

AGENDA

Meeting of the **Risk and Audit Committee**

Commencing at 3:30pm
Wednesday 18 June 2025

To be held at the
Clocktower Chambers
Palmerston Street
Westport



CORE COUNCILLOR ROLE AND RESPONSIBILITIES

The Governance role entails:

- Strategic planning and decision-making;
- Policy and strategy review;
- Community leadership and engagement, and stewardship;
- Setting appropriate levels of service;
- Maintaining a financially sustainable organisation; and
- Oversight/scrutiny of Council's performance as one team.

The governance role focusses on the big picture of 'steering the boat' - management's role focusses on 'rowing the boat'

Our commitments to best support each other and meet the challenges and opportunities of 2025 include:

CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

Actively listening and not interrupting;

Remaining conscious of 'tone', body language, and amount of time speaking (allowing time for others);

Responding/answering in a timely manner; and

Being honest, reasonable, and transparent.

TRUST AND RESPECT

We recognise that trust and respect must be earned and that a team without trust isn't really a team. Trust can be built by:

Valuing long-term relationships; being honest; honouring commitments; admitting when you're wrong; communicating effectively; being transparent; standing up for what's right; showing people that you care; being helpful; and being vulnerable.

CONTINUOUS LEARNING AND IMPROVEMENT

Continuous learning and improvement are critical for growing together as a team.

We are committed to constantly reviewing what is going well and what needs to improve in relation to the way we work together, the processes we follow, and the outcomes we deliver.

NONE OF US IS AS SMART AS ALL OF US

Risk and Audit Committee

Reports to:	The Council
Interim Chairperson:	Deputy Mayor Andrew Basher
Membership:	The Mayor, all Councillors and Māori
Meeting Frequency:	Representative Bi-Monthly
Quorum:	A majority of members (including vacancies)

GENERAL PRINCIPAL

1. The work of this Committee will be in accordance with the priorities and work programme agreed by the Council.
2. This Committee has the powers necessary to perform the Committee's responsibilities, in accordance with the approved Long Term Plan and Annual Plan budgets. Subject to confirmation of compliance with the financial strategy.

PURPOSE

The Risk and Audit Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Annual and Long Term Plans.
2. Monitoring Council's interests in its Council Controlled Organisations (CCOs).
3. Reviewing the Council's risk register and associated process for managing current and emerging risk.
4. Ensuring the independence and effectiveness of Council's External and Internal Audit processes.
5. Monitoring existing corporate policies and recommending new or amended policies as required.
6. Ensuring that Council policies and practices will prevent unethical, questionable or illegal activities.
7. Providing a communication link between management, internal auditors/external auditors and Council.
8. Supporting measures to improve management performance and internal controls.
9. Ensuring Council's Policies and Bylaws are fit for purpose and comply with all relevant legislation.
10. Guiding the development of Council's Climate Change Adaptation Plan

TERMS OF REFERENCE:

General

1. To receive regular reports regarding Council's financial and non-financial performance against Annual and Long Term Plans.
 2. To consider reports related to significant expenditure outside of the Annual and Long Term Plans and make appropriate recommendations to Council.
 3. 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
4. To monitor the probity of processes relating to policies developed by the Risk and Audit Committee.
 5. To provide clear direction to Council's CCOs on Council's expectations, including feedback on draft statements of intent.
 6. To receive Quarterly reports of Council's CCOs, including board performance.
 7. To undertake any reviews of CCOs and make appropriate recommendations for approval by Council.
 8. Review CCO requests for major transaction approval and recommend appropriate actions to Council.
 9. To monitor Council's debt and investments to ensure compliance with Council policy.
 10. To monitor the Council's outstanding debtors' positions.
 11. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
 12. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

Internal Audit

13. Agree the scope of internal audits.
14. Monitor the delivery of the internal audit work programme and results
15. Assess whether Internal Audit's recommendations have been properly implemented by management.
16. Review the annual Internal Audit Plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

Strategy, plans and policy

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

Bylaws

20. Develop and agree to the statement of proposal for new or amended draft bylaws for consultation.
21. Recommend to Council new or amended bylaws for adoption.

Consultation and engagement

22. Ensure appropriate, effective and transparent engagement with the community, tangata whenua and other stakeholders.
 23. Conduct any public engagement required on issues before the Committee, in accordance with Council's Significance and Engagement Policy.
 24. Conduct hearings, where appropriate, to consider submissions from members of the public and external organisations, making determinations on such matters unless they are reserved for Council to decide.
-

Submissions and legislation

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

Contracts

28. Approve and monitor contracts and other legally binding arrangements provided that such contracts/arrangements:
 - a. Do not require the approval of the whole of Council; and
 - b. Fall within the budget approved under the Long Term Plan or Annual Plan and have a value exceeding the Chief Executive's financial delegation.

Reserves and Halls Subcommittees

29. Monitor and oversee the Reserves and Halls Subcommittees.

Creative Communities Subcommittee

30. Monitor and oversee the Creative Communities Subcommittee.

Other Matters

31. 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
32. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy, and guidelines (including health and safety).
33. 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.
34. Provide an annual review of Council's risk management framework and amend as required.
35. Review and monitor business continuity planning.
36. Consider and make decisions which are within the Chief Executive Officer's delegations, and which the Chief Executive Officer has referred to the Committee for recommendation to Council.
37. Consider and make decisions on operational matters that fall within a Committee's area of responsibility that are outside of delegations to the Chief Executive Officer or other Council officers.
38. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
39. Monitor Audit recommendations and ensure completion.

The Committee is delegated the following powers:

- The Committee may make recommendations to Council.
- The Committee will provide three-monthly reports to Council on its activities with appropriate recommendations.

Special Notes:

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- The Chairperson will be an independent appointment, not an elected member, to strengthen the independent nature of the Committee's monitoring responsibility of Council activities.
- 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 Chief Financial Officer 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 of the Committee shall review the travel and other reimbursed expenses of the Chief Executive Officer and confirm compliance with Council policies and practice. 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 to 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.

Risk and Audit Committee

Clock Tower Chambers,
Palmerston Street, Westport



18 June 2025 03:30 PM

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Live Streamed to the Buller District Council YouTube Channel

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 1

Prepared by Paul Numan
Group Manager Corporate Services

APOLOGIES

1. **REPORT SUMMARY**

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

RISK AND AUDIT COMMITTEE

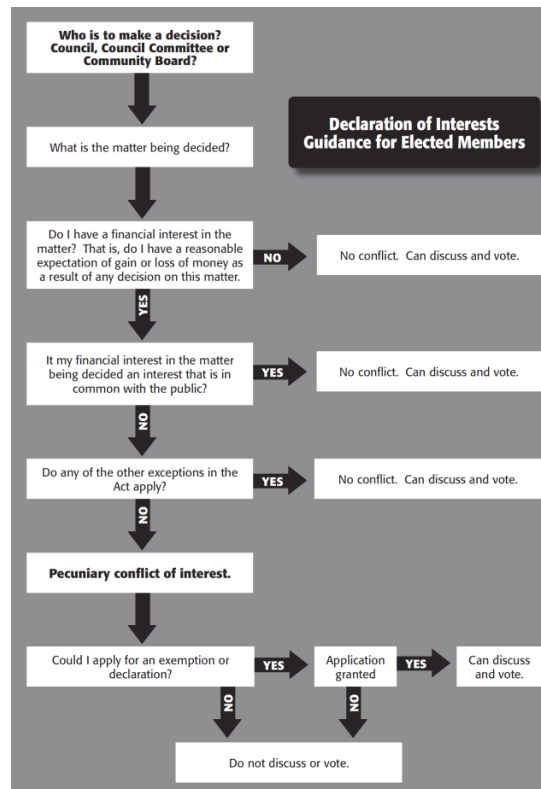
18 JUNE 2025

AGENDA ITEM: 2

Prepared by Paul Numan
Group Manager Corporate Services

MEMBERS INTEREST

1. 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.
2. Councillors are encouraged to advise the Governance Assistant, of any changes required to their declared Members Interest Register.
3. The attached flowchart may assist members in making that determination (Appendix A from Code of Conduct).



4. DRAFT RECOMMENDATION:

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

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 3

Prepared by Paul Numan
Group Manager Corporate Services

Attachments 1. Risk and Audit Committee Public Meeting Minutes 16 April 2025

CONFIRMATION OF PREVIOUS MINUTES

1. **DRAFT RECOMMENDATION**

That the Risk and Audit Committee receive and confirm the Public Meeting Minutes from 16 April 2025.



MEETING OF THE RISK AND AUDIT COMMITTEE, HELD AT THE CONCLUSION OF THE EXTRAORDINARY COUNCIL MEETING ON WEDNESDAY 16 APRIL 2025 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.

PRESENT: Mayor J Cleine, Cr C Reidy, Cr R Sampson, Cr P Grafton, Cr G Weston, Deputy Mayor A Basher, Cr A Pfahlert, Cr G Neylon

PRESENT VIA ELECTRONIC LINK: Cr J Howard

IN ATTENDANCE: P Numan (Group Manager Corporate Services), D Venez (Harbourmaster), S Bastion (Group Manager Regulatory Services), S Pickford (Chief Executive Officer), G Pellow (Financial Accountant), K Phipps (Manager Finance), P Bicknell (Programme Manager – Recovery), B Little (Senior Policy Advisor), S Maharaj (Manager Human Resources), P Zaanen (Project Lead – Master Planning), S Newbury (Senior Engagement Advisor – Resilient Westport), Di Rossiter (Climate Adaptation Project Lead), C Borrell (Governance Assistant)

IN ATTENDANCE VIA ELECTRONIC LINK: C McDonald (Governance Secretary)

MEDIA: Nil

PUBLIC FORUM: Paul Reynolds spoke to Item 7, Climate Adaption Project Update

MEETING DECLARED OPEN AT: 3.40PM

1. APOLOGIES (Page 9)

Discussion:

Cr T O'Keefe, Cr L Webb, and N Tauwhare (IWI Representative)

RESOLVED

That Buller District Council receives apologies from Cr T O'Keefe, Cr L Webb, and N Tauwhare (IWI Representative).

Deputy Mayor A Basher /Cr G Weston

9/0

CARRIED UNANIMOUSLY

2. MEMBERS INTEREST (Page 10)**Discussion:**

Nil

RESOLVED that Members disclose any financial or non-financial interest in any of the agenda items.

Deputy Mayor A Basher/ Cr A Pfahlert

9/0

CARRIED UNANIMOUSLY

3. CONFIRMATION OF MINUTES (Page 11)**Discussion:**

Nil

RESOLVED That the Risk and Audit Committee receive and confirm Public Meeting Minutes from 11 December 2024

Mayor J Cleine/Cr P Grafton

9/0

CARRIED UNANIMOUSLY

4. ACTION POINTS (Page 18)**Discussion:**

236: Crack in Buller Coal Ltd Shed Floor

This action point is to be removed from Action Points and added to the Strategic Risk Register.

248: Investments And Borrowings Report – As At 30 September 2024 – Completed

249: Capital Works Programme Report – Updated

251: Debt Management and Recovery Workshop – Updated

RESOLVED That the Risk and Audit Committee receive the April Action Point report for information.

Deputy Mayor A Basher/Mayor J Cleine

9/0

CARRIED UNANIMOUSLY

5. RISK AND AUDIT WORKPLAN REPORT (Page 20)**Discussion:**

References to “preparation of draft” in August to December to be corrected – *noted and amended.*

RESOLVED

That the Risk and Audit Committee receive Risk and Audit Work Plan for information.

Cr P Grafton /Cr G Weston

8/1

**Cr C Reidy against
MOTION CARRIED**

**6. HEALTH AND SAFETY REPORT FOR THE LAST TWO QUARTERS
(1 OCTOBER 2024 – 31 DECEMBER 2024 AND 1 JANUARY 2025 – 30 MARCH 2025) (Page 22)**

Discussion:

S Maharaj spoke to the report and answered questions.

Cr P Grafton departed the meeting at 3.51PM

RESOLVED

That the Health and Safety Report for the last two Quarters (1 October 2024 – 31 December 2024 and 1 January 2025 - 30 March 2025) dated 16 April 2025 be received.

Cr C Reidy/Cr P Grafton

9/0

CARRIED UNANIMOUSLY

7. CLIMATE ADAPTATION PROJECT UPDATE (Page 26)

Discussion:

S Bastion and D Rossiter spoke to the report and answered questions.

A demonstration of the REx tool will be arranged for Councillors at a later date.

Cr A Pfahlert departed the meeting at 4.19PM

Cr A Pfahlert returned to the meeting at 4.22PM

RESOLVED

That the Risk and Audit Committee:

1. Receives the report

2. Notes that the first version of the Buller District Climate Change Risk Assessment report has been completed.

Cr P Grafton/Mayor J Cleine

9/0

CARRIED UNANIMOUSLY

**8. NEMA AND BETTER OFF FUNDING PROJECT STATUS REPORT
SUMMARIES (Page 176)**

Discussion:

P Bicknell spoke to the report and answered questions.

RESOLVED

That the NEMA and Better Off Funding Project Status Report Summaries dated 16 April 2025 be received.

Cr G Weston/Cr J Howard

9/0

CARRIED UNANIMOUSLY

9. INFRASTRUCTURE SERVICES PROJECTS CONTROL GROUP AND IAF PROGRAMME REPORT (Page 191)

Discussion:

J Curtis spoke to the report and answered questions.

RESOLVED

That the Infrastructure Services Projects Control Group and IAF Programme Report dated 16 April 2025 be received.

Cr A Pfahlert /Cr P Grafton
9/0

CARRIED UNANIMOUSLY

10. CLASS 4 GAMBLING AND TAB VENUE POLICY REVIEW – OPTIONS FOR DRAFT POLICY (Page 233)

Discussion:

B Little spoke to the report and answered questions.

Resolution (c) iii was added and reads as below:

RESOLVED

That the Risk and Audit Committee:

1. Receives this report and considers the options available for the Class 4 Gambling and TAB Venue Policy.

Deputy Mayor A Basher/Cr P Grafton
9/0

CARRIED UNANIMOUSLY

2. Instructs the Chief Executive Officer to prepare a draft Class 4 Gambling and TAB Venue Policy and Statement of Proposal as follows:

(a) Number of gaming machines in the District restricted to:

i. Number in the District at the time draft policy is released.

Mayor J Cleine/Deputy Mayor A Basher
7/2

MOTION CARRIED

(b) Number of venues in the district be restricted to:

i. Number in the District at the time draft policy is released.

Cr C Reidy/Mayor J Cleine
6/3

MOTION CARRIED

(c) New Venue location.

iii. New venue location not within 50m of a sensitive site.

Mayor J Cleine/Cr G Neylon
8/1

Cr C Reidy against
MOTION CARRIED

(d) Number of gambling machines per venue:

i. Limit set under the Gambling Act 2003 (9) including those venues established prior to October 2001.

Deputy Mayor A Basher/Cr C Reidy

7/2

MOTION CARRIED

(e) Relocation permitted under the following circumstances:

i. Allow relocation without new application in extenuating circumstances only if moving to a permitted area.

Cr G Neylon/Cr C Reidy

8/1

MOTION CARRIED

11. DRAFT DANGEROUS, AFFECTED AND INSANITARY BUILDINGS POLICY REVIEW (Page 245)

Discussion:

B Little spoke to the report and answered questions.

RESOLVED

That the Committee:

1. Receives the report.

2. Notes the updates and amendments proposed in the draft Dangerous, Affected and Insanitary Buildings Policy (Attachment 1).

3. Endorses the draft Dangerous, Affected and Insanitary Buildings Policy.

4. Instructs the Chief Executive Officer to prepare a Statement of Proposal outlining the draft policy as required under Section 83 of the Local Government Act 2002.

5. Recommends Council adopt the draft Dangerous, Affected and Insanitary Buildings Policy and Statement of Proposal for public consultation as required under the Building Act 2004 and Local Government Act 2002.

Cr C Reidy/Cr P Grafton

9/0

CARRIED UNANIMOUSLY

The meeting adjourned at 5.29PM

The meeting reconvened at 5.40PM

12. UPDATE ON THE 22/23 AND 23/24 ANNUAL REPORTS AND LONG-TERM PLAN (LTP) 2025-2034 (Page 271)

Discussion:

Nil

RESOLVED

That the Update On The 22/23 And 23/24 Annual Reports And Long-Term Plan (LTP) 2025-2034 dated 16 April 2025 be received.

Cr P Grafton/Cr G Weston
9/0

CARRIED UNANIMOUSLY

13. BULLER HOLDINGS UPDATE ON DIRECTOR REMUNERATION AND APPOINTMENTS - APRIL 2025 (Page 274)

Discussion:

P Numan spoke to the report and answered questions.

Resolution number 3 was amended as below.

RESOLVED

That the Risk & Audit Committee:

1. Receive the report on directors' fees payable to the directors of Buller Holdings Limited and director appointments and:

2. Support the option to not undertake a director remuneration review for 2025 and:

3. Delegates the Mayor and three councillors (Cr G Weston, Cr P Grafton, Cr R Sampson) to conduct a review process on the retiring directors with BHL Chair Steve Grave - to inform Committee decision making on director appointments – prior to the 2025 BHL AGM.

Cr C Reidy/Mayor J Cleine
9/0

CARRIED UNANIMOUSLY

14. STATEMENT OF INTENT – BULLER HOLDINGS LTD GROUP FOR THE YEAR ENDED 30 JUNE 2026 (Page 279)

Discussion:

P Numan spoke to the report and answered questions.

The resolution was amended as below.

RESOLVED

That the draft Statement Of Intent – Buller Holdings Ltd Group For The Year Ended 30 June 2026 dated 16 April 2025 be received.

Cr C Reidy/Cr J Howard
9/0

CARRIED UNANIMOUSLY

15. BULLER HOLDINGS LTD - FINANCIAL REPORT TO 31 DECEMBER 2024 (Page 301)

Discussion:

P Numan spoke to the report and answered questions.

RESOLVED

That the half yearly Buller Holdings Limited Financial Report to 31 December 2024 dated 16 April 2025 be received.

Cr C Reidy/Cr G Weston
8/1

CARRIED UNANIMOUSLY

16. WESTPORT AIRPORT AUTHORITY – HALF YEARLY REPORT TO 31 DECEMBER 2024 (Page 317)

Discussion:

P Numan spoke to the report and answered questions.

RESOLVED

That the Westport Airport Authority half yearly report to 31 December 2024 dated 16 April 2025 be received.

Cr C Reidy/Mayor J Cleine
9/0

CARRIED UNANIMOUSLY

Cr P Grafton departed the meeting at 6.01PM

Cr P Grafton returned to the meeting at 6.02PM

Cr A Pfahlert departed the meeting at 6.03PM

17. FINANCIAL PERFORMANCE REPORT – AS OF 28 FEBRUARY 2025 (Page 326)

Discussion:

P Numan spoke to the report and answered questions.

RESOLVED

That the Financial Performance Report to 28 February 2025 - dated 16 April 2025 be received.

Cr C Reidy/Cr P Grafton
8/0

CARRIED UNANIMOUSLY

18. INVESTMENTS AND BORROWINGS REPORT AS AT 28 FEBRUARY 2025 (Page 334)

Discussion:

P Numan spoke to the report and answered questions.
Cr A Pfahlert returned to the meeting at 6.05PM

RESOLVED

That the Investments and Borrowings report as at 28 February 2025 dated 16 April 2025 be received.

Cr C Reidy/Cr P Grafton

9/0

CARRIED UNANIMOUSLY

19. DEBT MANAGEMENT REPORT AS AT 28 FEBRUARY 2025 (Page 339)

Discussion:

P Numan spoke to the report and answered questions.

RESOLVED

That the debt recovery report as at 28 February 2025 - dated 16 April 2025 be received.

Cr P Grafton Cr A Pfahlert

9/0

CARRIED UNANIMOUSLY

20. PMO REVIEW: PROCESS IMPROVEMENT OPPORTUNITIES ACTION PLAN – UPDATE APRIL 2025 (Page 344)

Discussion:

S Pickford spoke to the report and answered questions.

