

e



BULLER
DISTRICT COUNCIL

Te Kaunihera O Kawatiri



Annual Report 2023

Mayor, Councillors & Inangahua Community Board

MAYOR

Jamie Cleine

jamie.cleine@bdc.govt.nz

Phone 027 423 2629

DEPUTY MAYOR

Andrew Basher

andrew.basher@bdc.govt.nz

Phone 027 759 9176

INANGAHUA WARD COUNCILLORS

Linda Webb

linda.webb@bdc.govt.nz

Phone 027 331 2090

Graeme Neylon

graeme.neylon@bdc.govt.nz

Phone 027 431 4659

SEDDON WARD COUNCILLORS

Rosalie Sampson

rosalie.sampson@bdc.govt.nz

Phone 03 782 674 or 027 356 7388

Toni O'Keefe

toni.o'keefe@bdc.govt.nz

Phone 027 367 1315

NON-ELECTED NGATI WAEWAE REPRESENTATIVES

Ned Tauwhare

ned.tauwhare@bdc.govt.nz

WESTPORT WARD COUNCILLORS

Grant Weston

grant.weston@bdc.govt.nz

Phone 022 155 0369

Joanne Howard

joanne.howard@bdc.govt.nz

Phone 027 547 4370

Phil Grafton

phil.grafton@bdc.govt.nz

Phone 021 027 83568

Annelise Pfahlert

annelise.pfahlert@bdc.govt.nz

Phone 027 233 5706

Colin Reidy

colin.reidy@bdc.govt.nz

Phone 027 461 6644

INANGAHUA COMMUNITY BOARD

Robyn Abbey

robynabbey@reefton.co.nz

Phone 027 651 0990

Alun Bollinger

albol@kinect.co.nz

Phone 03 732 8123

Dean Giddens

bcfs@reefton.co.nz

Phone 022 591 0717

Ashleigh Neil

Ashleigh.neil@hotmail.com

Phone 021 263 4503

Councillor Representatives

Councillor Linda Webb

Page 1 of 193

Councillor Graeme Neylon

Part one:

Overview

Table of Contents

Mayor, Councillors & Inangahua Community Board.....	2
Overview.....	3
A message from our Mayor and Chief Executive Officer	4
Key financial information.....	8
Statement of Position	12
Our Financial Performance at a Glance	13
Vision and Community Outcomes	18
Council Vision and Mission Statements.....	18
Community Outcomes and Well-being	19
Working with Iwi.....	21
Roles and Compliance	22
The Role of the Annual Report and Financial Statements.....	23
Statement of Compliance and Responsibility.....	23
How the Annual Report fits into Council's overall planning framework	24
The Planning cycle	24
A Year in Review	25
Councils work in 2022/23	25
Financial Statements.....	114
Statement of Comprehensive Revenue and Expenses for the 12 months ended 30 June 2023.....	115
Statement of Changes in Equity	116
Statement of Financial Position.....	117
Statement of Cashflows.....	118
Funding Impact Statement for Whole of Council	119
Notes to the Financial Statements	120
Statement of Accounting Policies.....	177
Independent Auditors Report.....	192

A message from our Mayor and Chief Executive Officer

Me mahi tahi tatou, kia whai Orangatanga mo te Katoa.

We need to work together to have prosperity for all.

Welcome to Council's Annual Report for 2022/2023 which details our performance for the second year of the Long Term Plan (LTP) 2021-2031 "Shaping our District". The year in review saw the continuation of the district's flood recovery as the more significant infrastructure projects moved into the delivery phase. Council staff have worked alongside the project management office and our central government funding partners to ensure the extraordinary capital delivery programme is achieved. The successful flood recovery hub, which was integral to supporting our community at a social level, was closed and its role transitioned to local social services.

The local body elections in October 2022 resulted in six new faces joining our governance group for the new triennium. With a strong workload underway, it has been a busy time to bring our new elected members up to speed and maintain momentum on the critical infrastructure delivery programme.

Council has been well supported through a period of recruitment for a full time CEO, after the departure of Sharon Mason in December. Rachel Townrow and Sean Judd have been invaluable as acting CEOs whilst the recruitment continued. In August 2023, Council was pleased to appoint Steve Gibling as CEO for a short term, with Simon Pickford for a five year term beginning in March 2024.

A number of complex infrastructure projects will be delivered over a multi-year timeframe, however key projects delivered in this year included completion of Kānoa (previously Provincial Growth Fund) and Ministry of Business Innovation and Employment (MBIE) funded projects such as the Reefton public toilets, Westport cycleway connector trails, Westport port harbourmaster's office and other safety and security improvements, and the Temporary Accommodation Village at Alma Road. The Department of Internal Affairs and National Emergency Management Agency (NEMA) also remain key partners with projects completed including the next stage of Westport water trunk main replacement, water supply improvements at Karamea Reserve (DIA) and dredging of silt and gravel from Westport Harbour to help keep the shipping channel clear (NEMA).

Partnership with Mana whenua

Under the Crown's obligations arising from Te Tiriti o Waitangi, Te Rūnanga o Ngāti Waewae as mana whenua are engaged in the future direction setting for the West Coast and specifically the Buller District. Our partnership has continued to mature and develop over time and this year the recently elected Councillors attended a full day visit to Arahura Marae to build on our knowledge and understanding of Te Tiriti and demonstrate our commitment to building on the relationship we have with local Iwi.

Flood Recovery

The past 12 months have seen the Buller District Council continue to work in partnership with central government agencies as we move into the delivery phases of the more significant infrastructure repairs.

The partnership which resulted in NEMA approval of the Tranche 2 package of flood repairs valued at over \$17m has progressed and some projects were completed. The \$2.5m three waters repairs package which includes various stormwater and water supply repairs is largely complete. The \$1.5m betterment package of works for stormwater has also begun with a number of works completed and others well underway in terms of planning, tendering and design work. This focusses on lifting wastewater pumps, installing stormwater back-flow prevention and investigation work into an alternative water supply for Westport.

The \$5.9m flood repair of the Holcim and Kawatiri wharves in Westport is progressing, with the removal of the adjacent KiwiRail buildings, consents and design review all underway. That work will take approximately a year to complete. Rock protection works totaling around \$2.5m have also reached completion at the Westport Eastern Tiphead wall, Reefton campground stopbank and the historic Reefton Landfill.

Council is working with the West Coast Regional Council (WCRC) and central government agencies as part of the Resilient Westport Steering Group (RWSG). The RWSG has been established to provide direction to the drawdown of \$22.9m from central government for a package of projects to improve resilience over time. This work aligns with PARA (Protect, Avoid, Relocate, Accommodate) framework and includes hard flood defences as well as master planning of less risk prone land options, planning

and zoning changes and enhanced emergency management capability. These are significant and complex projects over a multi-year period that will require considerable input from all parties involved to achieve the outcome we all desire.

Roading Network Return to Service

The district's roading network was significantly impacted by the flooding events with over 150 defects recorded. Council has worked with Waka Kotahi / NZTA to determine the repair methodology for each defect. Defects requiring minor repairs were assigned to Councils maintenance contractor in November 2022 with these works completed in late 2023, the remaining 84 sites were packaged into 12 bundles of work. Construction contracts for these bundles of work have been awarded to 8 main-Contractors. 22 sites remain to be completed with 5 of these currently under construction. All remaining works are expected to be completed by early December 2024.

Climate change adaptation

Council will continue to focus on and prepare the district to adapt to climate change. The flood events have highlighted the need for some difficult conversations with the community around climate change and adaptation as the effects are being felt here and now. Council continues our partnership approach with relationships established with Canterbury University and Kotahitanga Mo te Taio alliance (KMTT) that will add depth and technical innovation to Councils staged approach to developing a climate change adaptation strategy.

Kotahitanga Mo te Taio alliance (KMTT)

In August last year, the Buller District Council and Te Runanga o Ngāti Waewae hosted the Kotahitanga mō te Taiao (KMTT) Alliance at a hui in Westport. The hui brought 65 participants together from 30 organisations across Te Tauhi and Kawatiri, including Ngāti Waewae and Te Tauhi iwi (Ngāti Apa ki te Rā Tō, Ngāti Kuia, Ngāti Rārua, Ngāti Tama and Te Ātiawa), councils, Development West Coast, governmental organisations such as Fisheries NZ, Ministry of Primary Industries and the Department of Conservation, local industry, businesses, and environmental groups.

The hui put the spotlight on Buller Kawatiri, and the specific challenges experienced including current unemployment and socio-economic deprivation issues, climate transition risk and existing climate-hazard exposure. The hui also marked the first step in the Restoration by Design process which will help the Alliance drive landscape scale restoration and resilience outcomes for both the natural environment and communities.

Between February and August 2023 The Nature Conservancy has facilitated the Restoration by Design process which has involved in-depth input from over 60 people from across Te Tauhi (Nelson, Tasman, and Marlborough) and Kawatiri (Buller). This process has identified the importance of scaling financing mechanisms, including nature-based economic solutions, climate change adaptation, building capability, as well as specific issues including the threats caused by invasive species, and ways to help support landowners who are undertaking restoration and protection of waterways.

An Operational Plan to deliver the outcomes of the Restoration by Design process will be delivered to the KMTT Alliance Governance meeting in November 2023, along with a funding and implementation plan.

The KMTT Alliance and the Restoration by Design process presents considerable opportunity to create transformational change for our people and nature.

Meanwhile, the KMTT Alliance's Restoring and Protecting Flora project has delivered thousands of hours of weed control and restoration planting across northern Buller, building strong working partnerships between the Department of Conservation, the Buller District and West Coast Regional Councils, and private landowners and community groups who want to protect our unique biodiversity.

Infrastructure Acceleration Fund

Buller District Council submitted an application in June 2021 in response to the central government Infrastructure Acceleration Fund (IAF). Throughout 2021-2022 Council has successfully moved through the different phases of the process and has now entered into the planning phase of the IAF process.

At a high-level Council's application is to provide key infrastructure (three waters and roading) from State Highway 67 through to the top end of Alma Road, the total budget applied for (and capped at) is \$13.50m. By accessing the fund, Council will be able to enable the build of up to 400 new houses over a twenty-year period.

Since negotiations concluded in December 2022 work has continued on detailed design to ensure that all the infrastructure is fit for purpose in the short, mid and long term for the area. It is anticipated that construction on the various elements will begin third quarter of 2024.

Growth and development

Council continues to have a strong focus on economic development opportunities. We are working in partnership with Iwi and public private commercial opportunities to enhance and increase opportunities for growth in Buller. This included engaging with Westland Mineral Sands around the potential to utilise Westport's port for export of sand concentrate. Council's owned dredge "Kawatiri" continues to complete a dredging programme in the harbour funded by NEMA and has also had a significant maintenance programme completed whilst on the slip in Nelson. This work will continue to enable coastal shipping and commercial port operations during 2023/24 and beyond.

Buller Districts GDP was up 3.2% for the year to June 2023, compared to a year earlier. Growth was higher than in New Zealand (3.1%) and West Coast Region (3.1%). Provisional GDP was \$743 million in Buller District for the year to June 2023 (2022 prices). A resilient housing market and strong contributions from the rental/real estate and construction industries have helped economic growth in Buller District to catch up with the West Coast Region.

Although the 6.2%pa rise in tourism expenditure in Buller was more muted than growth across the rest of the West Coast, this result builds on continued growth throughout the pandemic. Some momentum is now beginning to come out of residential construction activity, however, Buller is one of the few districts where house values are continuing to rise, reaching \$337,000 in the June 2023 quarter. With house prices just above a third of the national average and strong growth in rental/real estate employment, housing demand in Buller remains relatively solid.

Focus on youth and Mayor Taskforce for Jobs

Mayors for Jobs taskforce (MTFJ) remains a key element in our district's effort to attract and retain young people in the area. Buller has had another very successful year by meeting our required number of 50 sustainable outcomes. The more focussed criteria for MTFJ funding eligibility towards young people not in education, training or employment has required innovation by the team to support training opportunities such as driver licences and other assistance to make these recipients "work ready" Almost all our MTFJ recipients continue to remain in meaningful employment or training which for some has sent them in a new career direction. 20 apprentices were supported with training or tools. The training and upskilling provided will create capacity for years to come in various trades in Buller.

