resilience in network design.

Redeployment Outcomes										
The following table shows the number of people working to deliver the project in the current reporting period.										
Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type	- Full-time	- Part-time
BDC Council Staff	1	0	1	0	0	0	1	Part-time		
Hadlee & Brunton	2	0	0	0	0	0	0	Contractor		
Calibre Group	2	0	0	0	0	0	1	Consultant		
<b>Total</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>			

The following table shows total current, past, and expected future jobs

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future Note Considering May only
5	0	5

#### Communications

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

Project included in previous Council Newsletters. Affected Landowner consultation ongoing by Council and H&B

## Project Status Report – Punakaiki Water Supply – Trunk Main Renewal – February 2022



Programme/Project Details	
<b>Location and Region:</b>	Punakaiki – SH6 – West Coast
<b>Project Budget:</b>	\$502,500.00 (Currently exploring options of a transfer of funds)
<b>Reporting Period:</b>	For the month ending 28 <sup>th</sup> February 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	West Reef (Early Contractor Involvement model), PDP with H&B as Integrated Owners team for design and constructability review
<b>Project Manager:</b>	David Chung, Calibre Group – Project Manager
<b>Programme Outcomes:</b>	Stage 2&3 (1.3km) portion of 1.7km of Upgraded Trunk Main from existing treatment plant to township

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

Aspect	Status	Comments
<b>Overall:</b>	G	Practical completion walkover set for Wednesday 29 <sup>th</sup> November. Very little departure from updates last month
<b>Budget:</b>	R	\$502,500 confirmed (\$495,500 from Three Waters Reform Grant, originally \$40,000 from Council Annual Plan but overspend in 20/21 financial year has decreased available budget).
<b>Scope:</b>	G	Replace critical sections totalling 1.3km of the existing 2.3km pipeline, between Existing Treatment Plant near Hartmount Place to Bullock Creek Bridge. No creep of scope observed to date
<b>Resource:</b>	G	Pipe Sizing Design (PDP). Lloyd Gauntlett (Calibre) Project Manager. Hadlee & Brunton as Owners Engineers for Alignment Design. WestReef as ECI contractors and construction.
<b>Schedule:</b>	G	Physical works now complete, approximately 5 weeks of EOT observed over contract period.
<b>Risks / Issues:</b>	G	Risk & opportunities register included within report.

State of Play	
<b>Last Month February</b>	<ul style="list-style-type: none"> <li>Practical completion final walkover (delayed due to flooding response)</li> <li>Completing defects outstanding that prevent practical completion (delayed)</li> <li>AsBuilt drawings completed</li> </ul>
<b>Next Month March</b>	<ul style="list-style-type: none"> <li>As-built drawing issued to BDC</li> <li>Targeting Practical Completion Certificate issued</li> <li>Enter Defects liability period</li> <li>50% release of retentions once Practical Completion is issued</li> </ul>

Updated Project Road Map/Schedule																		
Project task	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Comments
Planning																		
Design																		Designers engaged November. First design submitted to BDC 22 <sup>nd</sup> December 2020
Approvals																		As ECI
Procurement																		Construction Contract to be Undertaken by WestReef as ECI
Site Establishment																		As per NZTA and ECI
Construction																		Commence Early April 2021, completion stage 2 early August 2021. Contract completion delayed due to Flooding and Covid-19 (Contact completion end October 2021)
Closeout																		Defects Notification Period and as-builts will follow Construction Completion

Milestones						
Milestone	Baseline Date	Actual Date	% Complete	Comments		
1) Planning and initial site investigations	22 Sep 2020		100%	PDP and H&B engaged; site meetings held		
2) Principals Requirements	18 Dec 2020		100%	Pipe size confirmed by PDP memo 17/12/2020 BDC requirements confirm in email dated 24/11/2020		
3) Submitted Design	19 Jan 2021	19 Jan 2021	100%	100 % of the pipeline designed and reviewed by BDC		
4) Design approved by BDC	26 Jan 2021	28 Feb 2021	100%			
5) Contractor to Start Construction	1 Feb 2021	03 May 2021	100%	Pipes purchased commence install early May		
6) Complete construction	1 June 2021	29 October 2021	100%	Stage 3 complete		
7) Project closeout	30 June 2021		99%	Initial Defects walkover Friday 5th November. Follow up defect's walkover 29 <sup>th</sup> November. Awaiting final drawings, Practical completion expected 11 <sup>th</sup> Feb.		

Financials						
A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.						
Programme/Project Item	Indicative Cost	Actual + Accrual Spend to January 22	Forecast cost to complete	Project Variance	Commentary	
Funding					\$496,500 from Three Waters Reform Grant	
Funding					Was \$40,000 from BDC Annual Plan 2020/21 minus \$34,000 expended in 20/21 year.	
Site works	\$412,921				Withholding retentions once Practical Completion issued 50% release of retentions.	
Project Delivery	\$172,579				Actual spend includes approx. \$60K pre contract works	
<b>Total</b>	<b>\$502,500</b>	<b>\$559,855.43</b>	<b>\$44,205.90</b>	<b>-\$101,561.33</b>	<b>Overspend (currently exploring options of a transfer)</b>	

### Risks/Issues/Opportunities See risk register below

Key risks and/or issues arising are detailed below			
Risk/Issue	Magnitude	Likelihood	Mitigation
Budget Exceeded or Budget inadequate	medium	medium	Reduce scope of works on amount of pipe laid. BDC to consider if shortfall can be made up from additional funding from Annual Plan to enable WRSL to lay total 1.3km stage 2 & 3
Pipe size not confirmed, or delay in approving by BDC	medium	low	Pipe size confirmed by designers and contractors. Order placed with supplier and pipes now on site.
Pipe not laid before NOC Footpath construction	medium	low	WRSL are undertaking both contracts therefore any potential issues are raised quickly. Calibre team to respond quickly to variation requests
NZTA communication	low	low	Hadlee & Brunton to be point of contact with local NZTA project manager for footpath works and manage relationship.
Incorrect Public awareness and messaging	medium	low	Council maintains newsletters and update currency of information on Council website.
Existing Fragile Pipe to be kept in service until new pipe sections installed	medium	medium	Prior to any works commencing adjacent to the existing PVC line, a detailed methodology plan has been submitted, and meeting held with Engineer to ensure methodology plan is accepted. Pipe repair materials kept onsite, and Klip Tanks maintained at approx. 80% full.
Pipe installed in all areas where footpath is to be constructed over pipeline	medium	medium	WRSL laid additional 90m of pipe beneath stage 4 footpath. Sequencing of stage 3 at treatment plant to ensure that pipework is installed beneath west side of road footpath at tie in with Hartmount Place
Shutdowns and stage liveness	medium	medium	Plan of shutdowns and living to be supplied by WRSL
Service Connection 5 within stage 2	low	low	Existing lateral within SH berm to tie into service connection 4 road crossing. Shutdown to be included within stage 2
Completion of stage 3 to a point of commissioning	low	low	Additional funding sought to complete Provisional Items. This will allow complete construction of Stage 3. Plan in place to leave Hartmount PI unconstrained to enable full connection to treatment plant.

## Redeployment Outcomes

The following table shows the number of people working to deliver the project in the current reporting period.

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - Full-time - Part-time - Contractor - Consultant
Punakaiki Trunk Main Renewal								
Buller District Council	1	0	1	0	0	0	1	Part Time
Calibre Group	1	0	0	0	0	0	0	Consultant
WestReef	3	0	3	0	0	0	1	Contractor
Hadlee and Brunton	0	0	0	0	0	0	0	Contractor
<b>Total</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	

The following table shows total current, past, and expected future jobs

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future Note Considering February only
5	0	0

## Communications

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

No further updates as the project is practically complete (minus minor defects that require attention before PC is issued currently delayed due to the ongoing Westport Water Crisis and other flooding related issues).