RESOLVED

That the PMO Review: Process Improvement Opportunities Action Plan – Update April 2025 dated 16 April 2025 be received.

Cr P Grafton/Cr A Pfahlert

9/0

CARRIED UNANIMOUSLY

21. LGOIMA UPDATE (Page 354)

Discussion:

S Pickford spoke to the report.

RESOLVED

That the LGOIMA Update dated 16 April 2025 be received.

Cr A Pfahlert/Cr G Weston

9/0

CARRIED UNANIMOUSLY

22. PORT AND DREDGE – OPERATIONS REPORT (Page 357)**Discussion:**

P Numan and D Venz spoke to the report and answered questions.

RESOLVED

That the Port and Dredge – April 2025 Operations Report dated 16 April 2025 be received.

Deputy Mayor A Basher/Cr C Reidy
9/0

CARRIED UNANIMOUSLY

23. PUBLIC EXCLUDED REPORT (Page 102)**Discussion:**

Nil

RESOLVED that the public be excluded from the following parts of the proceedings of this meeting.

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or (s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.
PE 2	Paul Numan – Group Manager Corporate Services	Update on the Kawatiri dredge.	(s7(2)(b)(ii)) - protect information where the making available of the information would: ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
PE 3	Paul Numan Group Manager Corporate Services	Payroll And Creditors Summary Report	(s7(2)(a)) - protect the privacy of natural persons, including that of deceased natural persons

Deputy Mayor A Basher/Cr P Grafton
8/1

Cr C Reidy against
CARRIED UNANIMOUSLY

PUBLIC FORUM RESPONSE:

The Chair will respond Paul Reynolds and invite him to the REx workshop.

Media release to be made with commentary around how all the plans work together.

MOVED INTO PUBLIC EXCLUDED AT: 7.02PM

UNCONFIRMED

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 4

Prepared by Paul Numan
Group Manager Corporate Services

Attachment: 1. Risk and Audit Committee Action Points June 2025

ACTION POINTS

1. **DRAFT RECOMMENDATION**

That the Risk and Audit Committee receive the June Action Point Report for information.

RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
236	14 Feb 2024 Crack in Buller Coal Ltd shed floor Recent media coverage was discussed about this topic. The shed is located on council owned land and councillors were concerned there might be an exposure to the council if this cracking became a larger problem. Staff advised that the problem is not that of council, but councillors asked to keep the matter on the Action Points for future monitoring.	D Marshall P Numan	Staff to advise if any further issues arise. March 2025 Remove and add to Strategic Risk Register. <u>Update June 2025</u> Adams Construction has assessed the situation along with AMK Ltd Engineers (Bill Andrew) and the conclusion is expansion shrinkage in the slab. Accordingly, there are no risks that require any further action from Council.	
249	11 December 2024 CAPITAL WORKS PROGRAMME REPORT The Waimangaroa Water Upgrade Surplus (from the Capital Works Programme Report) is to be updated in the bimonthly Risk and Audit Committee report around the progress of options for this surplus with the intention of a paper brought back Council regarding options for the surplus.	J Curtis	Update 23 January 2025 A paper regarding the surplus will be brought to Council in April 2025 Update 1 April 2025 Draft paper being reviewed, aiming for May 2025 Council <u>Update 5 June 2025</u> Draft paper under reviewed, aiming for July 2025 Council	12 February 2024 30 April 2025 May 2025 July 2025
251	11 December 2024 Councillors to have a workshop around debt management and recovery options in the new year.	P Numan	Update 12 February 2025 In progress – Finance currently working through an agenda and potential workshop dates. Update 16 April 2025 Further detail provided in April RAC report with Debt management workshop being undertaken 18 June 2025. <u>Update 5 June 2025</u> The Debt Management Workshop is booked for Wednesday 18 th June prior to the Risk and Audit Committee Meeting.	12 February 2025 16 April 2025 June 2025

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 5

Prepared by: Paul Numan
Group Manager Corporate Services

Attachments: 1. Risk and Audit Committee Work Plan June 2025

RISK AND AUDIT WORK PLAN

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Risk and Audit Work Plan for information.

Risk and Audit Committee
Programme 2025 Calendar Year

Categories/Reports Proposed	SLT Member	Reporting Officer	February	March	April	May	June	July	August	September	October	November	December
Risk & Assurance Items													
Strategic Risk Register Update and Framework Review	GM Corporate Services	GM Corporate Services			√		√		√	√			√
Health and Safety Report Update	Human Resources	Human Resources			√				√				√
BHL Letter of Expectation	GM Corporate Services	Manager Finance											√
CCO Statements of Intent	GM Corporate Services	Manager Finance			Draft								
CCO Director Appointments and Remuneration	GM Corporate Services	Manager Finance			√		√						
BHL Quarterly Financials	GM Corporate Services	Manager Finance			√		√		√				√
BHL Annual Report (adopt is required under law by 30 Sept each year)	GM Corporate Services	Manager Finance								√			
Westport Airport Authority Financials - 30 June	GM Corporate Services	Manager Finance								√			
Westport Airport Authority Financials - Half year	GM Corporate Services	Manager Finance			√								
Insurance	GM Corporate Services	Management Accountant											√
Update on By-law review process	CEO	GM Community Services			√				√				√
Review of BDC Created Policy	GM Community Services	GM Community Services			√				√				√
Reserve and Hall Subcommittee Update	GM Community Services	Subcommittee Liason Officer							√	√			√
Review of Business Continuity Plan	CEO	GM Regulatory Services							√				
LGOIMA report	CEO	EA to Mayor and CEO			√					√			
RAC Project Status Reports	GM Corporate Services	Programme Manager - Recovery	√		√		√		√	√			√
Dredge/Harbour Activities	GM Corporate Services	Manager Finance	√		√					√			
Internal Audits													
Payroll/Creditors (PwC)	GM Corporate Services	Manager Finance			√								
Follow-up on Ernst & Young Matters in 22-23 Annual Report audit opinion	GM Corporate Services	Manager Finance	√										
Monitoring Items													
BDC Financial Performance Report	GM Corporate Services	Financial Accountant			√				√				√
BDC Investments and Borrowings	GM Corporate Services	Manager Finance			√				√				√
BDC Debt Management - Sundry and Rates	GM Corporate Services	Manager Finance			√				√				√
Infrastructure Services Projects Control Group Report	GM Infrastructure Services	Manager Capital Works	√		√		√		√	√			√
KPMG Update	CEO	CEO			√		√		√	√			√
The following items are not directly related to the Risk & Audit work programme but are provided to note when staff have key programmes of work													
Major Financially Based Reports to be Prepared in the 2025 Calendar Year													
Long Term Plan							Adoption						
BDC 22-23 Annual Report					Adoption Annual Report - Audit opinion issued	Publish Annual Report & Summary Document							
BDC 23-24 Annual Report				Interim/Final Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Adoption Annual Report - Audit opinion issued	Publish Annual Report & Summary Document				
BDC 24-25 Annual Report							Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Adoption Annual Report - Audit opinion issued	Publish Annual Report & Summary Document	

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 6

Prepared by Penny Bicknell
Programme Manager – NEMA and BoF

Reviewed by Paul Numan
Group Manager Corporate Services

Attachments 1. Better Off Funded Projects Status Report May 2025
2. NEMA Wharf Repair Project Report May 2025

Public Excluded: No

NEMA AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES

1. **REPORT PURPOSE**

The purpose of this report is to bring the Risk and Audit Committee a summary of the Project Status Reports for NEMA and Better Off Funded projects for the month ended May 2025 (April 2025 financials) and a detailed project status report for the NEMA Wharf Repair Project May 2025 (April 2025 financials).

2. **EXECUTIVE SUMMARY**

Key points to note from each of the Programmes of Work for May/June 2025

3. **NEMA Projects overview/status report**

- Westport Port Repairs
 - Key milestones completed ahead of its revised schedule
 - Hon. Mark Mitchell officially opened the wharf on 9 May
 - Final reinstallation of tarmac etc completed in May
 - Project will be completed within the funding envelope – final claims to be processed
 - The project has been nominated for a Civil Contractors of New Zealand Excellence Award (judging is in progress)

NEMA Tranche 2 Programme							
For Period 2024/25- April							
	CURRENT BUDGET (Total)	TOTAL COST TO DATE	TOTAL REVENUE TO DATE	RETENTIONS (to claim)	Claims	FORECAST COST TO COMPLETE	FORECAST AT COMPLETION
WP7 Westport Port Repairs	0	6,005,200	(5,110,474)	(67,905)	894,725	(894,725)	0
Expenses	6,220,000	6,005,200				214,800	6,220,000
Revenue	(6,220,000)		(5,110,474)	(67,905)	894,725	(1,109,526)	(6,220,000)
Programme Management	0	180,625	(179,125)		1,500	(1,500)	0
Expenses	190,440	180,625				9,815	190,440
Revenue	(190,440)		(179,125)		1,500	(11,315)	(190,440)
TOTAL	0	6,185,825	(5,289,599)	(67,905)	896,225	(896,225)	0

4. **Better Off Funded Projects**

- 3 Waters projects - 2 projects complete, 2 Inangahua projects to be completed in June with the last project in progress which will be co-funded by BAU Capital works.
- Other 3 waters projects progressing well but got off to a slow start. (Reefton Stormwater modelling and Westport Stormwater/Wastewater separation project).
- Cultural Community Hub – Heritage Works awarded contract for concept design. The funding for this is split from the remaining BoF funding and the Buller Resilience Trust funding. The BoF will be exhausted by June 2025.
- Reefton Campground Accommodation project (photos below)
 - Main construction contracts have been let:
 - South Peak Homes Ltd – factory-based cabin construction
 - WestReef Services Ltd – early civil and drainage infrastructure
 - West Coast Building and Development Ltd – onsite building services
 - Other local contractors engaged for plumbing/drainage, piling foundation installation, power supply etc.
 - WestReef Services have completed stage one site preparation work and have commenced stage two drainage infrastructure work
 - South Peak Homes have commenced the factory-based construction of the cabins with the subfloor framing, roof truss and wall framing progressing.
 - Schedule for completion is 31 August 2025.
 - Federation Mining funding of \$350k + GST has been received.
 - Conditions precedent are being completed for the DWC loan funding.
 - Amenities fund loan terms to be developed by Finance team.
 - A full project report will be prepared for the next RAC meeting.





5. **DRAFT RECOMMENDATION**

That the report NEMA and Better Off Funding Project Status Report Summaries dated 18 June 2025 be received.

Project Status Report – Better Off Funding Projects overview – May 2025



Programme/Project Details

Location and Region:	Buller District
Contracted Amount:	\$3,500,000
Reporting Period:	May 2025 (April 2025 financials)
Project Principal:	Buller District Council (BDC)
Project Partner(s):	Crown Infrastructure Partners (CIP)/DIA
Programme Manager:	Penny Bicknell
Programme Outcomes:	The original scope was made up of 13 projects approved by DIA that meet the funding criteria and demonstrate wellbeing outcomes. 2 of the completed projects were under budget with the surplus funds transferred to 2 new 3 Waters projects as directed by CIP. See Scope for full list of projects.

Project Overview/traffic Light Status/High-Level Summary (G = Green; A = Amber; R = Red)		
Aspect	Status	Comments
Overall:	G	The programme was prioritised by Council and approved by Crown Infrastructure and DIA
Budget:	G	\$3,500,000
Scope:	G	<p>The Programme of works includes the following approved projects:</p> <ul style="list-style-type: none"> • Three Waters projects include Programme Management • Reefton Wastewater/Stormwater modelling • Climate Change Adaptation and Master Planning (completed) • Community Hub Feasibility Study and Concept Designs (Feasibility completed) • Civil Defence Procurement (completed) • Airport Relocation options study (completed) • Karamea Reserve Water Supply (completed) • Westport Emergency Water supply (completed) • Reefton Campground Accommodation • Westport Stormwater/wastewater work • Test bore and sampling for non-compliant water supplies - Little Wanganui and Mokihinui (completed) • Granity Fundraising Centre (completed) • Ngakawau Swimming Pool improvements (completed) • Local Water Done Well – reallocated funding from Airport Relocations Study surplus (completed) • Resilient Westport Stormwater concept study – reallocated funding from Westport Critical Water surplus (completed)
Resource:	G	Resource to be assigned to each project as required
Schedule:	G	Schedule for each project to be determined. Final deadline for Crown Infrastructure projects programme is 30 June 2027
Risks / Issues:	G	Scope of works may need to be reduced in some projects to ensure they remain in budget

State of Play	
Last Month (April)	Next Month (May)
<ul style="list-style-type: none"> Submitted claims for 3 projects totalling \$449,095. These were approved for payment by CIP in May 3 Waters – <ul style="list-style-type: none"> Both Inangahua projects (new drinking water mains and new stormwater drainage system) completed construction works. Practical completion early June Final project, Hughes Place/Disraeli SW pipe upgrade – Resource consent lodged Reefton stormwater/wastewater modelling – DO commenced Stage 2 after assessing options from Stage 1 Community Hub Feasibility Study/concept - Continued discussions re set up of Charitable Trust. Revised offer of service from Heritage Works for the concept study received and approved. Reefton Campground cabins - Contracts for South Peak Homes for cabin construction and WestReef for site preparation and 3 waters were let. WestReef commenced work on site. Westport Wastewater/Stormwater separation work – Contracts awarded to WestReef 	<ul style="list-style-type: none"> Submit further claims to CIP for claims balances. Complete tender documents for Hughes Place and put on GETS. This final project will be co-funded with BAU Capital budgets as approved by the IS team. Approximately \$35k will remain in the budget after stage 2 completes. DO to advise on costs and timings for stage 3. Heritage Works for BoF will complete by end of May, the remainder of the concept work will be managed and paid for by Homebuilders from the Resilience Trust fund. Reefton Campground cabins – Completion of Stage 1 work by WestReef. Further contracts issued for onsite building works and installation of cabins. Cabin construction commenced mid-May. Piling to commence 2nd week June. Scheduled for completion by end August 2025. BoF funding will be exhausted by end June 2025. Westport Wastewater/stormwater separation - scheduled completion second week of June – slight delay due to weather.

Programme delivery schedule																	
Project task	Feb to June 2023	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar	Apr	May	Jun	Jul	Aug 2025	Sep	Comments
3 Waters																➡	SW Backflow complete. Henley St East SW complete. Inangahua projects complete June. Hughes place- BOF funding complete end July 2025
Reefton WW/SW modelling																➡	Completion of stage 2 June 2025. Stage 3 to be confirmed
Climate Change Adaptation																	Completed BoF involvement
Master planning (Stage 1)																	Complete
Cultural Community Hub			Feasibility Study complete													➡	Concept plan being prepared by Heritage Works. BoF funding to be exhausted by June 2025
Civil Defence																	Complete
Airport relocations options study																	Study completed – surplus funds to be reallocated to LWDW
Karamea Reserve Water																	Complete
Westport critical Water Supply																	Completed. Surplus funding to be reallocated to Resilient Westport Stormwater concept study
Reefton Campground																➡	Contracts awarded. Completion scheduled for end August. BoF to be exhausted by end June 2025.
Westport Stormwater/Wastewater																➡	Completion scheduled 2 nd week June
Test Bores & Sampling																	Complete

Granity Fundraising Centre																		Complete
Ngakawau Swimming Pool																	→	Complete

Financials (30 April 2025)

Budget and Expenditure Summary.

April 2025 Financials				Claims			
Project	Budget	Actual Cost to date	Claims submitted Apr/May	Revenue to date	Forecast Cost to complete	To claim	
3 Waters	\$ 1,095,000	\$ 731,136	\$ 297,306	\$ 395,810	\$ 363,864	\$ 38,020	
Programme Management	\$ 165,000	\$ 165,000		\$ 165,000	\$ -	\$ -	
Reefton Wastewater modelling	\$ 150,000	\$ 37,916		\$ -	\$ 112,084	\$ 37,916	
Climate Change adaptation	\$ 250,000	\$ 250,000		\$ 250,000	\$ -	\$ -	
Master planning	\$ 250,000	\$ 250,000		\$ 250,000	\$ -	\$ -	
Community Hub Feas/concept	\$ 200,000	\$ 158,926		\$ 143,578	\$ 41,074	\$ 15,348	
Civil Defence	\$ 275,000	\$ 273,958		\$ 275,000	\$ 1,042	\$ -	
Airport Relocation options study	\$ 34,358	\$ 34,358		\$ 34,358	\$ -	\$ -	
Karamea Reserve Water	\$ 65,000	\$ 65,000		\$ 65,000	\$ -	\$ -	
Westport Critical Water	\$ 110,288	\$ 110,288		\$ 110,288	\$ -	\$ -	
Reefton Campground	\$ 300,000	\$ 169,809	\$ 82,077	\$ 59,794	\$ 130,191	\$ 27,938	
Ngakawau Swimming Pool	\$ 310,000	\$ 310,000		\$ 310,000	\$ -	\$ -	
Granity Fund raising centre	\$ 25,000	\$ 25,000		\$ 25,000	\$ -	\$ -	
Stormwater/Wastewater	\$ 135,000	\$ 3,823		\$ -	\$ 131,177	\$ 3,823	
Bore water tests	\$ 50,000	\$ 50,000		\$ 50,000	\$ -	\$ -	
LWDW report	\$ 15,642	\$ 15,642		\$ -	\$ -	\$ 15,642	
RW Stormwater concept	\$ 69,712	\$ 69,712	\$ 69,712	\$ -	\$ -	\$ -	
Total	\$ 3,500,000	\$2,720,568	\$ 449,095	\$2,133,828	\$ 779,432	\$ 138,687	
Colour key:		Project completed	Approved May	Draw down complete			

Programme/Project Status Report

NB: Civil Defence budget is in credit as 100% drawn down in the 10% advance payment

Surplus funding: Directive from Crown Infrastructure Partners to use any surplus funding for 3 Waters projects or for the setup of a new Water entity.

- \$15,642 Airport Relocations surplus to be used for the T + T report commissioned by 3 District Councils into 3 Waters – approved by CIP 4 October 24
- \$69,712 Critical Water surplus funding to be used for contribution to Worley’s stormwater concept work for Resilient Westport –submitted to CIP awaiting approval.

Communications

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

Westport News reported on the request to reprioritise funding from Waimangaroa and Westport smoke testing projects and the subsequent discussions at the April Council meeting. Better off Funding Tranche 2 funding has been withdrawn by Government.

Westport News reported on the additional funding available of \$950k from the Westport Wastewater/stormwater smoke testing project and Waimangaroa water project discontinuation.

Westport News reported on the allocation of \$300k to Reefton Campground Accommodation

Westport News reported on the Council workshop in September and the outcome of the Council meeting for the unallocated funding of \$650k

Cultural Community Hub working group met with Westport News Reporter in November to ensure correct facts are in the public domain

Westport News reported on DIA directive of expenditure on water infrastructure rather than Community projects.

Emergency Water - Comms to Westport Community w/c 12 April after first tank installed

Media release for WaStop completion under the 3 Waters BoF funding May

Media Release for completion of Granity Fundraising Centre – July

August Media coverage from last RAC meeting re funders reviewing KPMG report

October – Media coverage from RAC meeting re funding hold.

