



# AGENDA

Meeting of the  
Finance, Risk and Audit Committee

**Wednesday 21 September 2022**  
commencing at 3.00pm

*To be held:*  
Clocktower Chambers,  
Palmerston Street, Westport

# Finance Risk & Audit Committee

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

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## **Purpose**

The Finance Risk & Audit Committee is responsible for:

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

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

### **Terms of Reference**

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

### **Internal Audit**

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

### **Other Matters**

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

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

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

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

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

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

**Special Notes:**

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

**Oversight of Policies:**

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

# Finance, Risk and Audit Committee

Clocktower Chambers,  
Palmerston Street, Westport



21 September 2022 03:00 PM

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**FINANCE, RISK AND AUDIT COMMITTEE**

**21 SEPTEMBER 2022**

**AGENDA ITEM 1**

**Prepared by** Douglas Marshall  
Chief Financial Officer

**APOLOGIES**

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**1. REPORT SUMMARY**

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

**2. RECOMMENDATION**

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

**OR**

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



## FINANCE, RISK AND AUDIT COMMITTEE

21 SEPTEMBER 2022

### AGENDA ITEM 2

**Prepared by** Douglas Marshall  
Chief Financial Officer

#### MEMBERS INTEREST

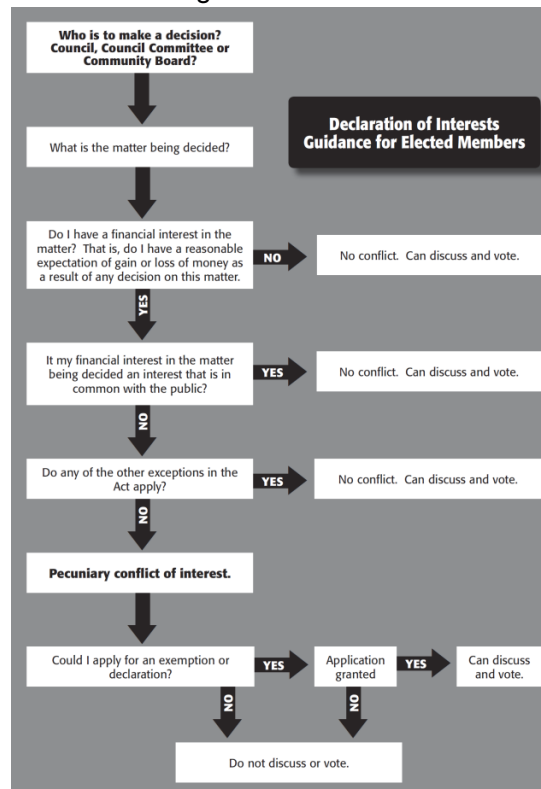
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

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

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

#### RECOMMENDATION:

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



**FINANCE, RISK AND AUDIT COMMITTEE**

**21 SEPTEMBER 2022**

**AGENDA ITEM 3**

**Prepared by** Douglas Marshall  
Chief Financial Officer

**CONFIRMATION OF MINUTES**

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**1. RECOMMENDATION**

**That the Finance, Risk and Audit Committee receive and confirm minutes from the meeting of 24 August 2022.**



**MEETING OF THE FINANCE, RISK AND AUDIT COMMITTEE, HELD AT 3.00PM ON WEDNESDAY 24 AUGUST 2022 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.**

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

**IN ATTENDANCE:** R Townrow (Deputy CEO), R Fox (Manager Corporate and Commercial Services), D Marshall (Chief Financial Officer), L Brooks (Finance Manager), K Trigg (Manager Community Services)

**MEDIA:** Ellen Curnow

**PUBLIC FORUM**

**MEETING DECLARED OPEN AT: 3.02pm**

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**1. APOLOGIES (Page 8)**

**Discussion:**

N Tauwhare

**RESOLVED** that the Finance, Risk and Audit Committee receive apologies from N Tauwhare.

**DM S Roche/Cr J Howard**  
**10/10**

**CARRIED UNANIMOUSLY**

**2. MEMBERS INTEREST (Page 9)**

**Discussion:**

Mayor J Cleine declared an interest in Item 10 Projects in Partnership Three Waters Reform Part 4 Trunk Main. Mr Cleine owns a small parcel of land and won't vote on this item.

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

**Cr G Weston/Cr R Sampson**  
**10/10**

**CARRIED UNANIMOUSLY**

**3. CONFIRMATION OF MINUTES (Page 10)**

**Discussion:**

J Howard was away last meeting

N Tauwhare was present.

Page 16 of Diligent: Resource consents were required for improvements. Action points explanation from M Williams to be added to minutes.

**RESOLVED** that the Finance, Risk and Audit Committee receive and confirm minutes from the meeting of 20 July 2022 with the above amendments made.

**Cr J Bougen/Cr D Hawes**

**10/10**

**CARRIED UNANIMOUSLY**

**4. ACTION POINTS (Page 22)**

**Discussion:**

**Item 185: Punakaiki Campground Lease:**

R Fox advised that figures had been put together but the leasee wanted to present a proposal.

Mr Fox advised there is a small profit before depreciation. Staff have now received a 'master plan' from Mr Finlay. He is getting the valuation together and will present a full paper to FRAC in September 2022 where all points will be addressed.

D Marshall added that there is a rent review due in November 2022. Next key item will be looking at long term aspects of the campground regarding what the council and public can expect and what the leasee is trying to achieve under his lease, which goes out to 2031.

Cr J Howard asked for an update and changes on lease provision.

Cr M Montgomery noted that this was originally asked for in October 2021. It is disappointing to wait 11 months for this report.

Mr Fox acknowledged the length of time.

CEO S Mason acknowledged this also and agreed it was less than satisfactory and noted it is a rarity that a report take so long.

Cr R Sampson asked if the proposal will be proposing what Mr Finlay would like to from the council?

Mr Fox responded yes, and this will be brought back with a discussion document and a strategic view to FRAC in September 2022.

Cr J Bougen questioned the concessions granted to the campground operator, noting they were retracted some time ago, and asked if the rental is still being paid?

Mr Fox assured that this is happening.

Cr P Rutherford asked if there was a way for council to verify data in terms of financial viability for the campground?

Mr Marshall advised there is some data available publicly. Noting also that a number of other issues will be addressed in the full assessment which will come in September. Right now, we don't know whether we can have confidence as the assessment has not been done, but once this is done there will be a lot more clarity.

DM S Roche advised that council wait for the report in September as this may flow on to a more strategic discussion on all campgrounds which will be for the business of the new council.

The remaining action points were addressed and confirmed as completed.

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

**Mayor J Cleine/Cr R Nahr**

**10/10**

**CARRIED UNANIMOUSLY**

**5. STEWARDSHIP LAND REVIEW SUBMISSION (Page 25)**

**Discussion:**

DM S Roche advised this is being endorsed retrospectively due to the postponement of the FRAC meeting on 17 August due to the weather event.

Ms Roche had made some markups and forwarded these to every councillor for approval.

There were eight responses to this email. Ms Roche noted that having received eight responses out of a possible 11 indicated that Councillors approved of the contents and amendments.

Cr P Rutherford requested this being approved retrospectively is recorded in minutes.

Ms Roche advised that every councillor had the opportunity to review and approve. She thanked the team that originally wrote this submission for council to consider.

**RESOLVED** that the Finance, Risk and Audit Committee endorse the Buller District Council's inclusion in the combined West Coast councils' submission on the Stewardship Land Review noting minor changes primarily grammatical in nature.

**DM S Roche/Cr J Howard**

**10/10**

**CARRIED UNANIMOUSLY**

**6. RECOVERY ACTION PLAN MILESTONES AND OUTCOMES REPORT**

**(Page 62)**

**Discussion:**

R Townrow spoke to the report.

Cr P Rutherford spoke regarding this survey being funded by Department of Internal Affairs (DIA) and asked if this is the same survey that media reported to have cost \$40k, as there was no reference to this media report anywhere.

Ms Townrow responded that any response made would have made it clear to the ratepayer there was no cost to the ratepayer. This was all externally funded.

Mayor J Cleine noted there was a second survey that was relating to the red and yellow sticker process. He felt that the one Cr P Rutherford was referring to is the community wellbeing one.

Cr R Sampson queried regarding rural needs assessment by NPA on Pg 67 of Diligent, second to bottom paragraph. Is this where it stops or is it continuing? People are still asking where their help is outside of Westport. All the funding for this Tranche money is focussed on Westport; there seems to be nothing for rural areas.

R Townrow replied that the Tranche 2 funding was entirely for the infrastructure repair caused by one of the two events. Specifically, non-roading damage. Most of this damage was evident in Westport and parts of Reefton.

Roading damage is a separate piece of work with Waka Kotahi.

She went further to advise that regarding the social recovery side, the Hub and navigator services were made available outside of Westport. The communications have definitely included northern Buller.

This is ongoing and Ms Townrow encouraged people to do the survey to show what support is still needed. People need to come forward as we won't be aware of needs unless they are told.

Not everyone is available online, specifically those more vulnerable.

R Townrow acknowledged this and resolved to ensure hard copies of the survey will go to northern Buller. These are also available from the Hub and the library.

DM S Roche noted there are specific demographic groups being targeted to complete this survey to ensure we reach a broad range of people within the community.

3.30pm R Curnow arrived.

**RESOLVED** that the Finance, Risk and Audit Committee receive and endorse the RAP Milestones and Outcomes report.

**Cr G Weston/Cr R Nahr**  
**10/10**  
**CARRIED UNANIMOUSLY**

**7. FINANCIAL PERFORMANCE REPORT TO JUNE 2022 (Page 71)**

**Discussion:**

L Brooks spoke to the report.

Cr P Rutherford noted that most councillors wouldn't be around when the Annual Report is released. Whilst there still work to be done, is it fair to say that the bottom line will not change for Annual Report, possibly a difference of maybe \$100k?

Ms Brooks replied that we don't expect to see any material changes. We do expect to see some changes to adjustments like derivatives. This will change the bottom line. Noting there will also be an Infrastructure revaluation. This happens three yearly.

DM S Roche noted there are always a number of adjustments to come in the final reports when reporting to the end of June.

CEO S Mason stated that we have landed pretty much where we expected, especially with the 12 months we have had with the two flood events.

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

**Cr P Rutherford/Cr J Bougen**  
**10/10**  
**CARRIED UNANIMOUSLY**

**8. FRAC WORKPLAN (Page 77)**

**Discussion:**

R Fox spoke that in September 2022 there will be an insurance update and the last two flood events will impact on our premiums.

**RESOLVED** that the Finance, Risk and Audit Committee receive the Workplan for information.

**Cr D Hawes/Cr J Howard**

**10/10**

**CARRIED UNANIMOUSLY**

**9. INVESTMENTS AND BORROWINGS REPORT (Page 79)**

**Discussion:**

L Brooks spoke to the report noting the reserve fund balance, Page 84 in Diligent.

D Marshall advised that a number of investments that appear to have a protection or restriction on their use and the finance team are looking to find if these are specific reserves or are they general reserve funds with no targeted use.

They were seeking whether there is a more flexible situation available for ratepayers?

DM S Roche noted that feedback from councillors on the history of this is useful to give to the finance team.

Cr J Howard noted that seeing a summary of where it came from, and its intentions would be useful.

Cr R Sampson asked at Annual Plan for a breakdown on reserves contributions with what is spent and what it is spent on etc. She asked if this report is still coming.

Mr Marshall advised we can provide forecasting. Noting, that the story continues and often we need to find out why the story is there.

CEO S Mason noted it was envisaged bringing the background etc to the new council.

Ms Sampson said it would be good to know what goes in and what comes out, and what it is spent on.

Cr D Hawes would like it recorded that proceeds from the sale of leasehold land should still be highlighted. The reason we decided to sell the land was that we were getting very little return on money. It was like having a poor performing investment. By having the money there from sale is our decision to offset our debt through earning a better rate of return.

He spoke further that regarding the capital sponsorship for Vision 2010. This was part of the 50/50 community vs council funding. This money is money that was there for council to spend but urges caution for the incoming council that we are not depreciating an asset. The capital cost of repairs would fall back on ratepayers.



Cr R Nahr noted that the money was raised via sponsorship for the building of buildings. This money has been spent and believes none of it is tagged, noting it would have been nice to have some tagged for the repairs to the centre, and this is just a list of where it came from.

If it was for naming rights, this was already used in the running of the centre for the first couple of years.

The harbour profit from past harbour operations was showing where the money came from. This is in there for general funding in her opinion.

The government subsidy for halt to logging, this has been used.

Cr P Rutherford agreed with Cr R Nahr and said that when he first started, he asked why we aren't paying back our loans. He soon learned there is financial prudence in keeping operative money for future disasters. He said it is nice to know where it is coming from.

Good to keep track this of in future.

Cr D Hawes noted we have had numerous reports to explain why we keep money invested and have the debt at a lower interest cost. In the past we had reports advising it is not financially prudent to pay the debt now.

DM S Roche commented that the reserves contribution fund needs to be itemised for tracking.

Cr R Sampson spoke that with new councillors coming, requested to have chapter and verse as to how things came about. Not relying on memory, rather, give them the facts.

Mr Marshall said we will come back with our interpretation and ask for feedback from council.

Cr J Bougen queried regarding the term deposits. The loans that matured on the 6<sup>th</sup> and 9<sup>th</sup> of August, what is the new rate? Cost as opposed to earnings.

ACTION POINT: Mr Marshall will get this information to councillors.

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

**Cr R Nahr/Cr D Hawes**  
**10/10**  
**CARRIED UNANIMOUSLY**

**10. PROJECTS IN PARTNERSHIP THREE WATERS REFORM PROGRAMME  
(Page 89)**

**Discussion:**

**Westport Flood Recovery Programme:**

Report taken as read, no discussion.

Mayor J Cleine noted this is the first time seeing a new report format and it was very satisfying adding that as Tranche 2 projects come in, they will be added in.

**Infrastructure Services Port Reports. District Revitalisation Programme  
(Westport Waterfront):**

Report taken as read, no discussion.

**Commercial and Corporate Services Portfolio Report. Buller District Port  
Package:**

Mr Cleine noted that just over 150,000 m3 of sand/gravel had been dredged as part of the gravel removal project and this element of the project is now complete.

**Community Services Portfolio. Community Halls and Memorials:**

CEO S Mason noted regarding the Waimangaroa hall. This is looking to be completed by the end of September and is on budget. The issue is contractor availability.

**Three Waters Reform Funded. Westport Water Supply Trunk Main Stage 2:**

Report taken as read, no discussion.

**Council Funded. Waimangaroa Water Supply Update:**

Ms Mason advised the holdup is the DOC road from the February flooding. The team is continuing to work with DOC.

Cr J Howard noted there is contingency for rising prices and asked if this will impact delivery. Ms Mason advised that inflation may make this an issue and it will be brought back to council if it does.

Cr P Rutherford queried how comfortable are we that DOC is going to fund the remediation of the road with DOC and WestReef?

Ms Mason replied that this is part of the ongoing conversation with DOC. They understand we are waiting. This may result in a paper coming back to council noting we may need to escalate the discussion and we will if required.

Cr R Sampson noted there is not a big pot of money, and that funding is difficult. Shouldn't DOC, as a road authority, be entitled to flood recovery funding?

S Mason replied that they do not fall under the NEMA flood as crown entity. It is expected that they fund their own repairs. We will work with them on this.

DM S Roche reminded it was agreed that a monthly update be sent out. Ms Mason noted this this will likely be bi-monthly looking to ensure there is information to send out as opposed to just sending out an update when there may be nothing to share.

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

**Cr J Howard/Cr P Rutherford**

**10/10**

**CARRIED UNANIMOUSLY**

**11. PUBLIC EXCLUDED (Page 146)**

**Discussion:**

Cr D Hawes spoke that the media asked about reasoning for excluding the public due to free and frank discussion. He felt the more appropriate reason would be for the exchange of information from legal advice.

Cr R Sampson didn't feel this should be made Public Excluded as a lot of the information was already in the public domain.

Mr Hawes advised that we always release to the public when necessary.

S Mason confirmed there is good discipline around the release of public excluded information.

The reasoning for Public Exclusion for Item 12 was amended.

**From:**

*Section 7(2)(f)(i) -*

*the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom [section 2\(5\)](#) applies, in the course of their duty*

**To:**

*Section 7(2)(g) –*

*maintain legal professional privilege*

**RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting noting the above amendment

Item No.	Minutes/Report of:	General Subject	Reason For Passing Resolution Section 7 LGOIMA 1987
12	Douglas Marshall Chief Financial Officer	Rating System Legal Review Report	<i>Section 7(2)(g) – maintain legal professional privilege</i>
13	Deputy Mayor Sharon Roche	Chief Executive Annual Salary Review	<p><i>Section (2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</i></p> <p><i>Section (2)(b)(ii) - Would be likely unreasonably to prejudice the commercial position of the person</i></p>

**DM S Roche/Cr G Weston**  
**10/10**  
**CARRIED UNANIMOUSLY**

- There being no further business the meeting concluded at 5.00pm
  - **Next meeting:** 3:00pm, Wednesday 21 September 2022, Clocktower Chambers, Westport
- 

**Confirmed:** .....**Date:** .....

**FINANCE, RISK AND AUDIT COMMITTEE**

**21 SEPTEMBER 2022**

**AGENDA ITEM 4**

**Prepared by** Douglas Marshall  
Chief Financial Officer

**ACTION POINTS**

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**1. RECOMMENDATION**

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

## Finance, Risk and Audit Committee

### - **CURRENT** Action Points

No.	Meeting of:	Action Point	Responsible?	Progress:	Update:	Date required by:
198	24 August 2022	<b>Item 6: Recovery Action Plan Milestones and Outcomes Report</b> Ensure that hard copies of the survey are sent to the Northern Buller	R Towrow		Completed	Sept 2022
199	24 August 2022	<b>Item 9: Investments and Borrowings Report</b> Cr J Bougen queried regarding the term deposits. The loans that matured on the 6 <sup>th</sup> and 9 <sup>th</sup> of August, what is the new rate? Cost as opposed to earnings.  D Marshall to get this information to councillors	D Marshall		To be addressed in Sept meeting	Sept 2022
200	24 August 2022	<b>Item 12: Rating System Legal Review</b> Ms Mason advised that management would bring a paper back to the FRAC September meeting advising that we will take the new council through workshop for rates and provide them with legal advice and options for next steps and a brief options paper.  Mr Marshall will bring a brief paper to FRAC next meeting.	D Marshall		To be addressed in Sept meeting	Sept 2022

## **BULLER DISTRICT COUNCIL**

**21 SEPTEMBER 2022**

### **AGENDA ITEM 5**

**Prepared by:** Julia Gear  
Management Accountant

Lynn Brooks  
Finance Manager

**Reviewed by:** Douglas Marshall  
Chief Financial Officer

**Attachment 1:** FRAC Monthly Operational Report

### **FINANCIAL PERFORMANCE – ONE MONTH TO 31 JULY 2022**

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

This report provides the Committee with an update on the financial performance for the one month ending 31 July 2022. To help explain the variances this report is presented in three sections including “business as usual”, “additional grants”, and “flood event” sections.

The business-as-usual result is an operating surplus of \$3.08m against a budgeted surplus of \$3.12m, a negative variance of \$0.04m. This difference is mostly due to a timing variance in expenditure which is expected to resolve as the year progresses. Otherwise, Income and expenditure is mainly on budget.

The additional grant income and expenditure shows a surplus of \$0.32m, as a portion of grants relating to the Westport Harbour projects relates to capital expenditure which is not included in this operations report.

The flood event result to date is an overall surplus of \$0.74m, it should be noted a portion of the flood event income relates to capital expenditure which is not included in this operations report.

The total reported surplus to July 2022 is \$4.14m compared to a budgeted surplus of \$3.15m. The main reason for this variance is grant and flood recovery income and expenditure. It is also due to timing differences between when the budget anticipated the revenue or expenditure would occur and the actual timing of the income and expenses.