## Project Status Report – Reefton Water Supply Upgrade – February 2022



### Programme/Project Details

<b>Location and Region:</b>	Reefton – Township – West Coast
<b>Project Budget:</b>	\$1,440,000
<b>Reporting Period:</b>	For the month ending 28 <sup>th</sup> February 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	ERPRO, Tru-Line Civil
<b>Project Manager:</b>	Lloyd Gauntlett, Calibre Group – Project Manager
<b>Programme Outcomes:</b>	Four work packages; (B) Renew existing large reservoir, (D) Construct a Dedicated Rising main, (E) Construct a new Falling Main and (F) Construct a New Pressure Water Main and Pressure Controlling Infrastructure

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

Aspect	Status	Comments
<b>Overall:</b>	G	Construction progressing well. Commissioning of full system due first week of December. Completed. Defects list is being completed to enable Practical Completion to be issued
<b>Budget:</b>	A	A number of desirable variations not carried out due to funding constraints. Funds spent on chlorination to date to be journaled to respective job.
<b>Scope:</b>	G	Project nearing completion and in line with scope. Further power and telemetry upgrades required at time of chlorination works.
<b>Resource:</b>	G	TLC physical works nearing completion. Some tidying works required when all telemetry componentry received from supplier.
<b>Schedule:</b>	A	Practical completion now scheduled for 7 <sup>th</sup> March 2022. Contractual completion date is currently 16 <sup>th</sup> September. TLC to submit EOT's for consideration . Risk of delays causing water shortage over the summer months is minimal due to reservoir now in operation.
<b>Risks / Issues:</b>	A	Updated Risk & opportunities register included within report. PCN closeout required to mitigate risks

State of Play	
Months December to February	<ul style="list-style-type: none"> <li>Remediation &amp; tidy up of site for Practical Completion</li> <li>TLC providing As-Built drawings</li> <li>TLC to provide the required documentation to achieve Practical Completion</li> </ul>
Next Month March	<ul style="list-style-type: none"> <li>Defects Period</li> </ul>

Project Road Map/Schedule																		
Project task	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Comments
Planning																		Ongoing throughout design build project
Design																		Ongoing – Design #3 submitted and reviewed.
Approvals																		Ongoing – Design changes being tracked
Site Establishment																		Establish for work packages B, D and E on acceptance of design
Construction																		Work packages B, D and E anticipated to start mid-July
Closeout																		PCC & Disestablishment 7 <sup>th</sup> March

Milestones					
Milestone	Baseline Date	Actual Date	% Complete	Comments	
0) Contract awarded	06 October 2020	06 October 2020	100%		
1) Planning and initial site investigations		March 2021	100%	Site Investigations including Geotechnical investigations of Donovan Street completed	
2) Finalise design	01 July 2021	14 July 2021	100%	Design Revision 3 submitted and reviewed by ERPRO. BDC to approve complete design package	
3) Construction through Campground area	8 Dec 2020	18 Dec 2020	100%		
4) Construction Buller Road Main	18 Jan 2021	April 2021	100%	Infrastructure installed and sealed between Elizabeth Street and Potter Street. Pressure and Chlorine testing completed and passed.	
5) Construction Reservoir Improvements (Package B)	1 Nov 2021	Nov 2021	99%	Bladder placed and reservoir operational. Some outstanding remediation works	
6) Construction of watermains up Donovan St to reservoir (Package D & E)	09 Sept 2021	Dec 2021	99%	Remediation works to be complete	
7) Construction of boosting pump station and retention vessel (Package F)	8 Nov 2021	Dec 2021	99%	Booster pumps commissioned. Some remediation works	
8) Project Close Out	09 Dec 2021		60%	Date based on TLC Programme. Target Practical Completion early March 22	

**Financials (~10019~ GI 7311556009)**

A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.						
Programme/Project Item	Indicative Final Cost	Actual Spent to 28 Feb 2022	Accrual Spend to 28 Feb 2022	Forecast cost to complete	Project Variance to Budget +ve over -ve under	Commentary
Financial						\$1.44 M BDC 2020/21 budget
Reefton Water Supply Upgrade Contract	\$1,253,102.00	\$1,071,162.00		\$177,673.24		10 progress claims to date. Anticipated total cost to complete. Some OPEX cost & works associated with power and Telemetry could be removed from this contract and retain original scope, and a large proportion of the current estimated overrun could be deferred to later and be done as part of the Chlorination project
Project Delivery	\$360,000.00	\$364,560.00	\$4,119.37	\$10,000.00		
<b>Total</b>	<b>\$1,613,102.00</b>	<b>\$1,442,318.82</b>	<b>\$1,446,438.19</b>	<b>\$187,673.24</b>	<b>\$187,673.24</b>	<b>Overspend</b>

Please also refer to Appendix 1 below for further explanation re budgets

Risks/Issues/Opportunities				
Risk/Issue	Magnitude	Likelihood	Mitigation	Key risks and/or issues arising are detailed below
Risk: The Community acceptance and perception regarding Chlorination	high	medium	Council due process in considering the requirements to Chlorinate from a public health perspective. Need to implement a good communication strategy to inform the community of progress. This will be managed as a standalone sub project of the main upgrade works	
Risk: Public awareness and messaging is not working	medium	medium	Council issues regular newsletters informing the community of progress and update currency of information on Council website maintaining consistent messaging.	
Risk: Public users of DOC access track to upper walking tracks unhappy that access track off limits during construction	medium	medium	Council issues media release informing the track users of alternative routes in lieu of DOC access tract that are still available to be used to access the upper walking tracks	
Opportunity to replace existing old laterals that connect into the proposed new watermain in Buller Road	low	medium	Variation approved for up to 30 properties.	
Opportunity: To utilise Donovan Street for rising falling main access to the treatment plant	medium	medium	Communications to update with adjacent landowners conducted once designs and site investigations are completed and approved. Contractor to apply for temporary access to DOC portion of access track.	
Opportunity: Install new sealed water bladder membrane in the existing water reservoir	medium	medium	Contractor design submitted and approved by ERPRO and BDC. TLC to confirm maintenance requirements of bladder system.	
Risk: Service strike during construction	Medium	Medium	Tru-Line Civil are using local maintenance contractor to mark out existing services prior to excavations.	

Risk/Issue	Magnitude	Likelihood	Mitigation
Risk: Scope creep	Medium	Medium	BDC Project Change Notice in audit by BDC
Risk: Information not issued to relevant parties	High	Medium	ERPRO design review #2 not issued to Engineer to contract. Lines of communication now agreed and documentation to be submitted to the PMO group.
Risk: PCN 02 Donovan St Alignment. Geotechnical failure risk to pipeline and properties below. Stormwater flows may worsen flooding to properties	High	Medium	Design statements supplied by Geotechnical Engineer that the works will not worsen the current slope stability.
Opportunity: PCN 04 Bladder proposal. Increase in resilience and reduction in maintenance.	Low	Medium	Maintenance requirements provide by TLC
Risk: PCN 05 Pressure reduction valve. Risk damage to reticulation system if crossover valves are opened and a link formed between the rising to reticulation.	High	Medium	Clarification gained from TLC and their designer that pressures cannot exceed current operating pressures if the cross over valve is opened.
Risk: PCN 06 Removal of balance tanks. Chlorination controls need a feed from pre and post HRT within close proximity of controls.	Medium	Medium	Confirmation sought from ERPRO that retention times are available to Donovan Street where a Telemetry analyser will send readings back the dosing equipment at the WTP
Risk: PCN 12 Direct Chlorine dosing of the reservoir. With the introduction of bladder, no provision for improved dosing available	High	Medium	Alternate backup dosing point to be provided at the WTP in case of primary dosing failure. Reticulation to reservoir highly resilient and sealed therefore reducing risk of recontamination.