Council in partnership with Buller REAP has connected the MTFJ programme to Councils economic development strategies. The programme has moved the dial on many employment and well-being outcomes and will continue to evolve to fit what works best for Buller and its residents.

Council and MTFJ also supported the TUIA youth mentoring programme and Youth Voice Kawatiri, including a contingent of Buller youth attending the Festival of The Future conference in Wellington.

Other achievements and projects

Property rationalisation project

Over the past year Council endorsed a strategy to better use our property assets. The project aims to identify under utilised land and property owned by Council and divest it if there is no strategic value. The property rationalisation project ties into Council understanding that housing stock is a key challenge for the district, particularly rental accommodation, pensioner housing and properties for local first-time home buyers.

Reefton Service Centre and Reefton Visitor Centre amalgamation

Improvements to the Reefton Visitor and Service Centre were complete in August 2023 and opened to the community in November 2022, merging the former Reefton Service Centre and the Reefton Visitor Centre.

The NZ Post mailboxes were installed into the centre, the full Inangahua County library book collection has been moved and alterations to the accessible toilet facilities are complete. There have also been changes to some of the emergency exits and lighting to ensure the building meets all compliance standards.

A new designated carpark has been created at the rear of the building along the Strand ensuring safe and easy access into the building from The Strand. This entrance point has also been enhanced by the installation of automatic doors.

Reefton Drinking Water Supply

Improvement to the Reefton drinking water supply were finalized during the financial year 2022/23. These improvements included the chlorination of the Reefton water supply which means that the supply now meets the New Zealand Drinking Water Standard and Quality Assurance rules.

Westport and Carters Beach Drinking Water Supply Trunkmain resilience

The trunkmain improvement project has seen continuous forward momentum during the financial year with the completion of the final stage of council's Westport Water Trunk Main Replacement Project stage 1b in July 2023. This will include the replacement of the pipe connections at McKenna Road and the west side of Scotts Bridge. Through this project large sections of the critical trunkmain have been replaced. This resulted in an average water loss reduction of 815m³ per day and an increase in the resilience in the network by increasing the storage ponds to a volume of 116,000m³.

Council services delivery contract improvement

This financial year Council completed its review of the three water utilities operations and maintenance contract, which has been reissued to WestReef Services Ltd.

In summary

Buller District Council has had a solid year in terms of the Mayor and Councillors working in partnership with staff to build on the strong foundations put in place from the previous year. Many of our projects take a collaborative approach and aim to help our community thrive. This is based on proactive working relationships with iwi, government agencies, neighbouring councils, public/private partnerships, local businesses and non-government agencies. The strength of these relationships is vital as we navigate the strategic challenges and opportunities our District presents.

Finally, we would like to thank the community, Councillors, reserve and hall subcommittee members, community board members, council staff, iwi, volunteers, and contractors for their contribution throughout the year to support the success of the Buller District.



Mayor Chris Russell



CEO Simon Pickford

Key financial information

BULLER DISTRICT FINANCIAL HIGHLIGHTS

Surplus	\$3.79m
Additional funding for flooding	\$15.70m
Additional expenditure for flooding	\$9.30m
Operating Revenue	\$51.29m
Operating Expenditure	\$48.18m

Council's financial results were significantly different to the budget as the financial impact of the prior year significant weather events continue during the financial year. Council received unbudgeted income, and undertook both operational and capital expenditure in relation to flood recovery. Council was well supported by government agencies through additional external grant funding to meet the costs caused by the July 2021 and February 2022 floods which occurred in the prior financial year, and work continues on returning all flood affected infrastructure and services to usual. The reinstatement of assets and return to service as usual will be also evident in the 2023-2024 financial year results.

Overall, Council has a surplus of \$3.79 million compared to a predicted surplus of \$0.81 million in the 2022-2023 Annual Plan.

Flood Recovery impact on the financial results

Council did not create a contingency fund for severe weather events when preparing the 2021 – 2031 LTP. The LTP was adopted in June 2021, and the flood event occurred a few weeks later in July 2021. Consequently, there is no budget for the extra external grant revenue and the related costs for these severe weather events.

Council has received \$15.70 million additional grant funding and subsidies from central government; along with administering receipts of \$1.01m Mayoral Relief Fund donations and making payment of \$0.98m in Mayoral Relief grants throughout the year to 30 June 2023.

Council has spent \$9.30 million on flood recovery expenditure which is included in the Other Expenses category in the Statement of Comprehensive Revenue and Expenses.

\$6.39m of significant capital expenditure for flood recovery has been undertaken including reinstatement of 3 Waters infrastructure and roading infrastructure. Work is in progress at Westport Port for wharf repairs, roading reinstatement and other 3 Waters reinstatement projects.

All additional flood recovery income, whether it be from donations, grants, or subsidies, along with flood expenses and capital costs were not budgeted for in the 2021-2022 LTP and 2022/2023 Annual Plan. This means that significant variances due to flood recovery are reported in this Annual Report.

The total reported surplus includes the annual revaluation of investment property which increased the reported surplus by \$1.13m million above the budgeted revaluation amount of \$0.15m. The reported surplus is also affected by \$1.13m

greater than budgeted write off of infrastructure assets due to review of flood damaged assets, and \$0.55m lesser finance costs which are impacted by a change in methodology adopted in calculation of the landfill provision.

Total operating revenue was \$51.29 million, which was \$18.35 million more than the anticipated budget of \$32.94 million. The main contributor is an additional \$16.40 million of subsidies and grants income, which was more than anticipated. This revenue is made up of several unbudgeted central government grants including flood recovery projects.

Non-cash items included in the financial results. Council recorded total non-cash revenues of \$2.02 million including \$0.40 million as a consequence of a revaluation gain on derivatives, revaluation of investment land of \$1.13 million, and \$0.31 million relating to receipt of vested assets.

Total operating expenditure was \$48.18 million, which exceeded the budget of \$32.12 million by \$16.06 million. The main contributor was additional expenses included in the Other Expenses category. These expenses related to central government funded operational expenses for flood recovery.

Statement of Comprehensive Revenue and Expense

Subsidies and grants income is \$16.39 million greater than budgeted as a result of several unbudgeted central government grants received for projects including flood recovery. Central government grants include:

- Flood response and recovery projects \$15.62 million
- Better Off Funding \$0.82 million
- DIA staff subsidy for Three Waters \$0.37 million
- PGF Grant for Port Projects \$0.59 million
- District Revitalisation Projects \$0.26 million
- Waka Kotahi Roading Subsidy \$5.44 million

DIA Subsidy for 3 Waters Transition was \$0.37 million greater than budget. \$0.44 million of Waka Kotahi subsidies for roading works has not been received due to timing of projects and weather delays. Work on the transport network is re-programmed to the next financial year.

Investment revenue is \$132,000 more than budget. This higher investment income relates to interest received on Councils' term investments because the rise in interest rates was greater than anticipated in the Annual Plan.

Regulatory fees and charges revenue was higher than expected, which was caused by increased construction in the district. This higher than planned revenue offsets shortfalls in fees from the Orowaiti Cemetery, less leasehold land income and reduced pensioner housing income as a result of custody of the McCauley Flats being returned to St Canices' Parish Trust at the end of a 40 year lease term half way through the financial year.

General rates, targeted rates, metered water charges and rate penalties

The total budget for rates collection was \$17.56 million, actual collected were \$17.64 million. The variance was caused by less rate penalties charged and slightly less general rates collected. This was offset by higher water meter charges than budgeted.

Gain on derivative contracts

Council recorded a non-cash gain on revaluation of its interest rate swaps of \$407,000 at balance date.

Vested assets

There was one significant asset vested in Council during the 2022-2023 financial year. This was the local road located at Larsen Street, Cape Foulwind which transferred to Council in conjunction with subdivision of property. The total value of the vested asset including the formation of roading, stormwater drainage, curb and channel and signs as well as and streetlighting is \$315,000.

Gain on revaluations of investment property

Gains in the property market resulted in non-cash gains of \$1.13 million.

Other Expenditure

Other Expenses category was \$28.87 million against a budget of \$15.55 million. This is a difference of \$13.32 million. This extra expenditure was incurred as part of central government funded projects for flood recovery.

BULLER DISTRICT MAJOR PROJECTS HIGHLIGHTS

Flood Recovery Expenditure	\$9.30m
Employment Costs met by External Grants	\$1.05m

This additional expenditure is partially offset by less roading and transport expenses. The gap between the budgeted and actual amount was \$0.42 million. Funding for the unspent portion of this financial year and last financial year on roading and transport works is not foregone. This work will carry over into the next financial year and the planning of roading projects aims for maximum efficiency. This workplan re-organisation was necessary to take into account the severe weather events of July 2021 and February 2022.

Employment costs were \$7.75 million compared to a budget of \$7.40 million. The reason for the \$0.45 million variance is unbudgeted wages. These extra costs were paid from external central government funding for flood recovery and from 3 Waters National Transition Unit funding.

Depreciation and amortisation expense was budgeted to be \$7.28 million. The actual result is \$8.78 million. The \$1.50 million variance is because of the timing of projects. The weather events experienced in the prior financial year have delayed projects with property, plant & equipment and infrastructure assets recording \$6.84 million of incomplete projects (works in progress) at year end. More details can be found in the property, plant, and equipment notes in the financial statements.

Finance costs were impacted by a \$726,000 non-cash entry for the write-back of interest due to a change in methodology applied for the land fill provision. This non-cash saving was not budgeted for.

Further details about operating expense variances are provided in the section 'Our Work in Detail' and in the notes to the financial statements.

Statement of Position

Council's net debt position

Net debt (debt less term deposits) was \$19.63 million at balance date. The 2021/2022 Long Term Plan budget assumed that net debt would be \$23.17 million for the 2022/2023 period. The difference in net debt levels is due to Council requiring short term funding for flood recovery projects of \$1.03m as at balance, offset by projects not yet completed in the long term plan. The short term funding for flood recovery is covered by external lenders until NEMA reimburse Council for flood recovery project costs. Also, debt that has not been drawn down on some projects that were included in the LTP at balance date added to this.

Debt funded projects that were not completed include the Waimangaroa water supply upgrade worth \$2.23 million. Also included is the delayed upgrade of Brougham House (\$1.93 million).

Prepayments

Employee Benefits are \$132,000 more than budgeted due to retiring gratuities being more accurately reflected.