#### **2. RECOMMENDATION**

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



### 3. OPERATIONAL FINANCIAL PERFORMANCE

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

	Actual YTD	Annual Plan	YTD Variance		Projected Full Year	Annual Plan Full Year	Projected Variance Full Year
Operational Income	5,214,411	5,132,414	81,997	●	32,072,727	32,032,727	40,000
Operational Expenditure	2,139,119	2,015,602	(125,516)	■	31,831,010	31,831,010	0
TOTAL OPERATIONAL VARIANCE			(45,020)	▲			40,000
Additional Grant Income	370,610	37,846	332,764	●	1,281,052	913,052	368,000
Additional Grant Expenditure	55,204	4,241	(50,963)	■	77,552	77,552	0
TOTAL ADDITIONAL GRANT VARIANCE			281,801	●			0
Flood Event Income	861,772	0	861,772	●	23,000,000	0	23,000,000
Flood Event Expenditure	117,302	0	(117,302)	■	3,000,000	0	3,000,000
TOTAL FLOOD EVENT VARIANCE			744,470	●			20,000,000
TOTAL PROFIT / (LOSS)			981,251	●			20,000,000
Net Profit / (loss)	4,135,168	3,153,917	981,251	●	21,445,217	1,037,217	20,408,000

### **3.1 Operational Performance Report – Summary of Results to July 2022 and Projection for the Year Ahead**

Overall, operating income is \$0.08m higher than budgeted with the variance due to timing. \$40k of additional funding is expected to be received from the Ministry of Transport for Airport capital expenditure. Because the corresponding expenditure is not reported in this operations report, this additional income will be reported as a favourable difference for the remainder of the accounting year.

Operational expenditure is \$0.13m higher than budgeted mainly to due to timing variances. External grant funding is expected to cover future dredge slipping costs which will be incurred in September/October 2022. The dredge slipping expenditure will be a mixture of capital expenditure and repairs, and this work is being completed in line with the 2021-2031 Long Term Plan which set out the work on the dredge would only be completed if a sound business case was developed.

The report includes confirmed grant funding from the National Emergency Management Agency (NEMA) (Tranche 2) projects for the port projects. NEMA are also funding flood recovery water infrastructure projects, and Ministry of Business and Innovation are providing funding for the temporary housing development at Alma Rd.

To date, additional grant income consists of advance funding from PGF for the ongoing port projects, and this will be spent on a combination of capital expenses and repairs.

Council will receive significant funding over the next twelve months for flood recovery works. As more information is confirmed regarding grant funding this will be included in future reports

**BULLER DISTRICT COUNCIL**  
**Operating Report for the One Month to July 2022**

Prepared by: Julia Gear & Neil Engelbrecht  
Reviewed by: Lynn Brooks

	Actual Year to Date	Annual Plan Budget	YTD Variance	Status	Full Year Prediction	Annual Plan Budget	Variance Full Year Prediction	Explanation of Variances of \$50,000 or greater
<b>Operational Income</b>								
Community Services	46,021	35,037	10,984	▲	404,220	404,220	0	
Westport Harbour	93,731	18,341	75,390	●	2,766,000	2,766,000	0	Variance due to timing
Governance & Representation	0	0	0	▲	33,600	33,600	0	
Water Supplies	924,394	910,698	13,696	▲	3,877,579	3,877,579	0	
Airport	15,699	13,601	2,098	▲	198,538	158,538	40,000	MOT additional funding expected for capital expenditure
Community Facilities	51,114	82,581	(31,467)	▲	1,355,759	1,355,759	0	
Roading & Transport	315,840	297,748	18,092	▲	6,079,712	6,079,712	0	
Regulatory Services	254,016	244,867	9,149	▲	1,365,695	1,365,695	0	
Solid Waste	242,019	227,400	14,619	▲	1,012,696	1,012,696	0	
Support Services	548	1,149	(601)	▲	13,260	13,260	0	
Council - General Rates & Treasury	2,542,462	2,576,049	(33,587)	▲	12,043,974	12,043,974	0	
Wastewater	728,568	724,508	4,060	▲	2,916,676	2,916,676	0	
Stormwater	0	435	(435)	▲	5,018	5,018	0	
<b>Total Operational Income</b>	<b>5,214,411</b>	<b>5,132,414</b>	<b>81,997</b>	●	<b>32,072,727</b>	<b>32,032,727</b>	<b>40,000</b>	
<b>Operational Expenditure</b>								
Community Services	350,276	271,323	(78,953)	■	4,353,812	4,353,812	0	Variance due to timing
Westport Harbour	151,169	74,929	(76,240)	■	2,535,882	2,535,882	0	Variance mainly due to timing. Dredge slipping costs incurred expected to be offset by external grant funding
Governance & Representation	111,424	136,720	25,296	▲	1,808,374	1,808,374	0	
Water Supplies	277,589	210,889	(66,700)	■	3,669,802	3,669,802	0	Variance due to timing
Airport	28,334	37,382	9,048	▲	509,699	509,699	0	Additional expenditure is capital expenditure
Community Facilities	165,618	153,758	(11,860)	▲	3,336,964	3,336,964	0	
Roading & Transport	697,399	660,497	(36,902)	▲	7,912,099	7,912,099	0	
Infrastructure Delivery (income and expenditure netted off)	(23,661)	(8,384)	15,277	▲	(27)	(27)	0	
Regulatory Services	162,874	214,012	51,138	●	2,895,908	2,895,908	0	
Solid Waste	140,908	111,464	(29,444)	▲	1,475,992	1,475,992	0	
Support Services	(153,357)	(70,865)	82,492	●	2,297	2,297	0	Variance due to timing
Wastewater	179,083	175,438	(3,645)	▲	2,645,599	2,645,599	0	
Stormwater	51,463	48,439	(3,024)	▲	684,609	684,609	0	
<b>Total Operational Expenditure</b>	<b>2,139,119</b>	<b>2,015,602</b>	<b>(123,516)</b>	■	<b>31,831,010</b>	<b>31,831,010</b>	<b>0</b>	
<b>OPERATIONAL PROFIT / (LOSS)</b>	<b>3,075,292</b>	<b>3,116,812</b>	<b>(41,520)</b>	▲	<b>241,717</b>	<b>201,717</b>	<b>40,000</b>	
<b>Additional Grant Income</b>								
Community Services	2,610	2,210	400	▲	25,500	25,500	0	
Westport Harbour	368,000	0	368,000	●	368,000	0	368,000	PGF Port projects grant
Commercial and Corporate Services	0	0	0	▲	0	0	0	
Water Supplies	0	0	0	▲	0	0	0	
Community Facilities	0	24,927	(24,927)	▲	587,552	587,552	0	Carnegie Library Strengthening, MBIE Halls & Memorials grant
Roading & Transport	0	10,709	(10,709)	▲	300,000	300,000	0	TIF funding for Pathways Project
Solid Waste	0	0	0	▲	0	0	0	
<b>Total Additional Grants income</b>	<b>370,610</b>	<b>37,846</b>	<b>332,764</b>	●	<b>1,281,052</b>	<b>913,052</b>	<b>368,000</b>	
<b>Additional Grant Expenditure (excludes Capital Expenditure)</b>								
Community Services	2,174	0	(2,174)	▲	0	0	0	
Westport Harbour	52,550	0	(52,550)	■	0	0	0	PGF Port projects
Commercial and Corporate Services	0	0	0	▲	0	0	0	
Water Supplies	0	0	0	▲	0	0	0	
Community Facilities	480	4,241	3,761	▲	77,552	77,552	0	MBIE funded Halls & Memorials
Roading & Transport	0	0	0	▲	0	0	0	
Solid Waste	0	0	0	▲	0	0	0	
<b>Total Additional Grants Expenditure</b>	<b>55,204</b>	<b>4,241</b>	<b>(50,963)</b>	■	<b>77,552</b>	<b>77,552</b>	<b>0</b>	
<b>ADDITIONAL GRANTS PROFIT / (LOSS)</b>	<b>315,406</b>	<b>33,605</b>	<b>281,801</b>	●	<b>1,203,500</b>	<b>835,500</b>	<b>368,000</b>	
<b>Flood Event Income</b>								
All Flood Event Income	861,772	0	861,772	●	23,000,000	0	23,000,000	MBIE housing and NEMA grant funding
<b>Total Unbudgeted Flood Event Income</b>	<b>861,772</b>	<b>0</b>	<b>861,772</b>	●	<b>23,000,000</b>	<b>0</b>	<b>23,000,000</b>	
<b>Flood Event Expenditure (excludes Capital Expenditure)</b>								
Flood Event Operational Expenditure	117,302	0	(117,302)	■	3,000,000	0	3,000,000	Flood related operational expenditure including Mayoral Relief Fund payments. Projection is for operational expenses only, not for capital expenditure.
<b>Total Unbudgeted Flood Event Expenditure</b>	<b>117,302</b>	<b>0</b>	<b>(117,302)</b>	■	<b>3,000,000</b>	<b>0</b>	<b>3,000,000</b>	
<b>FLOOD EVENT PROFIT / (LOSS)</b>	<b>744,470</b>	<b>0</b>	<b>744,470</b>	●	<b>20,000,000</b>	<b>0</b>	<b>20,000,000</b>	
<b>TOTAL PROFIT / (LOSS)</b>	<b>4,135,168</b>	<b>3,150,417</b>	<b>984,751</b>	●	<b>21,445,217</b>	<b>1,037,217</b>	<b>20,408,000</b>	

**Key**  
● Favourable variance + \$50k or more  
■ Unfavourable variance - \$50k or more  
▲ Neutral +/- \$50k

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

**21 SEPTEMBER 2022**

**AGENDA ITEM: 6**

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

**Attachment 1** - Projects in Partnership Agenda Meeting Pack 12 September 2022

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

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#### **1 REPORT SUMMARY**

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

#### **2 DRAFT RECOMMENDATION**

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

#### **3. REPORTS**

##### **1) Westport Flood Recovery Programme**

##### **2) Infrastructure Services Portfolio Reports**

- District Revitalisation Programme (Westport Waterfront)

##### **3) Commercial & Corporate Services Portfolio Report**

- Buller District Ports Package

##### **4) Community Services Portfolio**

- Community Halls and Memorials

#### **4. THREE WATERS REFORM PROGRAMME UPDATE**

##### **1) Three Waters Reform Funded:**

- Westport Water Supply Trunk Main Stage 2

##### **2) Council Funded:**

- Waimangaroa Water Supply Upgrade

## Interim Report for Buller Flood Recovery Funding – Tranche 1 and Tranche 2

### Project Details

<b>Location and Region:</b>	Westport, Buller District, West Coast
<b>Reporting Period:</b>	For period ending August 2022 (Financials July 2022) N.B. This is an interim report. A new report is being developed from Project Accounting which will give reporting by project for Tranche 2 projects to satisfy reporting requirements for NEMA and Projects in Partnership
<b>Programme Principal/Recipient:</b>	Buller District Council
<b>Programme Partner(s):</b>	NEMA, DIA
<b>Economic Recovery Manager &amp; T2 Programme Manager:</b>	Penny Bicknell
<b>Programme goal:</b>	Tranche 1 Funding - Flood Recovery: To restore and enhance our place by rebuilding our communities in a future focused way as we move towards a strong, resilient, and successful Buller District. Tranche 2 Funding – Approved Programme of repairs to essential infrastructure damaged in the flood events of July 2021 and February 2022
<b>Funding Context:</b>	<p><b>Funding Summary – Tranche 1</b></p> <ol style="list-style-type: none"> <li>As a result of the 15th – 18th July 2021 flood, Central Government supported the Westport Community and Buller District Council (BDC) through the provision of funding for recovery and business as usual purposes. BDC received two appropriations to enable business as usual and recovery activities to occur: <ul style="list-style-type: none"> <li>An immediate \$1 million (Welfare Response advance funding). This funding has been drawn down and completed.</li> <li>A subsequent \$8 million through Cabinet.</li> </ul> </li> <li>The first funding allocation request ('Tranche 1') was put to Cabinet to support BDC's ongoing service to the Westport community. <ul style="list-style-type: none"> <li>\$3.25m was allocated as interim funding to ensure the Council can both continue and ramp up the recovery process, while providing for its ongoing business as usual activities. (DIA) This funding has been drawn down as an advance.</li> <li>\$0.15m was allocated to a financial review of BDC (DIA). This funding has been drawn down and completed</li> <li>\$1.45m was allocated for response and recovery costs (NEMA). This funding has been extended into current financial year.</li> </ul> </li> </ol>

## ATTACHMENT 1

- \$1.5m was allocated to Solid Waste Management (NEMA). \$270k of this funding has been reappropriated to the February event. \$380k of this funding has been reappropriated by Cabinet to fund the emergency repairs to Westport Water damaged in the February event.
  - \$1.0m was allocated to Community Hub and Connectors (Navigators) (NEMA) This is now complete with a balance of \$8k left to claim from NEMA with final funding from DIA Lotteries to March 2023.
  - \$0.65m was allocated to Temporary Village Infrastructure (NEMA). Funding period extended to October 2022
3. All claims under Tranche 1 are currently endorsed by the Buller Flood Recovery Steering Group prior to submission to NEMA/DIA. It is proposed that the Steering Group pass a resolution for the Projects in Partnership meeting to endorse these claims prior to submission in future. Infrastructure and Welfare claims are not subject to this, only the funding listed above.

### Funding Summary – Tranche 2

See table below giving breakdown of projects within the Tranche 2 funding that was approved in June 2022 and came into effect from July 2022.

- Total funding by Central Government (NEMA) is \$17,144,191
- Projects that are eligible for 60% of Government funding are within normal Government Policy
- Government has agreed to fund the 40% share of funding that would normally be met by Council
- Government have agreed to fund 2 projects that are outside normal policy: Dredging and Betterment
- If there is surplus budget in a project, it is possible to move this surplus to another project, subject to submitting a proposal to NEMA for approval.
- Budgets can be extended into the next financial year if needed.
- Governance endorsement is not required prior to submission of a claim to NEMA
- Any funding from Insurance claims will be deducted from the 40% total - 3 Waters only
- The \$174k threshold (per event) will be deducted from the claim that is currently with NEMA for review.

Tranche 2 Approved Funding				External Funding - NEMA Insurance 60%- if eligible			Required Funding (40% + non eligible)	
Asset	Cost	Total Cost	e	eligible	40%	Total	eligible	
<b>Port</b>								
Wharf	\$ 5,920,000			\$ 3,552,000	\$ 2,368,000	\$ 5,920,000	\$ 2,368,000	
Harbour Dredging	\$ 4,716,000			\$ -	\$ -	\$ 4,716,000	\$ 4,716,000	
<b>Total Port</b>		\$ 10,636,000						
<b>Tiphead</b>								
Estimated cost of repair (July and Feb)		\$ 1,000,000						
<b>Total Tiphead</b>				\$ 600,000	\$ 400,000	\$ 1,000,000	\$ 400,000	
<b>River Protection Reinstatement</b>								
Estimated Cost of Repair - Reefton		\$ 150,000						
<b>Total River Protection Reinstatement</b>				\$ 90,000	\$ 60,000	\$ 150,000	\$ 60,000	
<b>Three Waters</b>								
Repair Costs (July excluding Westport Water supply)	\$ 1,226,010		?					
Repair Costs (Feb excluding Westport Water supply)	\$ 1,285,741		?					
<b>Total Three Waters</b>		\$ 2,511,751		\$ 1,507,051	\$ 1,004,700	\$ 2,511,751	\$ 1,004,700	
<b>Betterment</b>								
July 2021 - 3 Waters	\$ 1,290,000							
February 2022 - 3 Waters	\$ 292,000							
<b>Total Betterment</b>		\$ 1,582,000		\$ -	\$ -	\$ 1,582,000	\$ 1,582,000	
<b>Reefton Landfill</b>								
Estimated cost of repair		\$ 1,074,000						
<b>Total Reefton Landfill</b>				\$ 644,400	\$ 429,600	\$ 1,074,000	\$ 429,600	
<b>Programme Manager (30hrs/wk @\$120/hr + accommodation)</b>		\$ 190,440		\$ 114,264	\$ 76,176	\$ 190,440	\$ 76,176	
<b>TOTAL COSTS</b>				\$ 6,507,715	\$ 4,338,476	\$ 17,144,191	\$ 10,636,476	
Less insurance on 60/40 eligible assets			?					
<b>TOTAL FUNDING REQUIRED (OUTSIDE GOVT POLICY)</b>							\$ 10,636,476	



## Brief update on Tranche 2 projects progress

### Port

- Phil Rossiter appointed as Project Manager
- Procurement Plan and draft programme developed
- Preliminary geotechnical investigation commissioned and nearing completion
- Preliminary structural design commissioned (co-dependent on Geotech input)
- Liaison with Kiwirail regarding buildings adjacent to Kawatiri wharf – initial outcomes favourable

### Dredging

- Kawatiri Dredge currently in Nelson for slipping and dredging – due back in Westport in October
- Survey of channel to be undertaken to give baseline prior to dredging commencing (November)
- Dredging to commence November

### Reefton Landfill and River Training Works (stop bank reinstatement):

- Rosco Contractors Ltd has undertaken river training works for the Buller District Council at two sites in the Inangahua River at Reefton.
- Reefton Landfill - Major clean-up and enabling works at the historic Reefton Landfill site have been ongoing since February in preparation for the repair of a section of the flood-damaged rock wall that protects the historic landfill site from the river. Rosco's will continue to maintain the site to ensure it is protected prior to construction getting underway in the coming months.
- Reefton Campground - Rosco Contractors Ltd has re-trained a section of the Inangahua River riverbed at the base of the Reefton flood stopbank, adjacent to the Campground. This work will look to reinstate the flood stopbank that protects the town from floods. Further works will be undertaken at this site over the coming months.

### 3W Repairs:

Progress since July 2021 (90% complete as of 31/08/22)

- Floodwaters from the July 2021 and February 2022 'Red' weather events deposited silts and debris through 60% of the stormwater and wastewater networks in Westport. The efficiency of both networks was severely compromised as a result. It has taken a full year of flushing, cleaning, and CCTV works to return each network to its pre-flood condition.
- Flood silts within the wastewater network also worked their way through the underground network and pump stations to the Westport waste treatment plant. The treatment plant has needed several cleanouts to remove flood deposits in the months following each event to remain operational.
- Several of Westport's wastewater pump stations were inundated by flood waters, damaging several critical electrical components. during each event. Replacement of parts has been ongoing since July 2021.
- Council's maintenance contractor (Westreef) has been busy since July 2021 clearing open drains across the region, repairing underground pipes and tomo's in the roads arising from damaged pipes,
- Several drinking water networks were impacted by the weather events and have required considerable remediation over many months (Westport water emergency repairs are not part of T2 funding). Waimangaroa water supply's main trunk line was destroyed in three places along a 1.5km section of access track when culverts were washed out by extremely flooded tributaries. Inangahua and Reefton also required repairs to main trunk lines and access tracks, in the case of Reefton, the work is still ongoing.

Remaining repairs (10% to complete as of 01/09/22)

- Final CCTV inspections, returning to areas that CCTV could not previously access following initial flushing due to suspected pipe blockages.
- Westport Waste Treatment Plant – third (September/ October 22) and fourth (February 23) silt/grit clean out of the plant.
- A small number of open drains still require cleaning, these will be completed as the ground dries out into summer.
- Reefton's drinking water reservoir access track requires further repairs which are currently being planned (to be completed by November 2022).
- BDC can complete the Waimangaroa drinking water trunk main replacement once DOC has completed the culvert replacements on Conns Creek Road.
- A historic Brick Arch section of the stormwater network running under Brougham Street/ Palmerston St requires repair.
- Final electrical components to replace on two of Westport's Wastewater pump stations.

### **3W Betterment Projects:**

Central Government has agreed to fund some 3W flood resilience and upgrade projects around Westport. E.g., rather than just funding the repair of a flooded pump station electrical cabinet (as a repair above), we would instead look to lift flood-prone cabinets above a 100yr flood level to provide ongoing resilience.