Risk/Issue	Magnitude	Likelihood	Mitigation
Risk: PCN 13 Installation of earthquake valves. No proposed protection against the rising main	Medium	Medium	TLC designer intended to protect against failure in the reticulation system as new rising main is a robust pipe and unlikely risk to failure. BDC desire to add earthquake valve to rising main if the budget permits.
Risk: Reservoir works delayed until summer during peak demand	Medium	Medium	Confirmation regarding design acceptance to be given as quick as possible. TLC prepared to commit onsite resource mid-July.
Risk: network failures beyond the control of the works causes inability to meet demand during critical phases of changeovers etc.	High	Medium	Sequencing of changeovers thoroughly planned, and methodology presented by TLC to ensure critical changeovers do not compromise the network for extended periods of time. Reservoir to be near full when any works carrying risk of prolonged outage or accidental discharge are to be undertaken.
Failure of reservoir access track due to slope exposure or weakening during construction	High	High	TLC remains actively responsible for maintaining the access track to current condition and level of service throughout contract. Checks completed by the delivery team are ongoing. At completion of contract, TLC are to provide a statement via their Geotechnical Engineers that the access track is left in existing condition and not worsening the hillside stability.
Electronic componentry extensive lead time which may push the booster pump commissioning date beyond November	Medium	Medium	Order for componentry placed by subcontractor beginning of October. If booster pumps are not operational, system may be run with a minimum of existing capacity without the additional filters in the WTP. Continued leak remediation through reticulation increases system resilience
Overwork pumps when making up shortfall in water over changeover period	Low	Low	2 pumps available in Well. One shut down over the period of filling reservoir to offer redundancy with second pump. A third pump is located within Reefton for change out if required. Pumps not operated beyond their specified duty cycle.

## Redeployment Outcomes

The following table shows the number of people working to deliver the project in the current reporting period.

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - Full-time - Part-time - Contractor - Consultant
Reefton Water Supply Upgrade								
Buller District Council	1	0	1	0	0	0	1	Part Time
Tru-Line Civil	4	0	5	0	0	0	0	Contractor
Calibre Group	2	0	0	0	0	0	0	Consultant
ERPRO	0	0	0	0	0	0	0	Consultant
<b>Total</b>	<b>7</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	

The following table shows total current, past, and expected future jobs

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future Note Considering December only
10	3	7

## Communications

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

Project interfaces and interactions with key stakeholders ongoing.

Appendix 1

Kirstin McKee

Michael Duff  
 Thursday, 17 March 2022 3:02 pm  
 Deputy Mayor Sharon Roche; Mayor Jamie Cleime  
 Kirstin McKee; Krissy Trigg; Lisa Gregory; Rachel Townrow; Sharon Mason; Rod Fox  
 RE: Projects in Partnership Steering Committee Meeting - Post Governance Actions  
 RE: Projects in Partnership Steering Committee Meeting : BDC - Reefton Water Supply Upgrade Project - Risk Ops Register - 15-03-22 V1.xlsx

Hi Sharon,

Just following up from Monday's PIP meeting and thank you for raising financial queries regarding the 3 Waters projects considered worthy of a more detailed explanation, noting an overall comment that every case has its own context. However a common theme can be described as projects which were under-funded rather than over-spent (same bottom line, different root cause) and for a simple analogy "council approves \$10, the project spends \$10, however there is only \$9 available", just to highlight.

Reasons for this include resolutions not carrying through to annual plan, sunk costs to date not incorporated correctly into project lifecycle, programme delivery not verifying approved budgets, our systems and processes not clearly flagging issues early enough for intervention and so on. As some assurance, these are all known quality improvement opportunities SLT have in hand or in view to help prevent any reoccurrences.

Another learning we can take is future caution with external funding opportunities without due diligence (e.g. detailed planning phase), especially those type of projects where an "all in" commitment is needed e.g. terrace section trunk main, which can't be re-scope or compromised. This does present risk to ratepayers if things don't go well. There are known strategies to mitigate, including increased contingency, all of which can be considered at time of funding application.

With regard to the current 3 Waters projects reported, the following table provides details to explain the under-funding, with some corrections to Feb PSR included in below, and finance and infrastructure staff continue to work towards the most favourable mitigated result in all cases, and this will be included into next month's PSR.

Status - Summary as at February 2022		A	B	C = B - A	D	E	F = D + E	G = F - A	H = F - B	Explanatory Notes	Mitigated Result		
Programme	Project	Original Budget	Current Budget	Budget Difference	Actuals + Accruals	Estimate to Complete	Estimate at Completion	Variance to Original	Variance to Current				
Drinking Water	Westport Terrace 7301556015	\$1,070,980	\$887,500	-\$183,480	\$989,793	\$180,242	\$1,170,035	\$99,055	\$282,535	<ul style="list-style-type: none"> <li>Feb 2020:                             <ul style="list-style-type: none"> <li>Annual Plan provisioned \$393k</li> <li>Infrastructure proposed budget = \$1,070,980</li> <li>Extraordinary funding required (\$677,980) approved by Council</li> <li>DIA contribution = \$543,500</li> <li>Original shortfall = \$134,480</li> <li>DIA transfer to Punakaiki Trunk Main = \$49k approved by DIA/PIP</li> <li>Potential budget shortfall = \$183,480</li> </ul> </li> <li>Dec 2021:                             <ul style="list-style-type: none"> <li>Forecast estimate at completion (EAC) includes approved scope changes e.g. 200m extension and Gilles Creek pipe bridge integrity improvements</li> <li>Forecast variance is the difference between EAC and total approved budget</li> </ul> </li> </ul>			CCS/IS staff to complete
Reefton Upgrade	7311556009	\$1,600,000	\$1,440,000	-\$160,000	\$1,446,438	\$10,000	\$1,456,438	-\$143,562	\$16,438	<ul style="list-style-type: none"> <li>April 2020:                             <ul style="list-style-type: none"> <li>Annual Plan only provisioned \$20k + \$350k = \$370k</li> <li>Infrastructure sought approval for project estimated at \$1,285M</li> <li>Shortfall of \$915k plus further \$175k for Falling Main adopted by Council = \$1,09M</li> <li>Hence required project budget to proceed = \$1,46M</li> <li>Estimated costs to date (as at April 2020) = \$140k</li> <li>Hence total lifecycle budget required = \$1,60M</li> <li>Total approved budget in Annual Plan only \$1,44M (not including costs to date)</li> <li>Potential budget shortfall = \$160k</li> </ul> </li> <li>Feb 2020:                             <ul style="list-style-type: none"> <li>Project approved by Council to proceed based on \$1,44M new expenditure</li> </ul> </li> <li>Dec 2021:                             <ul style="list-style-type: none"> <li>Forecast estimate at completion (EAC) includes initial Chlorination work (noting it was since excluded from scope by Council resolution)</li> <li>Forecast variance is the difference between EAC and total approved budget</li> </ul> </li> </ul>			CCS/IS staff to complete

Punaikaiki Trunkmain	7371556015	\$536,500	\$585,500	\$49,000	\$559,855	\$44,201	\$604,056	\$67,556	\$18,556	<ul style="list-style-type: none"> <li><b>October 2020:</b> <ul style="list-style-type: none"> <li>Annual Plan only provisioned \$40k</li> <li>DIA contribution = \$496,500</li> <li>Transfer from Westport Terrace Section Trunk Main = \$49k</li> <li>Total approved budget = \$586,000</li> </ul> </li> <li><b>Dec 2021:</b> <ul style="list-style-type: none"> <li>Forecast estimate at completion (EAC) includes approved scope changes e.g. Early Works for future proofing (300m 63mm Rider Main ~\$60k completed before NZTA foot pathing)</li> <li>Forecast variance is the difference between EAC and total approved budget</li> </ul> </li> </ul>	CCS/IS staff to complete
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Jamie,

I also committed to following up with the project team on risk assessment for Reefion water, in particular Donovan St to which we can assure adequate controls are in place. We also see an improvement opportunity with the PSR template itself, which only requires an original assessment of consequence and likelihood plus a mitigation statement without: concluding resulting inherent risk, additional control measures and final residual risk (which must be moderate or low to be acceptable) as our normal process requires. Hence the full risk context isn't evident, only the original "red flags" and the committee may be left to wonder just how have the risks been resolved, which I believe was your overall point. Using the Donovan St example below:

From PSR format:

Risk: PCN 02 Donovan St Alignment. Geotechnical failure risk to pipeline and properties below. Stormwater flows may worsen flooding to properties

Medium

Design statements supplied by Geotechnical Engineer that the works will not worsen the current slope stability.