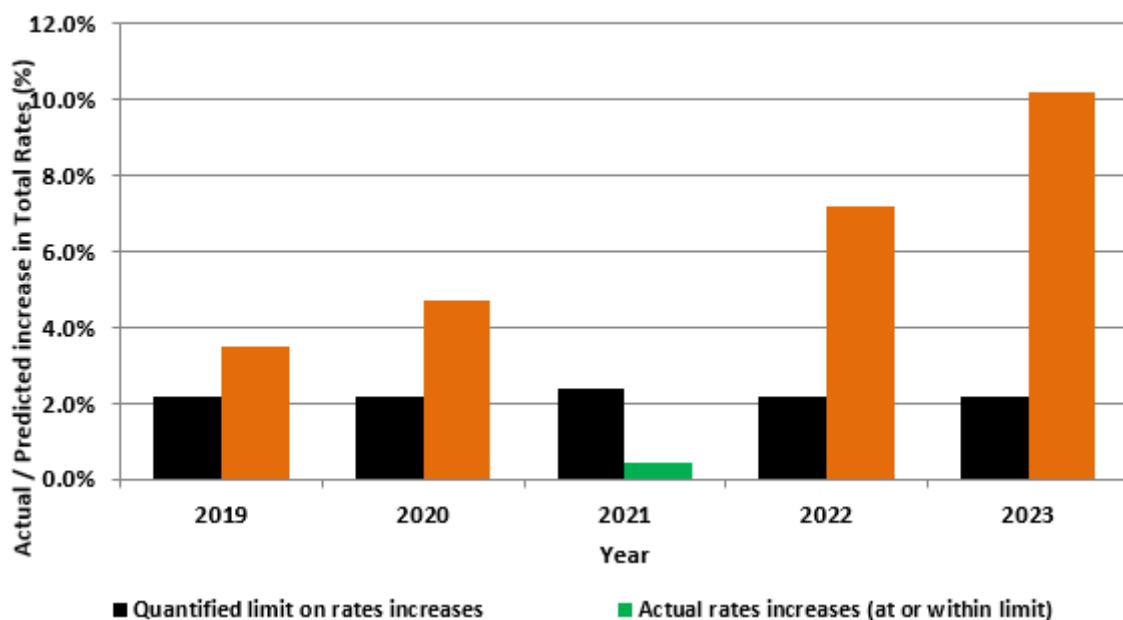
Capital expenditure

Council continued to maintain assets and upgrade them when required. Council budgeted to spend \$9.97 million on capital expenditure in the 2022/2023 Long Term Plan. \$18.46 million was capitalised during the year and in addition, \$6.84 million of work in progress was underway at year end. This work in progress reflects unbudgeted flood recovery projects as well as business as usual projects including roading and transport works, which were not yet complete because of the impact of the severe weather events during the year.

- Westport Port Buildings and Fencing Upgrade \$0.33 million
- Information Management Project \$0.33 million
- Alma Road Infrastructure to Boundary Project \$2.36 million
- Buller Tiphead Renewal \$0.76 million
- Westport Water Supply Flood Recovery Return to Service Reinstatement \$0.96 million
- Stormwater Flood Recovery Reinstatement \$0.16 million
- Westport Town Precinct and Pathways Project \$0.28 million
- Footpath Resurfacing \$0.54 million
- Roading Reseals, Improvements and Metalling \$1.84 million
- Reefton Public Toilets Building \$0.45 million
- Community District Revitalisation Projects \$0.14 million
- Stormwater Capital \$0.27 million
- Westport Water Trunkmain \$5.22 million

Our Financial Performance at a Glance

Rates increases affordability benchmark



2019 and 2020

The benchmark was not met in 2019/2020 and this was also signalled in the LTP. Rates collected in 2019/2020 also included unbudgeted rates from abandoned land which increases the measure. The actual amount of rates set in the 2019/2020 Annual Plan was 3.3%.

2021/2022

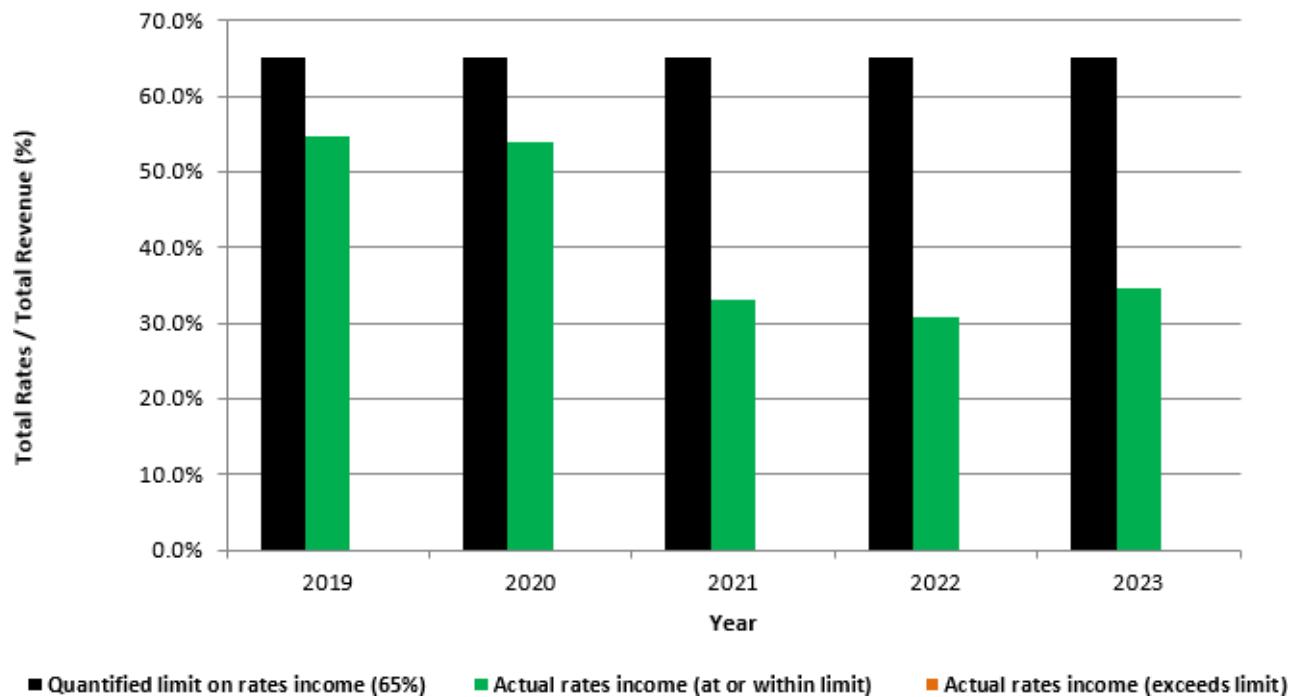
The benchmark was not met in 2021/2022 and this was also signalled in the LTP. This is due to the impact of materially lower investment interest rates that are only partially offset by savings in loan interest rates; an increase in employee benefit expenses necessary to deliver services expected of Council by the community and of a local government; an enhanced subsidised roading programme partially offset by an increase in the Waka Kotahi subsidy rate that aims to improve the network resilience and provide improved freight and visitor access while optimising value for money. Note Council has actively looked for ways to offset rates increases by utilising income sources other than rates and investment interest e.g. land sales, external grants and making the port a self sustaining activity.

2022/2023

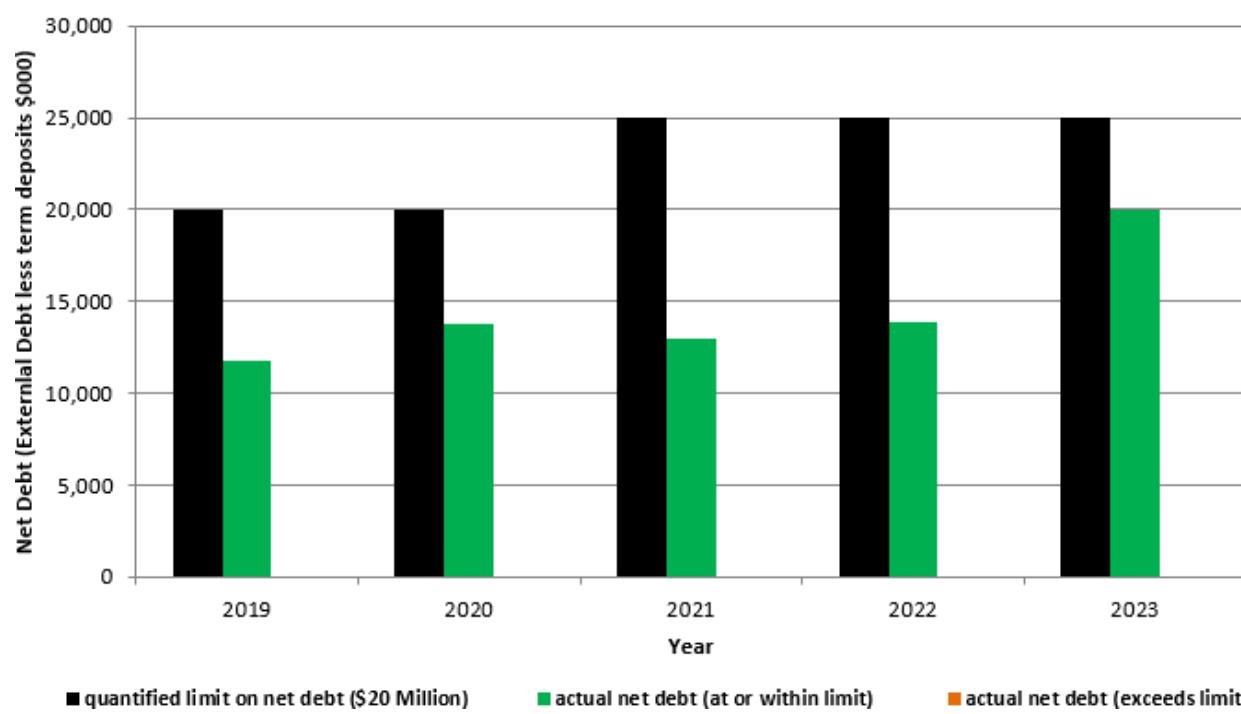
The benchmark was not met in 2022/2023 and this was also signalled in the LTP. This is due to the impact of lower investment interest rates that are only partially offset by savings in loan interest rates; an increase in employee benefit expenses necessary to deliver services expected of Council by the community and of a local government; an enhanced subsidised roading programme partially offset by an increase in the Waka Kotahi subsidy rate that aims to improve the network resilience and provide improved freight and visitor access while optimising value for money. Note Council has actively looked for ways to offset

rates increases by utilising income sources other than rates and investment interest e.g. land sales, external grants and making the port a self sustaining activity.