These projects are currently being finalised and prioritised. The projects will be submitted to NEMA for eligibility review prior to work commencing.

### **Tiphead Project:**

The Eastern Westport River Training Wall (a Council Port Asset at the mouth of the Buller River, referred to colloquially as the 'Tiphead') sustained damage during both weather events.

- The design is currently being finalised by river engineers
- Site work is scheduled to start during October 2022 and is planned to run for 6-8 weeks. (Contractors have been made aware of Whitebait season)

### **Communications:**

Updates on progress will be communicated to the Community via the flood recovery website (a new page is being created) and editorial articles in the Westport News on a monthly basis. The first of these appeared on Friday 9 September in the Westport News.

## Financials to date 31/07/22 (excl. GST)

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

Item	Appropriation Amount	Actual Spend to Date	Claims submitted to date	Current Claim	Forecast cost to complete (remaining)	Forecast cost at completion	Project Variance	Commentary
Initial Welfare Response Advance (NEMA)	\$1,000,000	\$ 322,694	\$322,694	\$0	\$0	\$322,694	(\$677,306)	July & Feb welfare claims. Variance repaid to NEMA – deducted from Infrastructure claims
Solid Waste Management (NEMA)	\$1,500,000	\$ 862,938	\$ 849,273	\$0	\$ 11,062	\$874,000	(\$626,000)	July 21 appropriation - \$380k of funding reappropriated to Westport Water and \$270k to February Waste removal
Community Hub and Connectors (Navigators) (NEMA)	\$1,000,000	\$1,238,139	\$992,002	\$0	\$271,861	\$1,510,000	\$510,000	\$500,000 funding sourced from DIA and \$10k donation. NEMA funding of \$1m complete at June 22
Temporary Village Infrastructure NEMA)	\$ 650,000	\$137,264	\$137,264	\$0	\$512,737	\$650,000	\$0	Extension of time requested to NEMA due to weather and supply issues. Forecast completion October
Immediate response and recovery costs (NEMA)	\$1,450,000	\$ 558,425	\$336,413	\$0	\$891,575	\$1,450,000	\$0	Request for extension to FY23
T2 Infrastructure costs to date (July 21 to July 22)		\$ 1,243,983	\$283,933	\$957,221	\$0			Eligible infrastructure costs are currently submitted as a claim. From August these will be split into T2 packages for report. No T2 expenditure in July. The Threshold of \$174k will be deducted from this claim
Westport Water Emergency works (NEMA)	\$1,685,000	\$744,282	\$666,163	\$0	\$317,203	\$1,061,485	(\$623,515)	\$380k of funding reappropriated by Cabinet from Solid Waste. 60% of cost will be eligible funding (subject to review)
DIA Funding - staffing	\$3,250,000	\$1,473,317	\$2,745,847	\$0	\$1,272,530	\$2,745,847	(\$504,153)	Final advance paid by DIA in July (\$504k paid out by DIA for other costs)
<b>Total</b>		<b>\$6,581,042</b>	<b>\$6,333,650</b>	<b>\$957,221</b>	<b>\$3,276,968</b>	<b>\$8,614,026</b>		



## Infrastructure Programmes – District Revitalisation – Monthly Status Report – August 2022

<b>Reporting Period:</b>	For the month ending 30 August 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	MBIE via Provincial Growth Fund & Tourism Infrastructure Fund, KiwiRail
<b>Programme Manager:</b>	Mike Duff (Acting)
<b>Project Manager/s</b>	<ul style="list-style-type: none"> <li>• MBIE TIF: Connector Trails – Glenn Irving</li> <li>• Council-Led AP 2022/23: Westport &amp; district-wide – Glenn Irving</li> </ul>

Project aspect	Status	Comments
<b>Overall:</b>	<b>G</b>	Work continues on MBIE-funded TIF Connector Trails. South connector remains on track for completion by 30 September 2022. An extension of time has been approved for the North connector, now scheduled for 30 December 2022. Riverbank landscaping and Wheelchair bus parking improvements will proceed into site works under the 2022/23 AP Council-led district revitalisation programme. Continue to seek external funding for future initiatives including Riverbank placemaking (\$1.3M) and the town precinct Pedestrian Plaza (\$1.2M). Toki Bridge wins gold at the 2022 ACENZ annual awards event.
<b>Budget:</b>	<b>G</b>	MBIE TIF \$300k; 2022/23 AP \$309k; Total programme budget \$609k.
<b>Scope:</b>	<b>G</b>	TIF Connector Trails (south to Buller Bridge, north to Floating Basin), town precinct traffic flow, wheelchair bus parking improvements. Additional riverbank landscaping. Future stages subject to funding including Riverbank placemaking and the town precinct Pedestrian Plaza.
<b>Resource:</b>	<b>G</b>	All key integrated owners team appointments completed as per resource plan.
<b>Schedule:</b>	<b>G</b>	South connector trail and wheelchair bus parking by 30 September 2022. North connector trail and Riverbank landscaping by 30 December 2022.
<b>Risks / Issues:</b>	<b>G</b>	Maintained in Risk Register, summary key risks all under management. Further Covid considerations under framework protocols.

State of Play	
Last Month (August)	Next Month (September)
<ul style="list-style-type: none"> <li>Continuation of TIF connector trails:               <ul style="list-style-type: none"> <li>South trail site works 75% complete</li> <li>North trail scope assessment completed, extension of time approved by MBIE to 30 December 2022, integration of footpath improvements</li> </ul> </li> <li>Design completion for wheelchair bus parking improvements</li> <li>Ongoing advocacy for external funding for future stages including Riverbank placemaking and the town precinct Pedestrian Plaza.</li> </ul>	<ul style="list-style-type: none"> <li>Commence south connector trail on site construction</li> <li>Complete north connector priority works procurement</li> <li>Continue wheelchair bus parking and riverbank landscaping</li> <li>Continue district-wide project identification and assessments</li> <li>Ongoing advocacy for external funding for future stages including Riverbank placemaking and the town precinct Pedestrian Plaza.</li> </ul>

Financials				
Approved Budget	Spend to Date	Forecast cost at completion	Project Variance	Commentary
<i>What is the approved budget?</i>	<i>What is the project spend to date (as at Reporting date)?</i>	<i>How much will it cost to complete this project?</i>	<i>Forecast position (surplus/deficit) at completion</i>	<i>Explanation for variance and what is needed.</i>
<b>MBIE</b>				
Stage 3b TIF - \$300K	\$170K	\$300K	0	TIF Funding Agreement – Connector Trails (42135509)
<b>Council-Led 2022/23 AP</b>				
Westport & District - \$109K	\$0K	\$109K	0	Allocation from 2022/23 AP – Westport wheelchair bus parking, riverbank landscaping & district-wide projects (42255509)
Opportunities Reserve - \$200K	\$0K	\$200K	0	Opportunities reserved from 2022/23 AP – to be allocated as co-contributions required, or otherwise distributed to fund Westport & district-wide projects through financial year as approved (42255509)
<b>Total: \$600k</b>	<b>\$170K</b>	<b>\$609K</b>	<b>\$0</b>	

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comment
1) MBIE TIF (Connector Trails)	30/12/22		70	30 Sep 2022 completion for South connector, 30 Dec 2022 for North connector
2) Council-Led (Westport & District)	30/06/23		10	Design completed for town and riverbank improvements

	Project Road Map/Schedule																					
Project task	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug			
1) MBIE TIF (Jul 21 – Sep 22)																						
2) Council-Led (Jul 22 – Jun 23)																						

Productivity Outputs (for Provincial Development Unit)	
What is the number of people who worked on this project in any capacity this month as a result of TIF funding?	6
How many of these are Contractors – building, construction, project management	2
How many of these are Consultants – advisory services, feasibility studies	2
How many of these are part time (Less than 30 hours per week)	4
How many of these are full time? (30 + hrs per week)	0







# Westport connector trail route

standard templates



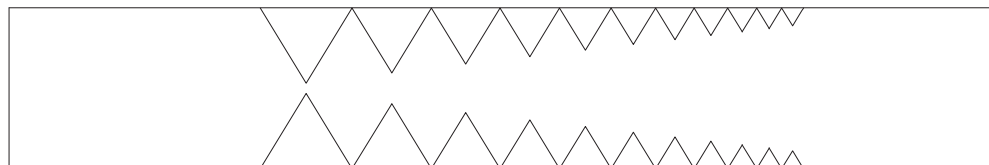
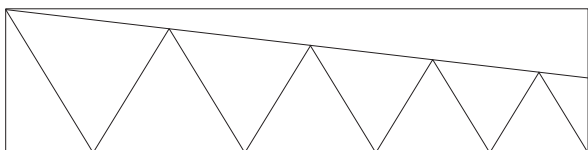
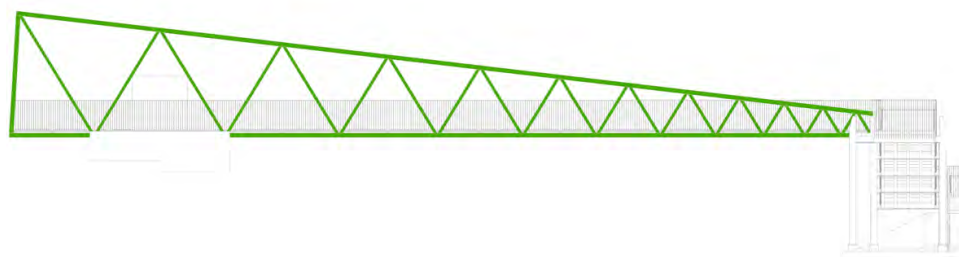
Westport connector trail route standard templates

Schematic diagrams of several possible light and quick improvements including solutions for:

- 1 Car speed reduction: traffic calming based on pavement markings / graphics.
- 2 Pavement markings / graphics for road crossings.
- 3 Pavement signage / markings for shared spaces and bike paths.
- 4 Vertical markers for shared spaces and bike paths.
- 5 Vehicular kerb crossings

Specific for Westport street scape graphics and street markings

Toki Poutangata bridge and its pounamu / wedge shape as well as triangular construction elements are the unifying feature for the Westport-specific road markings and graphics.



1

Car speed reduction: traffic calming based on pavement markings

**Westport-specific graphics**



local

Westport Connector Trail Route

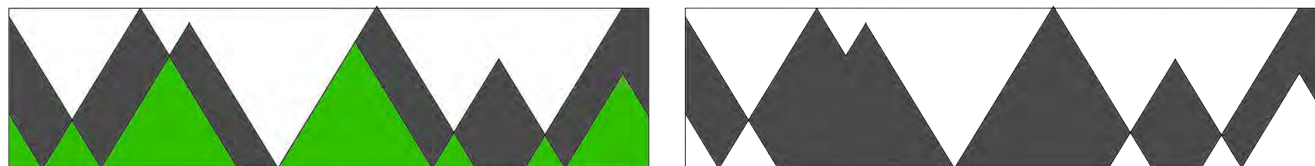
Standard templates

220815

2

Pavement markings / graphics for road crossings

**Westport-specific graphics**



local

Westport Connector Trail Route

Standard templates

220815

2



local

Westport Connector Trail Route

Standard templates

220815

Shared space - graphics for pedestrian and bike shared space located on existing footpaths.

**Westport-specific graphics**

3



local

Westport Connector Trail Route

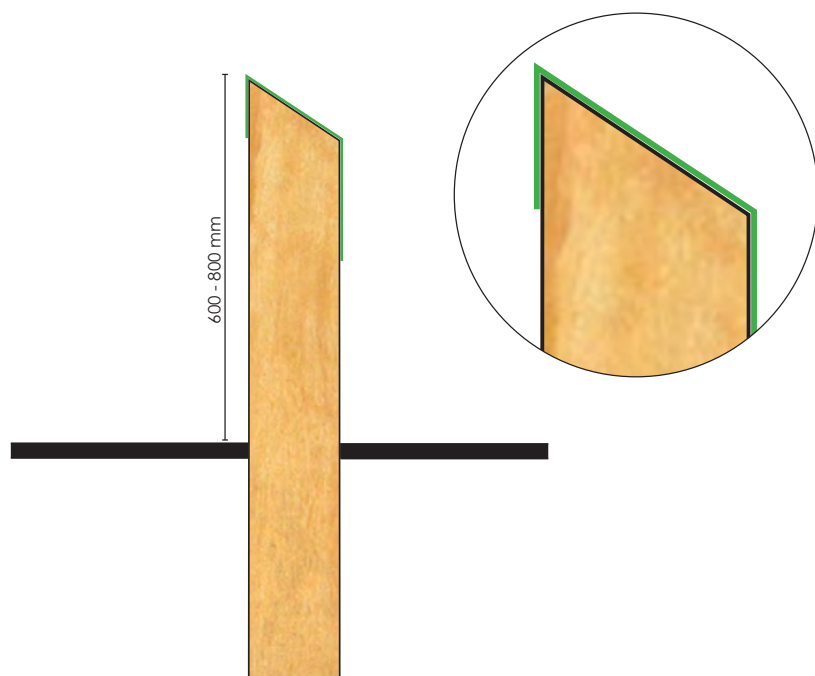
Standard templates

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4

Wayfinding timber bollards

**Westport-specific markers**



local

Westport Connector Trail Route

Standard templates

220815



**IMMEDIATE RELEASE****5 September 2022****Toki wins gold**

Westport's Toki Poutangata Bridge has taken top honours in the prestigious ACE New Zealand awards announced in Rotorua last week. Toki won the Gold Award for project excellence, beating out an impressive field of candidates for the highest accolade.

District Revitalisation Programme Sponsor Mike Duff accepted the award on behalf of Council and the project partners. Also in attendance was Dan Crocker of DCSS, the bridge specialist who designed Toki's iconic tapered truss structure.

ACE is New Zealand's premier consulting and engineering association with more than 240 professional members including the largest global firms. The annual awards showcase the best of the best as judged by industry experts. Finalists this year included Auckland's Downtown Tāmaki Makaurau development, Commercial Bay and City Rail Link mega-projects.

Mike Duff says "The Gold Award is the absolute pinnacle and I'm so pleased for the Toki team who thoroughly deserve this recognition. It shows once again that we can match it with all the big players on the national stage."

"DCSS's design expertise, the craft and skill of both Rea Engineering and Adams Construction really brought Toki to life. Alongside CGW, Local Collective and our main contractor WestReef, everyone committed to the best quality outcome for our community. The ACE judges clearly saw that same excellence and passion."

Also critical to Toki's success was the support from project partners. PGF funding via Kānoa (MBIE) and KiwiRail land approvals were the original catalyst. However, it was the cultural collaboration with Ngāti Waewae which elevated Toki to the next level.

"The importance of mana whenua and pounamu became the inspiration for Toki. Ngāti Waewae's gifting of the beautiful E Toru Nga Mea kōhatu to the people of Buller is a wonderful example of our growing relationship."

"We especially acknowledge Ned Tauwhare, Council's iwi representative, who was instrumental in the concept design and bestowing the pounamu taonga which now sits proudly alongside Toki."

With the new south connector trail between Toki and Buller Bridges nearing completion, pedestrians and cyclists will soon have a safe and easy-to-follow route from the Westport town centre to the start of the Kawatiri Coastal Trail (KCT), which in turn already extends to Tauranga Bay and beyond.

"We look forward to the south connector opening at the end of the month to link Toki to KCT and complete a unique West Coast journey experience. This is all part of the integrated master plan to offer residents and visitors alike the connectivity to discover and enjoy our amazing natural environment."



### **ACE Awards 2022 – Winner Gold Excellence**

#### **Buller District Council**

#### **Toki Poutangata Bridge, Westport**

#### **Outstanding Project Award**

The Toki bridge, designed by DC Structures Studio (DCSS), is a tapering truss measuring 5.8m high at the river-facing end, with an overall width of 3.1m, total length of 38m and a span between bearing supports of 29m.

The full lift weight including decking will be 24 tonnes. The ramp on the town side rises in two flights to a height of 5.4m above ground level, with a linear walk length of 77m at 1:12 grade with rest zones every 9m. The usable walkway width is 2.5m on the bridge and 2.3m on the ramp, with both using 28mm thick Fibre Reinforced Polymer non-slip decking materials and stainless steel countersunk fixings.

The name chosen for the bridge Toki Poutangata (or Toki for short), describes a ceremonial adze of chiefly authority, and consists of a pounamu blade lashed to an elaborately carved handle. This styling has been carried through into the truss design of the bridge structure, with its distinctive tapered shape and green colour, drawing focus to the Buller River.

The bridge concept was developed in collaboration with mana whenua, Ngāti Waewae. It represents strength, mana, bravery and triumph, all traits and characteristics synonymous with the Buller district.

For more information on the project go to <https://bullerdc.govt.nz/westport-riverfront-project>

**-ENDS-**

For more information please contact:

Programme Sponsor District Revitalisation

Michael Duff

[Michael.Duff@bdc.govt.nz](mailto:Michael.Duff@bdc.govt.nz)

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

### Project Details

<b>Location and Region:</b>	Westport, Buller district, West Coast
<b>Contracted Amount:</b>	\$3,300,000 excl. GST
<b>Reporting Period:</b>	For period ending 31 <sup>st</sup> August 2022
<b>Project Principal/Recipient:</b>	Buller District Council
<b>Project Partner(s):</b>	Ministry for Business, Innovation & Employment (MBIE)
<b>Project Manager:</b>	Phil Rossiter
<b>Programme Outcomes:</b>	(a) new employment, the preservation of jobs and the redeployment of workers in communities and within the infrastructure sector hit by COVID-19; and (b) investment toward a more productive, sustainable, and inclusive economy, enabling our regions to grow and support a modern and connected New Zealand.

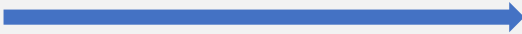
### Project Overview (High-Level Summary)

Aspect	Status	Comments
<b>Overall:</b>	<b>A</b>	The project is following its planned trajectory, albeit with known and accepted delays in several key project components due to Covid-19 and Westport flood factors. Work on the final two major project tasks is underway.
<b>Budget:</b>	<b>G</b>	\$3.3M has been secured from the COVID-19 Response and Recovery Fund for two key strategic areas: 1) \$2M for Westport gravel removal and wharf back-sheathing repairs; and 2) \$1.3M for investment and repairs, maintenance and upgrades to the bulk shipping and fishing precincts. The budget will be sufficient to achieve the overall project intent (Component A budget will support completion of Component B). Additional private investment is following this catalyst funding.
<b>Scope:</b>	<b>G</b>	The project intent is clear, and a detailed scope has been evolving in response to unforeseen changes (i.e., the July 2021 and February 2022 floods) that have changed the focus and sequencing of work in the bulk shipping precinct. Two key tasks remain, namely 1) Major port entry/exit/security upgrade and reconfiguration; and 2) Harbourmaster office repair and upgrade.
<b>Resource:</b>	<b>A</b>	Contractor resourcing and availability is constrained and is having an impact on timeliness. This is not just Covid-related, but more so because of July 2021 and February 2022 flooding. Contractor resourcing has been secured for the final two tasks.
<b>Schedule:</b>	<b>G</b>	The project timeline has been reset via a Contract Variation and is scheduled for completion by December 2022.
<b>Risks / Issues:</b>	<b>G</b>	No significant/acute project risks have been identified at this stage, other than the issues declared later in this report.