From actual Project Risk Register (copy attached):

008	Construction	Failure of residential access to the treatment plant, weakening during construction	Project Manager	BDC	Environmental	2	3	6	6	2	4	<p>TLC remains actively responsible for the project to current condition and level of service throughout contract. Checks completed by the delivery team are ongoing. At completion of contract, TLC are to provide a detailed report to the Project Manager. Engineer that the access track is left in existing condition and not worsening the hillside stability.</p>	<p>Improve drainage to access track to direct water away and leave in place concrete barriers at top of cut. Provide a detailed report for O&amp;M to complete ongoing maintenance and management along with improvements to the existing track side channel drainage. Improve and increase sizer of culvert under pipe highway to take additional flow from track.</p>
021	Construction	To utilise Donovan Street for lifting falling main access to the treatment plant	Project Manager	BDC / Design	Environmental	3	4	8	8	2	4	<p>Ensure geotechnical specialists engaged to assess pipeline route to ensure slope stability is not compromised beyond existing stability prior to construction works commencing</p>	<p>Ensure remediation of any outcrops including grassing and geotech reassessment and sign off. Improve existing access track, drainage</p>

So the risk has finally been rated a 4 (acceptable), and simply adding the additional columns to the PSR template will tell the story and an easy improvement for future reporting for PIP committee to consider.

Any questions to above, please let me know, otherwise propose Kirstin incorporates into minutes as addendum if you agree.

Regards  
Mike

-----Original Appointment-----

From: Kirstin McKee <kirstin.mckee@bdc.govt.nz>

Sent: Monday, 13 December 2021 4:45 pm

To: Kirstin McKee; Krissy Trigg; Lisa Gregory; Mayor Jamie Cleine; Michael Duff; Ned Tauwhare; Ned Tauwhare; Ned.Tauwhare@ngatiwaewae.org.nz; phil@dextera.co.nz; Rachel Townrow; Deputy Mayor Sharon Roche; Sharon Mason; Warren Gilbertson; John Selby; Bob Dickson; Rod Fox

Subject: Projects in Partnership Steering Committee Meeting

Table 5: Likelihood of Occurrence

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

Table 6: Risk Event Consequence

Risk Category	Low 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
<b>Financial / Economic</b>	Loss less than \$50,000.	Loss between \$50,000 to \$500,000.	Loss between \$500,000 and \$2.5m.	Loss between \$2.5m and \$5m.	Loss of over \$5m.
<b>Health and Safety</b>	No medical attention required / First Aid treatment.	Injury or illness requiring short-term treatment. Lost Time is less than 1 week.	Serious injury or illness requiring extended medical treatment. Lost Time is more than 1 week. Event notifiable to WorkSafe.	Injury or illness requiring major medical treatment. Lost Time is more than 30 days. Breach of H&S law resulting in prosecution and penalties.	Loss of life. Considerable medical and prosecution costs.
<b>Human Resources</b>	Isolated staff retention problems. Few significant skill gaps.	Loss of resources and skill sets. Some specialist skill gaps. Difficulties in recruiting into key positions.	Loss of skill sets across a Group. Specialist skill gaps. Inability to recruit into key positions.	Some key positions for extended periods. Major specialist skill gaps. Inability to recruit into key positions on an ongoing basis.	Large loss of resources and skill sets for extended periods. Major specialist skill gaps. Inability to recruit into key positions on an ongoing basis. BDC's management capability and delivery of basic services.
<b>Legal / Regulatory</b>	BDC sued or fined for less than \$50,000. Small or isolated breach of legislation, policy or contract(s), with investigation and minor changes to operations.	BDC sued or fined for between \$50,000 and \$500,000. Non-compliance with legislation, policy or contract(s) within a Unit. Regulatory action resulting in investigation, but no prosecution.	BDC sued or fined for between \$500,000 and \$2.5m. Non-compliance with legislation, policy or contract(s) within more than one Unit. Regulatory action resulting in investigation and prosecution, but no conviction.	BDC sued or fined for between \$2.5m and \$5m. Widespread non-compliance with legislation, policy or contract(s). Regulatory action resulting in moderate investigation and prosecution.	BDC sued or fined for more than \$5m. Systematic legislative non-compliance. Regulatory action resulting in major prosecution and conviction. Judicial review of a BDC's decision leading to funding / rates.
<b>Reputational / Stakeholder Engagement / Political</b>	Negative feedback from individuals or small groups in the community. No significant adverse comment or media coverage. Letter(s) to BDC.	Loss of confidence among sections of the community / single stakeholder sector. Dissatisfaction. Negative comment in local media (not from page coverage). Letter(s) to CE. Complaints to Councillors.	Manageable loss in community confidence / 2-3 stakeholder sectors. Dissatisfaction. Negative comment in local media (not from page coverage). Letter(s) to CE. Complaints to Councillors.	Large loss in community confidence that will take significant time to remedy. Negative comment in local media (not from page coverage). Negative coverage in national media for 2-3 days.	Extreme dissatisfaction and loss of confidence by public/stakeholders. Adverse comment in local media (not from page coverage). Negative coverage in national media for more than 3 days.

Table 6: Risk Event Consequence

Risk Category	Low 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
<b>Operations and Service Delivery</b>	Minimal loss of operational capability or negative disruption to Service Levels.	Loss of operational capability in some areas and some disruption to Service Levels.	Serious loss of operational capability for over a week and moderate disruption to Service Levels.	Serious loss of operational capability for over 4 weeks and major disruption to Service Levels.	Serious loss of operational capability for over 4 weeks and major disruption to Service Levels.
<b>Environmental</b>	Little or no damage to the environment (no damage or contamination). Unlikely to cause public complaint.	Short-term / minor contained and reversible impact on the environment. Some public complaints possible.	Medium-term / serious damage of local importance with possible regulatory intervention.	Long-term / serious damage of regional importance. Strong regulatory response with legal action.	Widespread / permanent / serious damage of national importance. Strong regulatory response with ongoing remediation and monitoring with regulatory intervention.
<b>Information Technology / Management</b>	Isolated internal breach of IT security, affecting a single application / system. No loss of data and/or key information. Isolated IT equipment failure.	Repeated internal security breaches affecting a single IT application / system. Temporary loss of data and/or key information. Technical performance issues affecting a key service. Failure across one Unit.	Multiple internal security breaches affecting a single IT application / system. Prolonged loss of data and/or key information. Technical performance issues affecting a key service. Failure across more than one Unit.	Security breaches affecting more than one IT application / system. Permanent loss of data and/or key information. Technical performance issues affecting a key service for an extended period. Failure across more than one Group.	Security breaches affecting multiple IT applications / systems. Permanent loss of data and/or key information, theft of data by external parties. Loss of IT infrastructure for an extended period.