November – Plan media release for Inangahua tender

December – media release for Inangahua contract

April/May – media releases for Reefton Campground Accommodation award of construction and site works contracts

BULLER DISTRICT COUNCIL - Infrastructure Strategy - Recovery - Westport Wharf Repair and Reinstatement

Programme/Project Details

Location and Region:	Buller, Westport
Project Budget:	\$6,220,000
Month End	May-2025
Financial Period End	April-2025
Project Principal:	Buller District Council
Project Partner(s):	National Emergency Management Agency (NEMA)
Project Manager:	Phil Rossiter
Programme Outcomes:	<p>Project Scope:</p> <p>This project seeks to repair and reinstate safe and fit-for-purpose wharf infrastructure at the bulk shipping precinct that was damaged during the July 2021 and February 2022 Buller River flood events.</p>



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

Aspect	Status	Comments
Overall:	G	The project is Practically Complete, with all planned repair works completed as per the revised schedule and within the available funding envelope. A formal opening has been completed with Ministerial attendance, and the project is an entrant in the New Zealand Civil Construction Awards for its innovation and excellence.
Budget:	G	There is high certainty that the project will be completed within its funding envelope.
Scope:	G	The repair scope has been defined based on a combination of user-input, a detailed structural site inspection, a 'constructability' review, and a Peer Review. The repair design will be based on Importance Level 3. The scope is as defined in the IFC drawing set. The scope has been practically achieved.
Resource:	G	Resources required have been secured.
Schedule:	G	The overall programme stalled compared with its initial estimated baseline because of unforeseen delays confirming the Importance Level of the repair design and because of the unforeseen need to complete a peer review of the repair design. However, with those matters resolved, the programme was reset with award of a repair contract and despite poor weather conditions over the last few months, repair work was completed ahead of the revised schedule.
Risks / Issues:	G	The identified risks have been mitigated.

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
<p>The project is complete (and is now in the post-construction defects management phase).</p> <p>The project was completed ahead of its revised schedule and within the funding envelope provided.</p> <p>A formal opening was completed with Ministerial and NEMA attendance.</p> <p>The project has been nominated for a Civil Contractors of New Zealand Excellence Award (judging in process).</p>	<p>Progress and/or complete handover and closeout documentation package.</p> <p>Process final claim from the construction contractor.</p>

Updated Project Road Map/Schedule														
Project task	2024										2025			
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Comments
Project management, coordination, and delivery (Sep '22 to May '25)														One final phase (project closure and handover to complete)
Design (Sep '22 to Dec '23)														Complete
Consents & approvals (Jun '23 to Mar '24)														Complete
Construction procurement (Jun '23 to Jun '24)														Complete
Construction & site management (Jun '24 to May'25)														Complete (noting defects management phase in process)
Handover & closeout (May '25 to Jun '25)														Scheduled for completion in June 2025

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Conceptual engineering design	23-Sept-22	23-Sept-22	100%	Complete
Geotechnical investigation & assessme	11-Nov-22	11-Nov-22	100%	Complete
Topographical survey acquisition	9-Nov-22	9-Nov-22	100%	Complete
Detailed engineering inspection and as	16-Nov-22	16-Nov-22	100%	Complete
Kiwirail liaison and building fate deterr	28-Feb-23	28-Jan-23	100%	Complete
Preliminary engineering design	14-Dec-22	14-Jan-23	100%	Complete
Construction supplier engagement/vali	18-Jan-23	24-Apr-23	100%	Complete
Statutory approvals	10-May-23	28-Mar-24	100%	Building consent exemption to be secured
Detailed design	12-Apr-23	15-Dec-23	100%	Complete
Construction procurement	7-Jun-23	31-May-24	100%	Completed. Contract awarded
Construction	30-Jun-24	7-May-25	100%	Practical Completion reached
Handover	31-Jul-24	30-Jun-25	25%	Underway

Financials						
Budget and Expenditure Summary						
Programme/Project Item	Current Budget	Cost To Date (CTD)	Forecast Cost to Complete (FCC)	Final Forecast Cost (FFC)	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	
Planning and investigations (Phase 1 - 3)	\$108,000	\$121,897	\$0	\$121,897	\$13,897	
Consents, procurement, and legal (Phase 4)	\$61,200	\$53,657	\$3,000	\$56,657	\$4,544	
Design (Phase 4)	\$150,000	\$124,055	\$0	\$124,055	\$25,945	
Construction (Phase 4)	\$5,732,800	\$5,525,679	\$137,989	\$5,663,668	\$69,132	
Closeout (inc operational readiness, handover, as built) (Phase 5)	\$12,000	\$0	\$12,000	\$12,000	\$0	
Project Management	\$156,000	\$179,913	\$12,000	\$191,913	\$35,913	
Total	\$6,220,000	\$6,005,201	\$164,989	\$6,170,190	\$49,810	

Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
Key risks mitigated	#NUM!	#NUM!
#NUM!	#NUM!	#NUM!
#NUM!	#NUM!	#NUM!

Communications

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

Formal opening undertaken with NEMA and Ministerial attendance. Media generated, including via a media release.
Potentially more media opportunities when fate of Civil Contractors of New Zealand Awards are determined.

Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
20 – 25 Extreme	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
10 – 16 High	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4 – 9 Moderate	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1 – 3 Low	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

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

Risk Assessment Matrix						
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						

RISK AND AUDIT COMMITTEE

DATE 18 JUNE 2025

AGENDA ITEM: 7

Prepared by Jess Curtis
Capital Works Manager

Reviewed by Anthony Blom
Group Manager, Infrastructure Services

Attachments 1. Infrastructure Services Projects Control Group Report Apr-25

Public Excluded: No

INFRASTRUCTURE SERVICES PROJECTS CONTROL GROUP REPORT

1. **REPORT PURPOSE**

The attached Infrastructure Services Projects Control Group report provides a status update on key operational and capital projects (above \$100k) for the Council's information. The report captures project health through budget, scope, resource, schedule, risks/issues and financial tracking for each project.

2. **EXECUTIVE SUMMARY**

The monthly IS projects report shows key operational and capital projects (above \$100k) that are run through the Infrastructure Services Unit by capturing project health through budget, scope, resource, schedule, risks/issues and financial tracking for each project. Minor capital works (less than \$100k) are not currently shown, however the long-term aim is to include minor capital, show finance over multiple years and show the total portfolio spend breakdown.

3. High risks, health and safety events including notifiable events and communications for the month are also included in the report. Risks are reviewed and adjusted monthly with high risks and mitigations identified in the January/February report from page 25, with no new risks added since the previous report:

4. Project health is shown through red, amber and green colours (definitions for these are within the report), and projects with set up documents still required are shown as grey. Further projects are still to be added to the report as the year progresses.

5. The report will continue to evolve as the information required to show a full picture of the projects are understood e.g. the addition of minor capital works

6. **DRAFT RECOMMENDATION**

That the report Infrastructure Services Projects Control Group report dated 23 May 2025 be received.



Buller District Council Infrastructure Services Projects report

Reporting Month Ending:	April 2025
Financial Month Ending:	March 2025
Last Control Group Meeting:	16 April 2025
This Control Group Meeting:	23 May 2025
Next Control Group Meeting:	18 June 2025

Purpose

This report provides an overview of projects (both capital and operational) in the Infrastructure Services team for Buller District Council.

Overall Capital Financials

The table below provides a rolled-up overview of the annual capital budgets, carryovers, and costs to date along with remaining expenditure for each portfolio. The figures below represent the 24/25 capital programme budget, tracked against delivery. Figures in red show an overspend compared to budget.

Portfolio	24/25 AP budget	Carryovers from 23/24	Approved changes	Total approved budget	Cost To Date	Variance (budget – cost to date)	Commentary
Local Roads	\$4,292,215	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$1,308,913	\$2,983,302	

Portfolio	24/25 AP budget	Carryovers from 23/24	Approved changes	Total approved budget	Cost To Date	Variance (budget – cost to date)	Commentary
Special Purpose Roads	\$3,065,489	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$272,968	\$2,792,521	
Transport & Urban Development	\$4,909	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$821,936	\$817,027	This includes costs from the IAF and Resilient Westport projects.
Sewerage Schemes	\$1,842,893	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$1,486,894	\$355,999	
Water Supplies	\$5,687,022	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$1,604,048	\$4,082,974	
Stormwater Network	\$631,577	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$289,984	\$341,593	
Solid Waste	\$197,405	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$145,390	\$52,015	
Community Facilities	\$781,265	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$1,747,241	\$965,976	This includes costs to be included from carryovers.
Total	\$16,502,775	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$7,677,374	\$8,825,401	

Portfolio summaries

The projects listed below are low, medium and high complexity projects across the Infrastructure Services Capital Works Programme. Minor capital works (less than \$100k) are not currently shown, however the aim is to include minor capital, baseline start and finish dates for each project, multiyear project financial breakdowns and show the total portfolio spend breakdown. The reporting description for budgets have been updated to reflect only forecasted overspends.

The report colour coding represents the following:

Colour	Description
	<p><u>Off track</u></p> <p>Budget – budget variation is forecasted to be 10% over budget, insufficient to deliver or external funding unconfirmed</p> <p>Scope – not well defined and/or highly likely that the approved scope cannot be delivered</p> <p>Resources – project is significantly under resourced and/or specific skills not in place</p> <p>Schedule – no clear visibility of deliverable dates and/or delays in completing deliverables for the delivery dates</p> <p>Risk/Issues - risks are not able to be managed at programme/project level despite controls in place and/or risks are expected to eventuate and impact the programme/project delivery.</p>
	<p><u>On track for now, aspects need resolution</u></p> <p>Budget – budget variation is forecasted to be 5-10% over budget with work underway to resolve</p> <p>Scope – not well defined with a scope change identified which may require additional budget/resources/time</p> <p>Resources – some variances exist and/or required skills</p> <p>Schedule – not enough visibility of deliverable dates, delays may impact final delivery dates</p> <p>Risk/Issues - some mitigation strategies are in place but with improvement needed. Risk status overall is worsening.</p>
	<p><u>On track</u></p> <p>Budget – project on track against approved budget</p> <p>Scope – well defined and on track for delivery</p> <p>Resources – required resources/capabilities are in place</p> <p>Schedule – clear deliverable dates with no delays to baseline delivery dates</p>

	Risk/Issues - risks are fully assessed and managed
	Baselines not yet set to measure report against.

Infrastructure Accelerated Fund Programme Health Check

The Infrastructure Accelerated Fund programme looks to deliver infrastructure investment to catalyse the development of future new housing in Alma Road funded through Kianga Ora. The stage 1 (design) budget of \$1,300,500 included \$1,100,000 from Crown Funding and \$200,500 of BDC funds. The stage 2 (construction budget) is currently being negotiated.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Transport - Pedestrian Cycleway - 10253							\$132,047	\$110,320	\$0	\$110,320	\$21,727
Commentary	Design completed Safe System Audit commentary sought from NZTA for State Highway works										
Transport Road safety improvements - 10254							\$262,256	\$248,207	\$15,800	\$264,007	-\$1,751
Commentary	Design completed Safe System Audit commentary sought from NZTA for State Highway works										
WWTP Upgrade - 10257							\$130,439	\$132,686	\$0	\$132,686	-\$2,247
Commentary	WWTP structural design and water supply design complete.										
WW Pressure Lines -10258							\$259,061	\$208,842	\$2,369	\$211,211	\$47,850
Commentary	Low pressure sewer design complete. Ownership of pumps on private property to be formalised.										

Water Supply - Watermain Ext - 10261							\$64,550	\$69,028	\$0	\$69,028	-\$4,478
Commentary	Water main design complete										
Stormwater - 10259							\$81,599	\$81,565	\$0	\$81,565	\$34
Commentary	Stormwater design complete										
Programme Management- 10252							\$370,548	\$364,958	\$40,000	\$404,958	-\$34,410
Commentary	New programme management contract underway. Construction funding has now been secured and work commenced to vary the Delivery Plan.										

	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast Cost to Complete	Variance	Commentary
Overall Programme finances	\$1,300,500	\$1,212,606	\$58,169	\$1,270,775	\$26,725	Budgets to be updated to reflect the inclusion of the construction stage budgets.

,Community Facilities Portfolio health check

The key projects in the Community Facilities portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Mokihinui Campground Sewerage							\$800,000	\$41,242	\$629,000	\$670,242	\$129,758
Commentary	Tender released for construction and resource consent application submitted. Funding sources are \$400,000 BDC and \$400,000 of TIF funding.										
Punakaiki Campground Sewerage							\$588,456	\$456,578	\$23,000	\$479,578	\$108,878
Commentary	AES system installed; Defects Liability Period completed for project closure.										
Brougham House - HVAC							\$225,000	\$91,201	\$110,000	\$201,201	\$23,799
Commentary	Delivery completed and code of compliance issued for project closure.										
NBS theatre HVAC							\$457,000	\$10,597	\$446,403	\$457,000	\$0
Commentary	Request for proposal live on GETS. Budget made up of \$372K BDC funds, \$85K from Buller Arts and Recreation Trust (BART) with BART payment confirmed.										
Carnegie Library							\$547,157	\$108,868	\$438,289	\$547,157	\$0
Commentary	Project business case underway. Funding provided by BDC through the 2023-24 Annual Plan, to provide seed funding to enable external funding to be sourced for strengthening and refurbishment work so the building can be reused.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
	Lotteries Grant application completed with decision expected June 2025. Working through Request for Information items. Conservation Plan completed and submitted.										
Reefton swimming pool HVAC and upgrade							\$600,000	\$248,922	\$351,077	\$600,000	\$0
Commentary	<p>Budget made up from \$300k approved Lotteries funding to fund HVAC system work along with \$300K BDC funding.</p> <p>200 kVA power supply upgrade switchboard design completed with livening intended for 30th January 2025. New pool cover installed, external door relocated and repairs completed to pool water dosing system.</p> <p>HVAC design completed; procurement underway for installation. Building Consent for changing room repair work approved.</p>										

Roading and Transport Portfolio Health Check

The key projects in the Roothing and Transport portfolio are listed below. 24-27 projects within the bridge programmes have been added to the report.

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
LR – Low Cost/Low Risk – Omau Road intersection upgrade							\$1,974,332	\$385,641	\$1,588,691	\$1,974,332	\$0
Commentary	Procurement underway for release May 2025										
SPR – Karamea highway rehabilitation							\$1,895,172	\$1,775,531	\$0	\$1,775,531	\$119,641
Commentary	Remediation work completed, defects liability period underway until February 2026.										
Toki Trail stage 2a							\$142,599	\$105,306	\$37,293	\$142,599	\$0
Commentary	Final construction completed. Project handover and closure to be started. Funded from a 22/23 carry-forward for district revitalisation work of \$158,004. \$9,480 of the carry-forward was spent on non-Toki Trail Stage 2A projects, leaving an available budget of \$142,599.										
24-27 Road resealing							\$4,329,000	\$52,271	\$4,276,729	\$4,329,000	\$0
Commentary	Contract award underway. Physical works are to be carried out over two periods (Dec 24 - Mar 25 and Nov 25 - Mar 26). Work for the 24/25 financial year completed.										

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
LR – Speed Management Plan							\$245,000	\$172,771	\$0	\$172,771	\$72,229
Commentary	Council paper underway to show options available under the Ministry of Transport - Setting of Speed Limits Rules 2024										
Kelly's Creek Bridge replacement							\$250,000	\$170	\$249,000	\$249,170	\$830
Commentary	Options assessment for bridge replacement to be finalised with NZTA within the wider bridge programme budget.										
Little Wanganui Bridge deck replacement							\$870,000	\$0	\$870,000	\$870,000	\$0
Commentary	Project set up underway.										
Blue Grey Bridge replacement							\$1,000,000	\$56,314	\$1,145,000	\$1,145,000	\$5,000
Commentary	Geotechnical investigations completed, procurement process underway.										
Brown Grey Bridge replacement							\$1,000,000	\$56,314	\$1,190,000	\$1,246,314	\$3,686
Commentary	Geotechnical investigations completed, procurement process underway.										

Waste Water Portfolio Health Check

The key projects in the Waste Water portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Riley Place pumpstation - 52052							\$250,000	\$2,522	\$247,478	\$250,000	\$0
Commentary	Options assessment underway.										
Pakington street main replacement (20 – 32) - 52021							\$380,000	\$222,222	\$157,778	\$380,000	\$0
Commentary	Final resealing to be completed - work due for full completion during June 2025.										
Potter Road – Buller Road reline - 52023							\$150,000	\$118,408	\$2,000	\$120,408	\$29,592
Commentary	Relining completed.										
Adderly Street main replacement							\$320,000	\$296,616	\$23,384	\$320,000	\$0
Commentary	Project completed, closure report underway.										
Reefton WWTP upgrades							\$120,000	\$14,524	\$105,476	\$120,000	\$0

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Aerator trial completed and new aerator purchased.										
The Strand, Reefton waste water line renewal							\$200,000	\$0	\$200,000	\$200,000	\$0
Commentary	Project paused for review as part of the 25/26 work programme.										
Westport Wastewater sludge treatment and disposal							\$200,000	\$0	\$200,000	\$200,000	\$0
Commentary	Sludge sample testing underway. Temperature probes for process control order, greenwaste operations and site management confirmation underway with chipper testing completed. Procurement for concrete pad underway.										
Potter Street reactive pipe replacement							\$300,000	\$234,970	\$65,030	\$300,000	\$0
Commentary	Delivery completed, defects liability period underway.										
Packington Street electrical cabinet							\$250,000	\$0	\$250,000	\$250,000	\$0
Commentary	Change of project manager completed, principals requirements underway to confirm scope for procurement process to be run.										

Waste Water Improvement Programme Health Check

The wastewater improvements programme looks to reduce the inflow and infiltration of stormwater into the wastewater network and meet resource consent conditions. The projects within this programme are currently being reviewed and will be updated in the future.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Replacement of WWPS screens – 10234							\$200,000	\$203,258	\$0	\$203,258	-\$3,258
Commentary	Closure report underway.										
Discharge resource consent application - 10235							\$455,000	\$329,480	\$125,000	\$454,480	\$520
Commentary	Buller River Consent RFI's and consent variation for discharge into the Buller River ongoing. Review of community communication plan underway. Review of community communication plan ongoing. 2 monthly meetings with WCRC and Ngāti waewae underway. Proposed consent condition 50 being drafted.										
Waste water model preparation – 10236							\$315,000	\$71,943	\$129,000	\$200,493	\$114,507
Commentary	Wastewater modelling and optioneering ongoing. Variation to complete Carters Beach modelling is underway.										
Stormwater model preparation - 10237							\$420,000	\$167,671	\$2,500	\$1701,171,	\$249,829

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Stormwater modelling and optioneering ongoing. Survey underway with results expected in early 2025 once survey is completed. Variance not expected at project completion as additional modelling work is likely to be required that is not shown yet as a committed cost.										
Waste water/storm water separation – 10238							\$800,000	\$382,733	\$295,165	\$677,898	\$122,102
Commentary	Construction work on going. Previous projects 52017 and 52024 costs to be combined with this project. Overflow tanks for Carters beach and North beach quotes for supply and installation requested.										
Waste water/storm water separation policy – 10239							\$50,000	\$19,580	\$1,243	\$20,823	\$29,177
Commentary	Funding for delivery consultation live through the LTP.										

	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast Cost to Complete	Variance	Commentary
Overall Programme finances	\$2,240,000	\$1,174,215	\$552,908	\$1,727,123	\$512,877	Further scoping of the programme to be completed.