## State of Play

Last Month	Next Month
<ul style="list-style-type: none"> <li>Preparation and set-up for the harbourmaster office upgrade to address seismic, waterproofness, and asbestos concerns was on-going. Long-lead materials have been ordered. Physical upgrade works have commenced.</li> <li>Preparation and set-up for the site entry/exit upgrade was progressed to establish a modern, fit-for-purpose, and futureproof access control system. Physical upgrade works (comprising the civil earthworks component) have commenced.</li> </ul>	<ul style="list-style-type: none"> <li>Continue harbourmaster office upgrade and repair works (these will be on-going for the next 2-3 months).</li> <li>Continue construction and upgrade of Port entry/exit redevelopment (this work will be on-going for the next 2-3 months, with chip-sealing scheduled for November in warmer weather).</li> <li>Progress a payment claim to maintain cashflow.</li> </ul>

## Project Road Map/Schedule

Programme/Project task	Aug '22	Sep '22	Oct '22	Nov '22	Dec '22	Comments
Work Programme A: Westport gravel removal and seawall repairs						Component A was <b>completed</b> as at the end of June 2022.
Work programme B: Westport bulk shipping and fishing precincts						Forecast completion date is December 2022.

Milestones				
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
<b>Work Programme A: Westport gravel removal and seawall repairs</b>				
Award design contract	30/09/2020	21/12/2020	100	Engineer (WSP ChCh) appointed for expert input and advice on wharf structures. Hydrological and survey input appointed for gravel extraction
Award procurement contract	30/10/2020	1/04/2021	100	Gravel extraction is river based; therefore, dredge is required and will be used
Obtain all consents	30/11/2020	1/04/2021	100	Consents in place for river-based dredging
Award construction contract	30/11/2020	30/04/2021	100	Gravel extraction is river-based; therefore, dredge is required
Complete construction	30/04/2021	30/06/2022	100	Complete. 155,720m <sup>3</sup> of gravel removed
Opening event	31/03/2022	31/08/2022	0	To be determined
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>				
Award detailed design contract	30/10/2020	31/01/2021	100	Innumerable design tasks – not one design contract
Award procurement contract	30/10/2020	30/06/2022	100	Final tasks (harbourmaster office upgrade and site entry/exit upgrade) assigned to contractors
Obtain all consents	31/12/2020	30/06/2022	100	Building consent secured for harbourmaster office upgrade
Obtain all property rights	31/12/2020	31/05/2021	100	No issues
Award construction contract	28/02/2021	10/07/2022	100	Final construction elements awarded
Complete construction	28/02/2022	20/12/2022	15	Current estimate is December 2022 for completion of all tasks
Opening event	31/03/2022	20/01/2023	0	To be determined

## Financials

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

Programme/Project Item	Indicative Cost	Actual Spend	Forecast (remaining) cost to complete	Project Variance	Commentary
<b>Work Programme A: Westport gravel removal and seawall repairs</b>					
Project management and coordination	\$75,000	\$114,985	\$1,200	-\$41,185	Additional planning and task coordination required
Engineering assessments and design	\$35,000	\$36,945	\$0	-\$1,945	Additional engineering assessment and design required
Consents	\$10,000	\$0	\$0	\$10,000	No consents identified as required
Procurement, legal and tenders	\$20,000	\$0	\$0	\$20,000	Less legal/procurement input forecast
Civils works/site works for gravel extraction	\$1,400,000	\$1,662,500	\$0	-\$262,500	Significant gravel volumes identified requiring extraction
R&M to seawalls/wharf back-sheathing	\$460,000	\$17,980	\$0	\$442,020	Nil variance forecast at this stage. Project estimate considered realistic.
<b>Component Total</b>	<b>\$2,000,000</b>	<b>\$1,832,410</b>	<b>\$1,200</b>	<b>\$166,390</b>	<b>Forecast surplus to be used to support Component B</b>
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>					
Project management and coordination	\$40,000	\$25,535	\$25,000	-\$10,535	Additional planning and task coordination required
Procurement, legal and tenders	\$20,000	\$15,829	\$0	\$4,171	Less legal/procurement input forecast
Design and engineering assessment and consents	\$30,000	\$99,977	\$20,000	-\$89,977	Intensive engineering design and assessment input required
Civil works/site works	\$1,210,000	\$509,760	\$765,000	-\$64,760	Modest (5%) variance forecast.
<b>Component Total</b>	<b>\$1,300,000</b>	<b>\$651,101</b>	<b>\$810,000</b>	<b>-\$161,101</b>	<b>Forecast deficit supported by surplus from Component A</b>
<b>PROJECT Total</b>	<b>\$3,300,000</b>	<b>\$2,483,511</b>	<b>\$811,200</b>	<b>\$5,289</b>	<b>Minor positive variance (surplus) forecast at this stage</b>

## Employment Outcomes

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

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

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

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future
16	Nil (for the reporting period)	Approximately 10-12 further roles/jobs are forecast for the remaining project tasks.

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

Nil

## Risks/Issues/Opportunities

Key risks and/or issues arising are detailed below

Risk/Issue	Magnitude	Likelihood	Mitigation
(Issue – Schedule Slippage) – Component B require contractors that are very stretched due to the knock-on effect of local flooding events and Covid. Contractor resourcing has now been secured for remaining tasks, and all should be completed by the end of 2022. Funding Agreement has been varied to reflect this timeline	Low-Moderate	High	Maintain close communication with contractors and communicate and report outcomes.

## Social Procurement Outcomes

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

Outcome	Measure	Status/Comments
Employment of targeted workers	Prioritising workers identifying as: 1) Local (in-region) workers; 2) Māori or Pasifika; 3) Employment of women prioritised where possible	14 of the 16 personnel involved in the project for the reporting period were local. One identified as a targeted worker in relation to gender. The extent to which the measure can be controlled by the project is somewhat limited and is significantly influenced by contractor workforce composition.
Local businesses	75% of the direct contracts and sub-contracts associated with the project will be awarded to businesses owned and operated by people who reside and operate in the region	Local business involvement is tracking above the target threshold.
Worker conditions	100% of workers engaged on the project will be paid the living wage or greater and 100% of employees will be covered and managed by a fit-for-purpose and current health and safety system	Target fully met to date and is expected to be achieved for project duration. This measure will be monitored and reported as the project progresses
Environmental responsibility	Adoption of practises that enable the project to be delivered sustainably, including by: - protecting or enhancing the local ecosystem and its indigenous biodiversity - actively seeking to minimise the carbon impact of project delivery, to support the transition to a net zero emissions economy - minimising waste, re-using materials, and where possible incorporating the principles of the circular economy - using water resources efficiently - using low-impact, sustainably and locally sourced materials and products; and/or - including resilience to the impacts of a changing climate	In-progress. Biggest impact and contribution to environmental responsibility will be delivered via the construction (and operational) phase of the project. Several planned works relate specifically to environmental risks. This measure will be monitored and reported as the project progresses

## Communications

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

Completion of the gravel extraction programme provides an opportunity to celebrate a milestone (to be discussed and agreed with project sponsor).

## Additional/Other Information

Nil.

# MONTHLY REPORT



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

## 1. Project Updates

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

<b>Project Milestone</b>	<b>Details of progress</b>
Commercial Kitchen Fit-Out	The commercial kitchen equipment from 'Southern Hospitality Limited' is on site. The extractor has been installed and walls will be painted before installing the Kitchen.
Carpentry- Building	All the Building/Carpentry work has been completed.
Plumbing	All the major plumbing work has been completed. Sinks and toilet bowls will be fitted in September to completion.
Gas fitting	Works have been completed.
Electrical	Internal wiring is in place. Electrician to complete works once kitchen is in place.
Flooring	Kitchen and bathroom flooring is completed.



## 2. Redeployment Outcomes

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

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

Project Milestone	No. prev Unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women
Commercial Kitchen		0				
Carpentry		0				
Plumber		0				
Gas Fitter		0				
BDC Staff		1				
Flooring		2				
Electrician		1				
Total		4				

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

<b>Total People Working</b>
Number of people working on the project throughout the reporting month (you can include existing employees here such as finance team members etc).
1(Electrician) + 1 (BDC Staff) +2 (Flooring Staff) = 4

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

<b>Total Created Roles</b>	
Number of roles created by this project (add together contractors plus consultants).	
3	

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

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

People previously but no longer employed on the project	Expected jobs in the future
13 Contractors + 1 Project Manager + 2 BDC Staff	6 Contractors

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

This project is coordinated with community-based volunteers (Hall Subcommittee) and Council.
--

### 3. Supplier Diversity Outcomes

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

<b>Name of business</b>	<b>Business type (Māori, Pasifika, local)</b>	<b>Contract type (direct, sub-contract)</b>	<b>Contract purpose (briefly describe)</b>	<b>Length of contract (months)</b>	<b>Total value of contract (\$)</b>	<b>No. new employees (as a result of contract)</b>
PC Production NZ	Local	Direct	Asbestos	1 week	\$9,105	
Buller DC	Local	Direct	Build consent	1 day	\$2,663	
Fire Safety Solutions	Local	Direct	Fire Safety report	1 weeks	\$1,450	
Architect Allan Walters	Local	Direct	Architectural services	1 week	\$3,450	

## ATTACHMENT 1

Southern Hospitality Ltd	Christchurch	Direct Contractor	Supply of commercial kitchen package	8 weeks	\$42,647	
John Morrow Builders	Local	Direct Contractor	Building repairs and upgrade including commercial kitchen install	6 month	\$2,460	
WLS Electrical	Local	Direct Contractor	Supply and install upgraded electrical service and fittings	1 month, completed over 6 month period, 2 additional days in August	\$6,400	1
Craft Plumbing & Gas	Local	Direct Contractor	Supply and install gas fittings for commercial kitchen	3 weeks - completed over 6 month period	\$1,743	
Lightbown Plumbing	Local	Direct Contractor	Supply and install plumbing and drainage to building	6 weeks - completed over 6 month period	\$8,082.5	
Mitre 10 - Building materials, including timber framing/ linings, carpentry fixtures and fittings, paint and the supply and install of smaller area of floor coverings to meet BC compliance	Local supplier – Mitre 10 plus local flooring contractor and volunteer labour for painting task	Suppliers	Building materials	Completed over 6 month period	\$24,703	
Chris Enoka - Builder	Local	Direct Contractor	Building repairs and upgrades	4 Months	\$7,600	
RC Maintenance Ltd	Ex Christchurch	Direct Contractor	Builder/Forman	5 Weeks	\$23,125	
Carmine Painters	Local	Direct Contractor	Flooring	3 weeks	\$12,370	2

#### 4. Social Procurement Objectives

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

<b>State your Social Procurement Objectives (as agreed during contracting)</b>	<b>State your Social Procurement Measures (as agreed during contracting)</b>	<b>Show achievements to date against each of the Social Procurement Objectives</b>
Social Procurement Outcome - Employment of targeted workers	Thirteen contractors have worked on the project to date. The project management is being carried out by an existing Buller District Council staff member, liaising with the local Reserve Subcommittee	Twelve out of thirteen contractors were local. Some contractors employed more than one local staff to work on this project. Volunteers from the community help with minor works wherever possible.
Social Procurement Outcome - Environmental Responsibility	All work will be carried out in a responsible manner to tradesmen standards and all waste materials will be managed and disposed of responsibly	Appropriate skips have been used to dispose of the waste.
Social Procurement Outcome - Local Businesses	Engaged local Trades to deliver upgrade work on this local Waimangaroa Community Hall, to provide a safe and usable venue for the local community.	As mentioned above most of the contractors/tradesmen employed were local.
Social Procurement Outcome - Supplier Diversity	Specialist kitchen supplies have been sourced from outside the District.	A mix of part-time local contractors and also a specialist commercial kitchen supplier has been used to date
Social Procurement Outcome - Worker Conditions	The BDC project lead are managing the site work conditions/site safety	All trades workers complete a Health and Safety assessment and manage the H&S of the site, using a Job Hazard Safety Assessment process. Clear communication is used and all volunteer workers are taken through a volunteer induction process, to identify tasks and risk controls necessary

## 5. Financials

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

Budget Area	Received from PGF	Budgeted	Actual	Co-funding spend if any	Note
Architect Allan Walters	\$3,450	\$0	\$3,450		
Buller District Council	\$2663	\$0	\$2,663		
Fire Safety Solutions	\$1,450	\$0	\$1,450		
PC Productions Asbestos	\$9,105	\$0	\$9,105		Unbudgeted due to asbestos discovery and removal
WestReef waste skip hire	\$504	\$0	\$504		
Avant Building	\$240		\$240		
Trade Safety	\$68		\$68		
Westport Hire	\$95		\$95		
Southern Hospitality Ltd – Kitchen Fittings	\$42,647	\$42,640	\$42,647		Delivered and ready to be installed
Contractors: John Moro Builders / Chris Enoka / RC Maintenance	\$33,275	\$12,330	\$33,275		Low availability of builders and complex nature of upgrade, more than one contractor needed.
WLS Electrical	\$6,400	\$8,875	\$1,825		
Craft Plumbing & Gas	\$1743	\$2,510	\$523.47		

Lightbown Plumbing/Mico Plumbing	\$8,082.5	\$18,896	\$8,082.5		
Building Material	\$24,702.94	\$14,000	\$24,702.94		Building material was changed due to the GIB shortage
Flooring	\$12,370	\$36,000	\$12,370		Completed the flooring of Kitchen & toilet.
<b>Total</b>	<b>\$146,795</b>	<b>\$135,252</b>	<b>\$141,000</b>		<b>\$5,795 remaining in the budget which is committed to the completion of the kitchen.</b>

## 6. Forward Work Programme

Outline forward work to be completed in the next month

Project Element	Outline of Planned Work (for next month)
Electrician & plumber	To complete the installation of the kitchen. Remainder of work to complete is allowed for within the remaining budget to cover the final items.

## 7. Risks/Issues

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

Risks / Issues	Likelihood (Low / Medium / High)	Potential Impact (Low / Medium / High)	Mitigation
Natural Disaster	High	High	Civil Defence protocols are to be followed when required. The project can be delayed depending on the impact of the disaster on the structure/ equipment/ staff.
H&S - Working in a public space – public	Low	Medium	Clearly mark the work zone, workers to stay

<b>Risks / Issues</b>	<b>Likelihood (Low / Medium / High)</b>	<b>Potential Impact (Low / Medium / High)</b>	<b>Mitigation</b>
Natural Disaster	High	High	Civil Defence protocols are to be followed when required. The project can be delayed depending on the impact of the disaster on the structure/ equipment/ staff.
safety and well as worker's safety.			aware of surroundings at all times, and use a spotter during higher-risk work to mitigate unauthorised people entering the work zone. Contractors are trained and competent and will use all the appropriate PPE, plant and equipment for the various tasks, including some height work.
Issues arising from Fire Safety access/ egress	Low	Low	Site access and pathways are to be kept clear of blockages and trip hazards
Consent requirements	Low	Medium	Volunteer labour to be inducted and assigned tasks and management according to competency and experience.

**8. Communications**

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

The Buller District Council Communications team will be kept aware of progress as the project develops to keep the community, media, marketing and communications informed on the project. Local Northern Buller publication has had an article about the upgrade and changes being made to the hall. Regular meetings are held with the Sub Committee and its Council representative.

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

Closure of project, the remainder of funds to be used to connect and install the kitchen. Slight variation due to unforeseen circumstances: asbestos discovery and change of materials with the GIB shortage.

**10. Impact of COVID-19**

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

<b>Have any of the following been <u>negatively</u> impacted by the August 2021 COVID-19 Alert Level change?</b>	<b>Yes/ No</b>	<b>Provide additional narrative on the negative impacts</b>
Costs	Yes	Material costs and changes of material used.
Milestone delivery in the next month	Yes	Shortage of contractors & high material cost have depleted the flooring budget.
Availability of labour	Yes	Contractors/ staff isolating or sick or unavailable
Availability of materials and equipment	Yes	As mentioned above
Cashflow	Yes	As mentioned above
On-site productivity	Yes	No lockdown, but it is still very hard to source contractors. Hence, the delay.



### Definitions

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

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



## Project Status Report - Westport Water Supply –Trunk Main Renewal – August 2022

### Programme/Project Details

<b>Location and Region:</b>	Westport Trunkmain – West Coast
<b>Project Budget:</b>	\$1,650,000
<b>Reporting Period:</b>	For the month ending 31 August 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	Hadlee & Brunton
<b>Project Manager:</b>	Gia Kristel Algie, Calibre Consulting Ltd – Project Manager
<b>Programme Outcomes:</b>	The project (Stage 1b) is a continuation of the Westport Trunkmain and involves the construction of the remaining pipeline from Stage 1a to the end point at McKenna/Kew Road.

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

Aspect	Status	Comments
<b>Overall:</b>	G	Budget and procurement plan approved. Project start-up held in preparation for works on site. Construction planning underway – construction programme and updated SSSEP received. Currently waiting for remaining updated documentation from H&B for ETC review prior to works commencing on site.
<b>Budget:</b>	G	\$1,650,000
<b>Scope:</b>	G	The project (Stage 1b) is a continuation of the Westport Trunkmain and involves the construction of the remaining pipeline from Stage 1a to the end point at McKenna/Kew Road.
<b>Resource:</b>	G	David Brunton (Hadlee & Brunton ECI), Gia Kristel Algie (Calibre) Project Manager
<b>Schedule:</b>	G	Construction Programme received. Commencing works on site mid- October 2022.
<b>Risks / Issues:</b>	G	Risk & opportunities register updated and included as part of this report.

Current Updated Programme	
Last Month August	Next Month September
<ul style="list-style-type: none"> <li>• Project budget approved</li> <li>• Procurement plan approved</li> <li>• Contract meeting held with Contractor in preparation for commencement of works on site and confer Health and Safety Action Plan</li> <li>• Received updated Contractor Documentation (Health and Safety Plan)</li> <li>• Deed of Grant application to Kiwirail lodged for pipeline crossing railway at McKenna Rd/ Kew Rd and Stephens Rd.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction planning to continue.</li> <li>• Receive updated Contractor Documentation (Quality, Environmental Plan and Contractor Management Plan)</li> <li>• Receive detailed design for Stage 2</li> </ul>

# ATTACHMENT 1

Updated Project Road Map/Schedule											
	2022					2023					
Project task	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Comments
Planning and BDC Approvals											Budget approved July 2022.
Easements and access Agreement											Landowner easement agreements in place. Remaining agreement to secure: Railway crossing at McKenna Rd/ Kew Rd and Stephen Rd and a future one at Queen Street. Deed of grant application for McKenna lodged (approx. 10 weeks to process).
Construction (Includes continuation of HDD Design)											Open trenching from mid-October 2022. Horizontal Directional Drill works from mid- January 2022. <i>Note: Design and Construct Contract - Open trenching detailed design for Stage 1b complete. Some design to continue with construction – horizontal directional drill shot works, in particular).</i>
Construction Complete										♦	
Commissioning and Testing											Testing and Commissioning
Handover and Asset Manager Acceptance											

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comments
<i>Signed ECI Contract</i>				<i>Completed in Stage 1a</i>
1) Planning and Funding Approved	1 July 2022	8 July 2022	100%	Notice to Contractor issued to communicate next stage. Contract meeting held to communicate target construction cost to Contractor.
2) Easement Agreements   Consent Applications <i>Note: Kiriwail Grant lodged 22 August 2022</i>	1 November 2022	TBC	80%	All landowner easements are in place. Kiwirail Easement (McKenna Road and Stephen Rd) lodged - (takes up to 10 weeks to process)
3) Stage 1b Construction commenced	18 October 2022	TBC		
<i>Note: Design and Construct, Horizontal Direction Drill Detailed Design will continue</i>				<i>Majority of Detailed Design completed in Stage 1a. Note design process will continue beyond construction start date for horizontal directional drilling.</i>
4) Pipe Installation Completion	27 February 23	TBC		
5) Final Commissioning and Testing	24 March 2023	TBC		
6) Orowaiti Bridge Crossing	26 April 2023	TBC		
7) Construction Complete	26 April 2023	TBC		
8) Handover and Asset Manager Acceptance	24 May 2023	TBC		

Financials							
A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.							
Programme/ Project Item	Project Budget	Original Budget Estimate	Actual Spend to 31 August 2022	Accruals to 31 August 2022	Forecast cost to complete	Project Variance	Commentary
Funding	\$1,650,000.00						BDC Three Waters Annual Plan 2022/2023 Budget
Westport Trunkmain Project		\$1,250,000.00	\$0.00	\$0.00	\$1,250,000.00	\$0.00	
Project Delivery		\$400,000.00	\$0.00	\$8,400.00	\$391,600.00	\$0.00	
Total	\$1,650,000.00	\$1,650,000.00	\$0.00	\$8,400.00	\$1,641,600.00	\$0.00	

Risks/Issues/Outcomes			
Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)			
Risk/Issue	Magnitude	Likelihood	Mitigation
Damage to existing watermain when installing new main	medium	low	Design alignment of pipeline designed with greatest off-set from existing pipeline as possible. Contractor to manage site and ensure experienced and competent machinery operators with spotter at all times.
Environmental Risks	low	low	Dewatering Issues and handling of super chlorinated water included in Assessment of Environmental Effects. Contractor and Maintenance Contractor to ensure Chlorinated water is disposed of safely and not discharged to the environment.
Easements / Traffic Management / Rail Corridor	low	low	Investigation and suitable planning. Ensure easement agreement and permits are in place prior to works commencing. Note: Rail corridor has been as much as possible in design alignment. Any works to be done in Kiwirail land to comply with requirements of Kiwirail.
Budget Overrun	medium	low	Target cost communicated with contractor. Early forecasting of fees to recognise achievable scope with target cost. Proactive monthly status reports and updates
Inclement weather disrupts construction	medium	medium	From H&S stop work until site is safe to work. Ensure site is secure. Ensure adequate allowance within contract period for inclement weather so Contractor has resourced sufficiently to meet completion date
High-risk construction activities	medium	medium	Ensure Contractor has a comprehensive health and safety plan in place prior to works commencing on site and regular reviews in place to reassess site conditions should things change. Ensure any health and safety documentation and work permits have been received by Engineer to the Contract (ETC) prior to relevant activities commencing.