Project Status Report – Waimangaroa Water Supply Upgrade – February 2022	
Programme/Project Details	
<b>Location and Region:</b>	Waimangaroa Water Supply Upgrade, West Coast
<b>Project Budget:</b>	Current revised budget approved by Council \$1.95M as at 30 Aug 2021 + Existing Costs. Total Budget of \$2.3M
<b>Reporting Period:</b>	For the month ending 28 <sup>th</sup> February 22
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	ERPRO, Terra Forma, Colls Surveying, Stantec - ECI – Raw Water Main- West Reef Services Ltd, W2, WSP Opus
<b>Project Manager:</b>	David Chung, Calibre Group – Project Manager
<b>Programme Outcomes:</b>	Upgrade the existing raw water supply and install a water treatment plant to improve resilience and water quality

## Project Status Report – Waimangaroa Water Supply Upgrade – February 2022



Project Overview/traffic Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)		
Aspect	Status	Comments
<b>Overall:</b>	A	The project is in its delivery readiness phase. Tender awarded to WestReef Services Ltd for the Raw Water Component that encompasses Alternative C Value Engineered Option reduced budget of \$400K. WTP Request for Tender in the open market closed on the 18 November 201. Tender evaluation has been completed and draft tender Evaluation report issued to Council staff for review. CAP funding application is no longer available with the Council's decision to go with the value engineered Alternative C. Resource Consent application for raw water components submitted, and anticipating approval by end of March 22
<b>Budget:</b>	R	Council Funded. Budget approved by the Council at the meeting on the 25 <sup>th</sup> of August March 2021 confirmed an approved total project inclusive of sunk costs to date up of \$2.3M. Going forward from the 31 Aug 21 there is \$1.95M allocated and is comprised of a \$450k allowance (contingency) for estimate and event risk. \$400k will be invested into the most critical elements of the raw water system, and up to \$900k has been budgeted for the WTP. The balance of \$200k is allocated for project delivery. Currently no Council approval to change budget and awaiting Council's decision on the recommendations in the Tender Evaluation report for the WTP & Storage Contract.
<b>Scope:</b>	G	Waimangaroa Water Supply Conns Creek Upgrade - Raw water scope confirmed, and WSP have submitted the Resource Consent application. Total max value of the of raw water components to enable of raw water scope to meet current budget of \$422K (includes a contract contingency) has been agreed with WRSL. WTP tender has been evaluated and now awaiting Council response to tender evaluation report. Until we get a direction from Council the resource consent application for this 2 <sup>nd</sup> phase of the project cannot get underway, since it will be dependent on the preferred tenderers concept design.
<b>Resource:</b>	G	David Chung (Calibre) Project Manager. ERPRO & Stantec (process engineers), Terra Forma (geotechnical), Colls (surveying) West Reef Services ECI Contractor, W2 Subconsultant to WRSL, WSP Opus (Planning Consultants for consenting)
<b>Schedule:</b>	G	Draft BDC project timeline supplied and updated to reflect consenting on critical path and WTP potential delivery.
<b>Risks / Issues:</b>	A	Risk & opportunities register updated, and currently main risk is lack of extensive water quality data that affects the quality of the tenders for the WTP and extensive tender tags. Current market is also very tight so there may only be limited number of tenders received for this contract If WTP tenders exceed \$900K approved allocation so Council will need to decide what to do with the project and whether to proceed Waimangaroa Community Stakeholder unhappy with the process and costs to date Recent flooding to Conns Creek Road (DOC administered) has caused extensive damage to the existing pipeline reticulation within the road, until these pipes and road can be repaired properly the current temporary fixes implemented greatly reduce the resilience of the network. WRSL the Contractor for the Raw Water contract said until the road is repaired it will affect their current construction methodology, and will be claiming an Extension of time for delays caused by Adverse weather conditions

<b>State of Play</b>	
<b>Last Month's February 2022</b>	<b>Next Month March 2022</b>
<ul style="list-style-type: none"> <li>• Commence any raw water site works as a permitted activity under regional plan that does not require a resource consent</li> <li>• Finalize raw water design components, and order materials</li> <li>• Council decision on WTP Tender Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize project scope based on the outcome of the Council meeting and their decision on the WTP &amp; Storage contract</li> <li>• Receipt of approved Resource consent for the raw water activities</li> <li>•</li> </ul>

**Project Road Map/Schedule Update as of 26 Jan 22**

Project task	Aug 21	Sept 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	Jun 22	Jul 22	Aug 22	Sept 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Comments	
Due Diligence and Site Investigation.																				
ECI Raw Water Contract and Develop Detailed Design																				Validation Workshop held on 22 Mar 21 3No. Additional Tender Even mtgs held with ECI WRSL to confirm award
Council Approval		◆																		Date - 26 August 2021
Resource Consenting																				Commence work for RC application in April, reliant on conformation of methodology land disturbance as part of application . High Heritage value sand conservation area
Procurement of WTP																				WTP tender closes in November / Award Jan '22
Council Approval of WTP & Storage								◆												
Construction Raw Water																				Reliant on Resource Consent approved & remediation of Conns Creek Road
Construction WTP & Resource Consent																				Reliant on Council direction to award WTP tender & Resource Consent approvals
Commissioning																				
Closeout																				Feb 2023

Milestones						
Milestone	Baseline Date	Actual / Anticipated Date	% Complete	Comments		
1. Planning and initial site investigations		25 Jan 2021	100%	Site Investigation and Concept design almost complete – summary report being produced for Council		
2. Application for CAP funding \$400K	26 March 2021	22 April 201	100%	A funding application to the Ministry of Health Capital Assistance Programme (CAP) of \$400,000 that was previously approved has now lapsed and will require re-application to re-secure this additional funding		
3. Design Workshop / Validation	26 Feb 2021	08 March 2021 & 22 March 2021	100%	Workshop with Early Contractor Involvement, Raw Water Indicative Date Only		
4. Full Concept scheme design approval	21 May 2021	22 March 2021	100%	Now Changed based on Council Resolution 26 Aug 2021		
5. Procurement of raw water ECI contract	12 May 2021		100%	Dependent on Council resolution of 26 Aug 2021 acceptance and due diligence with WRSLS.		
6. Raw water final design approval	Dec 2021	Feb 2022	80%	Indicative Date Only		
7. Start Construction work- Raw water contract	Feb 2021	Nov 2021	10%	Indicative Date Only		
8. Complete Raw Water Contract		June 2022		Indicative Date Only		
9. Commence Procurement – WTP	August 2021	September 2021	100%	Indicative Date Only		
10. Start Construction work- WTP contract	March 2022			Indicative Date Only		
11. Complete construction	June 2022- July 2022	Feb 2023		Indicative Date Only Dependent on Tenders Received		
12. Project closeout - Commissioning and Testing	July 2022	Feb 2023		Indicative Date Only		

<b>Financials</b>						
A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.						
<b>Programme/Project Item</b>	<b>Indicative Budget</b>	<b>Actual Spend to 28 Feb inclusive of accruals</b>	<b>Estimated Forecast cost to complete</b>	<b>Estimated Project Variance</b>	<b>Commentary</b>	
Conns Creek WS Upgrade WTP & Storage & Rising/ Falling Mains Alternative C (Value Engineered)	\$900,000		\$2,500,000	\$1,600,000	This budget is very dependent on the final tender price accepted by Council, as the Open Market Tender Price could be quite different to the Council approved budget of \$900K	
Conns Creek WS Upgrade Raw Water Component Alternative C (Value Engineered )	\$420,000	\$12,000	\$408,000			
Project Delivery	\$550,000	\$495,400	\$240,000	\$185,300	Contract Timeframes for the WTP construction completion could extend to end Dec 2022 – Feb 2023, which is 6 – 8 months more than originally programmed. Additional consenting costs for separate WTP resource consent.	
Contingency – Estimate & Event Risk	\$430,000					
<b>Total</b>	<b>\$2,300,000</b>	<b>\$507,400</b>	<b>\$3,148,000</b>	<b>\$1,785,300</b>		