Water Supplies Portfolio health check

The largest project in the water supplies portfolio is the final stage of the Westport Trunk Main replacement. Funding was approved in the 24/25 annual plan and the project setup is currently underway. The Westport trunk main replacement project was broken into 4 stages. Stage 1a has been fully closed, 1b and 2 are shown below.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Punakaiki Chlorination – 51011							\$369,000	\$313,324	\$0	\$313,324	\$55,676
Commentary	Work completed; defects liability period underway. Project closure report to summarise funding.										
Westport Water Treatment Plant Optimisation - 51052							\$270,000	\$53,743	\$20,620	\$74,363	\$195,637
Commentary	Final elements of new access stairs and platforms installation due mid-2025.										
Westport water Sectorisation - 51008							\$380,000	\$100,742	\$279,258	\$380,000	\$0
Commentary	Flowmeter procurement underway.										
Waimangaroa raw water supply upgrade							\$2,519,912	\$2,063,880	\$7,217	\$2,071,097	\$448,815
Commentary	Handover report completed by EGIS. Council report underway for decision on budget movement for underspend.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Westport Trunk Main Stage 1b - 10240							\$1,634,954	\$1,157,778	\$6,800	\$1,164,578	\$470,376
Commentary	Physical works completed. Defects liability period still to be completed. SLT memo to be drafted for decision on budget movement for underspend. Easements to be reviewed with asset coordinators.										
Westport Trunk Main Stage 2 - 51080							\$3,092,985	\$172,143	\$1,865,065	\$2,037,208	\$1,055,777
Commentary	Construction mobilisation completed and work started on site from KewRd/Abbatoir Rd corner.										
Coates Street Mains Replacement - 51076							\$250,000	\$27,410	\$222,590	\$250,000	\$0
Commentary	Construction programme ongoing.										
Reefton backflow preventions – 51006							\$131,000	\$36,595	\$45,000	\$81,595	\$49,405
Commentary	Construction programme ongoing.										
Westport backflow preventions – 51007							\$443,125	\$301,441	\$141,674	\$443,125	\$0
Commentary	Work program ongoing, due to be completed by June 2025.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
West Disraeli to Queen Street Mains Replacement - 51023							\$103,857	\$78,506	\$25,351	\$103,857	\$0
Commentary	Work near completion, roading reinstatement to be completed.										
Walsh street Main replacement							\$108,755	\$0	\$108,755	\$108,755	\$0
Commentary	Delivery contract instruction released.										

Stormwater Portfolio health check

The key projects in the Stormwater portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Brougham Street Stormwater Upgrade – 53001							\$150,000	\$127,728	\$7,500	\$135,228	\$14,772
Commentary	Easement process for BDC assets on private property awaiting final confirmation from LINZ.										
Southern Peel Street Stormwater Upgrade – 53011							\$300,000	\$44,824	\$207,150	\$251,974	\$ 48,026
Commentary	Procurement plan approvals underway, construction to be completed in 2025.										
Cobden Street outfall repair - 53031							\$500,000	\$61,320	\$536,974	\$598,294	-\$98,294
Commentary	Tender on GETS for evaluation in April. Resource consent application underway. Proposed communications to residents started.										
Thomas Creek outfall protection – 53006							\$160,000	\$180	\$15,000	\$15,180	\$144,820
Commentary	Work completed, 6-month monitoring period underway.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Stormwater management improvements - 52061							\$150,000	\$99,511	\$50,489	\$150,000	\$0
Commentary	Application to Regional Infrastructure Fund for capital underway. Stormwater flow data received.										

Waste Management Portfolio health check

The key projects in the Waste Management portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Current Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Karamea landfill and recycling centre upgrade							\$328,000	\$297,187	\$0	\$297,187	\$36,813
Commentary	<p>Project closure report underway.</p> <p>Multiple funding streams including AP budgets from 22/23, 23/24, waste levy's fund, MFE funds, Karamea Waste Group Grants contribution of approximately \$25k for materials. Project closure report to be drafted that confirms final financial breakdown.</p>										
Construction and demolition waste recovery facility							\$949,999	\$170,145	\$779,854	\$949,999	\$0
Commentary	<p>MOU between councils now signed. Work commencing to finalise agreement with MFE to release funds for construction of recycling facilities in Hokitika, Greymouth and Westport.</p> <p>Project majority funded by the Ministry for the Environment. Budget shows combined regional total which will be revised once the Westland project is confirmed.</p>										
Westport and Reefton transfer station upgrade							\$442,817	\$367,259	\$60,000	\$427,259	\$15,558
Commentary	<p>Minor weather dependent tasks to be completed at end of 2024 prior to project closure.</p>										

Waste Minimisation Plan							\$70,000	\$66,149	\$3,000	\$69,149	\$851
Commentary	Waste minimisation plan drafting continuing. Budget obtained from the Waste Levy Funds and from co-fundings from the other two WCRC (Other Councils total co-funding was \$41,764)										
Waste Services contract renewal							\$300,307	\$435,424	\$55,000	\$490,424	-\$190,117
Commentary	Council approved revised scope of services. Procurement amendment process to begin. Budget includes previous two consultations, statement of proposal elaboration, contract renewal, procurement plan, request for proposal, legal review, probity and audit advice, tender evaluation and moderation. Co-funding from GDC and WDC was \$34,664										
Organic Management Feasibility Study							\$100,000	\$90,000	\$10,000	\$100,000	\$0
Commentary	Feasibility study ongoing intended for completion in May 2025. Project co-funded by MfE \$75,000, DWC \$10,000, BDC \$5,000, GDC \$5,000, WDC \$5,000.										

Return to Service Programme Health Check

The NZTA funded Return to Service roading work is a programme of works separated into 12 bundles which are described below. Bundles were identified either by work of a similar nature or geographic similarity. A large review on the programme scope was completed in December with the programme forecasting an overspend of \$778,622. NZTA is requesting additional funding from the Board.

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Bundle 1 – Work usually carried out by Council's maintenance contractor							\$933,731	\$606,803	\$0	\$606,803	\$326,928
Commentary	All construction works completed. Proposed work at Gannons Bridge removed from scope.										
Bundle 2 – Roothing and culvert repairs							\$332,795	\$238,973	\$0	\$238,973	\$93,822
Commentary	Defect period ended in December 2024. Retentions released.										
Bundle 3 – Machine work							\$448,204	\$344,754	\$0	\$344,754	\$103,450
Commentary	Work completed; defects liability period underway. Estimate higher than actual cost to complete.										

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Bundle 4 – MSE wall & minor machine work							\$618,765	\$795,051	\$	\$795,051	-176,286
Commentary	Work completed; defects liability period underway. Tender price received higher than estimate.										
Bundle 5 – Karamea Basin & Little Wanganui underslips							\$662,360	\$528,599	\$1,469	\$530,068	\$132,292
Commentary	Defect period ended in December 2024. Retentions released.										
Bundle 6 – Denniston retaining walls & road repair							\$3,371,256	\$4,098,785	\$20,000	\$4,108,285	-\$747,529
Commentary	Work completed; defects liability period underway. Additional costs identified during construction due to challenging ground conditions over five sites.										
Bundle 7 – Rock protection & repairs Northern							\$1,256,062	\$983,551	-\$22,123	\$961,438	\$294,624

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Buller local roads											
Commentary	<p>Work completed; defects liability period underway.</p> <p>Reduction on scope of work on De Malmanches Road identified by Project Manager and competitive tender received.</p>										
Bundle 8 – SPR underslips, retaining structures & roads							\$2,725,265	\$2,473,072	\$622,514	\$3,095,586	-\$370,321
Commentary	All major construction works completed with guardrails and pavement marking remaining.										
Bundle 9 – Local roads rockwall, roading & rock placement							\$215,750	\$137,171	\$0	\$137,171	\$78,579
Commentary	All sites have been removed from the scope of works. If required, these will be carried out using the roading maintenance budget.										
Bundle 10 – Karamea Bluff rockwall, roading, rock & culverts							\$1,165,615	\$1,181,055	\$7,434	\$1,188,489	-\$22,874

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Work completed, Defects liability period underway.										
Bundle 11 – Karamea Bluff soil nail wall, replace culvert							\$751,279	\$760,645	\$192,000	\$952,645	-\$201,366
Commentary	Remediation completed. PS4 and final consent confirmation details required.										
Bundle 13 – Christmas Creek & Burkes Creek Bridge abutments, rock protection, culverts							\$1,011,152	\$1,298,923	\$2,170	\$1,301,093	-\$289,941
Commentary	Work completed, defects liability period underway. Tender price received higher than estimate.										

	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast Cost to Complete	Variance	Commentary
Overall Programme finances	\$13,492,234	\$13,447,382	\$823,474	\$14,270,856	-\$778,622	Reassessment of remaining work underway.

Summary by event and local roads or special purpose roads:

Class and event	Current budget	Forecast final cost	Variance
LR FEB	\$6,232,155	\$6,888,776	-\$656,621
LR JUL	\$1,073,193	\$791,560	\$281,633
SPR FEB	\$5,376,935	\$5,429,438	-\$52,503
SPR JUL	\$809,952	\$1,161,083	-\$351,132
TOTAL	\$13,492,234	\$14,270,856	-\$778,622

High Risks and Issues

The following table outlines the most significant risks and issues facing the Capital Programme Delivery and the mitigation measures in place to address them.

Project name	Risk/Issue Name	Description	Action/Mitigation
NBS theatre – HVAC	Cost escalation during construction works.	If unfavourable conditions are discovered once work is started, then there may be additional costs required.	Ensure robust negotiations are carried out to agreed quote and purchase order Contract management communication lines clear between the contractor and BDC.
Carnegie Library	Achieving a fit for purpose and affordable outcome	If the design of and purpose for the Carnegie building is not agreed by the BDC and community, then the outcome may be unaffordable, unachievable and not fit for purpose.	Regular meetings between the project manager and the Carnegie committee with final approval through Council.
Carnegie Library	Investigation costs	If construction is not completed there may be write off and demolition costs for operating.	Costs to be held as Work in Progress until a decision on phase 2 construction is made.
Stormwater management improvements - 52061	Delivery funding not confirmed.	Funding for stormwater improvements not included in the June 2022 Westport Flood Resilience Business Case.	Once modelling is completed, active engagement with central government on external funding sources.

Project name	Risk/Issue Name	Description	Action/Mitigation
Stormwater management improvements - 52061	Modelling cost write offs	If modelling is charged to capital and construction is not completed there may be write off costs for operating.	Working with finance to agree on an accounting treatment for this work.
Discharge resource consent application - 10235	Volume of request for information	If the volume of request for information tasks is too big there will not be available BDC resourcing to respond.	Task list has been drafted with assigned resources to it. Workload priority conversations with assigned staff underway.
Discharge resource consent application - 10235	Consent compliance	If the Council's consent application is not complete within the timeframes or issues with onerous conditions that are unable to be fulfilled, then the council may incur penalties and reputational damage for breaching conditions.	Reduce stormwater discharge into wastewater network.
Waste water/stormwater separation policy - 10239	Community engagement	If community engagement is not completed, then the stormwater infiltration policy may not be understood and accepted by councillors and the community.	Advise underway from the BD Communications and Engagement team on a communications plan linked to the consent process.
Riley Place Pump station renewal – 52052	Delivery funding not confirmed.	If funding is not approved, then the pumpstation will remain in poor condition and with a reduced capacity.	Business case underway to forecast costs along with the long-term plan.
Westport Wastewater sludge treatment and disposal	Consent compliance	If the Council's consent application is not complete within the timeframes or issues with onerous conditions that are unable to be fulfilled, then the council may incur penalties and reputational damage for breaching conditions.	Site improvements for composting of sludge.

Health, Safety and Environmental

This register tracks the health, safety and environmental audits and reports completed for construction projects in the previous month.

Programme/project name	Events Reported	Notifiable Events	Audits Completed
RTS Programme	0	0	11

Communications/Community and Stakeholder Engagement

The following recent communication has been distributed to achieve the above aims.

Project Name	Description
Southern peel street stormwater upgrade	Communications with representative of community to share design details completed.
Waste water/stormwater separation policy – 10239	Consultation on funding options underway through the Long-Term Plan

Appendix 1: Project Name and Description

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
IAF Programme	Transport - Pedestrian Cycleway	The safe crossing of SH67, the extension of the cycleway/walkway from Temporary Village to McPaddens Road.	June 2023	TBC	TBC
IAF Programme	Transport Road safety improvements	Re-design of the intersection with Alma Road, road widening along Alma Road to McPaddens, and a Bridge extension (new or add on) over Lagoon Creek.	June 2023	TBC	TBC
IAF Programme	WWTP Upgrade	Upgrade of wastewater treatment plant.	June 2023	TBC	TBC
IAF Programme	WW Pressure Lines	New pumping station and DN 90 and DN 180 pressure lines.	June 2023	TBC	TBC
IAF Programme	Water Supply - Watermain Ext	Water main extension from the Temporary Village to McPadden Road.	June 2023	TBC	TBC
IAF Programme	Stormwater	Culverts, Stormwater conveyance McPadden to State Highway which will be completed alongside the road widening project.	June 2023	TBC	TBC
Community Facilities	Mokihinui campground sewerage	Upgrade of Mokihinui Campground Effluent discharge funded by both the MBIE Tourism Infrastructure Fund and BDC.	October 2024	July 2025	September 2025
Community Facilities	Punakaiki campground sewerage	Upgrade the existing onsite effluent wastewater system, ensuring the upgrade is fit for purpose, operates efficiently and meets current resource consent conditions for a maximum of 400 camping ground uses.	October 2023	Completed	March 2025
Community Facilities	Brougham Street Upgrade	Upgrade Brougham House. Current work has included electrical-main switchboard replacement and upgrades of heating and ventilation system for ground and first floor of Brougham house.	June 2024	Completed	March 2025

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
		Earthquake strengthening work still to be confirmed through council as budget insufficient to complete the required works.			
Community Facilities	NBS theatre HVAC	Upgrade of heating and ventilation system for NBS theatre.	June 2024	August 2025	March 2026
Community Facilities	Carnegie Library	Primarily seismic upgrade and associated refurbishments to meet the building act.	October 2023	To be estimated through a project documentation	To be estimated through a project documentation
Community Facilities	Reefton swimming pool HVAC and upgrade	Upgrade of heating and ventilation system to ensure swimming pool air temp consistent with water temp to rectify severe condensation problem.	October 2023	September 2025	March 2026
Roading and Transport	LR – Low Cost/Low Risk – Omau Road intersection upgrade	Council is proposing to upgrade the Omau intersection due to safety concerns and to provide a safe alignment for the Kawatiri Coastal Trail. This stage will involve the detailed design of the intersection to be completed by 30th June 2024.	June 2023	December 2025	December 2026
Roading and Transport	SPR – Karamea highway rehabilitation	Granular overlay and two coat chip seal at three sites from the northern side of the Karamea bluff to the Karamea bridge.	June 2023	April 2025	April 2026
Roading and Transport	LR – Speed Management Plan	This project aimed to deliver on the outcomes of the Regional Speed Management Plan 2024-2026 consultation that proposed to lower the speed limit around eight schools, and seven high priority roads/high priority areas.	July 2023	March 2026	June 2026
Roading and Transport	Toki Trail stage 2a	A shared path was created between the Toki Poutangata bridge and Victoria Park which has been the subject of a post-construction safe system audit undertaken by Abley Consultants which recommended multiple changes and improvements. The scope of this project is to rectify	July 2023	Completed	March 2025

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
		<p>the existing Kawatiri Coastal Trail, Westport town precinct, Westport CBD, and the recreational area of Victoria Park via a shared pathway.</p> <p>An enhanced journey experience for cyclists and pedestrians will increase well-being, retail and social benefits</p>			
Roading and Transport	24-27 road resealing	Sections of road requiring resealing as part of regular maintenance.	November 2024	March 2026	June 2027
Roading and Transport	Kelly's Creek bridge	Kellys Creek bridge options including ford or replacement being explored.	January 2025	TBC	TBC
Roading and Transport	Little Wanganui bridge decking replacement	Little Wanganui bridge decking replacement	January 2025	TBC	TBC
Roading and Transport	Blue Grey bridge replacement	Blue Grey bridge replacement	January 2025	June 2026	April 2027
Roading and Transport	Brown Grey bridge replacement	Brown Grey bridge replacement	January 2025	June 2026	April 2027
Waste Water	Replacement of WWPS screens – 10234	Replace screens on the three pump stations subject of the consent RC00408/2. Note there are five other WW pump stations in Westport that are currently unconsented and may need the addition of overflow screens before consents can be issued.	July 2022	Completed	March 2025
Waste Water	Discharge resource consent application – 10235	Buller river and Orowaiti river resource consent application. Includes iwi liaison, environmental reporting etc.	July 2022	June 2027	December 2027
Waste Water	Waste water model preparation – 10236	Waste Water model and optioneering to identify improvement works that will need to be carried out over short and longer term.	July 2022	June 2031	December 2031

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
Waste Water	Stormwater model preparation - 10237	Stormwater model and optioneering to identify improvement works that will need to be carried out over short and longer term.	July 2022	March 2025	December 2025
Waste Water	Waste water/stormwater separation investigation – 10238	Repairs for immediate cross connections.	July 2022	March 2025	December 2025
Waste Water	Waste water/stormwater separation policy – 10239	Develop and consult on a WW/SW separation policy including consultation.	July 2022	February 2025	December 2025
Waste Water	Riley Place pumpstation - 52052	The current pump station, rated at 4 litres per second (l/s), is outdated, frequently struck by vehicles, and deteriorating. This project looks to investigate options available.	June 2024	June 2028	June 2029
Waste Water	Pakington street main replacement - 52021	Replacement of the main pipeline around numbers 20 – 32 in Pakington Street.	May 2024	April 2025	June 2025
Waste Water	Potter Road – Buller Road reline - 52023	Reline inside of the pipework between Potter and Buller Roads.	June 2022	Completed	June 2025
Waste Water	Potter Street reactive pipe replacement	Potter Street reactive pipe replacement	January 2025	Completed	February 2026
Waste Water	Adderly Street main replacement	Adderly Street main replacement	April 2023	Completed	June 2025

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
Waste Water	Reefton WWTP upgrade	Upgrades to the Reefton Wastewater treatment plant including aerator, level sensors and DO meters	November 2024	January 2026	April 2026
Waste Water	The Strand, Reefton, wastewater line renewal	Renewal of wastewater line on the Strand	May 2024	May 2026	May 2027
Waste Water	Packington Street electrical cabinet	Replacement of the electrical cabinet on Packington Street	December 2024	August 2025	August 2026
Waste Water	Westport Wastewater sludge treatment and disposal	Long term management optioneering and implementation of sludge in Westport	December 2024	June 2026	September 2026
Water Supplies	Punakaiki Chlorination – 51011	The objectives of the project are essential to improving water supply safety by introducing residual chlorine into the drinking supply and complying with the Drinking Water Assurance Rules of 2022	January 2024	Completed	December 2025
Water Supplies	Westport water treatment plant optimisation - 51052	This project aims to investigate the WTP treatment performance and undertake affordable improvements.	February 2024	March 2025	April 2025
Water Supplies	Westport water sectorisation - 51008	Sectorisation of the Westport Water system to understand the areas of water loss and allow improvements through management.	April 2025	June 2025	August 2025
Water Supplies	Waimangaroa WS Upgrade	Upgrade critical elements of the raw water supply to implement priorities of the raw water network.	July 2021	Completed	February 2025

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
Water Supplies	Westport Trunk Main stage 1b - 10240	The project is a continuation of the Westport Trunk main, construction of PE trunk main pipeline towards Westport.	August 2022	Completed	February 2025
Water Supplies	Westport Trunk Main stage 2- 51080	The project is the final stage of the Westport Trunk main, construction of PE trunk main pipeline towards Westport.	July 2024	June 2025	June 2026
Water Supplies	Coates Street Mains Replacement - 51076	Replacement of mains in Coates Street	July 2024	June 2025	June 2026
Water Supplies	Reefton Backflow prevention	In order to meet Taumata Arowai anticipated compliance testable backflow prevention valves are being rolled out firstly with rural water connections.	February 2025	June 2025	August 2025
Water Supplies	Westport backflow preventions – 51007	In order to meet Taumata Arowai anticipated compliance testable backflow prevention valves are being rolled out firstly with rural water connections.	July 2024	June 2025	August 2025
Water Supplies	West Disraeli to Queen Street Mains Replacement - 51023	Replacement of mains in West Disraeli to Queen Street	June 2024	February 2025	April 2025
Water Supplies	Walsh street Main replacement	Replacement of mains in Walsh Street.	February 2025	February 2025	April 2025
Stormwater	Brougham street stormwater upgrade – 53001	The project originates from an unresolved historic stormwater issue wherein private construction works damaged an unmapped public stormwater drain passing through private property and localized flooding persisted at the rear of 143-149 Palmerston Street. To address this, the project focuses on installing a new stormwater pipe. This	October 2023	June 2025	August 2025