Redeployment Outcomes								
The following table shows the number of people working to deliver the project in the current reporting period.								
Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - <i>Full-time</i> - <i>Part-time</i> - <i>Contractor</i> - <i>Consultant</i>
BDC Council Staff	2		2				1	
Hadlee & Brunton (H&B)	2	0	0	0	0	0	0	Contractor Note: Updated Details to be confirmed with H&B Subcontractors not included
Calibre Group	2	0	0	0	0	0	1	Consultant
Total	6	0	2	0	0	0	2	
The following table shows total current, past, and expected future jobs								
Current Jobs		No. of people previously but no longer employed on the project				Expected jobs in the future		
0		0				0		
Communications								
An update on media, marketing and communication activity for the programme/project								
Note: Kiwirail Deed of Grant application has been lodged. Landowner agreements in place.								



## Project Status Report – Waimangaroa Water Supply Upgrade – 31<sup>st</sup> August 2022



### Programme/Project Details

<b>Location and Region:</b>	Waimangaroa Water Supply Upgrade, West Coast
<b>Project Budget:</b>	Current revised budget approved by Council of \$2.3M + \$206,729 (MOH) CAP Subsidy = \$2,521,739
<b>Reporting Period:</b>	For the month ending 31 August 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	Colls Surveying, ECI – Raw Water Main- West Reef Services Ltd, Tru Line Civil Ltd, WSP Opus & W2, Calibre Consulting
<b>Project Manager:</b>	David Chung, Calibre Group – Project Manager
<b>Programme Outcomes:</b>	Revised - Upgrade the existing raw water supply to improve resilience and water security

Project Overview/traffic Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)		
Aspect	Status	Comments
<b>Overall:</b>	A	The project is in its delivery readiness phase. Scenario 3 approved by Council covering the Raw Water Component that encompasses Alternative C - Value Engineered Option and \$900k Resilience works with total budget of (\$2.3M) Procurement exemption document approved for the \$900k works with both of the existing contractors WRSL and TLC for completion by the end of Dec 2022
<b>Budget:</b>	R	Council Funded. Budget approved by the Council at the meeting on the 25 <sup>th</sup> of August 21 confirmed an approved total project inclusive of sunk costs to date up of \$2.3M. Going forward from the 31 Aug 22 there is \$1.95M allocated and is comprised of a \$250k allowance (contingency) for estimate and event risk, \$145K project delivery (project management & owners' costs), \$405K will be invested into the most critical elements of the raw water system, and up to \$900k to resilience improvements to the existing Waimangaroa WS network. Additional MoH subsidy funding of \$206,739 was received for replacing the existing PVC water main within the sealed section of Conns Creek Road.
<b>Scope:</b>	G	Waimangaroa Water Supply Conns Creek Upgrade - Raw water scope confirmed, and the Resource Consent has been received. Total max value of the of raw water components to enable of raw water scope to meet current budget of \$405K has been agreed with WRSL. Council have approved the scope of works for what the \$900K can afford in relation to resilience improvements now that the WTP is not proceeding. Scope of works being priced by TLC and WRSL for this \$900K packages of work.
<b>Resource:</b>	A	David Chung (Calibre) Project Manager. Colls (surveying) West Reef Services ECI Contractor, W2 Subconsultant to WRSL, WSP Opus (Planning Consultants for consenting). Tru-Line Civil Options of using both TLC and WRSL for the \$900K resilience works will help overcome resourcing availability if solely reliant on WRSL
<b>Schedule:</b>	R	Original timeline for Raw Water contract is now at risk as Conns Creek Road has been severely damaged in two main areas to make the road non trafficable, which will prevent WRSL from being able to use the road to deliver materials and personnel. Current indications from DoC and Fulton Hogan are that the road is unlikely to be sufficiently repaired to enable vehicle access until Nov 2022. WRSL have and will continue to request extensions of time for this event- latest EOT provides recommencement on site on Mid Nov 22 on the proviso that the road is repaired sufficiently for them to use. Draft BDC project timeline supplied and updated to reflect Conns Creek Road repairs on the critical path. Physical works to replace 530m of pipeline in the sealed section of Conns Creek Road was completed by 30 June 22 and Separable A has been issued to TLC for pricing for remaining sections of Conns Creek Road. The \$900K phase of works are programmed in for completion by end of Dec 2022

Project Overview/traffic Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)		
Aspect	Status	Comments
Risks / Issues:	A	<p>Risk &amp; opportunities register updated.</p> <p>Major damage to Conns Creek Road from the February flooding event has made the road unusable for any vehicular traffic until the road can be repaired properly. The current temporary fixes implemented greatly reduces the resilience of the network and WRSI are unable to proceed with the Raw water Contract until the road is repaired. Current indications from DOC are that road repairs cannot commence until Nov 22</p>

State of Play	
Last Month's August 2022	Next Month September 2022
<ul style="list-style-type: none"> <li>• Council endorsed procurement exemption</li> <li>• Complete any designs required for the \$900K resilience work packages</li> <li>• Commence award of contracts for the construction of the \$900K resilience work packages</li> </ul>	<ul style="list-style-type: none"> <li>• Commence work packages for \$900K resilience works</li> <li>• Design undertaken for remaining pipe works</li> <li>• Schedule of Quantities reviewed, evaluated and contract awarded</li> </ul>

						Project Road Map/Schedule Update as of 31 August 22														
Project task	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	Jun 22	Jul 22	Aug 22	Sept 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Comments
ECI Raw Water Contract and Develop Detailed Design																				Validation Workshop held on 22 Mar 21  3No. Additional Tender Even mtgs held with ECI WRSL to confirm award
Council Approval		◆																		Date - 26 August 2021
Resource Consenting																				Commence work for RC application in April, reliant on conformation of methodology land disturbance as part of application. High Heritage value sand conservation area
Procurement of WTP																				WTP tender closes in November / No Award
Council Approval of WTP & Storage								◆												Council declined all tenders for WTP & Reservoir
Construction Raw Water																				Reliant on remediation of Conns Creek Road to enable construction access
Construction Resilience Options Resource Consent																				Implement options to spend \$900k for resilience improvements to the existing Waimangaroa WS network.
Commissioning																				Commission resilience works
Closeout																			◆	March 2023

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

## Financials

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

Programme/Project Item	Indicative Budget	Actual Spend to 31 Aug 22	Accruals to 31 Aug 22	Estimated Forecast cost to complete	Estimated Project Variance -ve (over) +ve is (under)	Commentary
Conns Creek Sealed Road – 530m Pipeline replacement MoH Subsidy	\$206,739					
Waimangaroa WS Capital Budget allocation FY 21/22	\$15,000					
Conns Creek WS Upgrade WTP & Storage & Rising/ Falling Mains Alternative C (Value Engineered) Scope Changed to Improved network resilience and no Water treatment	\$900,000					Scenario 3 selected – Options 1-8 approved
Conns Creek WS Upgrade Raw Water Component Alternative C (Value Engineered )	\$405,000					
Project Delivery	\$560,000					
Contingency – Estimate & Event Risk	\$430,000					
<b>Total</b>	<b>\$2,521,739</b> <b>\$2.3M + \$206,739</b> <b>(MOH)</b>	<b>\$849,435.77</b>	<b>-\$5,455.02</b>	<b>\$1,677,423.57</b>	<b>\$0</b>	

## RISK MATRIX DEFINITIONS AND PARAMETERS

Consequence	Risk Assessment Matrix						Risk Rating		Action, Escalation & Review Timeframe Needed
	Catastrophic (5)	5	10	15	20	25	20 – 25	<b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
	Major (4)	4	8	12	16	20			
	Moderate (3)	3	6	9	12	15	10 – 16	<b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
	Minor (2)	2	4	6	8	10			
	Insignificant (1)	1	2	3	4	5	4 – 9	<b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)			
	Likelihood						1 – 3	<b>Low</b>	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
<b>Almost certain</b>	5	Event is expected to occur more than once in the next year
<b>Likely</b>	4	Event is expected to occur once in the next year
<b>Possible</b>	3	Event could occur at least once in the next two years
<b>Unlikely</b>	2	Event could occur at least once in the next 3 to 5 years
<b>Rare</b>	1	Event is unlikely to occur in the next 5 years

**Table 6: Risk Event Consequence**

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



**Table 6: Risk Event Consequence**

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

Risk I D	Risk Title	Risk Description & Impact	Date of Review	Change			Risk Owner	Control Owner	Risk Category	Risk Consequence	Risk Likelihood	Interim Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment due	Escalation Pathway		
Buller District Council Specific Risks - July 2022																			
Design																			
D02	Design	Understanding Water quality at source not sufficiently well known for appropriate treatment design	31 August 2022	3	2	6	Project Manager	BDC / designer	Health and Safety	3	2	6	Continue water sampling to collect data	2	2	4	Ensure water sampling is targeted and also get feedback form suppliers on what the expectation is on level of data to enable appropriate treatment design	30 June 2022	BDC Working Group
D03	Design	Intake blockage	31 August 2022	4	3	12	Project Manager	BDC / designer/ Mtce Contractor	Operations and Service Delivery	4	3	12	Suitable resilient design new location	2	2	4	New location for intake and ensure easy to clear debris if blocked	30 June 2022	BDC Working Group
D04	Design	Slips along pipe route	31 August 2022	4	3	12	Project Manager	BDC / designer/ Mtce Contractor	Operations and Service Delivery	4	3	12	Provide resilient design- repairs carried out within 24 hrs	2	1	2	Ensure new design supports are robust and replace vulnerable sections with PE pipe	30 June 2022	BDC Working Group
D07	Design	Suitability of existing intake for future supply	31 August 2022	3	4	12	Project Manager	BDC	Operations and Service Delivery	3	4	12	Geotechnical investigations to confirm suitability of current site underway	2	2	4	Investigations into alternative sites for use	30 June 2022	BDC Working Group
D14	OPS and Service Design	Final Design provides no increased resilience in the network, which may affect level of service	31 August 2022	4	4	16	Project Manager	BDC	Operations and Service Delivery	4	3	12	Design relocatable process plant to provide resilience in event of future catchment variability Continue to repair network when breakages occur. Ensure intake works are easily assessable and repairable	3	3	9	Complete full Raw Water reticulation network & head water upgrade, and ensure it is included within the Annual Plan process	30-Jun-24	BDC Water Coordinator
Approvals																			
A01	Approvals	Resource consent approvals includes DOC and Heritage NZ	31 August 2022	3	3	9	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	3	3	9	Early engagement with affected parties Sufficient information and investigation provided for evaluation and approval by WRC	2	1	2	Heritage, DOC included in RC process, and Specialist Consultant WSP-OPUS engaged to carry out the application	30-Oct-21	BDC Working Group
Procurement																			
P01	Procurement	Risk Challenge Value for money and ability to undertake ECI Raw water and intake structure components on a direct engagement	31 August 2022	3	3	9	Project Manager	BDC	Financial / Economic	3	3	9	Procurement plan details procedure in accordance with BDC procurement policy	2	1	2	Ensure this is explained in Council report		BDC Working Group
Construction																			
C02	Construction	Material and equipment supply chain cannot deliver to programme	31 August 2022	4	3	12	Project Manager	BDC	Financial / Economic	4	3	12	Current supply chain is stretched and will need to consider pre-purchase of materials and providing early notice	2	2	4	Get feedback from suppliers on what elements may need pre-purchase by Council, not delay the procurement process		BDC Working Group
C03	Construction	ECI Raw Water Contractor lacking resourcing, due to other Council commitments	31 August 2022	4	3	12	Project Manager	BDC	Human Resources	4	3	12	Ensure Contractor commits resources and provides advance notice of any resourcing issues to enable them to engage sub contractors Look at splitting work packages up to other available Contractors	2	2	4	Continuous tracking of Contractors resourcing to know in advance if resourcing will be an issue and raise with Contractor		BDC Working Group
C04	Construction	Inclement weather disrupts construction and causes access issues	31 August 2022	3	3	9	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	3	3	9	From H&S stop work until site is safe to work	2	2	4	Ensure adequate allowance within Contract period for inclement weather so Contractor has resourced sufficiently to meet completion date		BDC Working Group
C05	Construction	Difficult construction Access and Sensitive Heritage area	31 August 2022	2	3	6	Project Manager	BDC	Environmental	2	3	6	Environmental assessment and Contractor supplies an Environmental Mgmt. Plan	2	2	4	Ensure audits conducted by Principal that Contractor is adhering to EMP's and Methodology	30-Sep-21	BDC Working Group
C06	Construction	Steep topography/difficult terrain	31 August 2022	3	3	9	Project Manager	Contractor	Environmental	3	3	9	Where required use Helicopters to airlift materials to the site to reduce risks of damage to surroundings or hazards to workers	2	2	4	Comprehensive methodology to be supplied by Contractor along with H&S plan and contingency plans		BDC Working Group
C08	Construction	H&S of Movement of heavy plant and equipment to remote site	31 August 2022	3	3	9	Project Manager	Contractor / BDC	Environmental	3	3	9	Ensure Contractor has a comprehensive plan of their construction methodology that shows how they will be transporting plant to site and then conduct regular Principal audits to ensure compliance with plan	3	1	3	Current strategy sufficient to mitigate risk		BDC Working Group

Risk ID	Risk Title	Risk Description & Impact	Date of Review	Change		Risk Owner	Control Owner	Risk Category	Risk Consequence	Risk Likelihood	Interim Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment due	Escalation Pathway		
Ops/Maintenance																		
OM01	Ops/Maintenance	Damage to assets - slips or natural events	31 August 2022	4	2	8	Project Manager	Designer / Mtce Contractor	Operations and Service Delivery	4	2	8	Addressed through resilient design, and also Geotech investigations to select new intake site	2	2	4	Ensure Mtce Contractor provides input into how easy the design is to repair or put back into operation	BDC Working Group
OM02	Ops/Maintenance	Damage to assets - vandalism	31 August 2022	3	3	9	Project Manager	BDC / Mtce Contractor	Operations and Service Delivery	3	3	9	Site is remote and low risk, assets are off the main access track so not easy to find by public	3	1	3	Current strategy sufficient to mitigate risk	BDC Working Group
OM07	Ops/Maintenance	Poor Plant handover, commissioning and operation manuals, ops training	31 August 2022	4	2	8	Project Manager	BDC / Mtce Contractor/ Technical Water Advisor	Operations and Service Delivery	4	2	8	Ensure no PCC signoff on Contract until BDC satisfied that these tasks have been carried out to the required standard to their Mtce Contractor	2	1	2	Current strategy sufficient to mitigate risk	BDC Working Group
OM08	Ops and Service Delivery Maintenance	Potential change in catchment conditions requiring relocation of intake and new source	31 August 2022	4	3	12	Project Manager	BDC / Mtce Contractor/ Technical Water Advisor	Operations and Service Delivery	4	3	12	Current option has a low cost but easy to repair or relocatable intake if the catchment conditions change	2	3	6	Regular inspections of intake and continued water testing and sampling	30-Jun-24 BDC Water Coordinator
Financial																		
F02	Financial	Budget overrun, rates impact	31 August 2022	2	4	8	Project Manager	BDC	Financial / Economic	2	4	8	Capital budget to be confirmed. Contractor to be chosen to best facilitate managing to budget	2	1	2	Engage adequate MSQA, rates modelling	BDC Working Group
F04	Financial	Final design option exceeds allocated budget	31 August 2022	3	3	9	Project Manager	BDC	Financial / Economic	3	3	9	Prioritise construction stages to meet initial budget then allow within LTP for a gradual upgrade	2	3	6	Current strategy sufficient to mitigate risk	30-Sep-21 BDC Working Group
F07	Financial	Available funding will not cover full asset replacement so may require priority items leaving residual risk	31 August 2022	3	3	9	Project Manager	BDC	Financial / Economic	3	3	9	Ensure key areas are funded that will provide a compliant drinking water to minimise H&S risk to residents	2	2	4	Make sure that MOH understand that safe drinking water is 1st priority and resilience of network is next	BDC Working Group
Environmental																		
E01	Environmental	Adverse effects to the environment during heavy rains and storms.	31 August 2022	4	3	12	Project Manager	All parties.	Environmental	4	3	12	Contractor to develop, Environmental Management Plan to manage run off from the site	2	3	6	Implementation of the plan to be audited at agreed intervals by the Contractor's independent auditor.	BDC Working Group
Programme																		
Stakeholder engagement																		
S01	Reputational	Perception of 'wasted time & money'	31 August 2022	3	4	12	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	3	4	12	Comprehensive technical & economic review	2	1	2	Proactive status reports, updates	BDC Working Group
S03	Reputational	Waimangaroa Stakeholders Group	31 August 2022	4	4	16	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	4	4	16	Current strategy of regular communications	1	2	2	Meet with Ratepayers Association with specific consultation	BDC Working Group
S04	Reputational	Community makes a challenge to the proposed scheme	31 August 2022	2	3	6	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	2	3	6	Current strategy of regular communications	2	2	4	Make Community aware of what is non negotiable with respect to drinking water compliance	BDC Working Group
Legislative Risk																		
L01	Legal/regulatory	Compliance with current legislation and DWNZ standards	31 August 2022	5	5	25	Project Manager	BDC	Legal / Regulatory	5	5	25	Permanent boil water notice	1	1	1	Design and implement proposed upgrade of WTP to ensure drinking water quality compliance	30-Jun-22 BDC Working Group

Risk ID	Risk Title	Risk Description & Impact	Date of Review	Change	Risk Owner	Control Owner	Risk Category	Risk Consequence	Risk Likelihood	Interim Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment due date	Escalation pathway
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## **FINANCE, RISK & AUDIT COMMITTEE**

**21 SEPTEMBER 2022**

### **AGENDA ITEM 7**

**Prepared by** Juliette Aldridge  
Financial Services Officer

Lynn Brooks  
Finance Manager

**Reviewed by** Douglas Marshall  
Chief Financial Officer

**Attachments** **Attachment 1** – Sundry Debtors Report  
**Attachment 2** – Rates Debt Management

#### **DEBT RECOVERY REPORT 31 JULY 2022**

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#### **1 REPORT SUMMARY**

This report presents and classifies the outstanding balances of rates and sundry debtors as at 31 July 2022 for monitoring and information purposes.