<b>Risks/Issues/Opportunities</b>			
<b>Key risks and/or issues arising are detailed below for Alternative C Value Engineered</b>			
<b>Risk/Issue</b>	<b>Magnitude</b>	<b>Likelihood</b>	<b>Mitigation</b>
Risk: Budget - WTP	High	medium	Actual Tenders for WTP & Storage & Rising and Falling mains exceeds the \$900K budget approved. Construction of Scheme might need to be staged, elements removed.
Issue: Insufficient quantity of Water Sampling data issued as part of WTP RFT , so risk of tenders being too high or too low or not appropriate for the water quality	medium	medium	Ensure robust RFT to ensure Tenderers provide as much detail on their proposed designs and limitations. Have a well detailed tender valuation plan and ensure water specialist (Stantec) is available to assist in the evaluation of the technical aspects of the tender submissions.
Risk: Slips/Debris blocking intake	medium	medium	Relocate intake to new location assessed by the Geotechnical consultant. Provide some protection to intake but allow for easy repair in lieu of a concrete structure
Risk: Local Slips effecting Pipe route resilience	High	medium	Major flood damage to Conns Creek Road Repair has occurred, and this needs urgent repair and planning to safeguard the pipe against future events. Assessment of the existing reticulation and new intake site is important to ascertain future risk of damage from another major storm event. Provision of access track under Value engineered option will enable easier access to the existing pipeline for urgent repairs
Risk: Community opposed Acceptance of proposed upgrade work	High	Medium	Council to provide transparent messaging to differentiate the work from negative aspects such as local rates increase. Community newsletter and Council Communications team to provide messaging.
Risk: Cost Estimate too low	medium	medium	The cost estimates for the Council approved budget have a \$50K contingency inbuilt into the overall budget to cover estimate and event risks. RFT for WTP allows them to flexibility in their tenders to propose their solutions to meet the end treatment targets, that could reduce final treatment capital costs.
Risk: Public Awareness / Consultation	medium	medium	Have robust stakeholder, communication & consultation plans and ensure that it is implemented and updated as required. Carry out regular contact with the Waimangaroa community
Risk: Timing of Work - Fish Passage	low	low	Consideration given to NZ Fish Passage Guidelines and timing for working in streams. Main intake works are minor so much less impact to fish passage
Risk: Resource Consenting	medium	Medium	Timeframes for consent preparation and evaluation by WCRC to be factored into programme. Currently part of the areas in Conservation land administered by DOC where the existing pipeline is located has and has major historical significance to Heritage NZ and DOC. Revised scope has a lot less disturbance so should make consenting easier
Opportunity – Look at Suitable Alternative Intake Supply during works- No Name Creek	low	low	Plan for Alternative Intake Supply- No Name creek as a secondary source. Get WCRC to approve an additional water take from this source to act as back up to primary intake. Currently due to collapse of Primary intake this second source is being used to supply Waimangaroa.

Redeployment Outcomes										
The following table shows the number of people working to deliver the project in the current reporting period.										
Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - Full-time - Part-time - Contractor - Consultant		
Waimangaroa Water Supply Upgrade										
Buller District Council	2	0	2	0	0	0	1	Full Time		
Contractor	3	0	3	0	0	0	1	Consultant		
Calibre Group	1	0	0	0	0	0	0	Consultant		
WSP OPUS	2	0	0	0	0	0	1	Consultant		
Richard Nichol Ecology	1	0	1	0	0	0	0	Consultant		
Stantec	2	0	0	0	0	0	1	Consultant		
<b>Total</b>	<b>11</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>			
The following table shows total current, past, and expected future jobs										
Current Jobs	No. of people previously but no longer employed on the project		Expected jobs in the future							
11	2	5								
An update on media, marketing, and communication activity for the programme/project										
BDC (Eric De Boer) to maintain contact with Matt Creedon who is the contact for Waimangaroa CSG.										

**FINANCE RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 10**

**Prepared by** Rod Fox  
General Manager Commercial & Corporate Services

**Reviewed by** Sharon Mason  
Chief Executive Officer

Rachel Townrow  
Deputy Chief Executive Officer

**Financial Impact of Flooding Events for Buller District Council**

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**1. REPORT SUMMARY**

This report provides a summary of the known financial impact of the two flood events for Buller District Council to date. It identifies two unavoidable costs which are unlikely to be met by external funders or any alternative funding source.

**2. DRAFT RECOMMENDATION**

**That:**

**a) Finance Risk & Audit Committee receives the report for information**

**3 FINANCIAL IMPACTS OF TWO FLOOD EVENTS**

**3.1 July 2021 Flood**

Buller District Council has worked with the National Emergency Management Agency (NEMA), Waka Kotahi and Department of Internal Affairs (DIA) to obtain funding assistance towards the costs of response and recovery for the July 2021 flood event that would otherwise fall to Council. This work is still ongoing.

Council has recently been informed of two costs that it cannot obtain external funding assistance for: \$174k, being the Council threshold contribution to infrastructure repair costs, and \$214k, being the Council share for local road network repair costs not funded by Waka Kotahi.

**3.1.1 Buller District Council Threshold (\$174k)**

Under NEMA's existing policy they will provide 60% of the cost of eligible repairs to council-owned infrastructure following an emergency event, after

that cost has exceeded a council's threshold. The threshold is calculated as a percentage value of the capital value of the rating district. Council's threshold is \$173,850. This means that, under existing policy, Council has to meet the first \$173,850 worth of infrastructure repair costs then NEMA would meet 60% of the remaining costs.

Based on early discussions Council had anticipated being able to include the threshold amount as part of the request for extraordinary funding from Central Government, but have just been informed this is not allowable.

Council staff have considered revising the Council budgets and meeting the \$174k costs from the business-as-usual budgets, but this practically cannot be achieved. As council has not rated for this, the result creates a permanent negative unplanned reduction in Council cash reserves unless a provision to fund the Council contribution is made.

### 3.1.2 Staff Submission to Annual Plan with recommendation to provide for an Emergency Fund

The Annual Plan is in draft in readiness for the draft to be adopted for consultation soon. The \$174k requirement is not included in the draft Annual Plan because it was not known at the time of formulating the budget. Staff will bring forward a submission to the Annual Plan to make a recommendation about how the \$174k can be provided for. This will include a proposal to create an "Emergency Reserve" so that funds are quietly built up over a series of years to make a provision for this cost, and for any future costs for similar events. This would require a small rate increase, but would benefit ratepayers by giving certainty. It would also provide a prudent and considered approach to managing the Council finances in line with the financial strategy. (Refer also next sections of this report 3.2)

### 3.1.3 \$214k being the Council share for the local road network, not funded by Waka Kotahi

Under their existing policy, Waka Kotahi has agreed to co-fund a significant portion of the roading repair programme. The share of the programme not funded by Waka Kotahi is \$213,218.

As with the threshold, based on early discussions it was anticipated that this amount could also be included in a request for extraordinary funding assistance. Recent advice has confirmed that this is not the case.

Council staff have considered revising the Council budgets and meeting the \$214k roading costs from the business-as-usual budgets. This practically cannot be achieved because the scheduled roading works programme needs to continue as planned.

It is not as simple as cutting \$214k of work from the roading programme because the emergency flood work is co-funded 72% and 92% by Waka Kotahi

and the remainder by Council. This means, to save \$214k for Council, a total of \$1.45m of work would not be completed, and this would leave \$1.24m of Waka Kotahi funding “on the table”. Another layer of complexity is that the co-funding applies to every dollar spent, so in order to save between one Council dollar up to \$214k, then NONE of the local road reinstatement projects could be completed because of this co-funding arrangement.

As Council has not rated for this shortfall, the result creates a permanent unplanned reduction in Council cash reserves with associated flow on effects.

### **3.2 February 2021 Flood**

Buller District Council is also working with NEMA, Waka Kotahi and DIA to obtain funding assistance for the costs of response and recovery for the February 2022 flood events. This work is still ongoing. The estimated cost of the whole of response and recovery phase may be up to ~\$40m.

As for the July events, the following two costs cannot attract extraordinary financial assistance:

#### **3.2.1 Contribution to Reinstatement of Local Road**

It is not yet known what contribution of the emergency works for the local road network might be required from Buller District Council as this information is not yet confirmed. However, Council is applying under special rules for this work to be 100% funded. Any amount not funded by NZTA will have the same impact as noted above for the July event.

#### **3.2.2 Buller District Council Threshold (\$174k)**

Some damage from the February flood event may be deemed a separate emergency event under existing NEMA policy, and if it is Council must meet the first \$174k of eligible infrastructure repair costs. Further work to confirm this is underway. As discussed above, this will be brought to Council as a staff submission to the Annual Plan to confirm the treatment of a special reserve.