Rates income affordability benchmark

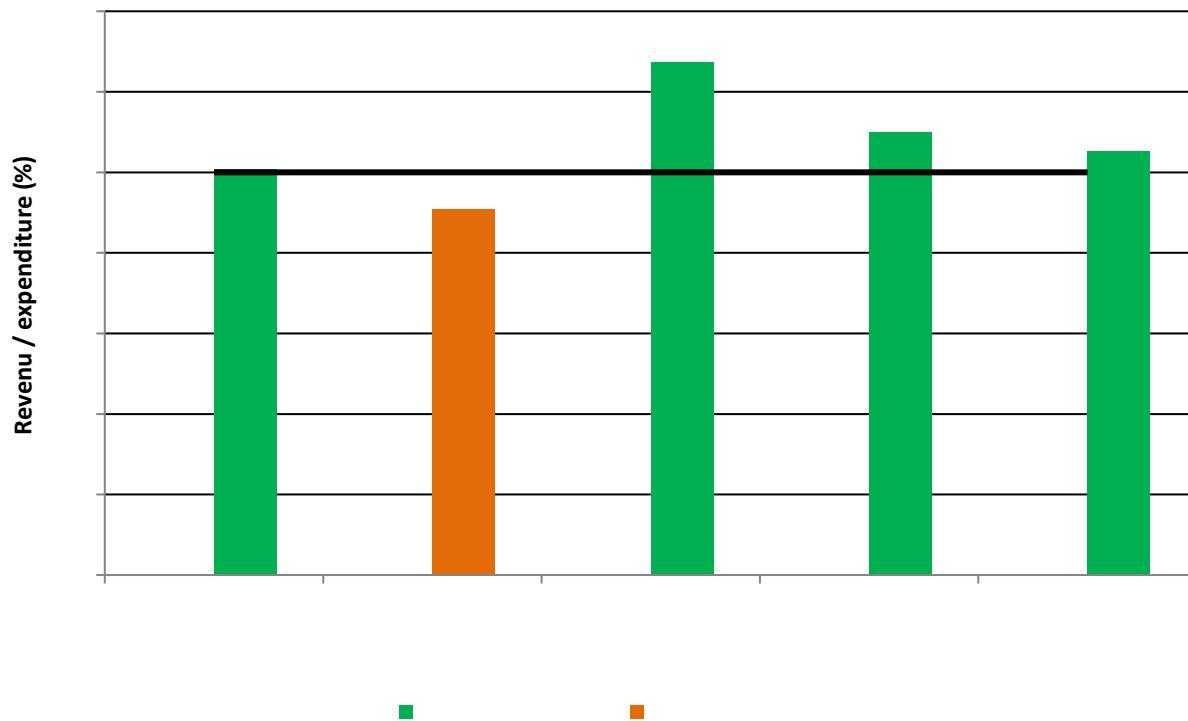


Debt affordability benchmark

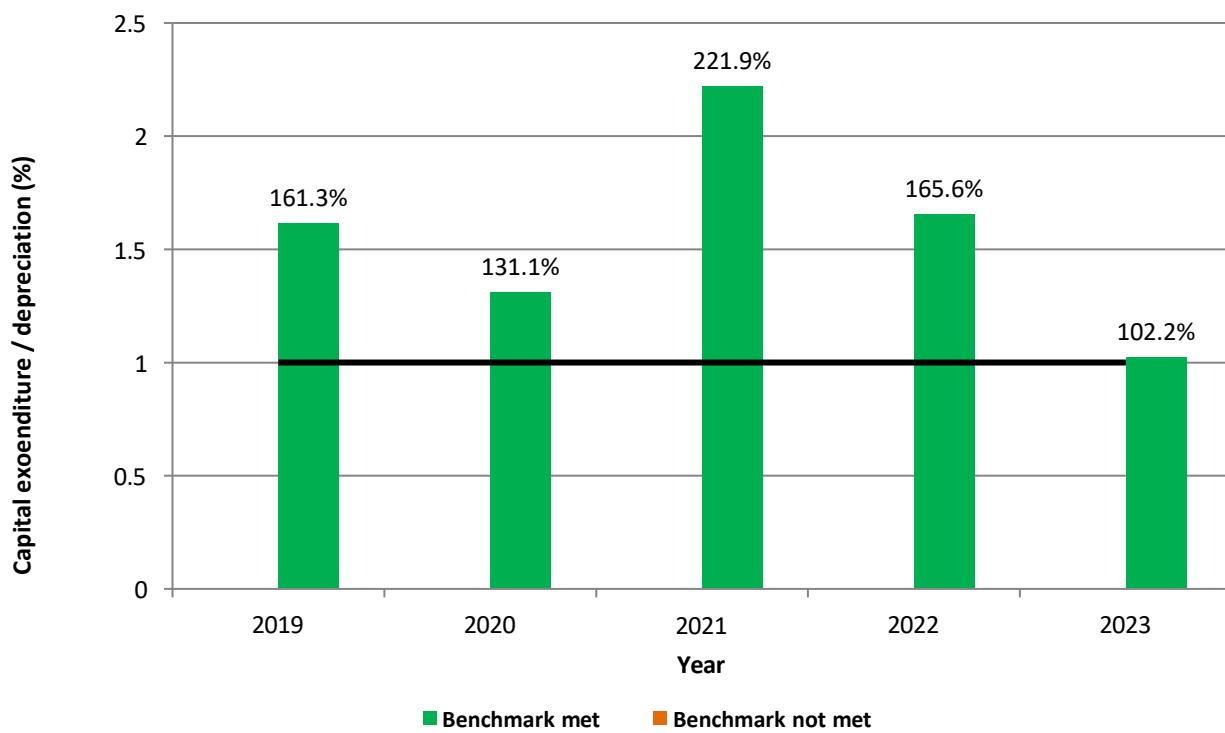


2019/2020

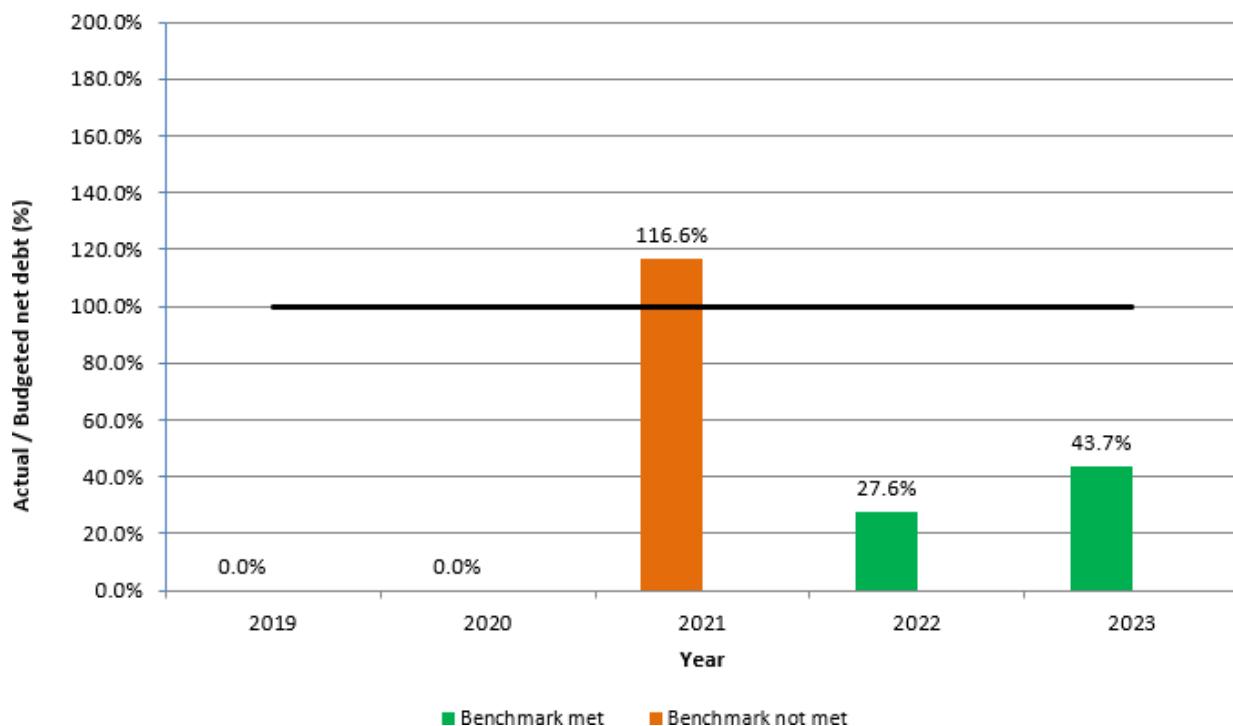
The balanced budget benchmark was not met mainly due to the asset writeoff that were carried out over the period.



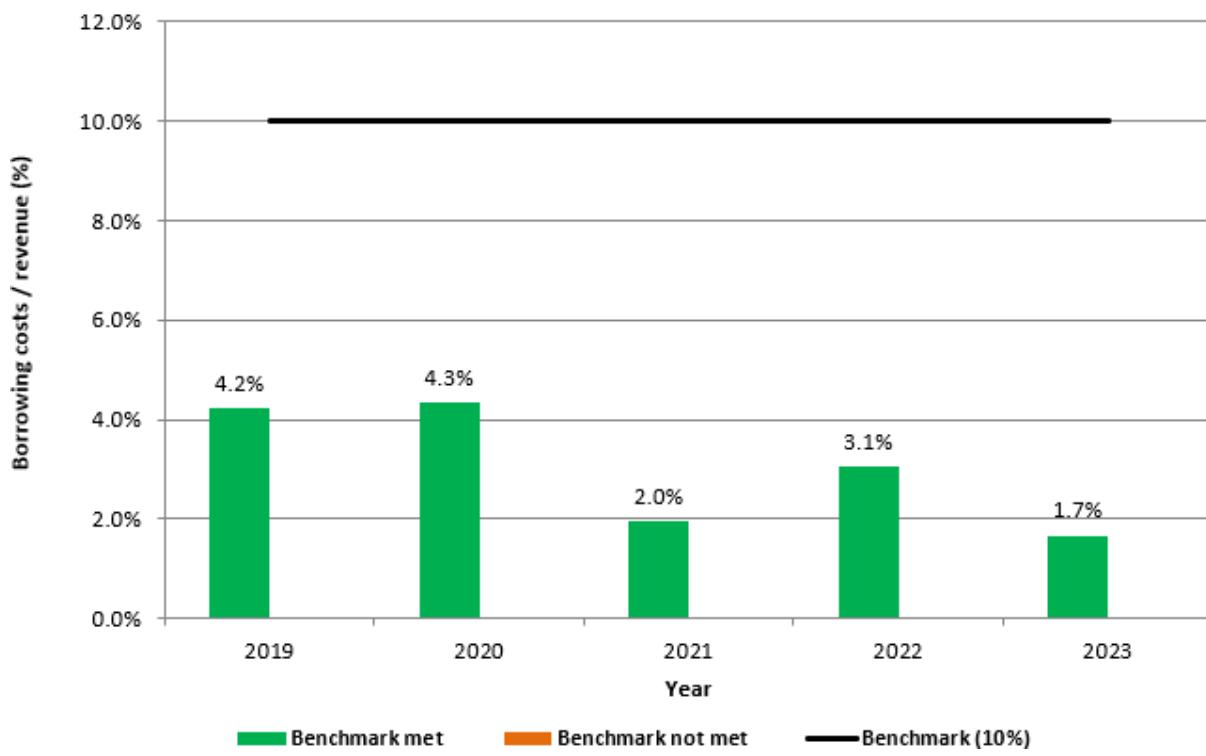
Essential services benchmark



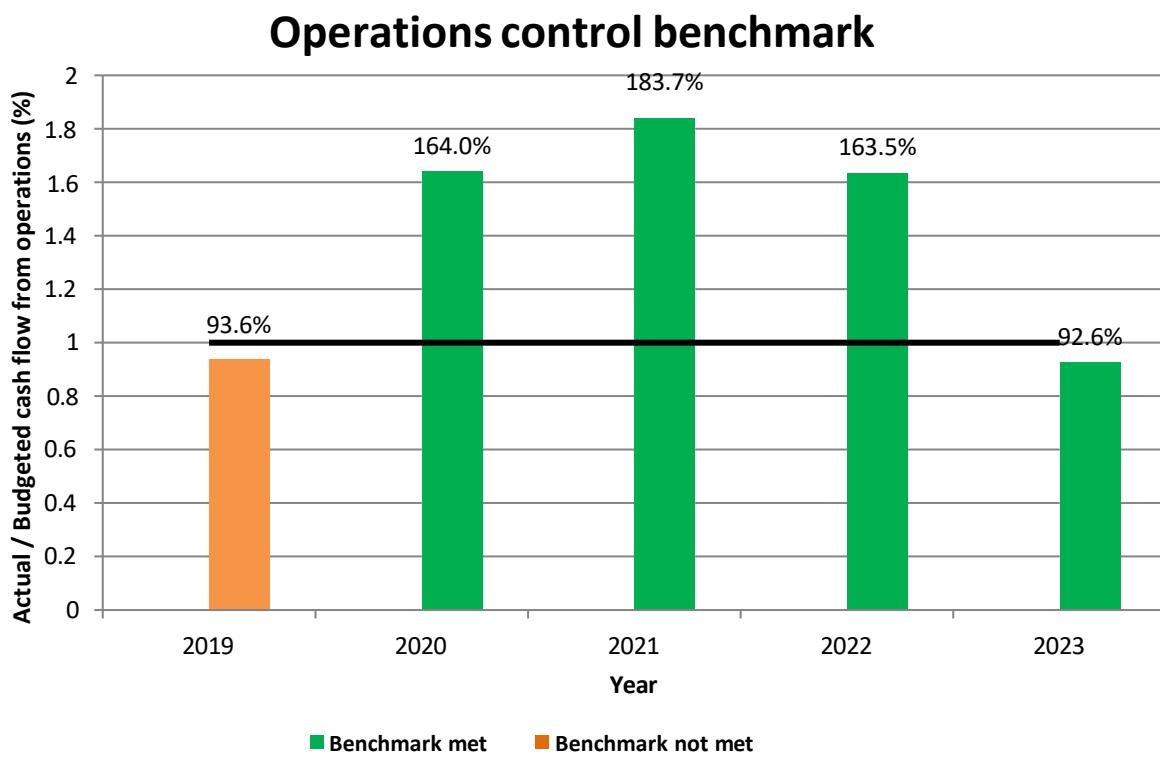
Debt control benchmark



Debt servicing benchmark



Council has continued to operate well within the low-growth Council benchmark of 10%.