There are no customers with arrears that require a decision of Council to progress the debt recovery process. This is because all debt recovery processes are delegated to staff and are part of the business-as-usual activities of Council.

#### **2 DRAFT RECOMMENDATION**

**That Council receive the debt recovery report for information.**

#### **3. ISSUES AND DISCUSSION**

**3.1** This report is presented to provide monitoring information on debt trends for Council.

Council requires a high-level overview of the debt owed to Buller District Council. This information, when taken in conjunction with all other aspects

of the financial results provides a full view of the financial performance and financial position of Buller District Council.

### **3.2 Rates**

Debt follows the usual pattern whereby every third month when the rates are charged the rate debt increases, then it decreases for the following two months.

The total rates debt as at July 2022 has decreased since the last quarter. At the report close-off date of 31 July 2022 there was a significant decrease in the Serious Defaults category with the decrease being mostly in the Missed more than two instalments category. The Ongoing Monitored Category also shows a decrease with most categories showing a deduction. An increase in the Payment Plan category has been recorded.

All debt is being closely monitored. Staff are mindful that a number of ratepayers have been significantly affected by the flooding and have been making tailored payment arrangement plans with this in mind. Ratepayers can enter arrangements to pay rates due in August 2021 with no penalties being applied if the property owner applied for this remission.

In-house debt collection is proving to be more effective than handing collection to an external debt collection agency unless this action is absolutely necessary.

Rates debt is managed in a two-fold way. Firstly, the serious defaults category is systematically reviewed and each case at review is targeted with additional debt collection measures. Where consent is received from the ratepayer Council works alongside them as well as their bank (if relevant), Budget Advice, and other support services. This produces some positive outcomes where the ratepayer has the support they need and has independent advice about their debt and obligations.

Secondly, early intervention is made when ratepayers miss one or two instalments. This is to try and prevent ratepayers falling behind and then not being able to clear the arrears.

Council promotes the Rates Rebate scheme and talks to customers in arrears about their possible eligibility for it. Council encourages direct debits as a payment method and the number of ratepayers using this service has increased significantly.

The number of ratepayers on payment plans remains high compared with prior years and this early intervention made with ratepayers who start to fall behind is showing long term benefits for both the ratepayers in arrears and Council.

### **3.3 Sundry Debtors**

Debt shows an overall increase since the last quarter; however the significant increase relates to an amount owing from a Government Agency in the Sundry Income Category which relates to a timing issue and holds no risk collection of funds.

The serious default category indicated in red in the graph is mainly due to non-payment of leasehold property. This continues to be an area of focus and increasing collection measures including staff working closely on target cases. The twenty percent discount on purchase option provided by Council can provide assistance for these long-term lease arrears, either encouraging the lessee to purchase and refinance, or for them to sell the lease with the new owner wishing to freehold.

The ongoing maintenance category of debtors are well monitored and the debt collection measures in place are appropriate for this group.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

Council has key strategies of being resilient, growing the economy, providing quality infrastructure, investing in our towns and being affordable by growing non-rates income.

Debt recovery strategies are essential for effective collection of customer arrears and to ensure fair and equitable interaction between Council and our customers.

Keeping Council customers' debt levels in check and reporting on the level of debt provides a measure against the strategies of Council and provides an overview of the cost impact on our community.

This report also assists with understanding the current local economic climate along with the impacts of Council charges, and the community ability and willingness to meet those charges.

### **4.2 Significance Assessment**

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.

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

#### **4.3 Risk Analysis**

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

When credit is extended by Council a risk arises that the amounts owing are not recovered when due, or that over time total debt owing grows to an unsustainable level and puts pressure on cash flow.

This risk is mitigated by requiring staff to monitor and recover debt therefore acting on indebtedness early on which yields better results, and regular reporting to Council to ensure oversight.

#### **4.4 Values**

The Buller District Values are: Integrity, Future Focussed, Community Driven, One Team and We Care. Monitoring debt and undertaking debt collection processes most closely aligns to the values of integrity and future focussed.

#### **4.5 Policy / Legal Considerations**

The collection of rates debt is enforceable under the Local Government (Rating) Act 2002. Other legislation dealing with credit extended by Council and debt recovery include the Property Law Act 2007, Residential Tenancies Act 1986 and the Resource Management Act 1991.

The Financial Delegations Policy, Treasury Management Policy and Rates Remission Policies also apply to the collection of Council debt.



**4.6 Tangata Whenua Consultation Considerations**

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

**4.7 Views of Those Affected**

It is equitable for all our ratepayers, the public and individual debtors to ensure that all amounts outstanding should be collected through consistent processes. Council follows policy and in-house debt collection procedures to ensure this is achieved.

**4.8 Costs**

There are no extraordinary costs for debt recovery and the costs for continuing debt recovery are included in the annual plan budget.

**4.9 Benefits**

The benefits to collection of debt is the cash flow of Council is maintained. There is also fairness and equity for all ratepayers and service consumers in that everyone is paying their portion of the cost.

















**4.10 Media / Publicity**

There are no media or publicity opportunities with the content of this report.

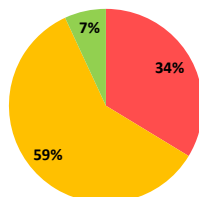
# ATTACHMENT 1

## Sundry Debtors - Debt Recovery Report

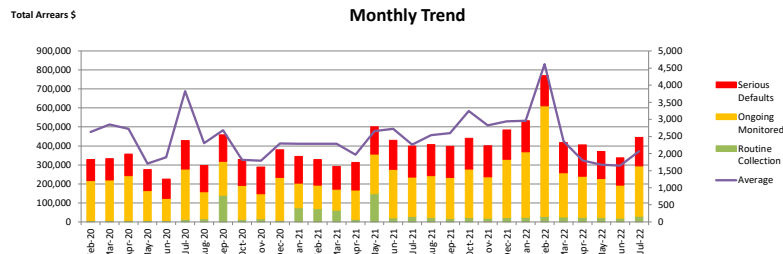
Report cutoff date 31 July 2022  
Ageing cycle - current due 31 July 2022

Status Flag	Debtor Type	Age of Debt		No. of Account Holders per Debt Thresholds			Action to Date				Further Action to Commence					Comments
		No. of Debtors	Overdue	Less than \$2,000	\$2,001 to \$10,000	Over \$10,001	At Debt Agency/ Mortgagee	Letter Sent	Payment Plan	In Dispute	Formal Review	To Debt Agency / Mortgagee	Monitor Progress	Further Letter/ Meeting	Other Options	
	Leasehold Properties	20	149,853	11	5	4	1	10	9		J			J	J	Rents invoiced 6 monthly in advance. Long standing arrears receiving increased collection measures.
	Orowaiti Connection	2	6,750	0	2	0				2					J	
	Libraries	0	0	0	0	0										
	Water	19	20,287	15	4	0		6			J			J		Payment plans promoted for those with long standing debt.
	Resource Management	20	61,562	13	5	2	4	14	2		J	J		J		Long standing arrears receiving increased collection measures.
	Rentals	20	38,908	17	2	1		20				J		J		\$27k debtor in Liquidation, debt remains until final notification. The balance is under routine monitoring.
	Regulatory Licences e.g. Food Premises	35	9,071	35	0	0		32		3						Timing of Annual Licences billing.
	Sundry	41	108,400	36	2	3		37					J			Instalment arrangements entered into for those with long standing debt.
	Westport Harbour	24	19,782	21	3	0			8							Annual payment plans in place. Rents, Berthage etc
	Trade Waste	6	11,242	4	2	0	2			2					J	Annual invoicing cycle in June of each year.
	Airport Parking	1	40	1	0	0									J	Small amounts monitored.
	Building Consents	9	11,671	7	2	0			1							Where overdue, this represents inspections not yet completed due to timing of building process.
	Swimming Pools	8	1,150	8	0	0										
	Cemetery	8	5,884	8	0	0										
	LIMs	2	600	2	0	0										
	Totals	215	445,200	178	27	10										

Internal Debt Recovery  
(debit balances due)



Debtor Arrears  
Monthly Trend



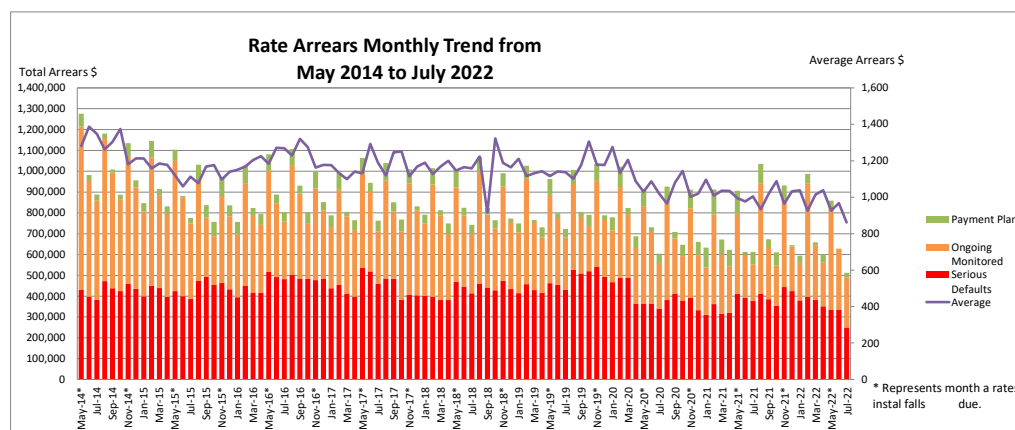
## Rates Accounts - Debt Recovery Report

Report cutoff date 31 July 2022  
 Last rates instalment due date 31 May 2022  
 Next rates instalment due date 28 August 2022

## Internal Debt Recovery Analysis

Status Flag	Category	No. of Ratepayers	Total Arrears Balance YTD	Current Year Arrears	Previous Year Arrears		Further Action to Commence						Comment
					\$	%	Formal Review	To Debt Agency	Title Search	Monitor Progress	Further Letter	Continue Sale Process	
Red	Placed with External Debt Collection	13	98,318		98,318	15%				J			Arrears placed with Credit Recovery Agency. Refer to the analysis below.
Red	No current mailing address	0	0		0	0%		J					Tracing addresses through bank deposits & social media undertaken.
Red	Approach Mortgagee	0	0	0	0	0%							Ratepayers with mortgages are pursued for payment under the Rating Act provisions.
Red	Awaiting Decision	22	95,209		95,209	14%	J		J				More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
Red	Missed more than two instalments	32	56,502		56,502	8%					J		Reviewing for possibility of Mortgagee Action.
Orange	Under Action - Short Term Monitored	25	25,402		25,402	4%	J				J		Reviewed systematically with each ratepayer.
Orange	Payments Insufficient	41	16,323		16,323	2%				J	J		Reviewed systematically. Work through options to increase payments/resolve debt.
Orange	Long Term Monitored	31	76,184		76,184	11%	J						Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/Feb), more frequently if in decline.
Orange	No Payments - Property on Market	8	16,224		16,224	2%	J						Annual Review.
Orange	Missed February and May 2022 instals	34	55,593		55,593	8%					J		Letters sent - monitoring.
Orange	Missed one instalment only	200	50,993		50,993	8%					J		Letters sent - monitoring.
Green	Payment plans	187	21,084		21,084	3%				J			Reviewed annually and updated as required.
Blue	Abandoned Land Tender Project	37	159,677		159,677	24%						J	Report to June 2019 Council Meeting.
	<b>Totals</b>	<b>630</b>	<b>671,509</b>	<b>0</b>	<b>671,509</b>	<b>100%</b>							

Internal Debt Recovery			
Red	250,029	37.2%	
Orange	240,719	35.8%	
Green	21,084	3.1%	
Abandoned land	159,677	23.8%	
	671,509	100.0%	



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

**21 SEPTEMBER 2022**

### **AGENDA ITEM 8**

**Prepared by** Faye Woodhead  
Project Accountant

Lynn Brooks  
Finance Manager

**Reviewed by** Douglas Marshall  
Chief Financial Officer

### **INVESTMENTS AND BORROWINGS – As at 31 August 2022**

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

This report summarises Council's cash investments and borrowings for the month of August 2022, and compliance with Council Treasury management policy.

#### **2. DRAFT RECOMMENDATION**

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

#### **3. ISSUES AND DISCUSSION**

##### **3.1 Changes to the report**

An additional graph has been included to illustrate the investments held with each trading bank by maturity date, amount and rate earned.

##### **3.2 Investments**

Investments have increased by \$4m since 31 July 2022. The call account went from \$0 at 31 July 2022 to \$6.3m at 31 August 2022, mainly due to receipt of the first quarter rates instalment. \$2.3m of investments were taken off term deposit to manage timing of cashflows in advance of the first quarterly rates instalment receipts, these funds are returned to term deposits when cashflow allows.

##### **3.3 Bank Balance**

Council's trading bank closing balance was \$534k in funds.

### **3.4 Interest Revenue**

Interest revenue to the end of August is \$78k against a YTD budget of \$72k and a full year budget of \$797k.

Council continues to reinvest term investment funds at the most favourable interest rate when deposits are available for renewal. The improving interest rates are reflected in the interest revenue for the year.

### **3.5 Borrowings and Net Debt Position**

Total borrowings remains at \$33.2m. Net debt (borrowings less term investments and call account balance) has decreased by \$4m since last reported to \$12.4m due to the net increase in investments noted above.

### **3.6 Compliance with Treasury Management Policy**

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

Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base. Currently investments in NBS total \$3.468m representing 25% of the total investment portfolio. This planned breach will continue as investments mature and are rolled over as this level of investment is part of a sponsorship agreement.

## **4. CONSIDERATIONS**

### **4.1 Strategic impact**

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

### **4.2 Significance assessment**

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

### **4.3 Values assessment**

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

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

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

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

#### **4.4 Risk analysis**

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

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

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

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

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

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

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

None identified.

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

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

#### **4.8 Costs**

There are no extraordinary costs relating to investments and borrowings.

#### **4.9 Benefits**

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

#### **4.10 Media / publicity**

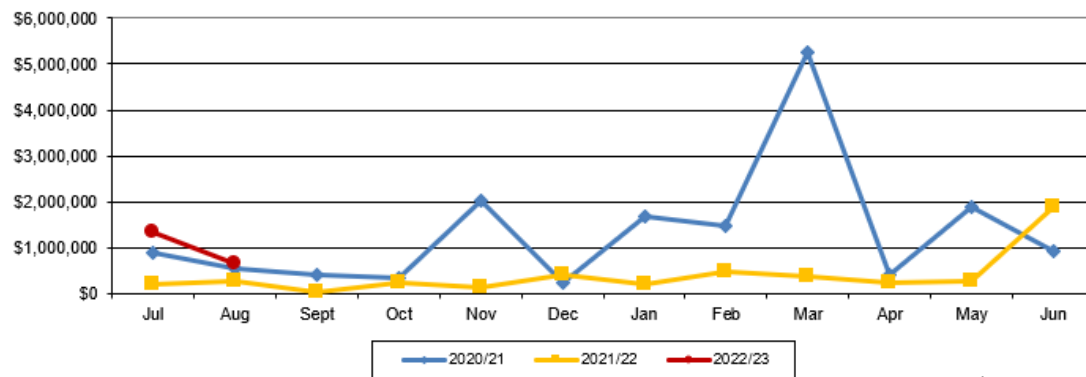
None identified

## INVESTMENTS AND BORROWINGS REPORT

### 1. BANK BALANCE

	This Month 31-Aug-22	Last Month 31-Jul-22	Last Year 30-Jun-22
Council	\$534,608	\$1,316,429	\$917,159

### 2. MONTH END BANK BALANCE



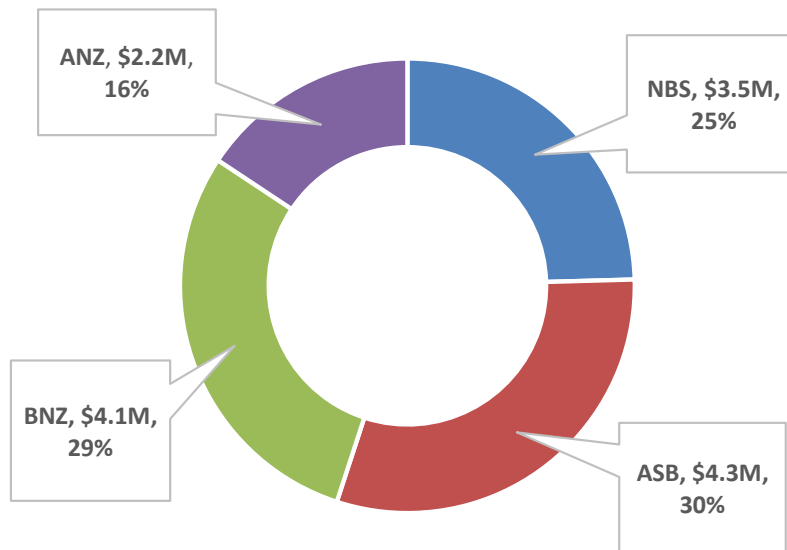
### 3. SUMMARY OF INVESTMENTS

	This Month 31-Aug-22	Last Month 31-Jul-22	Last Year 30-Jun-22
Term deposits (includes Call Account)	20,847,151	16,832,141	17,532,141
Other loans (includes loan to Holding Company)	1,610,982	1,610,982	1,610,982
<b>Total Investments</b>	<b>\$22,458,132</b>	<b>\$18,443,123</b>	<b>\$19,143,123</b>

### 3.1 Term Deposits

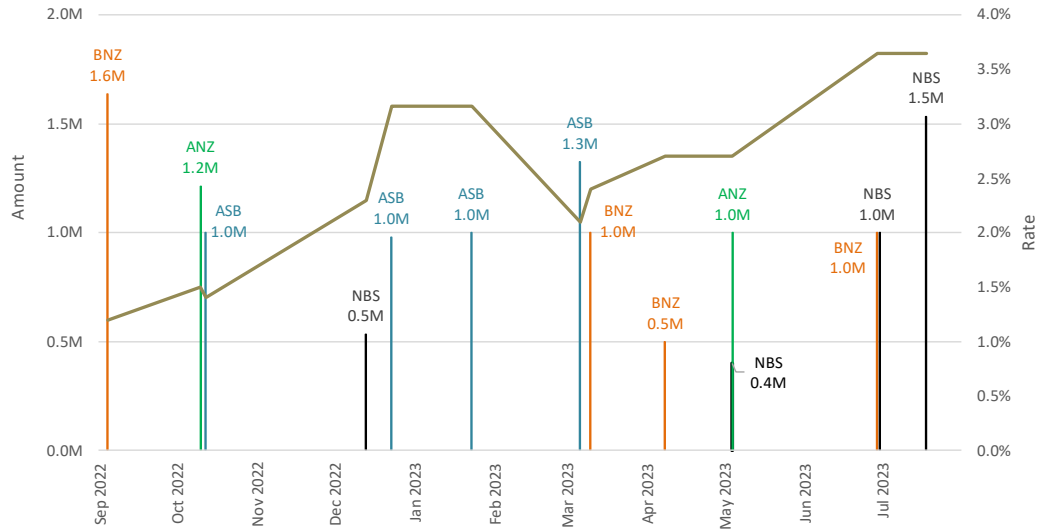
Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	NBS	1,534,037.53	18-Jul-2022	18-Jul-2023	3.65%
Term Deposit	NBS	1,000,000.00	29-Jun-2022	29-Jun-2023	3.65%
Term Deposit	NBS	534,037.52	13-Jun-2022	13-Dec-2022	2.30%
Term Deposit	NBS	400,000.00	4-May-2022	4-May-2023	2.70%
Term Deposit	ASB	1,000,000.00	22-Jun-2022	23-Jan-2023	3.16%
Term Deposit	ASB	1,000,000.00	12-Oct-2021	12-Oct-2022	1.40%
Term Deposit	ASB	1,325,000.00	6-Mar-2022	6-Mar-2023	2.10%
Term Deposit	ASB	977,775.52	23-Jun-2022	23-Dec-2022	3.16%
Term Deposit	BNZ	1,000,000.00	10-Mar-2022	10-Mar-2023	2.40%
Term Deposit	BNZ	500,000.00	8-Apr-2022	8-Apr-2023	2.70%
Term Deposit	BNZ	1,636,800.00	4-Jun-2022	4-Sep-2022	1.20%
Term Deposit	BNZ	1,000,000.00	30-Jun-2022	30-Jun-2023	3.65%
Term Deposit	ANZ	1,000,000.00	4-May-2022	4-May-2023	2.70%
Term Deposit	ANZ	1,214,500.00	8-Oct-2021	10-Oct-2022	1.50%