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
		pipe will facilitate the drainage of communal stormwater from neighbouring properties into the Council's stormwater system situated in Brougham Street, thereby resolving the persistent localized flooding issue.			
Stormwater	Southern peel street stormwater upgrade – 53011	The primary objective of the Southern Peel Street Stormwater Upgrade project is to decrease flooding of roads and private properties during rain events ranging up to the 10-year Average Recurrence Interval (ARI). This involves improving the stormwater management system to handle stormwater effectively, thus ensuring the road corridor and surrounding properties remain flood-free during typical rainfall events, improving safety, and reducing maintenance costs	October 2023	June 2025	August 2025
Stormwater	Cobden Street outfall repair - 53031	Reactive repairs to the Cobden Street outfall. Design required prior to construction.	May 2024	May 2025	May 2026
Stormwater	Thomas Creek outfall protection – 53006	Reactive repairs to the Thomas Creek outfall. Stage 1 initial outfall design to be delivered and tested Stage 2 final outfall confirmed and delivered if needed.	February 2024	March 2027	August 2027
Stormwater	Stormwater management improvements - 52061	Upgrade to the Westport township stormwater network integrated into the flood protection wall construction	Sept 2024	May 2027	August 2027
Waste management	Karamea landfill and recycling centre upgrade	Purchasing and installing weighbridge, site office and recycling centre for Karamea.	March 2022	February 2025	May 2025

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
Waste management	Construction and demolition waste recovery facility	Regional project to design, build and operate three construction and demolition waste recovery facilities around the region (Westport, Hokitika, Greymouth).	March 2022	November 2025	February 2026
Waste management	Westport and Reefton transfer station upgrade	Major maintenance work of the two main waste facilities of the district (Westport and Reefton) e.g. roof repairs, Westport weighbridge, security fences/gates and cctv cameras.	July 2022	March 2025	June 2025
Waste management	Waste minimisation plan	Elaboration of the Regional WMMP that establish the Waste Management strategy to achieve the waste minimisation goals.	February 2024	April 2025	May 2025
Waste management	Waste Services contract renewal	Procure the contract that will provide the Buller Waste Management services and facilities operations from July 2025 until 2035 (10y).	July 2023	January 2025	March 2025
Waste management	Organic Management Feasibility Study	Elaborate a Feasibility Study to identify a preferred approach to manage food scraps and garden waste in the West Coast Region.	March 2024	May 2025	August 2025
Return to Service Programme	Bundle 1	Bundle 1 is made up of defects/projects that require simple designs and that are usually carried out by Council's maintenance contractor.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 2	Bundle 2 is made up of general roading and culvert repairs.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 3	Bundle 3 is made up of machine works on the Karamea highway.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 4	Bundle 4 is made up of machine works and a mechanically stabilised earth wall on the Karamea highway.	April 2022	Completed	March 2026

Portfolio	Project Name	Project Description	Project start date	Estimated delivery completion date	Estimated project closure date
Return to Service Programme	Bundle 5	Bundle 5 is made up of roading underslips that require the road shoulder to be reinstated in Karamea basin and Little Wanganui.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 6	Bundle 6 is made up of retaining wall and roading repairs on the Denniston road.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 7	Bundle 7 is made up of rock protection and roading repair work.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 8	Bundle 8 is the repairs of underslips using retaining structures and roading work on the Karamea highway.	April 2022	March 2025	March 2026
Return to Service Programme	Bundle 9	Bundle 9 is made up of rockwall and roading & rock placement. The largest portion is Darkies Tce, with a significant retaining structure intended to support road required	April 2022	Completed	March 2026
Return to Service Programme	Bundle 10	Bundle 10 is made up of rockwall and roading & rock and culvert work on the Karamea highway.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 11	Bundle 11 is the construction of a Soil Nail wall, replacement of existing culvert and other miscellaneous works on the Karamea highway.	April 2022	Completed	March 2026
Return to Service Programme	Bundle 13	Bundle 13 is the repairs to two sites; Christmas Creek - Lift existing bridge, upgrade, construct new abutments, river works and miscellaneous work. Burkes Ford - Reinstatement of rock protection, void repairs, culvert installation and other works.	April 2022	Completed	March 2026

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 8

Prepared by Sonja Firby
Finance Business Partner

Kaaren Phipps
Finance Manager

Reviewed by Paul Numan
Group Manager Corporate Services

Attachments 1. Buller District Council Multi -Year Projects Funding Schedule

Public Excluded No

BULLER DISTRICT COUNCIL MULTI-YEAR PROJECTS FUNDING REPORT

1. **EXECUTIVE SUMMARY**
Council budgets for annual operating and capital expenditure are prepared and approved during the Annual Plan or Long-Term Plan process each year.
2. At the end of each financial year capital budgets planned for scheduled projects may not be spent in full as forecast.
3. Some capital projects may be re-budgeted in the following year Annual Plan or Long-Term Plan if they are not started by the end of the financial year.
4. Capital works which are underway at balance date, but not yet completed require the budget to be carried over to subsequent years.
5. This report provides Council with details of the business-as-usual Capital Budgets required to be carried over from the 2023-2024 Financial Year to future capital budgets as outlined in this report.

6. **DRAFT RECOMMENDATION**

That Risk and Audit Committee...

1. Receives the Buller District Council multi-year projects funding report.

2. Approves the carry over budget of \$8,679,533 from the 2023-24 year be added to future Capital budgets as follows:

Move to 2024 – 25	\$4,505,035
Move to 2025 – 26	\$3,269,373
Move to 2026 – 27	\$ 905,125

7. **ISSUES & DISCUSSION**

8. **BACKGROUND**

The schedule attached to this report (marked as Attachment 1) sets out the capital budgets required to be carried over from the 2023-2024 year which are required to complete the Council projects that are underway.

9. The Capital budget required to be carried over is the unspent portion of a prior year budget which is still required to be spent in order to complete a capital project.

10. If a project is not started at year end, a budget carry over is not permitted for the following year. Instead, the budget required would need to be re-budgeted in the 2025-2026 year or a later financial year.

11. Net remaining budgets from prior years may be required to be transferred to the next financial year due to:

- Capacity constraints. When unexpected events occur projects must be re-prioritised and the resources available to continue with planned capital programs is reduced; or
- External factors beyond the control of management (such as Covid-19 or a flooding event, etc.); or
- Engagement with other parties extends project planning and decision-making stages (such as shared services with other West Coast Councils); or
- Projects contingent on strategic review or reconfiguration of the initial concept extend the project timeline.

12. A total of 35 Projects amounting to \$7,132,356 was approved by the Council to be carried forward from 2022/23 to the 2023/24 Financial year.

13. 15 projects were completed and are therefore not required to be carried over into 2024/25.

14. From the list of projects approved by Council to be carried over to 2023/24, 20 remain live and approval is needed for them to be continued plus 5 projects from 2023/24 have not been completed by 30/6/24.

15. 19 Project Budgets (\$4,505,035) need to be moved into 24/25 to finalise the projects.
16. 6 Project Budgets (\$4,174,498) will have no impact in 24/25, and it is requested that the remaining budget be moved into 25/26 (\$3,269,373) and 26/27 (\$905,125).
17. The more significant projects to be carried over are:
18. Westport Wastewater Treatment Renewal Project \$1,587,346
Westport Wastewater improvement program including public separation of wastewater from stormwater – this is to be moved into 25/26 and 26/27.
19. Stormwater projects \$718,790
Ongoing work to reduce backlog in renewals. Includes \$107k for 5 Brougham St, Thomas Ck outlet \$160k, South Peel ST \$300k and Cobden St outfall \$280k.
20. Westport Wastewater Mains replacements \$680,000
Ongoing work to reduce backlog in renewals, larger items being Riley Place PS \$250K, Buller River PS manual 10k, Pakington St Main \$170k, Adderley \$350k, Roebuck \$75k. This budget is to be moved into 25/26 and 26/27.
21. Westport Water Mains Renewals \$607,600
Multiple renewal project, larger ones are Coates Street, \$250k, Bentham St \$150K and West Disraeli \$172K.
22. Westport Water Trunk Main – Stage 1b \$503,058
This Project was completed April 25, we are awaiting the closure report to ascertain any underspend.
23. Carnegie Library \$495,199
Original budget committed to enable the trust to apply for leveraged funding. Application has been made to NZ Lotteries. This project is ongoing.
24. Reefton Swimming pool \$388,995
Lottery Funding of \$400k approved. LTD Costs \$251,716. Project due to complete Dec-25. This project is ongoing.
25. Brougham House Upgrade \$239,864
HVAC Install completed Mar-2025.
26. **CONSIDERATIONS**
27. **Strategic Impact**
The delivery of Capital Projects is important to meet the expectations of our community and complete the commitments made in our Long-Term Plans and Annual Plans.

28. Carrying over budgets to subsequent financial years enables the work on capital projects to continue seamlessly across balance dates for all departments of Council.
29. **Significance Assessment**
The Significance and Engagement Policy sets out the criteria and framework for a matter or a transaction to be deemed significant. The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine if a proposal or decision is significant requiring the Council to make judgements about the likely impact of that proposal or decision on:
- a. The district;
 - b. The persons who are likely to be particularly affected by, or interested in, the proposal or decision;
 - c. The financial impact of the proposal or decision on the Council's overall resources; and
 - d. The capacity of the Council to perform its role and carry out its activities, now and in the future.
30. The content included in this report has been consulted on with the community through prior Long-Term Plan and Annual Plan processes.
31. The capital projects detailed in the carry over schedule have been included in previous Long Term or Annual Plan processes including public consultation. Some projects including the Punakaiki Community Building and Reefton Swimming Pool have included targeted consultation with the affected communities.
32. This report is assessed as being low significance.
33. **Risk Management Implications / Opportunities**
Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.
34. Capital projects are perceived to have some greater than usual potential to place Council at risk as the costs involved can be significant, or the project may have greater technical and legal issues. This risk is mitigated by engaging suitably qualified staff to monitor and regularly report on the projects, therefore acting on any issues that arise early on, and to ensure the project progress is well understood by staff and governance.
35. Approving the capital budget carry overs extends project timelines to enable projects to be completed. Alternatively, capital projects would need to be re-budgeted during the next annual plan creating a twelve-month delay before work could recommence or continue.

36. **External Engagement**
There has been no external engagement.
37. **Internal Engagement**
This report has been developed and reviewed in consultation with staff in infrastructure services.
38. **Policy / Legal Considerations**
The Local Government Act 2002 governs the activities of Buller District Council and sets out the requirement for consulting on the annual plan and long-term plan to agree the budget and provision of services with the community.
39. This report assists with two key purposes of that Act (located at section 3) stating the purpose of the act is to promote the accountability of local authorities to their communities and provide for local authorities providing local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.
40. **Māori Impact Statement**
The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture, and traditions.
41. **Financial Considerations**
There are no extraordinary costs for the capital projects predicted at this stage of the financial year. The amounts which may need to be carried forward to the next financial year are identified so they can be included in the next annual plan budget.
42. **Communication Internal / External**
There are no media or publicity opportunities with this report.

Attachment 1: Multi Year Projects

Business Unit	Project	Total approved Budget	Remaining Budget after costs/ funding	Required to be carried forward to 24/25	Required to be carried forward to 25/26	Required to be carried forward to 26/27	Comments
Information Systems	Migration to Sharepoint and Magiq development	159,064	101,711	101,711			Budget required to complete the projects
	Server Replacement May/June 25 - cost \$102k	86,675	72,928	72,928			Contribution towards the new server cost - 24/25 budget is \$60k
Reserves	Punakaiki Community Facility	102,000	102,000	35,971			Project under Budget - the carry forward is to cover costs in 24/25
	Tauranga Bay	31,446	15,723	15,723			Work completed in 24/25
	Mokihinui Campground	39,366	19,683	19,683			Work completed in 24/25
	Punakaiki Camp Ground Wastewater	500,158	250,079	250,079			Work completed in 24/25
Carnegie Library	Fitout of Carnegie Library	495,199	495,199	495,199			Carried over as per discussion at council meeting to allow for local funding application to be made for local share
Victoria Square	Reallocate funds to Reefton Swingbridge repairs (S Pickford)	83,411	83,411	96,540			Fund reallocation
	Seismic strengthening	168,000	168,000	168,000			Currently on hold, Council to consider alternate options for a IL4 EOC
Clocktower Chambers	Fitout & Sound System	130,000	130,000	130,000			To finalise the project in 24/25
Brougham House	HVAC & general upgrade	300,000	239,864	239,864			To finalise the project in 24/25
Westport Wastewater	Grit removal upgrade of UV chambers	286,519	205,089	205,089			To finalise the project in 24/25
	Wastewater improvements programme include public separation work \$1.04m and Grit removal RC 50k, Grit Removal plant support 45k, Water recycling 50k, WWTP manual 10k	1,762,008	1,587,346		960,000	627,346	To be completed over 25/26 and 26/27
	Renewals programme including Riley St, Pakington St (Riley Place PS 250k, Buller River PS manual 10k - the PS manual is now being alt budgited in 2025, Pakington 170k, Aderley 350k, Roebuck 75k)	957,779	957,779		680,000	277,779	To be completed over 25/26 and 26/28
	Renewal programme including Potter Street Relining (includes carry over from other Reefton projects above)	613,982	269,866	269,866			To finalise the project in 24/25
Stormwater	This included 5 Brougham St 107k, Thomas Ck outlet 160k, South Peel St 300k and Cobden St outfall 280k combined	1,859,389	718,790	718,790			To finalise the projects in 24/25
C&D Waste Project	C&D Waste Project	861,000	861,000		861,000		To finalise the projects in 25/26
Westport Water	Renewal projects Coates Street, Bentham St, West Disraill	1,711,283	607,500	607,500			To finalise the projects in 24/25
	Sectorization project to install street district monitoring flow meter	695,818	315,818	157,909			To finalise current projects in 24/26
	Trunkmain Renewal - Closure report underway to confirm this underspend, suggest this is carried forward	503,058	503,058	503,058			Project completed in April 25
Waimangaroa Water	Trunkmain replacement	850,000	268,024		268,024		To finalise the projects in 25/26
Cape Foulwind Water	Intake upgrade and flow meters	126,213	126,213		126,213		To finalise the projects in 25/26
Reefton Pool	Reefton Pool upgrade	650,891	388,995	388,995			To finalise the projects in October 25
Coaltown Museum	Flooring	213,794	106,897	28,130			To finalise the projects in June 25
NBS Theatre	Install HVAC System	374,136	374,136		374,136		Completion planned for October/November 25
		13,561,189	8,969,109	4,505,035	3,269,373	905,125	

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 9

Prepared by Paul Numan
Group Manager – Corporate Services

Reviewed by Simon Pickford
Chief Executive Officer

Attachments 1. Strategic Risk Register – May 2025

Public Excluded: No

STRATEGIC RISK MANAGEMENT REPORT

1. **REPORT PURPOSE**

The report updates the Risk and Audit Committee on the management of strategic risks at Buller District Council (BDC) as of May 2025.

2. Please note that no decision is required in relation to this information.

3. **EXECUTIVE SUMMARY**

This report provides a summary of the Council's key strategic risks as at May 2025.

4. **DISCUSSION**

5. **BACKGROUND**

The Strategic Risk Register identifies the organisational strategic risks which are monitored by the Senior Leadership Team and reported to the Risk and Audit Committee.

6. **ISSUES AND DISCUSSION:**

The Strategic Risk Register is a living document and Council's strategic risks are reviewed monthly by the Senior Leadership Team and internal subject matter experts.

7. The objectives of the strategic risks review are:

- To confirm current risks identified.
- To review residual risk reassessments and ownership.
- To identify any new or emerging risks that pose a legitimate threat to the achievement of Council's strategic objectives.
- To ensure Council's strategic risks, together with related controls, are well documented to enable effective risk oversight by Council management staff, and

the Risk and Audit Committee.

8. Attached as an appendix is the updated Strategic Risk Register following a review by staff of the strategic risks as at May 2025. The BDC Strategic Risk Register provides a summary of each risk assessed requiring continuing mitigation actions, showing an assessment of both inherent and residual risk.
9. The Strategic Risk Register has twenty-four risks under action with a residual risk assessment of Significant, Moderate and Low Risk.
10. The following table provides a summary analysis of the residual risk assessment for the twenty-four risks after an assessment of likelihood and impact.

Residual Risk Assessment	Number of Risks
Extreme Risk	0
Significant Risk	9
Moderate Risk	11
Low Risk	4
	24
Residual Risk	
Likelihood: Almost Certain (5)	0
Likelihood: Likely (4)	2
Likelihood: Possible (3)	16
Likelihood: Unlikely (2)	4
Likelihood: Rare (1)	2
	24
Residual Risk Assessment	Number of Risks
Impact: Catastrophic (5)	2
Impact: Major (4)	7
Impact: Moderate (3)	14
Impact: Minor (2)	1
Impact: Insignificant (1)	0
	24

Table 7: Risk Assessment Matrix

Consequence	Risk Assessment Matrix					
	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					

11. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.

12. **DRAFT RECOMMENDATION**

That the Strategic Risk Management Report to May 2025 dated 18 June 2025 be received.

ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk	Controls	Mitigation strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual risk	Action plan	Owner
6	Major flooding of other Buller settlements	Natural disaster	Financial	3	5	IF adequate flood mitigation planning and or protection works are not designed and undertaken around Buller settlements, THEN a catastrophic flood, resulting from increased high intensity storm events and/or coastal inundation, may occur leading to potential loss of life and considerable financial loss and infrastructure damage. Inadequate stormwater capacity for high intensity rainfall.	15	Significant	Some river stop banking in place Some coastal protection work in place WCRC flood warning (telemetry) systems in place Property tags around flood levels and consideration in issuing of building consents Additional CD resource appointed and improved planning in place TTPP hazard mapping and identification undertaken and on-going Reefton Stormwater model being produced.	Stormwater improvement plan to be developed for Reefton post stormwater model production.	2	3	5	13	Significant	Reefton wastewater/stormwater separation and construction of SW network/soakage.	GM Infrastructure Services
12	Natural hazard and unforeseen event impacts on public safety	Natural disaster	Health and safety	3	5	IF effective Civil Defence processes are not in place, THEN emergency response could be compromised, resulting in avoidable serious injury to, or loss of life of, a member or members of the public	15	Significant	Emergency Management Officer employed by WCRC (and based in Buller) Staff and community training undertaken in emergency response (on-going) Public education and awareness undertaken in emergency response (on-going) Civil Defence exercises and simulations undertaken Community planning and organisational efforts Increasing experience and learnings implemented from previous events	Emergency Management Officer employed by WCRC (and based in Buller) Staff and community training undertaken in emergency response (on-going) Public education and awareness undertaken Civil Defence exercises and simulations undertaken Community planning and organisational efforts Increasing experience and learnings implemented from previous events EOC resourced and operative as required Early warnings via key agencies to ensure pre-planning can occur	2	3	5	13	Significant	Support the Training Plan as supplied by WCRC to ensure EOC can be manned effectively Oversee the operational plan from CDEM to ensure progress of actions Evacuation processes are developed and documented Early warning mechanisms are in place to provide quality intelligence	GM Regulatory
1	Central Government three-waters reform	Assets and infrastructure	Financial	5	5	IF Central Government water reforms are not fit-for-purpose or affordable, THEN there may be significant financial impact	25	Extreme	Advocacy to Central Government. Regional collaboration to address Local Water Done Well reforms. Active engagement with Taumata Arowai on acceptable solutions Strategic asset planning resource in place to help identify cost and ability to maintain services and infrastructure (underway)	Active engagement with other authorities to understand the potential of the creation of a Regional CCO. There has been steps taken with other districts and conversations taking place. The Department of Internal affairs are fully aware of are situation and will continue to be updated on the situation.	2	4	3	10	Significant	Ongoing meetings with potential CCO partners to support BDC strategy around LWDW Initial conversations with the DIA to make them aware of the situation and at present they are comfortable with what is being done. We are now consulting with the community and the next part of the process is to deliver a water services delivery plan to the DIA by 3rd September 2025. This will come from the decision made from the public in mid July. They have been kept abreast of the situation and are continually updated on the process through their reporting and monitoring Multiple workshops held with the elected members so they are comfortable with exactly what is being done.	GM Corporate Services

2	Central Government three-waters reform	Assets and infrastructure	Council reputation	4	5	20	Extreme	<p>Advocacy to Central Government. Regional collaboration to address Local Water Done Well reforms.</p> <p>Active engagement with Taumata Arowai on acceptable solutions</p> <p>No surprises approach being taken with the community about the significance of the issue</p> <p>Active engagement with other councils to form a financially sustainable entity are well developed.</p>	<p>Active engagement with other authorities to understand the potential of the creation of a Regional CCO.</p> <p>There has been steps taken with other districts and conversations taking place.</p> <p>The Department of Internal affairs are fully aware of are situation and will continue to be updated on the situation.</p> <p>Taumata Arowai fully understand any potential issues we are currently experiencing and conversations are ongoing.</p>	2	3	4	10	Significant	<p>LWDW meeting timeframes and expectations. Deliver the water services delivery plans (WSDP) by the 3rd September 2025. If this is not delivered there could be ministerial implications.</p>	GM Infrastructure Services
4	Climate change and flooding impacts on Council assets and infrastructure (other than Airport)	Natural disaster	Financial	3	5	15	Significant	<p>Asset management strategy (identifying weak points and prioritising investment)</p> <p>Resilience considered in recent asset upgrades and replacements</p> <p>Noting Resilient Westport work underway but controls yet to be implemented and take effect (so no effective risk reduction assumed just yet)</p>	<p>Working with partner agencies for risk mitigation, e.g WCRC and NZTA.</p> <p>Hazard mapping</p>	2	4	3	10	Significant	<p>Modelling ongoing for multiple climate and sea level scenarios to inform asset management strategies</p>	GM Infrastructure Services
7	Financial loss from depreciating assets and unrealised opportunities at Westport Port	Assets and infrastructure	Financial	3	5	15	Significant	<p>Lease and business arrangements in place to enable business and enterprise</p> <p>Out of port dredging contractual activity underway</p> <p>Regular financial reporting to monitor progress.</p> <p>Port infrastructure upgrades delivered and on-going</p> <p>Harbourmaster and Dredge Operations Manager oversight</p>	<p>Quarterly RAC reports provided on Dredge and Port financials. Port fees and charges adjusted to reflect user pays and future dredge contracts secured to ensure ongoing financial viability.</p>	2	3	4	10	Significant	<p>Securing future port and dredging revenue contracts.</p> <p>Investigating minimizing expenditure and maximizing revenue opportunities</p>	GM Corporate Services
8	Failure/ inability to fund and implement master planning outcomes	Assets and infrastructure	Financial	3	5	15	Significant	<p>Community engagement started and on-going</p> <p>On-going conversations between Master Planning proponents and district stakeholders/developers</p> <p>Advocacy between BDC and Central Government</p>	<p>Ensure all avenues for external funding are explored.</p> <p>Continue discussions with key partners and stakeholders to progress conversations that do not require significant investment.</p> <p>Ensure the TPPP is supportive of the natural hazard risk profile and the objectives are well articulated to the general public.</p> <p>Lobby government agencies for additional support.</p>	2	3	4	10	Significant	<p>Provide seed funding to maintain momentum until external funding becomes available.</p> <p>Work on business case to provide business case opportunities</p>	GM Regulatory
10	Heavy reliance on rates income with a low and aging population base	Council financial vulnerability	Council reputation	4	3	12	Significant	<p>Commercial & Corporate portfolio established.</p> <p>Active exploration of Port and other commercial opportunities.</p> <p>Strengthened partnership with Iwi, RIF and DWC.</p> <p>Ongoing advocacy and regional collaboration.</p> <p>Budget/service level reviews as part of LTP</p>	<p>Future Dredge contracts thru letters of intent secured. LTP financials updated to reflect ongoing financial viability. Buller District Council successful in securing \$4.8M of Regional Infrastructure funding for Port Infrastructure. On 28 May 2025 Council approved the supporting suspensory loan agreements for \$4.8M</p>	2	3	4	10	Significant	<p>Actively working with NZ Ports to secure future dredging revenue contracts.</p> <p>Actively seeking future revenue opportunities for the Port.</p>	GM Corporate Services

22	Costs associated with Special Purpose Road (SPR) to Karamea	Assets and infrastructure	Council reputation	3	4	12	Significant	Funding agreement in place that secures 100% contribution by NZTA until 2027 Substantial improvements to highway (improving resilience)	Continued advocacy and representation to NZTA and Central Government on the importance on retaining 100% funding.	2	3	4	10	Significant	Continued advocacy and representation to NZTA in regular forums	GM Infrastructure Services
9	Failure to implement process improvements from the KPMG PMO Audit Report	Process and systems	Council reputation	4	4	16	Extreme	Action plan developed based on audit recommendations and progress reported to RAC On-going work with funding partners and stakeholders to rebuild trust and confidence	Comprehensive Action Plan in place with actions reported on by CEO. New Procurement Policy developed adopted by Council. Development of two manuals for contractor procurement and management. Training for staff implemented. New Policies and Procedures implemented and rolled out to staff. Regular EPO training sessions provided to staff. An audit of the creditors and payroll areas has been undertaken by PWC with outcomes reported to RAC. Remaining Action Points are responsibility of RAC to monitor.	2	3	3	7	Moderate	The action plan has been divided into four sections: Procurement / Finance Issues (nine items), Conflict of Interest (two items), Protected Disclosures (two items), and Management / Governance (five items). Further progress has been made since December's update, with 14 of the 18 of the items now complete. Updates are shown in red on the attached Action Plan.	CEO Office
5	Major flooding of Westport township	Natural disaster	Financial	3	5	15	Significant	Some river stop banking in place (residual risk remains) WCRC flood warning (telemetry) systems Property tags around flood levels and consideration in issuing of building consents Resilient Westport Package established with government funding (physical works are a multiyear project and yet to take effect) Stormwater improvements to lessen backflow and inundation Additional CD resource appointed Stormwater model being produced. Asset Management Plans RIF application for stormwater improvements	Get funding from RIF to complete required works. Significantly increased stormwater renewals for Westport.	2	3	3	7	Moderate	Resilient Westport. Annual Plan stormwater renewals. Stormwater modelling.	GM Infrastructure Services
13	IT systems and data security	Council systems	Operational capacity	3	5	15	Significant	IT security systems in place and active testing and monitoring Server back-ups Training modules for staff and Councillors IT staff employed On-going upgrades and maintenance of systems	Robust firewalls and antivirus software in place. Backup as a service hosted on Cloud environment. Multi factor authentication set up for all users and Phishing training for staff. Infrastructure and system upgrades. Implementing DMARC – Strengthening Email Security	2	3	3	7	Moderate	Revised IT Disaster Recovery and Business Continuity Plan. Upgrading Server hardware and Firewall. Implementing DMARC/DKIM for Strengthening Email Security.	GM Corporate Services

17	Failure to adopt the 22/23 Annual Report (containing audited financial statements) in a timely manner	Governance and process	Council reputation	4	3	12	Significant	Working with OAG and EY and have retained external independent advocate/advice Permanent GM Corporate Services in place Process improvements being implemented as part of KPMG process audit	Ongoing provision of information to EY to finalise outstanding matters relating to draft audit opinion.	2	3	3	7	Moderate	Supporting information provided to Auditor regarding draft audit opinion in December 2024. Infrastructure revaluation data for 22/23 required rework - completed April 2025. Subject to Audit confirmation - planned adoption by 30 June 2025.	GM Corporate Services
18	Business success of Buller Holdings Ltd	Assets and infrastructure	Financial	3	4	12	Significant	Rigorous director appointment process to get the right focus and skillset. Regular review of strategic direction (input via SOI process) and financial performance. Regular two way updates, reporting and communication. IS workflow improvements between BDC and WestReef.	Draft SOI for BHL to be provided to RAC for consideration at April meeting.	2	3	3	7	Moderate	Subject to approval at April RAC - Council will consider draft SOI and actions at April Council meeting. May 2025 - Council approved the draft SOI in the April RAC meeting, this had updated objectives which we feel are more aligned to the expectations. The final SOI will be with Council in June 25.	GM Corporate Services
20	Business and industry activity in the district	District economic vulnerability and fragility	Financial	3	4	12	Significant	Strengthened partnerships with external funders. Presence of a regional ED strategy. Briefing to incoming Ministers (BIM). Ongoing advocacy. Infrastructure investment and upgrades. Resilient Westport programme underway.		2	3	3	7	Moderate	CE's ongoing input as a member of the Te Whanaketanga Steering Group. As part of the post-PMO audit, Action Plan of business process improvements to provide assurance to central government funders to rebuild trust and confidence in BDC. Successful RIF application resulting in \$3.2M of funding. The funds provided will be used for infrastructure upgrades at Westport Port which will enhance resilience and stimulate economic growth. This is the first of a two-stage upgrade programme, stage one involving: • the expansion of floating pontoon structure, • upgrades to the Fisherman's Wharf, • installation of a Roll-on / Roll-off (RORO) Ramp Facility' and • installation of an Ancillary pump for Kawatiri Dredge.	CEO Office
14	Major earthquake impacts on employees and public health and safety	Natural disaster	Health and safety	3	5	15	Significant	On-going assessment of key Council buildings undertaken Earthquake strengthening of key Council buildings where necessary Evacuation procedures	Replace or strengthen high risk occupied buildings to 67% NBS or IL4.	3	3	3	6	Moderate	Proposed replacement of EOC and Brougham House in 2025-34 LTP. Westport Library and Reefton Service Centre not included and remain high risk.	GM Infrastructure Services

15	Central Government three-waters reform	Assets and infrastructure	Legal compliance	3	3	IF Central Government water reforms are not achievable and Council is unable to meet its statutory obligations under Local Water Done Well, THEN there may be significant legal/regulatory risk	9	Significant	Advocacy to Central Government. Regional collaboration to address Local Water Done Well reforms. Active engagement with Taumata Arowai on acceptable solutions	Active engagement with other authorities to understand the potential of the creation of a Regional CCO. There has been steps taken with other districts and conversations taking place. The Department of Internal affairs are fully aware of the situation and will continue to be updated on the situation. Taumata Arowai fully understand any potential issues we are currently experiencing and conversations are ongoing. May 25 - Currently out for community consultation which closes on the 13 June. A decision will be made from the elected members in July as to how we deliver water services in the future. The water services delivery plan needs to be delivered to parliament by 3 September 2025.	3	3	3	6	Moderate	LWDW meeting timeframes and expectations. Deliver the water services delivery plans (WSDP) asap.	GM Infrastructure Services
16	Inability to fund and maintain key tourism infrastructure	Assets and infrastructure	Council reputation	4	3	IF Council cannot financially maintain key tourism infrastructure, THEN then the visitor experience will be compromised leading to demand drop off and reputational impact	12	Significant	Close working relationship with other key agencies and community to identify opportunities. Focus on temporary based infrastructure i.e. portable units	Weekly audits of key strategic sites to ensure compliance to regulations and bylaws	2	3	2	4	Moderate	Any future infrastructure requirements will be assessed as part of councils budgeting processes. If future external funding is made available council will evaluate the future demands and make an assessment on any additional infrastructure needs.	GM Regulatory
23	Failure to recruit key roles	Human resources	Operational capacity	3	4	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	12	Significant	HR Manager in place. Permanent CE recruited and full membership on SLT. Availability to contract in short term cover for key roles	Key recruitments have been successfully undertaken utilising a variety of methods including external recruitment agencies to ensure a high calibre of candidates. HRIS systems in place to streamline and improve recruitment, selection and retention of staff.	2	2	3	4	Moderate	Ongoing development of staff to encourage internal applicants. Continued focus on rebuilding trust and confidence in BDC to enhance reputation. Enhance employer branding efforts to position the organisation as an employer of choice. Continue proactive workforce planning to identify upcoming critical roles and succession needs early. Review and optimise job descriptions and person specifications to attract a wider candidate pool. Focus on Tier 2 and 3 roles - particularly those with contracted staff.	CEO Office
19	Willingness and capacity of candidates to stand for Council	Governance	Operational capacity	2	4	IF external pressures, demands, risk exposure, and/or unfair criticism are not balanced or addressed, THEN there is a risk that the willingness to stand for Council erodes, compromising effective governance	8	Moderate	Pre-election engagement and communications. Greater focus on communication with community around what Council does	Comprehensive communication plan has been developed to encourage candidates to stand. Pre-election report is being created to provide an overview of council performance. Six hours of bookable, candidate briefing sessions in July have been arranged for the CEO and a councillor (not standing for re-election) to provide one-on-one information to prospective candidates.	2	2	3	4	Moderate	Pre-election planning underway with tasks identified and allocated between Elections NZ and BDC.	CEO Office

24	BCA accreditation	Regulatory processes	Operational capacity	2	4	8	Moderate	Internal officer undertakes pre-audit audit that generates corrective actions. History and experience of existing staff in audit requirements	Appointment of a QA Officer role to oversee internal audit processes Building Control Manager provides Strategic review to address any audit outcomes Group Manager overview of Strategic actions to confirm closeout	3	2	3	3	Low	Continue to monitor corrective actions from IANZ Audit Ensure Audit resource available to oversee activity Validate Strategic Plan on an annual basis	GM Regulatory
21	Leaching from historic waste sites	Assets and infrastructure	Environmental	2	3	6	Moderate	Known sites monitored/managed Containment/protection measures implemented (i.e. Hector, Reefton)	Budget to purchase and remediate Birchfield landfill in 2025-34 LTP. Ongoing monitoring and compliance with WCRC resource consents.	3	2	3	3	Low	Funding application to MfE for contaminated sites remediation fund to be completed.	GM Infrastructure Services
3	River inundation of Westport Airport	Natural disaster	Operational capacity	4	5	20	Extreme	Flood protection installed around generator shed	The flood protection around generator shed is complete. The fuel facility will utilise portable flood protection barriers / bunds installed by emergency management, in a Red rain warning weather event	3	1	4	1	Low	The controls are likely to eliminate or minimise the occurrence	GM Community Services
11	Coastal erosion and sea inundation of Westport Airport runway	Natural disaster	Operational capacity	4	5	20	Extreme	Debris exclusion fence constructed (February 2019) to prevent incursion of debris onto runway strip and runway Rockwall constructed	Rockwall is surveyed each year to ensure integrity remains. It is also checked post any significant weather warnings / events.	3	1	4	1	Low	Ongoing surveys to monitor the integrity of the wall and ensure any action identified is recorded and undertaken.	GM Community Services

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 10

Prepared by Kaaren Phipps
Manager Finance

Reviewed by Paul Numan
Group Manager Corporate Services

Public Excluded: No

UPDATE ON THE 22/23, 23/24 AND 24/25 ANNUAL REPORTS

1. **REPORT PURPOSE**

The purpose of this report is to provide the Risk and Audit Committee with an update on the status and progress of the key statutory documents relating to Annual Reports which is provided for information.

2. Please note that that this report is for information only and no decision is required.

3. **EXECUTIVE SUMMARY**

This report provides an update on progress with the 2022/23, 2023/24 and 2024/25 Annual Reports.

4. **DISCUSSION**

5. **22/23 Annual Report**

By way of background the following is an update to information provided at the April RAC meeting. At that meeting we advised the Committee that the Auditors were provided with information to support the value of infrastructure assets; work in progress (WIP); current year additions; and costs claimed (subsidies and grants as per funding agreements). We further provided the Auditors with revaluations carried out by BECA for infrastructure assets (3W and Roding).

Council finance staff have updated the 2022/23 draft accounts with the latest revaluation amounts and have now provided this to the Auditors - with the expectation that they are satisfied with the latest BECA revaluations as previously provided. As at the date of this report to the Committee we are still awaiting the Auditors response in relation to their final review on our 22/23 draft accounts and we will provide a further update in due course.

6. **23/24 Annual Report**

The finance team is currently undertaking completion of the 23/24 annual report, and it is expected that a draft set of accounts will be provided to Ernst & Young (EY) by end of June 2025 - so that they can commence their audit work. EY have confirmed that they will be supporting Council getting back on track with the 24/25 financial reporting year to meet the deadline for adoption by 31 October 2025 and that they will prioritise the audit work for the 23/24 annual report. It is anticipated that the 23/24 audit work will be completed in August, noting this is subject to the audit work being completed and resolution of any issues that result from this work. Council has facilitated completion of an independent valuation for the 23/24 financial year and expects this assist with the annual audit of the financials.

7. **24/25 Annual Report**

We have commenced the preparation work for the 24/25 annual report and are working on the planning timeline required for this work which will commence in July. This work will be done whilst the audit work for the 23/24 annual report is being carried out. The Auditors will move to the audit work on this annual report following the audit completion of the 23/24 audit, and we hope to have this financial year meet the deadline of 31 October 2025. However, again, this is subject to how the audit work progresses through this time. Council staff will be prioritising the necessary work to be completed on the accounts to assist achieve this.

8. The standard considerations have been thoroughly evaluated and there are no additional comments at this time.

9. **DRAFT RECOMMENDATION**

That the report “Update On The 22/23, 23/24 and 24/25 Annual Reports” dated 18 June 2025 be received.

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 11

Prepared by Glen Pellew
Financial Accountant

Reviewed by Kaaren Phipps
Finance Manager

Attachments: 1. Buller Holdings Financial Report for the period ending 31 March 2025

Public Excluded: No

BULLER HOLDINGS LTD - FINANCIAL REPORT (UNAUDITED) TO 31 MARCH 2025

1. **REPORT PURPOSE**

The purpose of this report is to provide the Risk and Audit Committee with the Buller Holdings Limited Financial Report to 31 March 2025 and is provided for information.

2. Please note that no decision is required in relation to this information.

3. **EXECUTIVE SUMMARY**

This report presents the quarterly (unaudited) financial statements for the 9 months ended 31 March 2025 including the budget for this period.

4. The Group consists of WestReef Services Ltd and Buller Recreation Ltd and Buller Holdings Ltd whilst the parent is Buller Holdings Ltd.

5. **DISCUSSION**

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

6. The Council owns 100% of the shares in BHL, therefore BHL is deemed to be a Council Controlled Organisation.

7. Commentary on the results of each area of BHL operations which are WestReef Services Limited and Buller Recreation Limited (trading as the Pulse Energy Recreation Centre) are set out in the accompanying report.
8. The report from the Chair notes that:
WestReef Services Ltd (WSL) has performed well from a financial and operating perspective to date. The improved performance mainly reflects a busy post-Christmas construction season. To maintain this performance the company is focused on maximising opportunities and scheduled work for the remainder of the year, including budgeted work from the Council.
9. Buller Recreation Ltd (BRL) has had a solid performance to date. Income is slightly below budget at the three-quarter mark and expenses are tracking slightly under budget. BRL is committed to ensuring that expenses overall are managed efficiently, particularly as some costs such as electricity have increased markedly.
10. The Group posted an operating surplus of \$1,583,000 for the 9 months to 31 March 2025 against a budgeted surplus of \$1,082,000, tracking significantly higher the surplus of \$ 204,000 than in the same period for the previous year.
11. It is noted that the likelihood of meeting the budgeted forecast distribution to shareholders of \$1.3M is improving as at the end of this quarter.
12. This information should be read in conjunction with the financial statements to provide detail about the group's reported results.
13. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
14. **DRAFT RECOMMENDATION**

That the Buller Holdings Ltd - Financial Report to the 31 March 2025 dated 18 June 2025 be received.

Financial Report (unaudited)

For

Buller Holdings Ltd

For the Period Ending 31 March 2025

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Statement of Changes in Equity	11
Statement of Cash Flows	12
Statement of Financial Position	14

Directors Report to the shareholders of Buller Holdings Ltd on the financial performance for the Nine Months to 31 March 2025

Commentary:

The financial performance for the first 9 months of the financial year for the Group is currently tracking better than budgeted and is also higher than the equivalent period for last year. The total revenue for the Group to date is also higher than budgeted and higher than the corresponding period for the previous year.