2018/2019

The minor difference in operation cashflow is primarily due to the Waimangaroa drinking water subsidy of around \$400,000 which was not received in 2018/2019.

2022/2023

The minor difference in operation cashflow is primarily due to the differences in receipts and payments for the flood recovery work during 2022/2023 year.

Part two:

Vision and Community Outcomes

Council Vision and Mission Statements

Our Vision

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

Our Mission

To serve the residents of the Buller district, conscious of their needs, by providing facilities and services and creating an appropriate environment for progress and development while preserving the distinctive natural environment, as well as the cultural and historical environments.

Our Principles

Community driven

We are committed to making a difference in the community we call home.

One team

Shared direction, shared effort.

Future Focused

We seek solutions that are fit for the future.

Integrity

Open and honest in decisions and action.

We Care

About people and place.

Community Outcomes and Well-being

Community outcomes and well-beings describe how Council aims to achieve meeting the current and future needs of our communities. This includes providing good-quality infrastructure, public services as well as performing regulatory functions.

Community Outcomes set the direction for the Long Term Plan (LTP) and Annual Plan (AP). All activities included in the LTP or AP that Council undertakes contribute toward achieving Community Outcomes and Well-beings.

A shared inspiration

Council developed its Community Outcomes in exchange with the community as part of the 2021 – 2031 LTP consultation.

Council invited small groups of community representatives across the district to come together to help prioritise their community's goals in the four areas of well-being. An online survey enabled the wider community to also contribute their thoughts.

Councillors, council's senior leadership team, and Ngāti Waewae also participated in workshops to discuss aspirations for the district and review the community's visions. The result was a set of five goals which are the Community Outcomes.

A detailed description of our Community Outcomes is available in the 2021 – 2031 LTP.

Our measure of success

The Local Government Act (2002) requires Council to identify the Community Outcomes to which a group of Council activities primarily contribute to, and to report the progress during the year towards the achievement of the outcomes.

Council must also describe any effect that Council activity had on the social, economic, environmental or cultural well-being of the community.

The results are collated and a more detailed assessment is included in each activity statement. Each of Council's activities contribute to two or more of the Well-beings.

The following table identifies for each activity the Well-beings that it makes a positive contribution towards. It is not believed that any activity makes a negative contribution to any of the well-beings.

A shared path

Council believes that achieving our Community Outcomes relies on working in partnership with the whole community, including individuals, businesses, government agencies and community organisations.

Community outcomes and well-beings

Council Activities	Community Outcomes				Well-beings				
	Well-being	Learning	Who We Are	Sustainable Environment	Prosperity	Social	Economic	Environmental	Cultural
Regulatory Services	✓	✓	✓	✓		✓	✓	✓	
Roading and Transport		✓		✓	✓	✓	✓	✓	✓
Water Supplies	✓	✓		✓	✓	✓	✓	✓	
Wastewater/Sewerage	✓	✓		✓	✓	✓	✓	✓	
Stormwater	✓			✓		✓	✓	✓	
Solid Waste	✓	✓		✓	✓	✓	✓	✓	
In-house Professional Services	✓			✓	✓		✓	✓	
Community Services	✓	✓	✓	✓	✓	✓			✓
Governance and Representation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Services and Support Services	✓	✓	✓	✓	✓	✓	✓	✓	✓
Property	✓	✓	✓	✓	✓	✓	✓	✓	✓

The four well-beings

The four well-beings are set out in the Local Government Act (2002) and include social, economic, environmental, and cultural.

The four well-beings can be described as:

SOCIAL

- ✓ Includes individuals, families, whanau, hapu, iwi, and a range of communities setting and achieving goals such as education, community networks, health, personal and financial security, and having equity of opportunity and rights and freedoms.

AFFORDABILITY

- ✓ Considers if the local economy can generate employment and wealth needed to provide many of the requirements for social well-being such as financial security, health, and community networks.

ENVIRONMENT

- ✓ Looks at the natural environment and if it can sustainably support the activities that are needed for healthy communities, such as fresh air, fresh water, unpolluted land, and environmental controls.

CULTURE

- ✓ includes the beliefs, customs, values, identities, and behaviors shown through arts, language, stories, ceremonies, and heritage of our community.

Working with Iwi

An opportunity for Māori to contribute to the decision-making processes of Buller District Council.

The Buller District Council governance structure formally recognises the importance of the crucial relationship with Te Rūnanga o Ngāti Waewae.

In May 2021 Councillors resolved that the Council Ngati Waewae representative has voting rights at governance committees outside of Council. The maturity of the relationship has progressed significantly over the past three years.

Te Rūnanga o Ngāti Waewae are already legally recognised as mana whenua by Council in regard to its existing obligations under legislation around consenting. The appointment further strengthens, develops and extends the Council relationship with Te Rūnanga o Ngāti Waewae especially across Council's wider cultural, social, economic, environmental and legal interests.

Under the Crown's obligations arising from Te Tiriti o Waitangi, Te Rūnanga o Ngāti Waewae as mana whenua are always going to be heavily engaged in future direction setting for the West Coast Te Tai o Poutini in general, and specifically, for the Buller district. For Council a strong and positive relationship with Te Rūnanga Ngāti Waewae is important on every level.

Notwithstanding the relationship with Ngāti Waewae, Council will also consult with Ngāti Apa ki Te Rā Tō on matters regarding the Buller district. The input of Māori not associated with Ngāti Waewae may from time to time be received for consideration by Council.

Under Section 81 of the Local Government Act 2002, Council must establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority. Council is also required to look at ways to foster the development of Māori capacity to have input into these processes.

Part three:

Roles and Compliance

The Role of the Annual Report and Financial Statements

We are required to produce an Annual Report each year to account for the money provided by ratepayers, financial institutions, and government agencies.

The Annual Report is also an important tool for showing how our community outcomes are being achieved. This document, therefore, represents an opportunity to provide interested parties with a range of additional information to give a more complete picture of the district's affairs.

The contents of this Annual Report will refer to the district's strategies and plans, including the Long-Term Plan (LTP) 2021 – 2031.

The LTP 2021 – 2031 was adopted by Council on 30 June 2021, after considerable consultation with ratepayers and interested others.

This is the third Annual Report prepared under the LTP 2021 – 2031. Many of the ways in which this information is presented are governed by legislation and standard accounting practices. However, we recognise that the readers of this report are from diverse backgrounds, so we have taken steps to present the information in an accessible and understandable form.

The message from the Mayor and Chief Executive Officer provides commentary on some of the year's key strategies, objectives, highlights and challenges.

The Financial Statements and Statements of Service Performance look at the district's affairs in greater detail.

We thank you for your interest in our activities and our leadership role in developing the Buller District.

Statement of Compliance and Responsibility

Compliance

The Council and Management staff of the Buller District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

The Council and Management staff of the Buller District Council accept responsibility for the preparation of the Annual Financial Statements and the judgments used in them. The Financial Statements are unable to be amended following issue.

The Council and management of the Buller District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2023 fairly reflect the financial position and operations of the Buller District Council and Group.

The Annual Report documents the Council activities until 30 June 2023 and was adopted 17 December 2025. The Council's Acting CEO for the period before 30 June 2023, Rachel Townrow, resigned effective 9 June 2023 and Chief Executive Simon Pickford at the time of the adoption of the Annual Report has signed/certified the Annual Report as required.

How the Annual Report fits into Council's overall planning framework

He Kupu Whakataki i te Kaiwhakahaere i te Kaihautu Buller District ratepayers and residents Waiho i te toipoto, kaua i te toiroa - let us keep close together, not wide apart.

This whakatauki speaks to the importance of keeping connected, of maintaining relationships and dialogue so that we can keep moving forward together.

Plan Reviews

Council will review and evaluate its LTP every three years. As part of this process, input from the community will be sought through engagement activities.

Annual Plans

Between the three-yearly reviews, Council produces an Annual Plan. This outlines what activities and services Council will undertake in the following year and any changes to the LTP.

Annual Reports

At the end of each financial year, Council produces an Annual Report which details what Council did during the financial year compared to what it planned to do in the LTP or Annual Plan.

The Planning cycle

Long Term Plan and Consultation Document

Reviewed every three years (Except for 2024-2025 where Council has undertaken an enhanced Annual Plan in Year four). Lets you know what Council is doing and why.

Annual Plan

Produced every non-Long Term Plan year. Lets you know how Council's work is going to be paid for each year, and any variances from the Long Term Plan.

Annual Report

Produced every year. Lets you know whether the Council did what it said it would do.

Community Outcomes

Knowing the environment in which people live. Knowing what the community and people want.

Part four:

A Year in Review

Councils work in 2022/23

Our Work in detail

The following pages set out in detail the results for each of Council's activities, which have been grouped as follows:

Council activities:

Flood Recovery

Environmental and Planning

- Regulatory Services

Engineering Services

- Roading
- Transport
- Water Supplies
- Wastewater/Sewerage
- Stormwater
- Solid Waste
- Infrastructure Delivery

Community Services

- Community Services

Governance and Support Services

- Governance and Representation
- Customer Services and Support Services

Council Enterprises and Property

- Property/ Community Facilities

Council Controlled Organisations

- Westport Airport
- Westport Harbour
- Buller Holdings Limited
- WestReef Services Limited
- Buller Recreation Limited

This section of the Annual Report outlines what activities Council has undertaken to support the Community Outcomes, strategic goals and legislative requirements that Council aims towards and operates under.

Please note both Council's targets and significant projects/issues form part of the performance management framework against which actual levels of service performance have been assessed.

Targets represent the levels of service to be met annually unless stated otherwise.

Significant Judgements Used in the Following Statements of Service Performance

Significant judgements used for the selection, measurement, aggregation and presentation of the information presented in the service performance sections were:

Activity Section	Significant Judgements Used
Flood Recovery	<p>There were no key performance indicators set as this activity was not planned when the 2021-2031 Long Term Plan was adopted.</p> <p>Council created a Recovery Action Plan (RAP), which included four key areas which are reported on.</p> <ul style="list-style-type: none"> • Reconnecting our community • Restoring the natural and rural environment • Rebuilding the built environment • Regenerating the economic environment <p>Council believed it was important to include a Funding Impact Statement and associated narrative to explain the impact of the significant flooding.</p>
Regulatory	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Transport	Mandatory Key Performance Indicators are required under the requirements of the Local Government Act.
Water Supplies	Mandatory Key Performance Indicators are required under the requirements of the Local Government Act.
Wastewater/Sewerage	Mandatory Key Performance Indicators are required under the requirements of the Local Government Act.
Stormwater	Mandatory Key Performance Indicators are required under the requirements of the Local Government Act.
Solid Waste	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Infrastructure Delivery	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Community Services	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Governance & Representation	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Customer Services & Support Services	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Community Facilities	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Westport Airport	Key Performance Indicators are set in the Statement of Intent.
Westport Harbour	Key Performance Indicators were set in the 2021-2031 Long Term Plan which align to the Community Outcomes.
Buller Holdings Limited	Key Performance Indicators are set in the Statement of Intent.
Buller Recreation Limited	Key Performance Indicators are set in the Statement of Intent.
WestReef Services Limited	Key Performance Indicators are set in the Statement of Intent.

Flood Recovery

Links to community outcomes

- ✓ This activity supports all of the community outcomes.

What do we do?

The past 24 months has seen the district feeling the impacts of climate change through two extreme weather events. Two significant floods affected our district, resulting in significant damage to Council's infrastructure, assets like the port and airport, and displaced community members from their homes.

Council has worked in partnership with central government agencies to address the enormous financial impact created through the floods, recognising the unaffordability for the small rate payer base in our district.

This partnership resulted in Council being approved \$7.14m financial support from Cabinet through the National Emergency Management Agency (NEMA) and the Department of Internal Affairs (DIA) in July 2022. This funding has supported the initial flood recovery efforts following the July 2021 event.