### 3.2 Term Deposits Summary by Trading Bank





### 3.3 Term Deposits Summary by Maturity Date



### 3.4 Local Government Funding Agency Borrower Notes

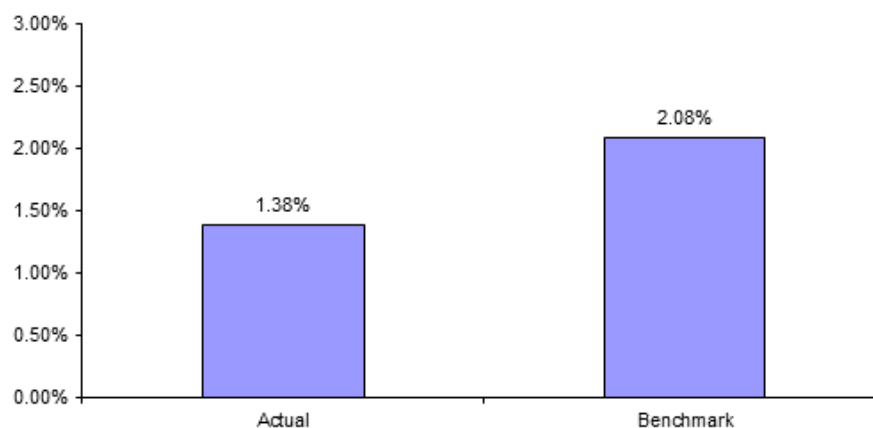
Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000	1-Mar-2024	3.01%
LGFA Borrower Note	LGFA	125,000	1-May-2026	2.70%
LGFA Borrower Note	LGFA	80,000	1-Mar-2023	3.53%
LGFA Borrower Note	LGFA	125,000	1-Mar-2027	3.20%

#### 4. SOURCE OF FUNDS [are we removing this table now]

	<b>This Month 31-Aug-22</b>	<b>Last Month 31-Jul-22</b>	<b>Last Year 30-Jun-22</b>
Depreciation Funds	730,231	730,231	730,231
West Coast Package - Govt subsidy for halt to logging	3,216,907	3,398,894	3,398,894
Harbour - profit from past harbour operations	1,485,868	2,389,758	2,389,758
Freeholding Proceeds (sale of leasehold land)	2,670,838	2,839,952	2,839,952
Capital Sponsorship (deposits from V2010 sponsors)	4,834,038	5,834,038	5,834,038
Reserves Contribution Funds	1,184,269	1,184,269	1,184,269
Short Term Funds - rates income plus term deposits pending debt reduction	6,270,000	0	700,000
LGFA Borrower Notes	455,000	455,000	455,000
	<b>\$20,847,151</b>	<b>\$16,832,141</b>	<b>\$17,532,141</b>

The above table reports on a number of sources of funds. These are under review as to their future relevance to council's finances

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



## 6. INTEREST REVENUE

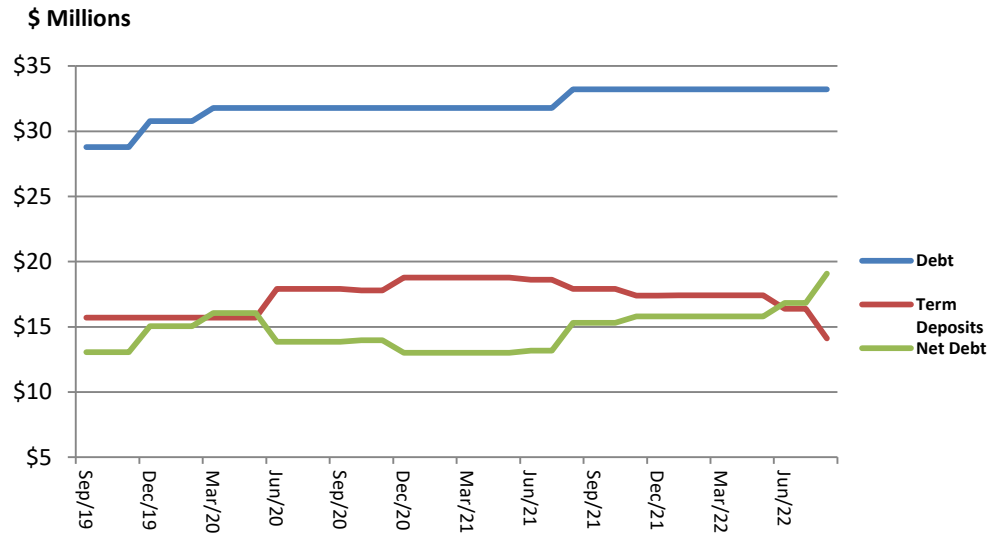
	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$77,836	\$72,444	\$796,699

## 7. SUMMARY OF BORROWINGS

	This Month 31-Aug-22	Last Month 31-Jul-22	Last Year 30-Jun-22
<b>External Debt</b>			
Westpac Loan Facility	13,213,860	13,213,860	13,213,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	<b>\$33,213,860</b>	<b>\$33,213,860</b>	<b>\$33,213,860</b>
Weighted Average Interest Cost	4.23%	4.07%	4.07%

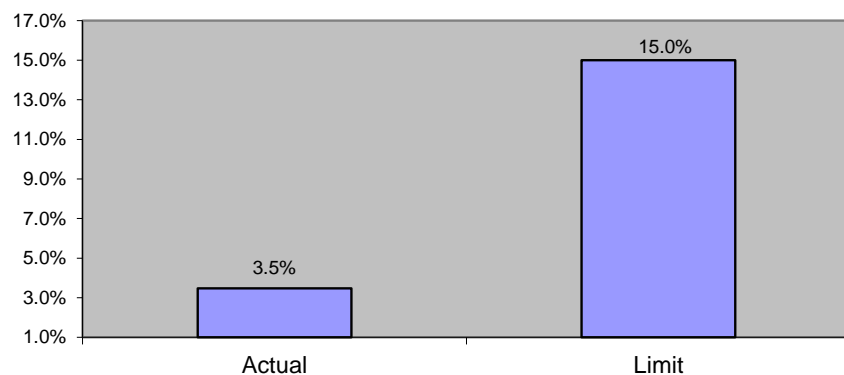
<b>Net Debt</b>			
Total Borrowings	33,213,860	33,213,860	33,213,860
Less: Term deposits (including Call Account)	20,847,151	16,832,141	17,532,141
	<b>\$12,366,709</b>	<b>\$16,381,719</b>	<b>\$15,681,719</b>

## 8. DEBT AND INVESTMENTS 3-YEAR TREND

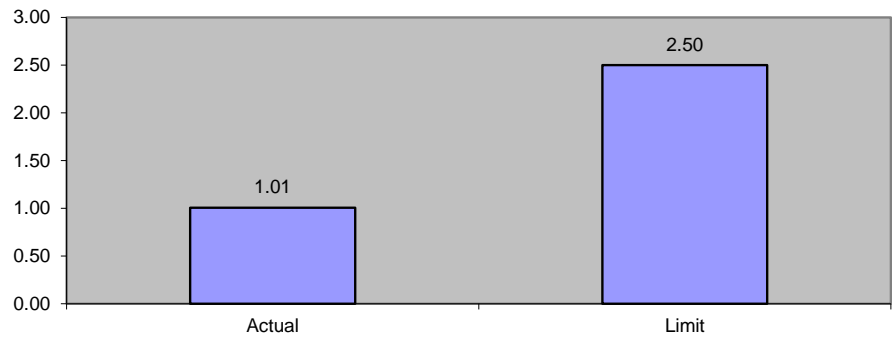


The above graph reports net debt as: gross debt held with external parties; less terms deposits excluding the call account. The definition used by this graph is in line with Council's Treasury Policy but differs from how investments and net debt are expressed in other parts of this report that include the call account.

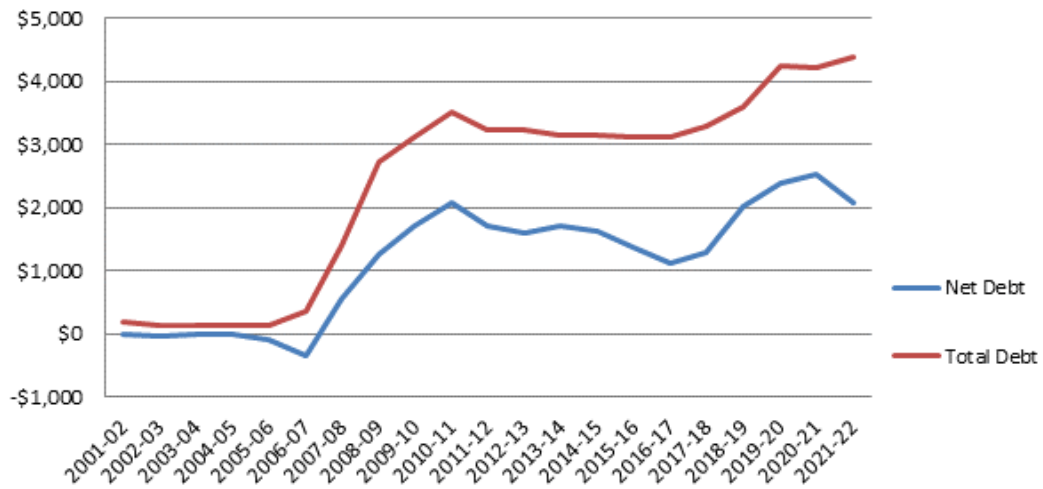
### 8.1 Interest Expense / Total Income



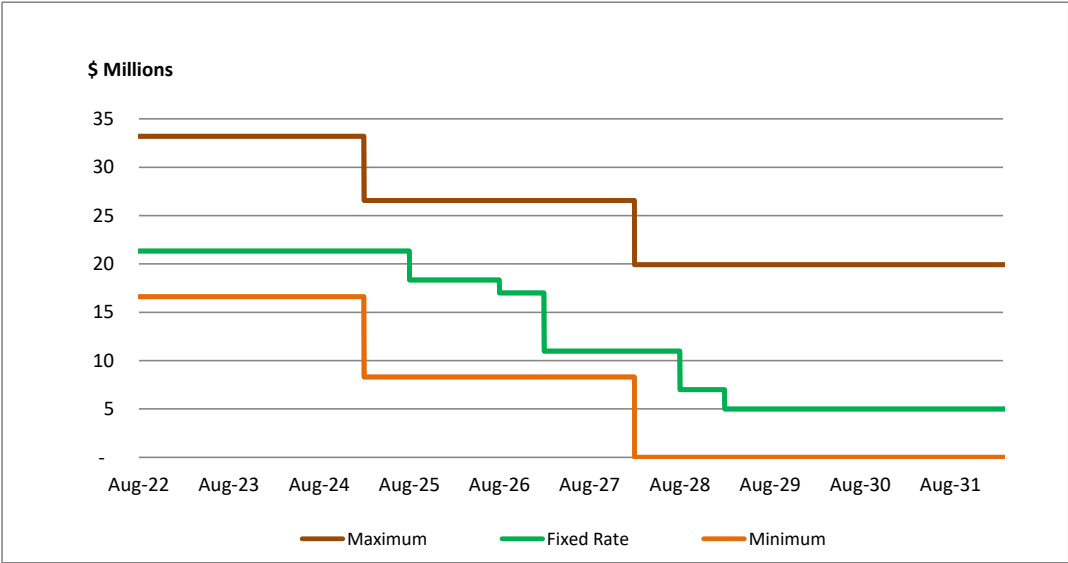
8.2 Gross Debt / Total Income



8.3 Debt and Net Debt per Rateable Property



8.4 Fixed Rate Debt - Compliance with Treasury Policy



**FINANCE, RISK AND AUDIT COMMITTEE**

**21 SEPTEMBER 2022**

**AGENDA ITEM 9**

**Prepared by:** Douglas Marshall  
Chief Financial Officer

**Attachment 1:** FRAC Work Plan

**FINANCE, RISK AND AUDIT WORK PLAN**

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**1. DRAFT RECOMMENDATION**

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

# ATTACHMENT 1

## WORK PLAN - FRAC

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
<b>FRAC Reports</b>														
- BDC Quarterly Financials					Quarterly			Half yearly BDC & WAA			Three quarterly			
BDC Financial Performance														
- BDC Investments and Borrowings														
- BDC Debtors														
- BDC Capital Income and Expenditure														
- BHL Quarterly Financials					Quarterly			Half yearly			Three quarterly			
- Strategic Risk Register and Report	Quarterly		Quarterly			Quarterly			Quarterly			Quarterly	Quarterly	
- Health and Safety Report	Quarterly		Quarterly			Quarterly			Quarterly			Quarterly	Quarterly	
- Budget Carry Overs					2022 Carryovers									
- CCO Statements of Intent						Letter of expectation			Draft			Final		
- CCO Director Appointments and Remuneration								Review Appointments						Remuneration
- PIP Reports and Minutes Monthly														
<b>2023/2024 Annual Plan</b>														
- Annual Plan				Strategic Planning for Annual Plan	Workshop, budgets templates open	Complete budgets, workshop including BHL inputs to AP		Final review of draft estimates, budget result workshop	Adopt draft Annual Plan and Consultation Document	Submissions open, community consultation	Submissions close, hearing and deliberations	Adopt final Annual Plan		
<b>2021/2022 Annual Report</b>														
- BDC Annual Report	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Final Audit Adopt and publish Annual Report							Interim Audit	Preparation of Annual Report	Preparation of Annual Report
- BHL Annual Report				Receive CCO Annual Reports										
<b>Rating Policy Review</b>														
- Rating Policy Review	Under Review	Update Paper to FRAC	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review
<b>Other Operating Projects</b>														
- Insurance			Insurance Update Report		Finalise									
- Abandoned Land	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review	Under Review



## FINANCE, RISK AND AUDIT COMMITTEE

21 SEPTEMBER 2022

### AGENDA ITEM 10

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

**Attachment 1** Council Strategic Risk Register

#### STRATEGIC RISK REGISTER

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##### 1. REPORT SUMMARY

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

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

##### 2. RECOMMENDATION

**That the Finance, Risk and Audit Committee agree to the amendments of the control plans of the strategic risk register as detailed below;**

###### 1. Coastal erosion and sea inundation of Westport Airport runway

A seawall has been put in place to reduce possibility of effect of erosion from sea surge. A review of the effectiveness of the seawall will occur July 2023. *Progress update September 2023.*

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

A large amount of the Stormwater assets have been repaired or are currently in the process of remediation. However, there are still a number of Betterment works awaiting approval by NEMA. Flood impacted Roadway assets are still in negotiations with Waka Kotahi and are expected to be out to tender by early 2023. *Progress update February 2023.*

**3. Major flooding of Westport township**

Following August 2022 red weather warning declaration additional bund works were carried out under emergency work. Tranche 2 funding activity has commenced, and a programme of work developed to repair infrastructure from July/February floods. Central Governments are reviewing the Co-Investment Business Case, anticipated timeframe for a response is November 2022. Further flood mitigation assessment are being undertaken by BDC/WestReef staff to Coates Street and a cost benefit analysis is being undertaken to ascertain the purchase of pumps versus hiring of pumps. *Progress update February 2023.*

**4. Central Government three-waters reform**

No changes to control plan. *Progress update December 2022.*

**5. Climate change impacts public safety**

A draft Westport evacuation plan has been developed and will be peer reviewed. The EMO role is readvertised. The August red weather warning demonstrated an improved EOC demonstrating lessons learnt from previous events. *Progress update February 2023.*

**6. Information Management**

Project is progressing with the appointment of a staff resource to project management the day-to-day issues with document management while Information Leadership have been engaged to lead the development of the systems and processes needed for the document management system. The proposed completion date of the project is March 2023. *Progress update December 2022.*

**7. Failure to attract business and industry to the district**

Partnership Programme Governance group is transitioning towards oversight of the Tranche 2 funding programme. The Co-Investment business case for multi modal adaptations has been submitted to Central Government. BDC is a strategic operational partner with the Alliance coastal shipping group, the partnership will generate income associated with the Kawatiri dredge and port. Buller Environmental Improvement & Prosperity strategy continues with partnerships KMTT and the Nature Conservancy. Other projects have created up to \$2m funding and creation of local jobs. Westland Mineral sands progressing the extractive business associated with Westport port. Local employment opportunities are created. The Mayors for Jobs Taskforce has been funded for a further 12months albeit in a different format however this still provides opportunities to support apprenticeships etc. *Progress update February 2023.*

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

Tranche 2 funding for the dredging of the harbour and river areas have been approved by Central Government, that projects funding totals \$4.7 million. A further dredge funding programme for the Westport harbour and river areas has been secured from Buller Port Limited totalling just over \$1.5 million. These 2 funding programmes provide income until December 2024 while contracts with Nelson Port for dredging (currently being undertaken) provide further cash to keep the dredge operational until the Marpol regulations apply to the emissions from the dredges engines which means the dredge can't be operated from about March 2025. From March 2025, decisions will need to be made as to how the Westport harbour is dredged with a different vessel. *Progress update February 2023.*

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

Council to consider through the District Plan (TToPP) and additional regulations. Other infrastructure options and funding opportunities to be explored, alongside strategic planning for growth and development, with considerations to reforms, rebuild programmes, resilience and climate change. *Progress update February 2023.*

**17. Legal compliance for reserves**

Regular meetings held with subcommittees. Terms of reference in place for most, the others are under review. Health and safety requirements discussed, and any volunteer work now have records and risk assessments completed. Currently working on developing AMPs / RMPs for all subcommittees – 2 members of BDC staff now have ongoing communications with the groups with oversight from Group Manager. *Progress update June 2023.*

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

With budget agreed in the 22/23 Annual Plan work is currently underway to proceed with this project. *Progress update June 2023.*

### 3. ISSUES & DISCUSSION

Council developed and adopted a Risk Management Framework based on the International Standard ISO 31000:2018 Risk Management – Guidelines, and the previous version AS/NZS ISO 31000:2009 Risk Management Standard, as well as benchmarking against select local government authorities' Risk Management Frameworks.

An effective and efficient Risk Management Framework must be adequately resourced and supported at the very top of an organisation's hierarchy. The Finance, Risk and Audit Committee (comprising of full council) has been established with the purpose of endorsing management's risk approach as well as assessing, monitoring and reporting on key risks. Effective risk management also requires a 'no blame' culture as well as clear lines of accountability and pathways for risk escalation.

Buller District Council's Risk Management Framework will be reviewed March 2023 to ensure that the practices are still fit for purpose.