WestReef Services Ltd (WSL) has performed well from a financial and operating perspective to date. The improved performance mainly reflects a busy post-Christmas construction season. To maintain this performance the company is focused on maximizing opportunities and scheduled work for the remainder of the year, including budgeted work from the Council.

Milestones for the company for the period to date include; health and safety audit signoff and completion of the HSE&Q strategy, completing carbon reporting and analysis for the first time this year to date, and completion of the Oceana multipurpose track at Reefton, which will contribute to the amenities available in the Buller region.

Buller Recreation Ltd (BRL) has had a solid performance to date. Income is slightly below budget at the three-quarter mark and expenses are tracking slightly under budget. BRL is committed to ensuring that expenses overall are managed efficiently, particularly as some costs such as electricity have increased markedly.

BRL continue to offer more services, and it is satisfying to provide more groups with their own fitness classes. This is an area we are looking to expand.

Membership has remained strong within the recreation centre given the continued financial pressures currently being felt in the community.

The Group continues to look for new opportunities for the individual companies and any other opportunities that present themselves. The Group currently employs approximately 130 staff and is one of the biggest employers within the district, providing social and economic well-being spread throughout the district.

A commentary against key performance indicators is contained on pages 4 to 9 of this report.

On behalf of the Board



Steve Grave

Chair

Statement of Intent Targets:

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

Buller Holdings Limited

The performance of Buller Holdings Ltd will be judged against the following measures and targets:

Objective	Key Performance Measure	Budget Targets	
		2025	Achieved
Health & Safety	Medical Treatment Injury	Nil	Nil
Operational	The board of directors will meet with the BDC Mayor and Chair Risk & Audit Committee on a formal basis: (per/year)	3 times per year	3
Financial Parent (\$000)	Revenue	\$751	\$555
	Expenditure	\$749	\$618
	Net Operating Surplus/(deficit)	\$2	(\$63)
	Provision for Capex	\$0	\$4
	Ratio of Shareholders Funds to Total Assets	>45%	84%
Financial Group (\$000)	Group Consolidated Operating Surplus before Tax	\$1,792	\$1,583
	Provision for capex	\$4,298	\$676
	Forecast distribution to Shareholders	\$1,300	Improving
	Ratio of Shareholders Funds to Total Assets	>45%	71%
	Gearing Ratio (Debt to Debt plus Equity)	<40%	11%
Environmental	Business Environmental Footprint	Establish KPIs and improve on 2024 baseline (<1,100,359kg CO2e)	764,968kg CO2e

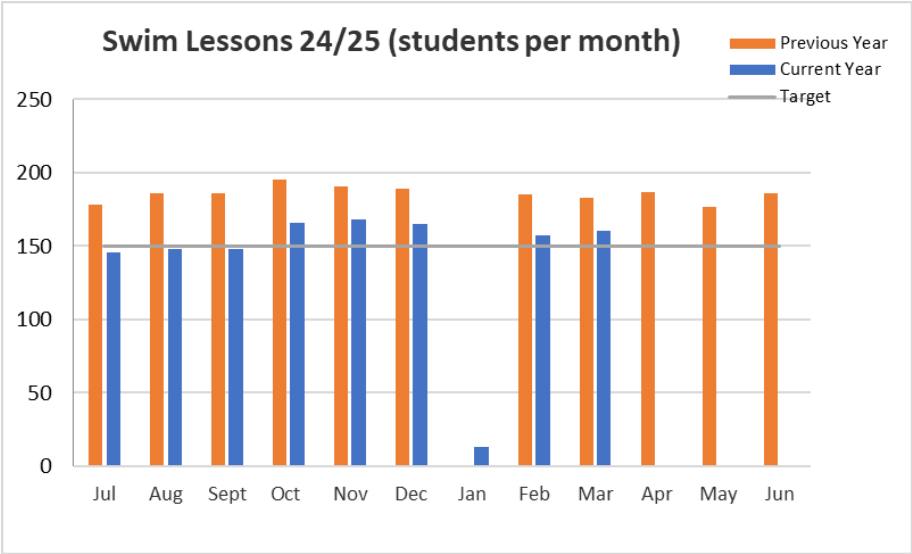
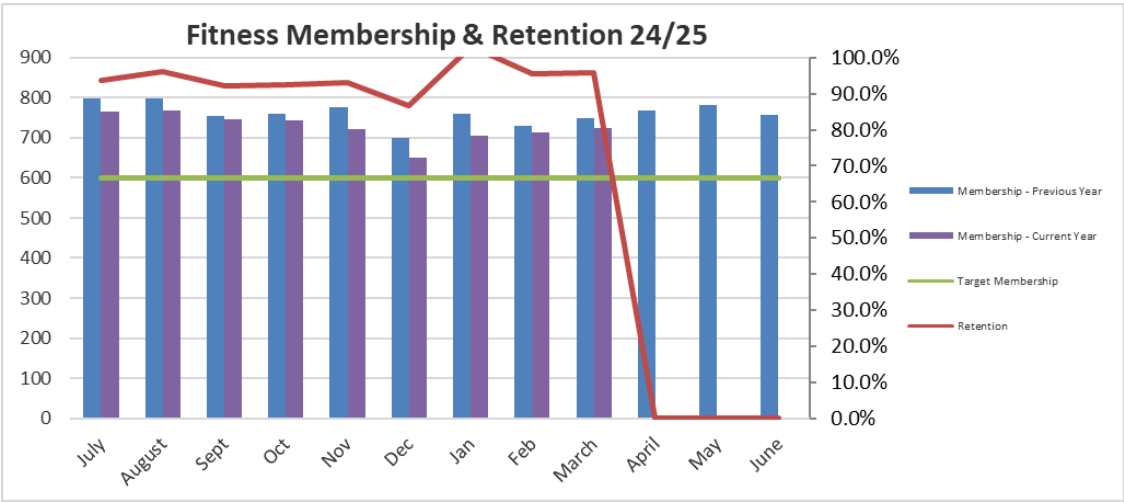
WestReef Services Ltd

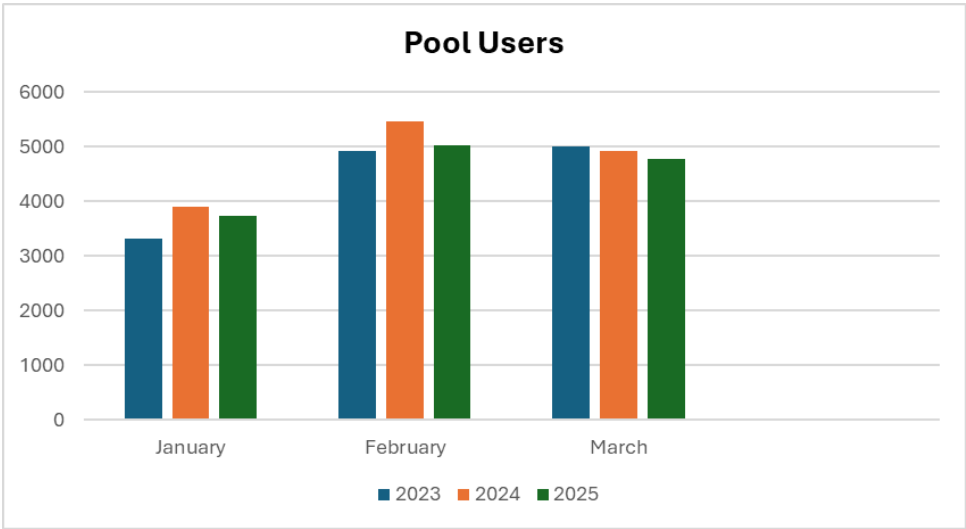
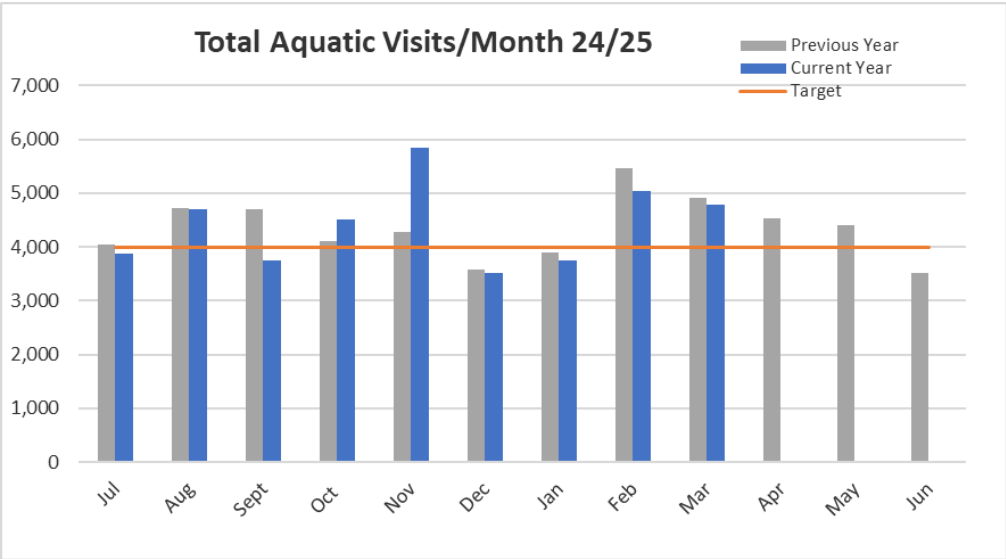
OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGETS	
		2025	Achieved
Health & Safety	Medical Treatment Injuries	Nil	1 (not achieved)
	Notifiable Incident ICAM (investigated with recommendations actioned)	100%	None (achieved)
	Total safety audits completed	>100	184
	ISO 45001 Accreditation	Maintain accreditation	Achieved
Operational	Employee Satisfaction – Staff turnover excluding retirement, redundancy, and internal transfers.	Within the range of +/- 5% of the national benchmark	Measured at year end
Employee Development & Satisfaction	Undertake staff satisfaction survey (every 2nd year)	Survey completed	Occurring in April 2025
Financial (\$000)	Revenue	\$19,142	\$17,922
	Expenditure	\$17,169	\$16,187
	Net Operating Surplus before Tax	\$1,973	\$1,735
	Provision for Capex	\$4,150	\$489 (depot project deferred to the 25/26 year)
	Competitively Procured Revenue	>45%	94%
	Ratio of Shareholders Funds to Total Assets	>45%	83%
Environmental	Number of enforcement notices	Nil	Nil
	Business Environmental Footprint	Establish KPIs and improve on 2024 baseline (<1,039,250kg CO2e)	725,271kg CO2e
Community	Support Minimum 25 community activities	25	36

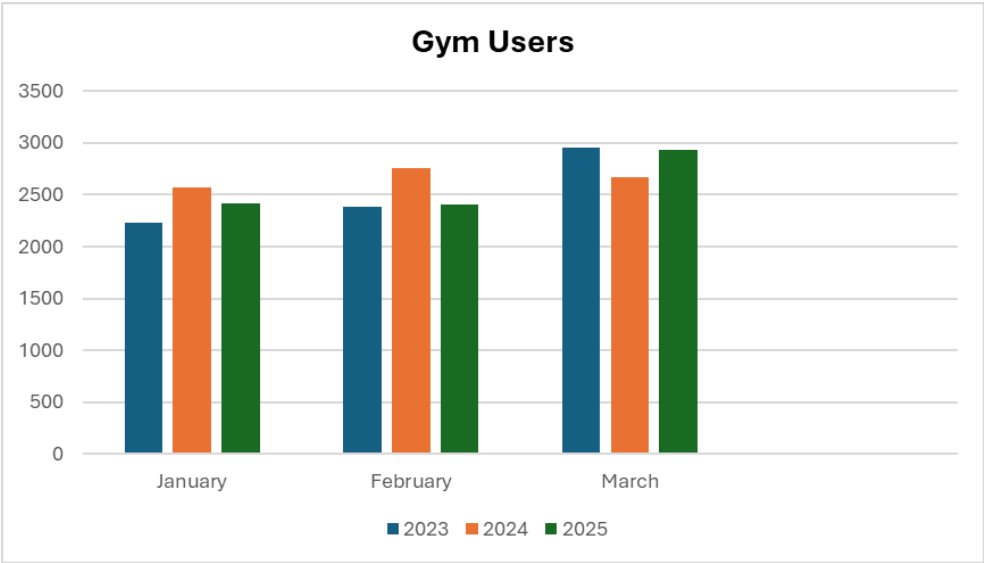
Buller Recreation Ltd

Performance Measure	Key Performance Indicator	Targets	
		2025	Achieved
Fitness membership	Average membership over 12-month period.	>700	737
	Average retention rate over 12-month period	>75%	95%
Aquatic centre usage	Average visits per month over 12 months	>4,000	4,352
Safety	Medical Treatment Injuries	Nil	Nil
	Undertake staff satisfaction survey every second year	Survey completed	Not required in 2025
	Undertake client satisfaction survey every second year.	Nil	Due by 30 th June 2025
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieved	Completed
Financial Forecasts (\$000)	Revenue	\$816	\$592
	BDC Service level fee	\$906	\$679
	Expenditure	\$2,257	\$1,686
	Net operating surplus (deficit) before Tax	(\$535)	(\$415)
	Cash surplus/(deficit) (after adding back depreciation)	\$5	(\$35)
	Provision for capex (funded by Council)	\$148	\$52
	Ratio of Shareholders Funds to Total Assets	>45%	80%
Environmental	Business Environmental Footprint	Establish KPIs and improve on 2024 baseline (<61,109kg CO2e)	39,697kg CO2e

Buller Recreation Ltd







STATEMENT OF FINANCIAL PERFORMANCE

For the period ending 31 March 2025

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	19,138	18,322	555	564
Expenses	17,555	17,240	618	562
OPERATING SURPLUS/(DEFICIT) before taxation	1,583	1,082	(63)	2

STATEMENT OF FINANCIAL PERFORMANCE

For the period ending 31 March 2024

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	16,059	12,976	450	518
Expenses	15,855	12,484	489	516
OPERATING SURPLUS/(DEFICIT) before taxation	204	492	(39)	2

STATEMENT OF CHANGES IN EQUITY
**For the period ending
31 March 2025**

	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2024	20,472	(9,468)	11,004	20,472	(12,040)	8,432
Profit for the period	-	1,583	1,583	-	(63)	(63)
	20,472	(7,885)	12,587	20,472	(12,103)	8,369
Transactions with owners, recorded directly in equity						
Issued capital	148	-	148	148		148
Closing balance 31 March 2025	20,620	(7,885)	12,735	20,620	(12,103)	8,517

**For the period ending
31 March 2024**

	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2023	20,117	(7,822)	12,295	20,117	(13,930)	6,187
Profit for the period	-	204	204	-	(45)	(45)
	20,117	(7,618)	12,499	20,117	(13,975)	6,142
Transactions with owners, recorded directly in equity						
Issued capital	355	-	355	355		355
Closing balance 31 March 2024	20,472	(7,618)	12,854	20,472	(13,975)	6,497

STATEMENT OF CASH FLOWS
For the period ending 31 March 2025

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2025	2025	2024	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Management fees	675	476	638	465
Receipts from Customers	16,559	73	15,201	30
Interest received	23	0	73	5
	17,257	549	15,912	500
Cash was applied to:				
Payments to suppliers and employees	15,378	655	13,516	438
GST paid	219	6	705	37
Interest paid	28	28	55	54
	15,625	689	14,276	529
Net cash inflow/(outflow) from operating activities	1,632	(140)	1,636	(29)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Realisation of term investments	277	-	2,593	130
Proceeds from sale of fixed assets	7	-	112	-
	284	-	2,705	130
Cash was applied to:				
Term investments	500	-	607	130
Purchase of fixed assets	676	4	3,335	-
	1,176	4	3,942	130
Net cash inflow/(outflow) from investment activities	(892)	(4)	(1,237)	(0)

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2025	2025	2024	2024
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Share Issue	148	148	355	355
	148	148	355	355
Cash was applied to:				
Share Issue	-	148	-	355
Subvention payment made	611	-	1,139	-
	611	148	1,139	355
Net cash inflow/(outflow) from financing activities	(463)	-	(784)	-
Net increase in cash held	277	(144)	(385)	(29)
Add opening cash as at 1 July	2,130	258	1,010	125
Closing cash balance	2,407	114	625	96
Made up of:				
Bank	2,407	114	625	96
Closing cash balance	2,407	114	625	96

STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
	2025	2025	2024	2024
ASSETS				
Current Assets				
Cash and short-term deposits	2,407	114	625	96
Receivable and prepayments	3,522	72	3,886	62
Inventories	153	0	133	0
Short Term Investments	500	0	607	130
Other current assets				
Total current assets	6,582	186	5,251	288
Non-current assets				
Deferred tax	208	17	286	15
Fixed assets	10,845	2,399	11,111	2,402
Goodwill	389	0	389	0
Investment in Subsidiaries	0	7,578	0	7,430
Total non-current assets	11,442	9,994	11,786	9,847
Total Assets	18,024	10,180	17,037	10,135
LIABILITIES				
Current liabilities				
Payables and accruals	1,539	157	1,975	80
Employee entitlements	657	6	708	57
Total current liabilities	2,196	163	2,683	137

Non current liabilities

Deferred Tax	1,593	0	0	0
Loans	1,500	1,500	1,500	3,501
Total non-current liabilities	3,093	1,500	1,500	3,501
Total liabilities	5,289	1,663	4,183	3,638

EQUITY

Share capital	20,620	20,620	20,472	20,472
Accumulated Funds	1,583	(63)	204	(45)
Retained earnings	(9,468)	(12,040)	(7,822)	(13,930)
Total Equity	12,735	8,517	12,854	6,497
Total Liabilities & Equity	18,024	10,180	17,037	10,135

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 12

Prepared by Glen Pellew
Financial Accountant

Reviewed by Kaaren Phipps
Finance Manager

Attachments 1. Westport Airport Authority Statement of Intent 2025-2026

Public Excluded: No

STATEMENT OF INTENT: WESTPORT AIRPORT AUTHORITY

1. **EXECUTIVE SUMMARY**

Council is required to adopt the final Statements of Intent (SOI) for each of its Council Controlled Organisations (CCOs) relating to the upcoming financial year.

2. The Local Government Act (2002) requires the board of a CCO to deliver a draft Statement of Intent to Council each year to allow for review and comment on the content. The Act also requires the board to deliver a final Statement of Intent before 30 June.

3. **DRAFT RECOMMENDATION**

That the Risk and Audit Committee:

1. **Receive the report.**
2. **Recommends to the Council that it adopt the Statement of Intent for the Westport Airport Authority for the year ending 30 June 2026.**

4. **ISSUES & DISCUSSION**

5. **BACKGROUND**

Part 64 of the Local Government Act (2002) sets out that the purpose of a Statement of Intent is to:

- State publicly the activities and intentions of a Council-controlled organisation for the year and the objectives to which those activities will contribute; and
 - Provide an opportunity for the shareholders to influence the direction of the organisation; and
 - Provide a basis for the accountability of the Directors to their shareholders for the performance of the organisation.
6. Schedule 8 of the Local Government Act (2002) sets out the detail about how the exchange between Council and the CCO occurs. The draft Statement of Intent must be delivered to its shareholders on or before 1 March. The final Statement of Intent must be delivered to Council before 30 June each year for approval.
 7. The Statement of Intent for the Westport Airport Authority sets out both non-financial and financial targets. The financial targets include three years' key performance indicators which include the next financial year and the following two future years.
 8. The Statement of Intent aligns to the budgeted figures included in the Buller District Council Draft Long Term Plan 2025 -2034 when it is adopted.
 9. Staff engaged with Ministry of Transport staff who provided feedback in late May 2025 and stated that there were no changes that they would propose to the draft SOI.
 10. Accordingly, staff recommend that the SOI should now be adopted as final, and the Risk and Audit Committee should recommend that to Council.
 11. **OPTIONS**
Not applicable
 12. **CONSIDERATIONS**
 13. **Strategic Impact**
In order to achieve key strategic objectives for the Buller District, the Council owns a Council Controlled Organisation (CCO) Westport Airport Authority. The CCO prepares a "Statement of Intent" which sets out its mission, objectives and performance targets for each financial year.
 14. **Significance Assessment**
This report is assessed as being low significance.
 15. **Risk Management Implications / Opportunities**
Receiving this paper and acting on the recommendations is key part of managing the various risks that the Council has in owning a Council-controlled organisation.