**FINANCE RISK AND AUDIT COMMITTEE / BULLER DISTRICT COUNCIL**

**23 MARCH 2022**

**AGENDA ITEM 11**

**Prepared by** Rod Fox  
General Manager Commercial & Corporate Services

**Reviewed by** Sharon Mason  
Chief Executive Officer

Rachel Townrow  
Deputy Chief Executive Officer

**Financial Impact of Flooding Events for Buller District Council**

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**1. REPORT SUMMARY**

This report provides a summary of the known financial impact of the two flood events for Buller District Council to date. It identifies two unavoidable costs which are unlikely to be met by external funders or any alternative funding source.

The report also addresses the timing difference between when flood recovery costs are due to be paid and when external funding is received to pay for those costs. This timing difference cannot be bridged using existing Council cash and a request to approve an extraordinary short-term loan facility to bridge the gap is required.

**2. DRAFT RECOMMENDATION**

**That:**

- 1. Council confirms an extraordinary loan facility for up to \$7m (seven million dollars) is permitted to be drawn down. Use of this facility is only for the purpose of paying flood recovery costs and is only to be used as a short term measure to bridge the funding gap between when costs are paid and when external grant funding is received.**

**3 REQUIREMENTS FOR SHORT TERM BORROWINGS**

There is a timing difference between when flood recovery costs are due to be paid and when external funding is received to pay for those costs. This timing difference cannot be bridged using existing Council cash and a request to approve an extraordinary short-term loan facility to bridge the gap is required.

NEMA policy and process requires Council to pay in advance and then seek reimbursement for costs. This agency covers 60% of eligible costs. Other government funding agencies meet the remainder 40% and are subject to timing delays as papers requesting funding go to cabinet for approval, and this process takes time. Cash reserves that are held from each quarterly rates strike are required for business as usual operations, so it is not possible for Council to bridge the gap with these funds.

There is a cash shortfall due to a difference between the timing of funding being received and when costs need to be paid for. This is expected to impact Council over the next 24 months or so. Council has asked to receive a \$500k advance on claims from our London insurers but otherwise, there is little funding in advance available

There is therefore a requirement for a short term borrowing facility to be established to meet the flood costs until such time external funding is provided.

It is requested Council endorse an extraordinary loan facility for up to \$7m (seven million dollars) on the express instruction that this facility is only for the purpose of paying for flood recovery costs. Further, it is only to be used as a short term measure to bridge the funding gap between when costs are paid and when external grant funding is received.

### 3.1.1 Risks

There is some risk with establishing this line of credit, in that costs can be paid and that external funders then do not approve their portion of the funding.

NEMA has a very rigid claims process which is for reimbursement of eligible costs. Council has to incur the eligible costs and provide clear documentation with invoices and narrative which will be analysed by the NEMA financial assurance team prior to approval. NEMA will not deviate from this process as this is Government Policy for the Agency.

This risk is mitigated by the following actions:

- Confirmation that an infrastructure project meets the criteria as set in the government policy to be eligible for 60% funding shall be confirmed in writing from NEMA prior to costs and work being commenced
- Confirmation that government funding is approved shall be confirmed in writing from other government funding agencies prior to costs and work being commenced
- A dedicated accounting staff resource for flood recovery shall be in place over the time the expenditure is incurred to monitor and report on the cashflows and debt position

### 3.1.2 Costs of Credit

It is estimated Council can obtain a line of credit for a fixed fee of 0.3% (cost \$3,000 (three thousand) per one million of borrowings). If this facility is drawn down, then a further 2.7% interest would be charged at current rates on the daily balance. As interest rates are predicted to increase, the interest cost would increase over time as this is a floating interest rate pegged to the 90 day bill rate, and fixed interest is not available for short term variable debt levels.

## 4. CONSIDERATIONS

### 4.1 Strategic impact

It is important that Council retains suitable cash holdings and credit facilities to ensure its activities and capital projects are able to be funded in a timely and affordable manner.

### 4.2 Significance assessment

The significance policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of council. The short term debt requirement is only for a short term period, and as this debt is not term debt which increases the permanent borrowings then it is not significant and would not trigger an LTP amendment.

### 4.3 Values assessment

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

Treasury management functions and reporting align most strongly with the values of Future Focussed and Integrity.

Consideration of current and future cash requirements and intergenerational equity are required when managing cash deposits and credit facilities.

Public reporting of requirement to fund the flood recovery through short-term borrowings encourages open and honest discussion and decision making.

### 4.4 Risk analysis

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

Cash flow management is an integral part of ensuring Council is able to deliver the services and projects it has committed to in successive Long Term and Annual Plans, as well as after unplanned events such as the floods.

This risk is mitigated by establishing policies and procedures, engaging staff to manage the projects in advance and get overt approval for funding them, as

well as monitoring borrowings and regular reporting to Council to ensure high level oversight.

#### **4.5 Policy / legal considerations**

Council's Treasury Management Policy governs the management of cash assets and borrowings.

The policy is in place to ensure long term financial stability of Council, ensure that BDC has an ongoing ability to meet its debts in an orderly manner and to manage the overall cash position of Council's operations.

The key metrics of the policy are that:

1. Council approves the borrowing limits in the Long Term Plan (currently net debt is allowed to be up to \$25m).  
*Short term debt is temporary and will not permanently increase debt of Council therefore this is a timing difference only and not a significant variation to the Long Term Plan which would require an LTP amendment.*
2. The fixed/floating interest rate ratio for short term debt between 0-2 years is to have minimum fixed rates at 50% and maximum fixed rates at 100%  
*Council currently has \$33.2m in term debt offset by term deposits and cash at call leaving ~ \$11m net debt. If the debt facility is increased to \$40m, the total amount of fixed and floating interest portion will be close to 50% because interest rate swaps of \$20m are held.*
3. The gross interest expense of all borrowings will not exceed 15% of total annual revenues  
*Total Annual Revenue of Council is estimated to be \$35.2 and \$33.6m for the next two financial years 2022/2023 and 2023/2024 as set out in the Long Term Plan. Gross interest expense would not exceed 15% of this income (which excludes extraordinary flood recovery income grants that will be received).*
4. Debt to total income ratio of not more than 2.5 times  
*If Total Debt were at the maximum of \$40m at any one time this would not breach this ratio.*

#### **4.6 Tangata whenua considerations**

None identified.

#### **4.7 Views of those affected**

Council's financial strategies, investment levels and borrowing projections are included in the Long Term Plan and Annual Plan consultation processes.

#### **4.8 Costs**

Costs relating to lines of credit and additional interest expense are to be met by the government funding agencies.

#### **4.9 Benefits**

The benefits of securing lines of credit and credit management include risk minimisation, prudent cash management and long term financial stability.

**4.10 Media / publicity**  
None identified

**4.11 High level calculations**

Buller District Council		Term of Project	Estimate for value and timing of costs as of 17 March 2022				
Summary of Peak Cash Requirements							
			\$'000 Total Estimate	Mar-22	Apr-22	May-22	Jun-22
<b>Infrastructure</b>							
Roading	24 mths		\$12,000	\$500	\$500	\$500	\$685
Water Supplies	3mths urgent	12 mths balance	\$7,403	\$610	\$610	\$610	\$610
Solid Waste	2mths urgent	6 mths balance	\$1,275	\$305	\$305	\$165	\$165
Rapid Assessments of various infrastructure	3 mths		\$900	\$300	\$300	\$300	\$0
<b>Emergency Operations Centre</b>	Due now		\$500	\$300	\$200	\$0	\$0
				<b>\$2,015</b>	<b>\$1,915</b>	<b>\$1,575</b>	<b>\$1,460</b>
Total predicted expenditure up to June 2022. (External funding is expected to be received in June/July 2022)				<b>\$6,965</b>			

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 12**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**AUDIT MANAGEMENT ACTION POINTS**

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The Audit Management Letter has just been received from Audit New Zealand and is currently being reviewed.

This information will be brought to the Finance, Risk and Audit Committee or Council as soon as the review is completed.

**1. DRAFT RECOMMENDATION**

**That the Finance, Risk and Audit Committee receive the existing Audit Management Action Point for information.**

**AUDIT NZ - MANAGEMENT ACTION POINTS**

Priority	Explanation
Urgent	Needs to be addressed <i>urgently</i> These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	Address at the earliest reasonable opportunity, <i>generally within six months</i> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	Address, <i>generally within six to 12 months</i> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

**Status of previous recommendations**

Set out below is a summary of the action taken against previous recommendations.