*Risk Assessment Matrix to enable review easily.*

**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					

## Buller District Council Strategic Risk Register



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

## Buller District Council Strategic Risk Register

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5	Natural Disaster	Climate change impacts on public safety	If effective Civil Defence processes are not in place, THEN emergency response to an increasing number of civil defence events could be compromised, resulting in avoidable serious injury to, or loss of life of, a member or members of the public	Health & safety	5	3	15	Emergency Management Officer will continue working on 4 R's of emergency preparedness and response Staff training undertaken in emergency response (on-going) Public education and awareness Civil Defence exercises and simulations undertaken	10	West Coast Civil Defence Emergency Management continues to be actively governed via joint committee across the West Coast. A part time Emergency Management Officer (EMO) has now been appointed and will continue the work to facilitate training to local stakeholders including Council staff. Hazard mapping has been developed, and work has been conducted with WCJC, EMAT & NEMA to develop a draft national evacuation template that can then be tailored to the Buller District. There is a strong push to improve communications across the Buller which has seen new radio and communication equipment distributed.	Sep-22	CEO
6	Council systems	Information management	If a systematic approach to securing and accessing information is not established (including succession planning and staff retirements), THEN important information may be overlooked, undiscoverable or lost, leading to financial loss, lost opportunity, reputational impact or poor service delivery or service disruption	Operations & service delivery	5	2	10	Server back-ups	10	The Information Management project has been scoped and a Schedule of Works agreed upon with the preferred supplier. The project was initiated in October 2021 but has had to be trimmed back due to the inability to attract a Manager IM and Project Lead. It was further delayed due to the Feb 22 flood events. We have now been able to identify a Manager IM, with an intended start date of June 22, and have negotiated with our supplier to provide a Project Lead on a contract basis. The IM project will be recommenced in full in July 22 with an expected completion date of Mar 23.	Sep-22	GM CCS

## Buller District Council Strategic Risk Register



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7	District Economic Vulnerability and Fragility	Failure to attract business and industry to the district	IF Council fails to identify and enable opportunities for economic growth in the district, THEN population decreases, job losses, and business closures may result, causing declines across various social indices and living standards	Reputational/stakeholders	3	3	9	Strengthened partnerships with PGF and DWC, Refresh of Economic Development Strategy, Ongoing advocacy.	9	Partnership Programme Governance group overseeing delivery of Central Government funded projects, Tranche 2 Economic Development plan with focus on environment opportunities and funding, Mayors Taskforce creating additional opportunities, Ongoing advocacy for new opportunities.  Noting the Economic Recovery post the Westport Flood, has been identified as a key strand for the recovery programme. The risk that the hospitality accommodation continues to be a long term housing option, therefore minimising access to domestic tourism, which could result in cancellation of events.  Tranche 2 appropriation application to Cabinet May 2022 This work is being considered with key stakeholders and the Buller Flood Steering Group that has been established to have direct oversight of this. BDC tranche 2 ED strategy progresses	Sep-22	CEO
8	Assets and Infrastructure	Financial loss from depreciating assets and unrealised opportunities at Westport Port	IF commercial opportunities are not investigated and realised for the Westport Port, THEN it will continue to cost ratepayers and depreciate in value, resulting in significant financial loss	Financial/Economic	3	3	9	Plan in place to source outport dredging business, Regular financial reporting to monitor progress.	9	Commercial opportunities have been identified and we are currently awaiting the outcome of consent hearings to see if one of these will be able to proceed. An increase to a current arrangement will see further revenue to the port at no extra cost to it. Both exercises are hoped to be completed by June 2022 and an assessment will be done then on the continued viability of the Port and dredge.	Sep-22	GM CCS
9	Assets and Infrastructure	Lack of key infrastructure for growing tourism demands	IF Council does not accurately prepare for the forecast ongoing growth of the domestic and international tourism industry, THEN Council-provided infrastructure may be inadequate for demand and not fit-for-purpose resulting in infrastructure failures	Reputational/stakeholders	4	2	8	Close working relationship with other key agencies and community.	8	Council to consider through the District Plan (TtoPP) and additional regulations, Other infrastructure options and funding opportunities to be explored, alongside strategic planning for growth and development, with considerations to reforms, rebuild programmes, resilience and climate change.	Sep-22	GM IS

## Buller District Council Strategic Risk Register



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10	Council Financial Vulnerability	Heavy reliance on rates income with a low and aging population base	IF Council fails to explore and secure external income opportunities, THEN reliance on rates income will continue to increase towards Council's rates revenue 65% upper limit	Reputational/stakeholders	4	2	8	Commercial & Corporate portfolio established. Strengthened partnership with Iwi, Central Govt and DWC. Refreshed Economic Development strategy. Ongoing advocacy.	8	Projects in Partnerships governance group has progressed projects well through this forum and will continue to do so. BDC continue to receive quarterly informetric reports and these continue to identify that Buller is 'holding its own' in the current economic environment. Economic Development strategy continues to provide the framework. Ongoing advocacy through central government for the district and funding opportunities	Dec-22	CEO
11	Assets and Infrastructure	Business success of Buller Holdings Ltd	IF BHL is not commercially successful, THEN there could be a decrease in dividend available to Council that may result in an impact on ratepayers	Financial/Economic	4	2	8	Rigorous director appointment process to obtain the right focus and skillset. Regular review of strategic direction (input via Letter of Expectation & SOI process) and financial performance. Regular two way updates, reporting and communication.	6	Council & BHL Governors meet at least four times a year, on a more formal basis, with meeting minutes reported through to FRAC. Director appointments are undertaken with a view to diversify in service areas and future succession planning with board of directors. BHL through its contracting company WestReef Services Ltd are exploring opportunities for additional external contracting and traffic management services to grow the company.	Dec-22	Deputy Mayor and HR & H&S Advisor
12	Assets and Infrastructure	Leaching from historic uncontained waste sites	IF Council fails to comprehensively map and remediate historic waste disposal sites, THEN environmental contamination, public health concerns, community dissatisfaction and financial loss may occur	Environmental	3	2	6	No systematic controls in place	6	Continued monitoring of known locations to further determine risks of disturbance and any mitigating measures required. Site monitoring will provide a greater understanding of site history, contamination pathways, geological and hydrogeological connection and environmental receptors.	Dec-22	GM IS
13	Assets and Infrastructure	Costs associated with Special Purpose Road (SPR) to Karamea	IF Council fails to secure agreement with NZTA for alternative long-term funding for the Mokihinui to Karamea SPR by 2021/22, THEN rates will exceed affordability levels (due to a required rates increase of >\$300,000), resulting in ratepayer impact and dissatisfaction	Reputational/stakeholders	3	2	6	Funding agreement in place that secures 100% contribution by NZTA until 2021 (future funding arrangements are being negotiated)	6	Funding agreement in place that NZTA will fund 100% of the Karamea Highway Special Purpose Road costs until 2024. BDC put up a bid to NZTA for the work programme for the next 3 years, and NZTA agreed to fund 92% of the request. With regard to the SPR, there is no commitment from BDC to own the SPR. Ongoing negotiation with NZTA and development of the SPR Transition Plan advocating no additional burden for ratepayers.	Mar-23	GM IS



## Buller District Council Strategic Risk Register



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

## Buller District Council Strategic Risk Register

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17	Legal Compliance	Legal compliance for reserves	IF legal requirements for reserves and activities on them are not met, THEN the activities may not be able to continue and/or Council may be subject to legal enforcement action	Legal/Regulatory	3	3	9	Subcommittees established, first meetings held and subsequent meetings being scheduled. Council staff able to provide greater support to subcommittees as and when required	9	Support and training programme to be developed for subcommittees on legal requirements and responsibilities, including health and safety, the Reserves Act, building compliance etc. Overall operational risk register for reserves and halls to be developed and reported through the Community, Environment and Services Committee. Individual operational risk registers to be developed by each subcommittee, with support from Council staff.	Sep-22	GM CS
18	Legal Compliance	Reefton Water Supply Non - Chlorination	IF the Reefton Water Supply remains unchlorinated, THEN the public health of residents remains at risk and Council may be subject to legal enforcement action	Health & safety - Legal - Regulatory	5	4	20	Precautionary Boil Water Notice. Water quality monitoring at reservoir, shock dosing the reservoir if there is a transgression.	20	The infrastructure upgrade project is now completed. Budget to proceed with residual disinfectant (Chlorination) will be considered in the 2022/23 Annual Plan, to manage the risk of re-contamination. The Water Safety Plan will be revised and resubmitted accordingly. Three water reform continues to progress by central government.	Sep-22	GM IS
19	Reputational / Stakeholder Engagement / Political	Failure to engage, consult and communicate with community and stakeholders	IF Council fail to engage our community in significant consultation processes THEN the risk of community confidence and stakeholder dissatisfaction would increase with negative impact on BDC reputation	Reputational/stakeholders	3	3	9	We are committed to maintaining the highest standards of integrity, compliance and ethics. We will continue to develop our governance structures to ensure that we manage business risk, maintain good relationships with our stakeholders and meet Council's delivery expectations and commitments. We will endeavour to make every customer and stakeholder contact a quality one and we will consider the interests of the broader community, including iwi, in delivering our services.	9	Customer Satisfaction Survey conducted 2020 with positive results and will continue bi-annually. MOU with iwi reviewed May 2021, with committee voting rights introduced from 1 July 2021. Recovery programme communication continues through public meetings, newspaper, social media and survey's. Vote 22 election campaign commenced July 2022	Dec-22	SLT

## Buller District Council Strategic Risk Register



#	Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating	Control Plan	Treatment date due	Escalation Pathway
	Potential strategic matter	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
20	Reputational / Stakeholder Engagement / Political	Delivery of Flood Recovery Action Programme	If Council fail to deliver the Flood Recovery Action Programme THEN the risk of community confidence, financial and economic loss, health, safety and wellbeing of the community and potentially employees would increase with negative impact on BDC reputation	Reputational/Stakeholders Health & Safety	5	4	20	Analysis of the main risks from the objectives from the RAP have been established, ensuring that the principles that guide recovery are considered:  •Protect the health, safety and security of people, animals and property •Be locally-led, regionally co-ordinated, nationally supported •Be responsive to the community's concerns •Engage with the community in making recovery decisions	12	The Flood Recovery Action Programme (RAP) continues to be delivered through the Recovery Team, with a number of action items completed or nearing completion. The five environments, built, natural and rural, community, economic and partnerships continues to be reviewed and refreshed to monitor risks through the RAP, with engagement through key stakeholder and contractors. Ongoing connectivity with the community continues through public meetings and the community hub.	Dec-22	SLT
21	Financial Reputational Legal	Cyber Security	If Council fail to protect their electronic data against the risk of exposure to cyber terrorism THEN Council could be exposed to financial losses, legal and reputational impacts resulting in ratepayer information being accessed and Council subject to legal action.	Reputational/Stakeholders Financial Legal	4	4	16	Employees inducted with computer system security policy and phishing training. VPN's in place for all remote accesses on devices and only approved devices are able to access the network. Firewall and antivirus security along with backups conducted.	12	Multi Factor Authentication for all users to be investigated along with the implementation of the new information management system. Additional learning management systems to aid in staff training and understanding of cyber security	Dec-22	GM CCS & CEO
22	Infrastructure Recovery	Externally Funded Infrastructure Recovery Programmes	If there is undue delay in making successful reimbursement claims for the externally funded infrastructure recovery programmes, THEN there is a risk that the approved credit facility will not be sufficient and costs will fall to Council.	Financial/Economic	5	4	20	Strong working relationship established with funding agencies. Agreed processes in place based on best practice. Pre-approval process in place for letting contracts. Internal change management process in place. Regular project team meetings occurring.	15	Programme governance as per Cabinet's decision. Formal notification of funding conditions to be provided. Programme team and support resourcing to enable delivery.	Dec-22	DCEO
23	Infrastructure Failure	Westport Water Supply Outage	If there are prolonged periods of foul weather that do not enable the Westport water reservoirs to be recharged, THEN there is a risk what water supply may cease for Westport and Caters Beach consumers	Operations & service delivery	5	4	20	Operational monitoring of intake, response escalation via water restriction orders as required and management of water loss.	20	Contingency planning with support from the National Emergency Management Agency - response / short term. Westport water supply resilience options package - short, medium and long term	Dec-23	CEO

## FINANCE RISK AND AUDIT COMMITTEE

21 SEPTEMBER 2022

### AGENDA ITEM 11

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

#### HEALTH AND SAFETY REPORT

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##### 1. REPORT SUMMARY

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

##### 2. RECOMMENDATION

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

##### 3. ISSUES & DISCUSSION

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

Council adopted the new Health and Safety Management System July 2021, with implementation occurring across all of council's operations.

The quarter from 1 April 2022 to 31 July 2022, there have been a range of incidents reported.

Incidents Reported	Injuries Reported	Lost Time Hours	Observations
27	3	0	3

Incidents reported relate to public interaction of a moderate nature, plant and equipment (one of a major nature), security breach and property damage incidents of a minor nature.

WorkSafe were notified of one event that was related to a utility strike on an overhead line by a contracted operator of an excavator. There was no injury sustained in the incident and no investigation was conducted by WorkSafe. Corrective actions were identified in the investigation of the incident by Buller District Council and improvements to processes have been implemented and logged with WorkSafe.

Injuries reported were both of a minor nature with first aid treatments applied.

The three Observations reported related to the daily inspection requirements at the airport.

### **Risk Assessment – Occupational Violence and Aggression**

Occupational violence and aggression (OVA) include actions and behaviours that can create a risk to the health and safety of workers. Creating a negative impact on the wellbeing

Examples of OVA include:

- Physical acts such as pushing, shoving, grabbing.
- Standing over someone.
- Throwing objects, damaging property.
- Verbal abuse and threats including yelling, swearing, calling names.
- Using or threatening to use a weapon.
- Sexual harassment or assault.

Buller District Council has an obligation to ensure, so far as is reasonably practicable:

- The health and safety of its workers or those who are influenced or directed by the BDC.
- That the health and safety of other people is not put at risk from work carried out as part of the conduct of the business or undertaking (for example its visitors and customers).
- Provide and maintain a work environment, plant and systems of work that re without risks to health and safety.
- Provide information, training, instruction or supervision to protect workers and others from risks to their health and safety.

However, here are internal risk factors that may impact the level of risk:

- Work environment - some can increase the likelihood of OVA from customers or service users.
- The workplace - its access and exit points, general layout, public areas, waiting and interview rooms, reception area.
- Work practices that may contribute to OVA. For example long waiting lines, poor customer service, inconsistent service.

- Staffing - including the number, competency, experience, training.
- 'Security – including duress alarm systems, communication systems, regular testing, and drills.
- Response procedures - how workers are helped during and after an incident.

BDC has a number of current risk mitigations in place for workers varying from:

- Health & Safety Inductions.
- Development of workers working with angry and aggressive customers.
- Scenario training for workers working with angry and aggressive customers.
- Security screens and doors.
- CCTV installed including signage for the public to reduce the likelihood.
- Perspex barriers between customers and workers.
- Immediate Support via activation of the Green Button.

There are further control measures required to be implemented to enable a safer environment for BDC workers to ensure that we are meeting our obligations:

- De-escalation training of workers.
- Review of policy and procedures for post incident trauma.
- Redesign of reception area at brougham house that allow standing to greet away from counter, privacy, space and triaging.
- Secure parking and quality lighting for all BDC parking areas.
- Risk assessments prior to risk activity occurring.
- Dynamic risk assessment training and development.
- Public Meetings security.

Whilst considerable progress has been made there still significant improvements required which include the imbedding of training and development, culture transformation and understanding of Health & Safety process and procedures.

### **Safety Reporting Systems**

The Damstra Safety systems merger and upgrade with Buller Holdings Ltd is completed and workers are currently receiving refresher training for the use of the systems.

**COVID-19 Update:**

Throughout the quarter April to July, COVID-19 Omicron outbreak was still prominent within our community and workers. BDC was still operating under the COVID-19 Protection Framework (CPF) and continued to implement safety measures for our employees, consultants, contractors, and volunteers.

With the recent announcement of the removal of the CPF across New Zealand, Council continues to encourage employees to stay home if they are sick and have flu or cold like symptoms. It is recommended to continue to wear masks if you want to reduce your risk of becoming unwell; you are at a higher risk of severe illness; there are many vulnerable people present at an indoor space; or you are in a crowded indoor space where you cannot physically distance.

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

**21 SEPTEMBER 2022**

**AGENDA ITEM: 12**

**Prepared By:** Douglas Marshall  
Chief Financial Officer

**Reviewed By:** Sharon Mason  
CEO

### **RATING POLICY REVIEW – PROPOSED WORK PROGRAMME AND TIMETABLE**

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#### **1. REPORT PURPOSE**

This report provides the council with a proposed work programme and timetable for the rates review to be undertaken during the 2022/2023 financial year.

The expectation is that the review will be completed in time for the proposed rates policy change to be consulted on as part of the 2023/2024 Draft Annual Plan or as a consultation process for the council's revenue and rating policy which may trigger a long-term plan consultation process if the change is deemed significant.

#### **2. DRAFT RECOMMENDATION**

**That the Finance Risk & Audit Committee receive the proposed work programme and timetable to undertake a review by 30 June 2023 of how the Council's rates are levied.**

#### **3. BACKGROUND**

There have been several rates' reviews undertaken by council in recent years.

The council has provided funding to undertake a further review by 30 June 2023, specifically to put clarity around the differential rates that are levied on the council general rates. The substantial number of differentials in the system needed to be addressed with appropriate explanations as to how they are calculated

The council has provided a provision of \$50,000 in the 2022/2023 financial year to undertake this review.



Council staff have developed a work programme and timetable for the incoming council and would appreciate feedback from the current council.

The work programme and timetable proposed is as follows:

Item	Commentary	Date
Briefing of new council on why a rates review required.	August 2022 FRAC reports will provide the background	Early November council workshop
Undertake a “review” of the previous rates reviews to find any themes/questions that may have gone unanswered which would identify a way forward	Report to be prepared	Early November council workshop
Risk and cost of rating policy not being updated?	August 2022 FRAC reports will provide the background	Early November council workshop
Options for future rates <ul style="list-style-type: none"> <li>• Capital value v land value</li> <li>• Uniform targeted rates – options for consideration</li> </ul>	Paper to be prepared. Options for targeted rate consideration may include a number of targeted rates for services.	Early November council workshop
Examples of proposed future rates	The council has a database that has been used for previous rates reviews and thus can form the basis for the next review with minimal update	February 2023
Decision on the Consultation process required	<p>A consultation process will be required if there is a change. This would be undertaken at the same time as the 2023/2024 annual plan is being consulted on.</p> <p>A long-term plan amendment maybe triggered if the change is deemed significant due to the impact on the revenue and financing policy of which rates are one of the revenue and financing tools of the council.</p>	Early March 2023

## **5. OPTION**

There are no options to consider as the report is for information

## **6. CONSIDERATIONS**

### **6.1 Strategic Alignment**

Receiving this paper and continuing with the proposed review of the current rating system allows for the continuance of BDC's strategic plan of reducing costs to rate payers wherever possible, and being transparent in its actions and policies

### **6.2 Significance Assessment**

The paper is considered significant in that it confirms that a review of the rating system is required.

### **6.3 Tangata Whenua Considerations**

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.

### **6.4 Risk Management Implications**

Receiving this paper does not provide Council with a significant risk and acting upon it improves its position in respect to the quality of the rating system and its fairness to all.

### **6.5 Policy Framework Implications**

Accepting this paper does not provide Council with a significant risk

### **6.7 Legal Implications**

There is no legal context, issue, or implication relevant to accepting this paper as it is addressing issues that the Council is moving to resolve.

### **6.8 Financial / Budget Implications**

There is financial implication relevant to accepting this paper in that there will be the cost of the review by an external source, as authorised under the Annual Plan 2022/23, and further financial implications dependent on the adaption of any findings and/or recommendations of the review when they become available.

### **6.9 Consultation Considerations**

Accepting this paper does not require consultation with the community although any changes to the rating policy and/or revenue and funding policy of the council will need consultation.

## FINANCE, RISK AND AUDIT COMMITTEE

22 SEPTEMBER 2022

### AGENDA ITEM 13

**Prepared by** Douglas Marshall  
Chief Financial Officer

#### PUBLIC EXCLUDED

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#### 1. REPORT SUMMARY

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

#### 2. DRAFT RECOMMENDATION

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

Item No.	Minutes/Report of:	General Subject	Reason For Passing Resolution Section 7 LGOIMA 1987
14	Douglas Marshall - Chief Financial Officer	Report of BHL Proposed Land Purchase	Section (2)(b)(ii) - Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
15	Krissy Trigg - Acting Group Manager Community Services	Update on Punakaiki Campground Activities	Section (2)(b)(ii) - Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.