16. Council works in parallel with the CCOs to drive the strategic outcomes set in the Long-Term Plan. The success of the CCOs is imperative to ensure the financial stability of Council. As well, those services provided by the CCOs as set out in the Long-Term Plan and Annual Plans are deemed significant. Therefore, understanding the budgeting and non-financial targets of each CCO is important to highlight any changes which in turn may affect Council and result in a matter occurring which is deemed significant under the Significance and Engagement Policy.
17. **Policy & Legislative Considerations**
Adoption of CCO Statements of Intent is required each year to ensure the financial data can be incorporated into Council Annual and Long-Term Plans. This then links to the requirement for ratepayers to partially fund the Westport Airport activity as set out in the Revenue and Financing Policy and included in the Funding Impact Statement (Rates Policy). Section 64 of the Local Government Act (2002) and Schedule 8 of the Local Government Act 2002 as discussed above.
18. **Māori Impact Statement**
The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture and traditions.
19. **Legal Implications**
There are no legal implications with this report and the recommendation
20. **Financial Considerations**
There are no unbudgeted costs or financial implications.
21. **Communication Internal / External**
Nil consultation considerations identified.

WESTPORT AIRPORT

**Statement of Intent
For the year ended
30 June 2026**

**WESTPORT AIRPORT AUTHORITY
STATEMENT OF INTENT
FOR THE YEAR ENDING 30 JUNE 2026**

Introduction

The Westport Airport is a joint venture operation between the Buller District Council (the Westport Airport Authority which is granted the power and responsibility for managing and operating the airport) and the Ministry of Transport (on behalf of the Crown).

Management and control of the Airport is vested in the Buller District Council.

This Statement of Intent sets out the intention and the objectives for the Westport Airport Authority for the period 1 July 2025 to 30 June 2026 and the following financial year.

Objectives

The principal objective is to operate a safe and efficient airport facility and assist in the provision of air services for visitors and stakeholders alike.

To operate as close as possible to a commercial business offering cost effective value for the ratepayer investment.

To maintain the Airport's assets and infrastructure at a level compliant with our CAA Part 139 certification status.

To pursue any commercial undertakings at the Airport that will complement the Airport operation and increase the level of economic activity

Nature and Scope of the Activities to be Undertaken

The nature of the activities of the Airport is to operate Airport facilities at Westport that support scheduled flights and other general aviation activity including air ambulance, charter and leisure.

The Airports scope envelops the provision, maintenance, upgrading and enhancement of services and facilities to accommodate the safe movement of aircraft and the efficient facilitation of passengers and cargo through the Airport.

In addition to the airside operations the airport authority also derives income from providing ground handling services to the scheduled operator, managing property leases and car parking.

Accounting Policies

The accounting policies used by the Westport Airport Authority are consistent with generally accepted accounting principles, legal requirements and the Joint Venture Agreement. Major accounting policies are as follows;

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition and construction of the asset.

Depreciation

Depreciation of fixed assets, other than land, is provided on a straight-line basis at rates calculated to allocate the cost of the assets over their estimated useful lives.

Goods and Services Tax

The financial statements are prepared exclusive of Goods and Services Tax except for accounts payable and receivable which are stated inclusive of GST. The WAA is not registered for GST on their own account, GST is accounted for as a division of Buller District Council.

Income Tax

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior tax liabilities.

Cash and Bank Accounts

Cash and bank accounts include cash on hand and deposits held at call with banks.

Trade and Other Receivables

Trade and other receivables are initially measured at the amount owed. When it is likely that the amount owed (or some portion) will not be collected, a provision for impairment is recognized and the loss is recorded as a bad debt expense.

Buller District Council Current Account

Buller District Council advances funds to the Airport Authority on a current account basis to enable the Authority's creditor obligations to be met as they fall due. This current account advance is recognised as either a current asset or a current liability. The account is measured at amortised cost using the effective interest rate method.

Creditors and Other Payables

Creditors and other payables are measured at the amount owed.

Revenue and Expenditure

Landing fees and Grazing income are billed by the Authority and are recognised when receivable. Expenses are recognised when they are incurred. Leases are recognised on a straight-line basis over the lease term.

WESTPORT AIRPORT

	EAP Budget	LTP Budget	LTP Budget
	2025/2026	2026/2027	2027/2028
INCOME			
Airport Dues/ Landing Charges	43,286	44,368	45,433
Farmland Lease Income	42,000	42,000	42,000
Terminal & Sundry Income	17,420	17,856	18,284
Service Charge	101,352	103,886	106,379
Electricity Recovery	1,953	2,002	2,050
Total Income	206,011	210,111	214,146
EXPENDITURE			
Employment Costs	200,775	206,619	212,600
Power	12,531	12,844	13,153
Audit Fees	22,588	23,153	23,708
Shop Supplies	318	326	334
Depreciation	92,419	94,694	96,444
Consultants	5,398	5,533	5,666
Bank/EftPos Fees	529	542	555
Cleaning	1,059	1,085	1,112
General Expenses	10,025	10,276	10,522
Insurance	14,552	14,916	15,274
Legal Fees	2,117	2,170	2,222
WestReef Outwork	0	0	0
Publications/Subscriptions	2,105	2,158	2,209
Rates	1,300	1,399	1,456
Rents & Leases	3,239	3,320	3,400
Rep/Mtce and other Outwork	77,425	94,774	72,846
Training	10,585	10,850	11,110
Telephone	2,117	2,170	2,222
Share of Overheads	125,759	132,392	139,016
Total Expenditure	584,842	619,220	613,849
Profit/(Loss)	(378,831)	(409,109)	(399,703)
Capital Expenditure			
Fencing and other capital replacements	14,730	25,981	0
Runway Sweeper	0	0	0
Storage Container	0	0	0
Aerodrome Beacon	0	0	0
Other Plant	0	0	16,028
Runway Inspection Vehicle	0	0	0
Mower	0	0	0
Signs	1,180	1,276	0
Airport Runway	0	0	0
Total Capital Expenditure	15,910	27,257	16,028

Capital Expenditure

The budget is expected to be used to replace fencing, signs and provide for other small capital purchases.

Performance Targets

The Joint Venture performance will be judged against the following measures:

	EAP Budget 2025/2026	LTP Budget 2026/2027	LTP Budget 2027/2028
Operating Revenue	206,011	210,111	214,146
Operating Expenditure	584,842	619,220	613,849
Net Profit (Loss)	(378,831)	(409,109)	(399,703)
Capital Expenditure	15,910	27,257	16,028

Ratio of Shareholder Funds to Total Assets

The forecast ratio of shareholder funds to total assets for the next 3 years is:

2025/26	2026/27	2027/28
97%	97%	97%

Shareholder Funds is represented by Total Equity. Total Assets is Total Current and Non-Current Assets not including any liabilities.

Profit or Loss Ownership

Profits or losses will be shared equally between the Joint Venture partners on a 50/50 basis from annual surpluses/deficits after tax, made after the deduction of appropriations to reserves amounting to a maximum total of the depreciation charged in that year.

Information to be Provided to Partners

The Annual Report is to be provided to shareholders within three months of the end of each financial year.

The report will include:

- A Statement of Financial Performance and Statement of Financial Position including comparison with the previous financial period.
- Any other statements as may be required by generally accepted accounting principles and legislation.

The report will also include a report from the appointed auditors.

Acquisition Policy

The Westport Airport Authority does not anticipate that it will acquire any new equity investments other than the purchase of operational assets approved as part of the yearly budgeting process. Any major acquisitions will only be entered into with the prior approval of the joint venture partners; Buller District Council and The Ministry of Transport.

Distribution Policy

The Westport Airport Authority has the ability should there be surplus funds available to distribute funds to each of the joint venture partners. This is unlikely due to the current level of accumulated losses.

Other Matters Agreed by Partners

The Westport Airport Authority being owned by the Buller District Council and the Ministry of Transport (on behalf of the Crown) has commitments to the public.

- A commitment to the environment.
To comply with the Resource Management Act and undertake its activities in an environmentally sound manner having regard to the interest of the community.
- A commitment to service.
To systematically improve the quality and cost effectiveness of services provided to customers.
- A commitment to the community.
To operate the Airport with due regard to sound, cultural and environment issues arising from the community in which they are located.

BULLER DISTRICT COUNCIL

18 JUNE 2025

AGENDA ITEM: 13

Prepared by Simon Pickford
Chief Executive Officer

Attachments 1. PMO Review Action Plan Update June 2025

PMO REVIEW: PROCESS IMPROVEMENT OPPORTUNITIES ACTION PLAN – UPDATE JUNE 2025

1. **REPORT PURPOSE**

The report is for information only and no decision is required.

2. **EXECUTIVE SUMMARY**

This report provides an update on progress against the Process Improvement Opportunities Action Plan arising from KPMG's Forensic Audit of the PMO.

3. **DISCUSSION**

The action plan has been divided into four sections: Procurement / Finance Issues (nine items), Conflict of Interest (two items), Protected Disclosures (two items), and Management / Governance (five items).

4. Updates are shown in red on the attached Action Plan.

5. The focus since the last update been development of Professional Services Procurement Panel.

6. **Appointment of Professional Services Procurement Panels**

In response to Action 1(a) in the Action Plan, a significant amount of work has been undertaken in the procurement area including the redrafting of the Procurement Policy, the development of two manuals for contractor procurement and management, and staff training.

7. NZ Government Procurement [guidance](#) provides for the establishment of supplier panels. With the ongoing need for professional services provided to the Council in both short term and long-term, professional services panels have been established and will be in place from 1 July 2025.

8. The intent of the Panels is to allow a range of services to be procured efficiently when needed by the manager of the contracts that these services will come under. Future work allocation will be based on:
 - Supplier performance and capacity including value for money
 - Capability and experience to deliver the work package requirements e.g. skills alignment
 - Developing the broader experience and capability of panellists
9. In line with BDC's Procurement Policy, a Request for Proposal (RFP) for the provision of Professional Services was issued to the open market on 10 March 2025. The purpose of the RFP was to appoint a range of providers for each Service Category to the applicable Panel. The Service Categories are:
10. Panel A:
 - Project management
 - Programme management
 - Design – engineering; architectural
 - Engineer to Contract
 - Engineers Representative
11. Panel B:
 - Procurement advice
 - Tender Evaluation
 - Probity Audit
12. There was strong interest from the market for both Panels. Twenty organisations have been appointed to Panel A and 7 organisations have been appointed to Panel B.
13. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
14. **DRAFT RECOMMENDATION**
That the report “PMO Review: Process Improvement Opportunities Action Plan – Update June 2025” dated 18 June 2025 be received.

Project Management Office (PMO) Review: Process Improvement Opportunities Action Plan – June 2025

1. Procurement / Finance Issues

Recommendation	Actions	Lead	Completion Date	Progress
1.a	<p>Consultants appointed without a clear understanding of approval process or budget provision</p> <p>Review Procurement Policy. New policy based on NZ Government Procurement guidance and include:</p> <ul style="list-style-type: none"> a preferred contractor list or contractor panel. <p>Development of Procurement Manual which will provide clear guidance on:</p> <ul style="list-style-type: none"> Key documentation Key procurement decisions for consultant appointments Demonstrating the total cost of the contract is within budget, and tendering documents and the appropriate approvals. 	GM Corporate Services	Complete	<p>Procurement Policy has been redrafted for consideration by Council at the 18/12 meeting.</p> <p>Development of two manuals for contractor procurement and management. These guidelines establish clear, standardised processes to ensure Council acquires its goods and services in a transparent, fair, consistent, and accountable way:</p> <ul style="list-style-type: none"> Minor contractors procurement and management manual Contractor procurement and management manual <p>A new webpage provides clear guidance about Procurement and contract management.</p> <p>Development and rollout of procurement training to Tier Three staff. The first session was held in March and a further session is</p>

scheduled for April. Staff are trained in the new Procurement Policy and use of the Procurement manuals.

Appointment of Professional Services Procurement Panels implemented from 1 July 2025.

Panel A:

- Project management
- Programme management
- Design – engineering; architectural
- Engineer to Contract
- Engineers Representative

Panel B:

- Procurement advice
- Tender Evaluation
- Probity Audit

1.b	Lack of monitoring of consultant invoices	Sensitive Expenditure Policy review	CEO / GM Corporate Services	Complete
		Sensitive Expenditure procedure review to establish clear guidelines to ensure compliance with Office of the Auditor		

Procedure for monitoring of consultant invoices has been implemented.

New Sensitive Expenditure Policy was approved by SLT and noted by the October 2024 RAC meeting.

		General's Sensitive Expenditure guidelines.			An email has been sent in the interim to all IS staff to describe progress payments and invoice checking. This is explained further in the Procurement and contract management manual.
		Roll out of the new Policy and Procedure to all staff			
1.c	Insufficient information on consultant invoices for approvers	Development and communication of new procedure for invoice narration and approval.	GM Corporate Services	Complete	<p>Procedure for approval of invoices has been developed and implemented.</p> <p>Expectations around invoice clarity has been communicated to approvers and contractors - an email has been sent to all IS staff to describe progress payments and invoice checking. This is explained further in the Procurement and contract management manual.</p> <p>Reminder communication in November to all staff and suppliers regarding the need for electronic purchase orders (EPO) and appropriate invoice narration.</p> <p>A new webpage provides clear guidance and instructions to suppliers on EPOs, invoices and procurement.</p>

					Regular EPO training sessions will be run. Next sessions in May and then October.
1.d	Costs incurred without approved budget or outside of the parameters set by external funders	Development of new processes to ensure that Council's procurement practices align with the requirements of external funders.	GM Corporate Services	Complete	<p>This is dealt with by both the project and programme management procedure then the procurement and contract management manual.</p> <p>A contract register has been created for the Manager Capital Works on SharePoint who has started reviewing professional services contracts and setting them up with progress payments checks.</p>
1.e	Costs allocated to cost centres that do not align with the nature of the costs	Development of controls to ensure costs are appropriately allocated.	GM Corporate Services	Complete	Rules setting out where costs should be allocated have been reiterated to staff. Internal audit process will be implemented (1.f).
1.f.	Lack of Internal Audit function	Investigate options for an Internal Audit programme, as approved by the Risk and Audit Committee (RAC).	GM Corporate Services	Complete	<p>An audit of the creditors and payroll areas has been undertaken by PWC. Included on April RAC agenda.</p> <p>A set of management actions has been delivered which is being worked through.</p> <p>A review of Holidays Act compliance has been undertaken, and further audits will be undertaken and reported through to RAC.</p>

1.g	Individual had a financial delegation set up in the financial system that did not align to the Financial Delegations Policy	Review and check financial system delegations including a robust change management process	GM Corporate Services	Complete	Review of financial delegation configuration in systems is complete. Staff training undertaken.
1.h	Insufficient controls in the complex receipting process	Development of controls to ensure reconciliation of all project related general ledger (GL) codes, including the complex receipting GL. Investigate the options for allowing invoices with multiple lines to be allocated within MAGIQ. Implement regular reporting of the "Monthly PMO Costs" general ledger account to the General Manager of Infrastructure Services.	GM Corporate Services	Complete	Invoices with multiple lines are now allocated within MAGIQ. Development of process for regular reporting underway.
1.i	Finance is required to confirm that funding submissions are true and accurate, however they are not responsible for and do not have oversight of the projects	Develop procedure that requires an Infrastructure Services manager certify accuracy of funding submissions.	GM Infrastructure Services	Complete	Before Finance process finding submissions, a written verification is required from IS. This is dealt with by both the project and programme management procedure then the procurement and contract management manual.

For NZTA claims, we have agreed with the agency that all funding and claims will be subject to additional scrutiny and periodic audit. The BDC Chief Executive will sign off on all claims and provide a written declaration to NZTA with each claim that the claim is correct and compliant with NZTA agreements and funding requirements.

2. Conflict of Interest (COI)

2.a	COI not appropriately managed / Potential undeclared COI	Review the current Conflict of Interest Policy and ensure it reflects best practice.	CEO / GM Corporate Services	Complete
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New Conflict of Interest Policy was approved by SLT and noted by the October 2024 RAC meeting.

Staff have been reminded of the importance of managing perceived and actual COI.

COI's are also referred to in the procurement and contract management manual

2.b	Commercially sensitive BDC information being shared outside Council	Review the Confidentiality Policy	HR Manager	Complete
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The revised Confidentiality Policy was adopted by SLT on 10 June 2024.

The new policy and a reminder about the council Protected Disclosure (Whistle-blower) Policy was

communicated to the organisation on 17 June 2024.

3. Protected Disclosures

3.a	Lack of proper management of protected disclosure	Effective roll out of Protected Disclosure Policy	CEO	Complete	<p>The roll out of Protected Disclosure Policy has been undertaken across the organisation.</p> <p>The policy is covered as part of staff and contractor inductions.</p>
3.b	Until recently there was no Protected Disclosure Policy	Review the Protected Disclosures Act and ensure BDC is complying with the Act.	CEO	Complete	<p>The roll out of Protected Disclosure Policy has been undertaken across the organisation.</p> <p>Policy will be reviewed on a regular basis.</p>
3.c	There is no guidance available to staff regarding making complaints that may not amount to a Protected Disclosure (which requires there to be serious wrongdoing)	Ensure that 'wrongdoing' actions and behaviours that do not meet the definition or threshold of 'serious' wrongdoing, are dealt with appropriately.	CEO	Complete	<p>The roll out of Protected Disclosure Policy has been undertaken across the organisation.</p> <p>Policy will be reviewed on a regular basis.</p>

4. Management / Governance

4.a	Lack of oversight	Increase the maturity of identifying, measuring, evaluating, monitoring, reporting	RAC	Ongoing	Regular council workshops (six monthly) to review and update the Strategic Risk Register. Workshops
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		and controlling or mitigating critical risks to Council.			held 25 September and 23 October 2024.
4.b	High turnover in executive roles	The RAC should understand the risks faced by Council and ensure management are adequately managing those risks created by turnover.	RAC	Ongoing	Will be monitored by RAC as appropriate
4.c	Inadequate identification and mitigation of risks	Conduct regular risk reviews, to identify emerging risks and allow for appropriate actions to be taken. Internal Audit programme to review BDC's internal control environment.	RAC	Ongoing	Risk Register being considered at next RAC meeting. Internal audit programme underway.
4.d	Lack of effective action after media reports and/or allegations from other sources	Ensure allegations are appropriately investigated.	RAC	Ongoing	Will be actioned by RAC as appropriate
4.e	Unauthorised or undocumented changes to the objective of the PMO	Ensure the PMO delivery model aligns with Senior Leadership intentions and expectations. Establish clear processes and approval requirements for changes to the delivery models of Council departments.	GM Infrastructure Services	Complete	The PMO was replaced in July 2024 by the Capital Works team, now managed by a BDC staff member. A Capital Programme Delivery Governance Group has been created with robust Terms of Reference. This new setup has been communicated to key council teams.

RISK AND AUDIT COMMITTEE

18 JUNE 2025

AGENDA ITEM: 14

Prepared by Paul Numan
Group Manager Corporate Services

PUBLIC EXCLUDED REPORT

1. **REPORT SUMMARY**

Subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA) s48(1) right of Local Authority to exclude public from proceedings of any meeting on the grounds that:

2. **DRAFT RECOMMENDATION**

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

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or (s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.
PE 2	Mayor Jamie Cleine	Director recommendation and recruitment for Buller Holdings and subsidiaries	(s 7(2)(a)) - Protect the privacy of natural persons, including that of deceased natural persons;