Combined, the July 2021 and February 2022 floods resulted in an extensive programme of work to repair essential Council infrastructure to pre-flood levels. The price tag is significant and could not be funded by Council alone. A business case requesting assistance with these costs was submitted to NEMA in April 2022. Cabinet considered this proposal in June 2022, and approved a total of \$17.14m of additional funding to assist with the repair works in July 2022.

The funding request sat outside normal government policy and reflects the uniqueness of Buller's socio-economic composition. Cabinet endorsed the business case and funding request and committed an additional \$10 million (outside of normal government policy) to fund infrastructure repairs to support Buller's ongoing flood recovery. In addition, Council is working with the West Coast Regional Council (WCRC) and central government agencies to develop a multi tool approach to improve Westport's resilience to future flooding.

These are significant and complex projects over a multiyear period that will require considerable input from all parties involved to achieve the outcome we all desire.

Why are we involved in this activity?

Council's involvement in flood recovery was and is critical to promote recovery, community resilience and reinstate critical infrastructure that was damaged in the severe weather events.

When Council prepared the 2021-2031 Long Term Plan and the Annual Plan for the year 2021-2022, Council did not know that these two severe weather events would rattle our district. Due to this Council did not consider the extra revenue from central government and the significant expenditure caused by the two flood events. To ensure the Annual Report displays clearly the full impact these two weather events had, this Annual Report includes an additional section covering flood recovery. This has not been part of previous Annual Reports.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Council did not create a contingency fund for severe weather events when preparing the 2021 – 2031 LTP. Consequently, there is no budget for the extra external grant revenue and the related costs for both severe weather events.

Council has received \$7.504 additional grant funding and subsidies from central government agencies.

Council has collected \$1.01m Mayoral Relief Fund donations and issued payment of \$0.98m Mayoral Relief Grants to date.

Council has spent \$9.30m on flood recovery expenditure which is included in Other Expenses category in the Statement of Comprehensive Revenue and Expenses during the year (2022: \$10.70m).

Council has spent \$6.39m on capital for flood recovery capital expenditure during the year.

In addition to the completed projects there is a significant amount of capital work for flood recovery return to service which is included in Work in Progress or has been expensed as noted above.

Statement of Service Performance

Recovery

Recovery typically is an effort that takes several months, sometimes years, assisting the impacted community to get back on their feet after an event and adjusting to changes.

Council has created a Recovery Action Plan (RAP), which includes four key areas, to achieve this goal:

- Reconnecting our community
- Restoring the natural and rural environment
- Rebuilding the built environment
- Regenerating the economic environment

These are the key pieces of work and milestones that the Recovery Team set out to coordinate or lead. Working with iwi and closely partnering with the various agencies who delivered key actions in each area or contributed their expertise, was key to support our community on the path of recovery.

The RAP Milestones and Outcomes Report outlines the milestones and outcomes that were achieved. Further details on the work done by the flood recovery team are displayed on the pages that follow.

Flood Recovery Team Achievements

Reconnecting our community

<p>Coordinate and deliver community activities and events. A community events and activity programme is developed that enlivens flood- affected communities, enhances community connections, and builds community resilience.</p>	<ul style="list-style-type: none"> Events programme severely impacted by Covid-19 restrictions and budgetary uncertainty. Revised budget agreed with NEMA from July 2022. Events programme to be developed and delivered through Non-Government Organisations (NGO) and external organisers.
<p>Community connection, engagement and information sharing sources are maintained.</p>	<p>Communications engagement programme continuing through to March 2023 including:</p> <ul style="list-style-type: none"> Buller Flood Recovery website Facebook page information sharing articles in local newspapers and broadsheets recovery roundup (website and Facebook) information boards to be installed at the Community Hub sharing resilience options and river science work local radio
<p>The Community Hub and navigators are maintained. Coordinate agencies and provide a single point of assistance and wrap-around services for all recovery needs:</p> <ul style="list-style-type: none"> building rental insurance wellness financial business community information 	<ul style="list-style-type: none"> Community Hub and navigators in place until 30 September 2022. Community needs assessment was carried out to determine what services were required from October 2022 to March 2023 with the remaining funding available.
<p>Understand the essential needs of urban and rural flood affected individuals and whanau.</p>	<ul style="list-style-type: none"> Rural needs assessed by Ministry of Primary Industries (MPI) and Taskforce Green post floods. Final reports from the Outreach Survey and Wellbeing Survey determined requirements for affected community.
<p>Families are back in their homes or provided safe and healthy accommodation to live in.</p>	<ul style="list-style-type: none"> After a slow rebuild, many families are back in their homes. Temporary Accommodation Service Agency (TAS) supported the build of a 20 home village for affected residents 20 homes at Alma Road were complete as at 30 June 2023
<p>Support and coordinate volunteers. Engage with volunteers and coordinators to understand their needs.</p>	<ul style="list-style-type: none"> The recovery team worked closely with volunteers e.g., Rotary, Lions and NGOs to facilitate their work in the community. Community House No.37 has successfully run a community kitchen providing hot meals to the flood affected community once a week. This service is run independently and depends on volunteers. Funding was secured until February 2023.
<p>Iwi engagement and recovery plans are developed with the support of the recovery team. Engagement with iwi to understand their needs.</p>	<ul style="list-style-type: none"> A representative from Ngāti Waewae has been part of the recovery team. Through a partnership with Poutini Waiora support was provided to the community.
<p>Essential needs of individuals and whanau are met and community health and wellbeing are supported.</p>	<ul style="list-style-type: none"> Essential needs around housing, financial support and psychosocial support have been met through the Community Hub and navigators. This support has continued to September 2022 TAS has supported accommodation requirements of displaced residents.

	<ul style="list-style-type: none"> Shop Zero and Rotary supported the community by distributing clothing, furniture and household goods. The Mayoral Relief Fund assisted with financial support. The Community kitchen provides displaced residents with one hot meal a week.
Community spirit, pride and resilience is strengthened through community events and projects.	<ul style="list-style-type: none"> Events have been held throughout the year. An event programme was developed after community needs are ascertained. Funding has been secured from the NEMA recovery fund.
Families/whanau have healthy homes to move into.	<ul style="list-style-type: none"> Community Energy Action subsidised insulation in housing for lower socio-economic households. MBIE partnered with Council to deliver eight homes for flood affected families. These homes were occupied in April 2022, and were becoming disestablished as the need reduced as at 30 June 2023. MBIE has provided funding for 20 homes at Alma Road with completion during the financial year. Rotary assisted with repairs of damaged uninsured homes through volunteers and donated building supplies.
Numbers of the community accessing support services provided through the Community Hub and navigators.	<ul style="list-style-type: none"> External funding supported ongoing need in the community A Wellbeing Survey funded by DIA Lotteries was carried out to assess further needs. An outreach operation took place in July/August 2022 to ascertain the status of red and yellow homes. Results of both surveys were available in September 2022 and informed the needs of the community.

Restoring the natural and rural environment

Refuse from the old Reefton Landfill that was deposited in the Inangahua River is collected.	<ul style="list-style-type: none"> NEMA has provided funding for the clean-up which took until August 2022 to complete due to unfavourable weather.
The Reefton Landfill reinstatement.	<ul style="list-style-type: none"> Work to repair the damage was underway at 30 June 2023 with NEMA Tranche 2 funding for “like for like” repair of the site, and also Council contributing an additional \$250k to increase the river protection work for any future events.
A geological assessment of the Granity slips was undertaken with management recommendations provided.	<ul style="list-style-type: none"> An assessment was completed and delivered to Council. Affected landowners have been informed and engagement is underway.
Rural and community land is cleaned up	<ul style="list-style-type: none"> Land that was affected was identified. The owners were connected to the Enhanced Taskforce Green project. MPI and Rural Mayoral Support funding were accessed through the Community Hub.

Rebuilding the built environment

Temporary and long-term accommodation is established for residents.	<ul style="list-style-type: none"> Queen Street and Stafford Street (eight houses) occupied or available for occupation from March/April 2022 (TAS managed) to 30 June 2023. Alma Road village completed and occupied or available for occupation as at 30 June 2023. (TAS managed).
Owners and occupiers of red and yellow placarded houses are directed to appropriate Support Agencies.	<ul style="list-style-type: none"> An outreach survey was completed in July 2022. The recommendations from this identified further needs in the community and which agencies are required.

Collect, store, and relocate flood affected domestic waste. Waste is transported to a suitable landfill for disposal.	<ul style="list-style-type: none"> • All July and February flood event domestic waste has been removed from the district. • Clean-up of the Inangahua River ongoing until August 2022 due to weather conditions.
To repair our homes and restore our communities.	<ul style="list-style-type: none"> • Repairs to homes still underway in the community, this was slowed by Covid-19 and supply chain issues. • Timeline controlled by homeowners and insurance status. • There is still need for temporary accommodation as of 30 June 2023 for some affected residents.
To promote opportunities that regenerate and enhance the community, building resilience and preparedness, to minimise the adverse consequences of future severe weather events.	<ul style="list-style-type: none"> • Joint business case on future resilience of Westport by WCRC, BDC and Ngāti Waewae submitted to DIA 30 June 2022 and this remains ongoing as at 30 June 2023
To maintain a planned, future focused, coordinated, and flexible recovery, based on regular reassessments of community needs, relevant legislation and the necessary funding and resources.	<ul style="list-style-type: none"> • Alma Road village will provide accommodation options for the community. • Wellbeing survey and Operation Outreach designed to assess needs of the community (August 2022).
Westport's water supply is restored, and security of supply issues are addressed.	<ul style="list-style-type: none"> • Funding was secured from NEMA (\$789,000) to complete emergency works to Westport and Carters Beach water supply completed by 30 June 2023.
Three waters infrastructure is operational: <ul style="list-style-type: none"> • wastewater • water supply • stormwater 	<ul style="list-style-type: none"> • The funding request for "Tranche 2" infrastructure works was approved by Cabinet in July 2022. • All three waters infrastructure repairs in the Tranche 2 programme are underway as at 30 June 2023..
Roading infrastructure is operational.	<ul style="list-style-type: none"> • July programme of works is underway. • February programme of works is underway as at 30 June 2023.
Westport flood defences are identified.	<ul style="list-style-type: none"> • Outside scope of Recovery Action Plan • Joint business case on future resilience of Westport by WCRC, BDC and Ngāti Waewae submitted to DIA 30 June 2022. Includes options on flood defense. • Ongoing community engagement on resilience and adaptation plans.

Regenerating the economic environment

Assess business needs	<ul style="list-style-type: none"> • Development West Coast (DWC) assessed the needs of the business community through a survey and meetings.
A Westport and Buller District Economic Growth Strategy is developed. The business community is engaged in the development of this strategy.	<ul style="list-style-type: none"> • DWC has launched a regional economic growth study. This is part of the usual work carried out.
"Westport is open" campaign created.	<ul style="list-style-type: none"> • Developed with DWC, BDC and Buller's tourism promotion group Advanced Northern West Coast (ANWC).

Significant capital expenditure

\$6.39m of significant capital expenditure for flood recovery has been undertaken including reinstatement of 3 Waters infrastructure, roading infrastructure, and work at Westport Port.

Work in progress is included at year end due to the timing of project delivery for the rebuild of damaged assets.

Key Performance Indicators

There are no key performance indicators for Flood Recovery in the 2021-2031 Long Term Plan to report against.