Priority	Priority			Total
	Urgent	Necessary	Beneficial	
Open	0	6	0	6
Implemented or closed	0	2	0	2
Total	0	8	0	8

**OPEN RECOMMENDATIONS**

Recommendation	First raised	Responsible	Management comment	Status	Planned completion
<b>Necessary</b>					
<b>Rates review</b>					
Wholesale changes are needed in rates as there are antiquated differentials and many fixed amount targeted rates.	2013/2014 audit	Group Manager Commercial and Corporate Services	Council consulted during January/February 2021. The proposal was not adopted by Council. The rating database is to be reviewed. A report will be presented to Council in February 2022 to determine a direction forward.	In progress Public have been consulted regarding proposed rate changes but these have not been agreed upon. An audit of our rating is being undertaken and a report, with recommendations, will be presented to Council on completion.	June 2022
<b>PAYE and WHT tax compliance</b>					
The Council should seek to address the recommendations raised by PwC at the earliest opportunity.	2018/2019 final audit	Group Manager Commercial and Corporate Services	Management has already implemented major recommendations from the advice provided based on risk. There are 2 recommendations still to be implemented.	In progress PwC raised 42 findings in their report for the District Council to consider. 40 of these have been completed and resolved and 2 are outstanding. There are no high-risk findings yet to be addressed.	December 2021
<b>Performance measures</b>					
We made several recommendations to enhance the performance reporting of the District Council and reduce rework.  We made the following recommendations for enhancements to the performance reporting of the District Council and to reduce the amount of rework required in preparing the annual report: Usefulness and wording of measures Where performance is "achieved" and "not achieved", consider providing additional information helpful to the reader to provide context for significant variances. Detail of the	2018/2019 final audit	Group Manager Commercial and Corporate Services	Management will continue to improve quality assurance processes and will include management review of key performance measures reporting on Council activities. KPI's have been reviewed as part of the LTP process.  Management has imbedded a practice of upwards review of the end-of-year performance information.	In progress Enhancements currently being made to fiscal reporting to show greater details and more frequently.	December 2021

Recommendation	First raised	Responsible	Management comment	Status	Planned completion
Necessary					
<p>District Council's actions on how to resolve "not achieved" targets would also be beneficial.</p> <ul style="list-style-type: none"> <li>Ensure the reported result is aligned with the target and the measure.</li> <li>Review the wording of measures to ensure they are understandable by the reader and add in any explanatory information via a footnote to clarify if required.</li> </ul> <p>Other observations</p> <ul style="list-style-type: none"> <li>We encourage management to imbed a practice of upwards review of the year-end performance information. This will ensure discrepancies such as incorrect traffic light colours and other minor errors are identified and corrected early.</li> </ul> <p>Setting of targets</p> <ul style="list-style-type: none"> <li>Review the targets to ensure they include realistic stretch;</li> <li>Review the targets to ensure they are measurable, specific and are aligned with the measure; and</li> <li>Once the target is set, ensure there are processes in place to measure the performance. We identified that some established targets were not measurable by the District Council.</li> </ul>					

Recommendation	First raised	Responsible	Management comment	Status	Planned completion
<b>Necessary</b>					
<b>Reconciliations between the general ledger and asset management systems</b>					
We recommend that the asset management systems are reconciled to the general ledger more regularly (at least quarterly).	2019/2020 interim audit	Group Manager Infrastructure Services	Noted.	Pending A reconciliation between the general ledger and asset management system was prepared at year-end. We will follow up on the implementation of quarterly reconciliations at our next interim audit visit.	TBA
<b>Breach of Treasury Management policy</b>					
We recommend that Council should ensure that it is compliant with its Treasury Management policy either by updating the policy or by ensuring its borrowings are in line with the limits in the Treasury Management policy.	30 June 2020 final audit	Group Manager Commercial and Corporate Services	Council has prudently managed debt so that savings are made. Holdings lines of credit which are not required increases the cost to Council. The risk is low because Council can access the facilities when they are needed, and it has sufficient cash reserves.  In these times of low interest rates the refinancing limit of 40% is not seen as important. Again, the best approach has been used to minimise the cost of finance for Council.  These parts of the policy will be an area of focus when this policy is next at scheduled review.	Pending Due for review in February 2022.	June 2022

Recommendation	First raised	Responsible	Management comment	Status	Planned completion
Necessary					
Evidence of year-end review of journals					
We recommend that the Management Accountant's review of the year-end journals should be evidenced.	30 June 2020 final audit	Group Manager Commercial and Corporate Services	All journals are peer reviewed and this is evidenced on the journals which are stored in hard copy with the supporting evidence for each journal. There is an additional end of year online review completed in spreadsheets which is done as a quality assurance step for the end of year accounts. Council is happy to add the reviewer name and date to this spreadsheet.	Pending Review will be completed when 30 June 2021 end of year results are finalised.	October 2021

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 13**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**COMMERCIAL AND CORPORATE SERVICES WORK PLAN**

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**1. DRAFT RECOMMENDATION**

**That the Finance, Risk and Audit Committee receive the Commercial and Corporate Services Work Plan for information.**

**WORK PLAN**  
- Commercial and Corporate Services

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
<b>FRAC Reports</b>												
- BDC Quarterly Financials		Quarterly			Half yearly BDC & WAA			Three quarterly				
- BDC Operational												
- BDC Treasury												
- BDC Debtors												
- BDC Capital												
- BHL Quarterly Financials		Quarterly			Half yearly			Three quarterly				
- Risk Register and Report					Quarterly		Quarterly			Quarterly		
- Health and Safety Report					Quarterly		Quarterly			Quarterly		
- Budget Carry Overs		2021 Carry overs										
- CCO Statements of Intent			Letter of expectation		Draft				Final			

<b>Flood Recovery</b>												
Flood Recovery monthly financials												
					Flood Recovery deferred to March							

<b>2022/2023 Annual Plan</b>												
- Annual Plan	Strategic Planning for Annual Plan	Workshop, budgets templates open	complete budgets, workshop	Workshop, including BHL inputs to AP	Final review of draft estimates, budget result workshop Council		Adopt Draft Annual Plan and Consultation Documents. Submissions open, community consultation	Submissions close	Hearings & Deliberations Adopt Annual Plan			

<b>2020/2021 Annual Report</b>												
- BDC Annual Report	Preparation of Annual Report	Final Audit	Adopt and publish Annual Report						Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report
- BHL Annual Report			Receive CCO Annual Report's									

<b>Rating Policy Review</b>												
- Rating Policy Review	Under Review	Review database and workshop	Under Review	Under Review	Under Review	Paper to Council	Under Review					

<b>Other Operating Projects</b>												
- Insurance			Under Review	Under Review	Finalise			Under Review		Under Review	Workshop	Valuation complete
- Abandoned Land	Under Review				Under Review							

**FINANCE, RISK AND AUDIT COMMITTEE**

**23 MARCH 2022**

**AGENDA ITEM 14**

**Prepared by** Rod Fox  
Group Manager Commercial & Corporate Services

**PUBLIC EXCLUDED**

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**1. REPORT SUMMARY**

Subject to the Local Government Official Information and Meetings Act 1987 S48(1) right of Local Authority to exclude public from proceedings of any meeting on the grounds that:

**2. DRAFT RECOMMENDATION**

**That the public be excluded from the following parts of the proceedings of this meeting**

<b>Item No.</b>	<b>Minutes/Report of:</b>	<b>General subject</b>	<b>Reason for passing resolution Section 7 LGOIMA 1987</b>
<b>16</b>	Rod Fox (Group Manager Commercial & Corporate Services)	Rating Policy Review – Angela Oosthuizen	<b>Section 7(2)(f)(i) -</b> the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom <a href="#">section 2(5)</a> applies, in the course of their duty