Funding Impact Statement for Flood Recovery Services

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	7,504
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	(64)
Total operating funding	A	0	7,440
Applications of operating funding			
Payments to staff and suppliers	0	0	9,184
Finance costs	0	0	42
Internal charges and overheads applied	0	0	0
Other operating funding applications	0	0	79
Total applications of operating funding	B	0	9,305
Surplus/ (deficit) of operating funding	A-B	0	(1,865)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	8,256
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	0	8,256
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	2,089
- to replace existing assets	0	0	3,383
Increase/ (decrease) in reserves	0	0	919
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	0	6,391
Surplus/ (deficit) of capital funding	C-D	0	1,865
Funding balance	((A-B)+(C-D))	0	0

Regulatory Services

Links to community outcomes

SOCIAL

- ✓ Provide essential services to residents and businesses to support a healthy environment.
- ✓ Ensure environmental health standards are met, so food offered for sale is prepared appropriately and safe for consumption.
- ✓ Provide and develop safe public places.
- ✓ Emergency management is a key function in ensuring that injury to people and damage to property is minimised in the event of natural disasters.
- ✓ Council is ready to respond in an emergency and empowers residents to be better prepared physically and psychologically for a Civil Defence event.

AFFORDABILITY

- ✓ By applying bylaws and other legal mechanisms to ensure facilities and services are fit for purpose.
- ✓ Ensure quality assurance requirements for building consent authorities are met.

PROSPERITY

- ✓ Make information easily available about Council, its functions and services.
- ✓ Recognise and support education excellence and opportunity in the district.
- ✓ Provide essential services to residents and businesses to support a healthy environment.
- ✓ Develop policies and implement practices that enhance our environmental sustainability and natural diversity.
- ✓ Ensure appropriate management and promotion of the district's natural and physical resources.

ENVIRONMENT

- ✓ By providing essential services to residents and businesses to support a healthy environment.
- ✓ Develop policies and implement practices that enhance our environmental sustainability and natural diversity.
- ✓ Ensure appropriate management and promotion of the district's natural and physical resources.

What we do

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

Why we do it

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

- The animal management service aims to provide a safer district by reducing dog-related offences through the registration of dogs, educate dog owners, and investigate complaints.
- The planning service ensures the district promotes development to support a prosperous community without compromising residents' rights and the district's physical and natural resources. This is achieved by the appropriate application of the

Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring guidelines.

- Council's building control services ensure that the district's buildings and other structures such as swimming pools, are safe, habitable, and meet national legislative requirements. Of particular importance is Council's role in advising on and, where necessary, enforcing the statutory provisions relating to earthquake prone buildings.
- Compliance and enforcement management focus on working with the community to assure the district remains a peaceful and attractive place to live and work. Through bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping, and respond to noise nuisances, as well as encouraging residents to maintain tidy sections.
- Alcohol licensing's role is to safeguard the statutory requirements and objectives of the Sale and Supply of Alcohol Act 2012. If these are met, the sale and supply of alcohol should be undertaken safely and responsibly, and any harm caused by excessive or inappropriate consumption of alcohol should be minimised.
- Under the Civil Defence Emergency Management Act 2002, Council must be ready, able to respond and assist with the recovery in the event of an emergency. Council staff and resources help in the event of a Civil Defence emergency. The Buller District has an Emergency Management Officer based in Westport through a west-coast wide shared services arrangement with Grey District Council, Westland District Council, and West Coast Regional Council.
- Environmental health ensures that operators meet public health standards in particular for the safe preparation and service of food.

Statement of service performance

Animal Management

Buller District Council's Animal Management Team proactively enforce the Dog Control Act 1996 and relevant By Laws. This includes the administration of dog registration each year including the follow up of unregistered dogs.

A socialisation group has been established in order to expose young dogs to other dogs and their owners in a controlled environment. The group meets on a regular basis.

The Animal Management Team deals with service requests relating to dog attacks, aggressive, roaming, barking dogs etc. across the Buller District. An on-call service for after-hours emergencies such as dog attacks and wandering stock is available and can be accessed via the main phone number.

Alcohol licensing

Council receives applications for either new licences or renewal of an existing licence. There are four types of licence being On, Off, Club and Special. Council also receives applications for new or renewal of Duty Managers certificates. The applications are received and receipted before processing begins. Applications are checked to ensure all information fields are completed, entered into the database and then sent to the reporting agencies, Police, Health and FENZ. The public are notified of every new/renewal licence application by way of a public notice on our website, local newspaper and at the licenced premises. Once the agencies have responded, the application is forwarded to the Licensing Inspector who completes their report in order to inform the District Licensing Committee's decision making responsibilities.

The Licensing Inspector periodically undertakes premises inspections, to ensure statutory compliance with the Sale and Supply of Alcohol Act 2012 (SSAA) and local bylaws, along with education and distributing resources when needed. A Tri Agency approach (Police, Health and Licensing Inspector) is undertaken for new and some renewal applications or where concerns need clarification. New Duty Manager applicants are interviewed to assess their knowledge of the SSAA and prior experiences noted before a new certificate is granted.

District Plan review

Every district in New Zealand must have an operational district plan. Rather than each of the West Coast councils preparing a plan, Te Tai o Poutini Plan (TTPP) Committee is now responsible for preparing and approving a new combined plan for the West Coast. The joint committee comprises members from the Buller, Grey, and Westland District Council, West Coast Regional Council, Te Runanga o Ngati Waewae, and Te Runanga o Makaawhio. The proposed TTPP was notified 14 July 2022 and was a significant undertaking for the Planning team with the resources available to get to this stage. Council is required to consider

both the Operative Buller District Plan and TPP in their planning assessments at this stage of the process. As the TPP advances different rules under the TPP may apply as they come into effect.

Civil Defence

The recent flood events have resulted in more council staff gaining experience working in the Buller Emergency Operations Centre. Council staff was well supported by regional stakeholders and central government agencies through these testing times.

Westport has become a test case for how similar emergencies can be better managed and resilience improved, as the effects of climate change impact our district. The Emergency Management Officer provides plans, education, and resources for our community to be prepared if an event occurs.

Building Consent Authority (BCA) accreditation

Council passed its two-yearly building consent authority accreditation assessment carried out by International Accreditation New Zealand (IANZ) in December 2021. Despite a challenging year with high consenting numbers and flooding events, that required significant input from the building team, the audit result was above the national average. The next assessment is due to be carried out in December 2023.

The team is making good use of modern systems and technology to gain better efficiencies for onsite inspections.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Total operating funding

Income other than from rates was \$359,000 greater than budget as a result of increased resource consents and building activities in the region.

There has been a restatement of LTP budget categories.

Payments to staff and suppliers

These were \$140,000 higher than budgeted due to the increased resource consents and building activity in the district.

Significant capital expenditure

There was no significant capital expenditure for 2022-2023.

Key Performance Indicators

What we plan to do and our levels of service

Building consent authority

Activity contribution Ensure quality assurance requirements for building consent authorities are met, as required by Regulation 17 of the Building Consent Authorities Regulation 2006.

Community outcomes Social and economic.

Level of service	Performance measures 2021-2024	Performance outcomes
Process building consent applications within the statutory timeframes.	100% of building consents are technically correct and granted within statutory timeframes.	2022-23 99.39% of building consents were technically correct and granted within statutory timeframes. ✗
		2021-22 98.91% of building consents were technically correct and granted within statutory timeframes. ✗
	Continue to retain accreditation by passing the biennial IANZ Audits.	2022-23 Accreditation due Nov 2023. ✓
		2021-22 Accreditation Audit Passed 28 July 2022. ✓

Resource consent planning

Activity contribution Ensure appropriate management and promotion of the district's natural and physical resources.

Community outcomes Social and economic.

Level of service	Performance measures 2021-2024	Performance outcomes
Process non-notified resource consents within statutory timelines.	Process 100% of non-notified resource consents within statutory timeframes.	2022-23 Not achieved because the number of consents exceeded planned delivery capacity. ✗
		2021-22 Not achieved because the number of consents exceeded planned delivery capacity. ✗

Food premises | Public health and safety

Activity contribution Ensure environmental health standards are met, so food offered for sale is prepared appropriately and safe for consumption.

Community outcomes Social and economic.

Level of service	Performance measures 2021-2024	Performance outcomes
Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders, ensuring they meet the Food Hygiene Regulations 1974 and the Food Act 2014.	All food premises are inspected according to their status of 9, 12 or 18-month frequency.	2022-23 92.93% of the bi-annual inspections have taken place. 2021-22 Inspections take place biennially.
	Inspect 100% of all hairdressers, funeral homes, camping grounds and offensive traders once annually for compliance.	2022-23 Low priority inspections have been delayed as we transition over to a new contractor. 2021-22 Currently 27 premises due for inspection.

Funding Impact Statement for Regulatory Services

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	1,419	1,507	1,585
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	1,092
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	932	934	201
Total operating funding	A	2,351	2,441
			2,878
Applications of operating funding			
Payments to staff and suppliers	1,670	1,681	1,821
Finance costs	1	1	1
Internal charges and overheads applied	653	719	680
Other operating funding applications	0	0	0
Total applications of operating funding	B	2,324	2,401
			2,502
Surplus/ (deficit) of operating funding	A-B	27	40
			376
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	52	53	169
Increase/(decrease) in debt	(9)	(10)	(9)
Gross proceeds from sale of assets	0	0	12
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	43	43
			172
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	131	62	55
Increase/ (decrease) in reserves	(61)	21	493
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	70	83
			548
Surplus/ (deficit) of capital funding	C-D	(27)	(40)
Funding balance	((A-B)+(C-D))	0	0
			0

Roading and Transport

ROADING

Links to community outcomes

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

What do we do?

The roading team is responsible for the planning, operations, maintenance, development and improvements of Buller's roads to establish an affordable, integrated, safe, responsive and sustainable roading network.

Council provides, maintains and renews sealed and unsealed roads, bridges and culverts to enable people to move around for employment, recreation, shopping, social activities and business purposes. The roading team also arranges road signs, markings and street lighting to ensure that travel is safe and convenient.

Council reviews the road network in response to changing needs and develops plans to ensure the road network is able to cater for future growth.

Why are we involved in this activity?

The roading team ensures people have access to employment, services, education and recreation, as well as ensuring that goods and services can easily move around to support the local economy. The road corridor also creates access for critical services such as electricity, telecommunications, water supply and waste disposal.

Statement of Service Performance

Roading funding

Buller is a large district with numerous settlements and small towns along its coastline and in the hinterland. It is only able to function economically and socially because of its vital wide-spread roading network maintained by Council. 586km of Council managed roads link into the main State Highways. 50% of those local roads are sealed, the other half are unsealed. Local roads incorporate 129 bridges and large culverts.

The local roads financial assistance rate sits at 72% for 2022/2023 by Waka Kotahi - New Zealand Transport Agency (Waka Kotahi).

A 100% financial assistance rate is guaranteed for special purpose roads (SPRs) until 30 June 2024. Waka Kotahi has determined that SPRs should transfer over to local councils as local roads by the end of the 2021-24 National Land Transport Plan period. A

transition plan is being negotiated for this re-classification to determine if these roads should be managed as State Highways or be managed as local roads.

Council has undertaken a classification of all roads in the network in accordance with the One Network Framework guidelines developed by Waka Kotahi. The classification of the roading network will lead to determining the expected standard for each road matching the amount of use. This network classification will inform future maintenance and investment spending.

Major projects

This year the response and recovery of the two damaging storm events across the district in 2021 and 2022 continued with major repairs reported under the Flood Recovery section.

Council recommenced the normal maintenance, operations and renewals programme. The resealing that was planned for 2023-24, the third year of the programme, was completed in 2022-23.

Another focus was to improve the forward planning of road, bridge and footpath renewals.

Significant capital expenditure

Capital expenditure for service level improvements was \$1,932,000 lower than budgeted. \$1,650,000 relates to a bid to upgrade the Little Wanganui Bridge on the Karamea Highway that Waka Kotahi did not approve after the 2021-2031 Long Term Plan was adopted.

The capital expenditure to replace existing assets was \$740,000 lower than budgeted; the primary categories that were lower than planned in this year included our Low Cost Low Risk improvements, structure component replacement and road rehabilitation. Footpath rehabilitation work is primary planned for delivery now in the 2023-2024 financial year due to staff focus on emergency events. Transport and roading funding is approved across a triennial approach being 2021-2024.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Storm event emergency works following the July 2021 and the February 2022 floods resulted in significant variances in comparison to the 2021-2031 LTP.

Subsidies and grants for operating purposes and capital expenditure

Subsidies and grants for operating purposes were \$389,000 more than budgeted in the 2021 – 2031 LTP as a result of increased spending in subsidised roading operations outlined below.

Subsidies and grants for capital expenditure were \$2,587,000 less than allocated in the 2021 – 2031 LTP in line with capital expenditure being down on budget.

The three-year roading budget is available for the next financial year.

Payments to staff and suppliers

Payments to staff and suppliers were \$416,000 greater than budgeted for in the LTP as a result of pavement maintenance and routine drainage maintenance being greater than budget, offset by lower than budgeted activity management planning and footpath maintenance.

TRANSPORT

Links to community outcomes

SOCIAL
<ul style="list-style-type: none"> ✓ By providing a safe footpath system. ✓ By promoting cycleways and walkways, signs and wayfinding and parking infrastructure.
ENVIRONMENT
<ul style="list-style-type: none"> ✓ By helping reduce energy consumption in our community. ✓ By creating relationships within the community that contribute to the overall beautification of our transport spaces and ensure that mobility issues are addressed for all stakeholders.
PROSPERITY
<ul style="list-style-type: none"> ✓ Make information easily available about Council, its functions, and services. ✓ Recognise and support education excellence and opportunity in the district. ✓ Provide essential services to residents and businesses to support a healthy environment. ✓ Develop policies and implement practices that enhance our environmental sustainability and natural diversity. ✓ Ensure appropriate management and promotion of the district's natural and physical resources.

What do we do?

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

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

Urban development is undertaken to create a more pleasant environment for our communities through plantings, street treatment and decorative measures. This includes the beautification of main streets through street flags and hanging floral baskets.

Why are we involved in this activity?

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

Statement of Service Performance

Council is maintaining 85.444 km of footpaths for the community. Waka Kotahi funding assistance for footpath maintenance and renewals is 72% for 2022/2023. Strategic investment in footpath maintenance and renewals is guided by a Pedestrian Access Mobility Plan.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

No variance

Significant capital expenditure

- \$229,000 (lighting and street development are progressively renewed and improved over the 10-years of the LTP)

Key Performance Indicators

What we plan to do and our levels of service

Roads and transport

Activity contribution Roads, footpaths, and transport links help to achieve an integrated, safe, responsive, and sustainable land transport system.

Community outcomes Social, affordability and prosperity

Level of service	Performance measures 2021-2024	Performance outcomes
No change or reduction in the safety quality of the road network from the previous financial year in the number of fatalities and serious crashes.	<p>Mandatory Performance Measure 1:</p> <p>No change or reduction in the safety quality of the roading network from the previous financial year.</p>	<p>2022-23</p> <p>The number of fatalities on district roads in the previous year and in this reporting year was zero.</p> <p>The number of serious injury crashes on district roads in the previous year was one and in this reporting year was four.</p> <p>The target of no change or reduction has not been met (0 fatal and 4 serious accidents)</p>
		<p>2021-22</p> <p>The number of fatalities on district roads in the previous year and in this reporting year was zero.</p> <p>The number of serious injury crashes on district roads in the previous year was three and in this reporting year was one.</p> <p>The target of no change or reduction has been met (0 fatal and 1 serious accident)</p>
The sealed and unsealed roads are fit-for-purpose and provide for comfortable, efficient, and safe travel.	<p>Mandatory Performance Measure 2:</p> <p>STE is greater than 90% STE performance per km of road roughness.</p>	<p>2022-23</p> <p>STE was 87% per km of road roughness (measured in March 2022).</p> <p>Difference between results previously measured can reflect a margin of error.</p> <p>Low results reflect the low requirement for road pavement rehabilitation work.</p>
		<p>2021-22</p> <ul style="list-style-type: none"> • STE was 89% per km of road roughness. • The ten-year average for sealed local road that is resurfaced was 4.6% per annum based on network length. • Unsealed network surfacing renewal annual quantity was 968 cubic meters. <p>STE is measured every two years so this years value duplicates the last recorded results.</p> <p>Current result would be expected to be lower given substantial level of damage caused by successive extreme weather events.</p>

Smooth Travel Exposure (STE) - system scoring count) is measured on our sealed road network.	The ten-year average for sealed local road that is resurfaced is greater than 5.8% per annum based on network length.	2022-23 5.83%. Reseal program for the three years funding cycle were combined into two years of delivery. No reseals planned for 23/24.	✓
		2021-22 Reseal program for the three years funding cycle were combined into two years of delivery.	✗
Sealed and unsealed roading network is being maintained.	Unsealed network surfacing renewal annual target of greater than 2,500m ³ .	2022-23 3,906m ³ placed in 2022/23. A similar amount is scheduled for 2023/24.	✓
		2021-22 6.8% of the roading network was worked on this year. Previous low years reduce the average down. Network surfacing of unsealed roads was reduced as contractor faced issues with supply of crushing plant.	✗
Footpaths are fit-for-purpose and provide for comfortable and efficient travel.	Mandatory Performance Measure 3: Continue to achieve 75% of district footpaths ranked as grade 1 and 2 (satisfactory).	2022-23 Last footpath survey completed in 2020/21. 64% of district footpaths were ranked as grade 1 and 2 (satisfactory).	✗
		2021-22 64% of district footpaths were ranked as grade 1 and 2 (satisfactory).	✗
Footpaths are maintained within the level of service standard for the condition of footpath.	Continue to achieve 95% of district footpaths ranked as grade 1 through to 3 (satisfactory – fair).	2022-23 Last footpath survey completed in 2020/21. 89% of district footpaths were ranked as grade 1 through to 3 (satisfactory – fair).	✗
		2021-22 89% of district footpaths were ranked as grade 1 through to 3 (satisfactory – fair). Change in measuring team and methodology resulted in a step change in results compared to last year.	✗
Responsive to, and focus on, the customer. Ensure that customers' service requests relating to road and footpaths are acknowledged and placed into the forward works programme (as appropriate in relation to priority).	Mandatory Performance Measure 4: Service requests are managed through the service request systems and 85% of requests are planned for action, in line with level of service criticality, within 15 working days.	2022-23 37% of requests were planned for action within 15 working days. System limitations mean this cannot be measured accurately and it is expected that actual performance was better than this.	✗
		2021-22 55% of requests were planned for action, in line with level of service criticality, within 15 working days. Significant increase in request numbers. Roading and transport activity impacted significantly by extreme weather events.	✗

Funding Impact Statement for Roading and Transport

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	2,197	2,262	2,132
Targeted rates	0	0	0
Subsidies and grants for operating purposes	2,849	2,989	3,378
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
receipts	157	162	118
Total operating funding	A	5,203	5,413
Applications of operating funding			
Payments to staff and suppliers	3,301	3,568	3,984
Finance costs	3	9	12
Internal charges and overheads applied	1,068	1,122	1,023
Other operating funding applications	0	0	0
Total applications of operating funding	B	4,372	4,699
Surplus/ (deficit) of operating funding	A-B	831	714
Sources of capital funding			
Subsidies and grants for capital expenditure	4,974	4,844	2,257
Development and financial contributions	0	0	0
Increase/(decrease) in debt	254	256	93
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	5,228	5,100
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	2,180	2,248	316
- to replace existing assets	3,879	3,566	2,826
Increase/ (decrease) in reserves	0	0	(183)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	6,059	5,814
Surplus/ (deficit) of capital funding	C-D	(831)	(714)
Funding balance	((A-B)+(C-D))	0	0

Core Asset Disclosures	2022				2023			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Roads and Footpaths	294,163	1,418	0	421,073	292,029	2,913	266	423,594
Total	294,163	1,418	0	421,073	292,029	2,913	266	423,594

Water Supplies

Links to community outcomes

SOCIAL

- ✓ By providing reticulated water supply to support a healthy community.
- ✓ By providing water for sanitary services.
- ✓ By maintaining sufficient water for firefighting purposes.

AFFORDABILITY

- ✓ By meeting commercial and community needs at an affordable cost with equal access to water.

ENVIRONMENT

- ✓ By conserving water and encouraging others to do the same.

What do we do?

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

Why are we involved in this activity?

Water is an essential need for individuals and commercial operations. Healthy water provides for healthy communities. Council provides sufficient quantities of potable water for domestic and commercial needs and public amenities. Council water management is required under a number of legal statutes.

Assumptions

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

There will be no major infrastructure failures. New legislation around the Water Services Entities has put in place Taumata Arowai as the new regulator for drinking water and will look to establish 10 water services entities across New Zealand to manage New Zealand's waters assets. Significant future capital funding required to bring Buller waters services to standard will be available through the new Entities funding mechanisms. If this was not to materialise there would need to be consultation with the community and the decision to upgrade or not would be based on local affordability.

Statement of service performance

Westport water supply

The new trunk main has been partially completed and was commissioned in December 2022. This provided a trunk main from the Westport water treatment plant to Scott's Bridge on Stephens Road.

Waimangaroa drinking water supply

The Waimangaroa water supply trunk main has been renewed and the upgrade of the water intake is almost finished, scheduled for completion early in 2023/2024 financial year.

Reefton water supply

Reefton water upgrade continued with chlorination of the water supply which was completed in June 2023. The mains replacement programme which started in 2022/2023 and will be carried out over into the next financial year. Reefton water supply had some backflow prevention devices added to ensure a risk-based approach to backflow prevention.

Punakaiki water supply

Upgrades to the Punakaiki Township treater water reservoir has been installed to effectively manage water in Punakaiki. Through the Greater Punakaiki Master Plan, various long-term water supply alternatives have been identified and evaluated. The business case and funding models along with the cost impacts have been pitched in a business case to central government, without a result to date. Public Works Act land acquisition process for the Punakaiki water supply intake weir remains ongoing.

Levels of service

The overall corporate goals and legislative requirements have been translated into several more specific target performance standards. These are summarised below:

- To ensure that all supplies have sufficient water at the source, and within the system, to meet the reasonable needs of the consumers.
- To ensure that connections are provided with adequate water pressure under normal use.
- To ensure that fire hydrants provide an adequate firefighting supply.
- To ensure the quality of the water supplies meet the expectations of each community and all legal requirements.
- To maintain the service to the consumer with a minimum of disruption and inconvenience.
- To minimize the quantity of unaccounted water.
- To ensure that supplies are managed in a cost-effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.
- The corresponding levels of service established as a means of achieving the performance standards, as set out above.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Targeted rates

These exceeded the budgeted amount in the 2021 – 2031 LTP by \$381,000 as the rates struck for the 2022-2023 Annual Plan were higher due to factors such as higher interest rates and inflation rates.

Payments to staff and suppliers

These exceeded the budgeted amount in the 2021 – 2031 LTP by \$501,000 as Council renegotiated its contracts with its main sub-contractor Westreef with the new contract rates starting from January 2023.

Finance costs

These exceeded the budgeted amount in the 2021 – 2031 LTP by \$311,000 as interest rates on floating debt were much higher than forecast in the LTP.

Increase/(decrease) in debt

These were \$535,000 higher than budgeted in the 2021 – 2031 LTP, due to loans raised to fund the Reefton Water Supply Chlorination approved as part of the 2022-2023 Annual Plan not being in the 2021-2031 LTP.

Significant capital expenditure

Council spent \$1,278,000 more than budgeted to improve the level of service for water supplies and \$674,000 more on replacing existing assets. The additional expenditure related to work not budgeted in the 2021 – 2031 LTP and included work on the Waimangaroa trunk main, Westport trunk main and chlorination of the Reefton water supply.

Key Performance Indicators

What we plan to do and our levels of service

Provide an adequate quality of water

Activity contribution Safe drinking water supports the health of our community.

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
Council water supplies conform to part 4 and part 5 of the Drinking Water Standards.	Mandatory Performance Measure 1: Full compliance (100%) with part 4 (bacteria compliance criteria).	2022-23 Not met for all supplies: 7 out of 9 supplies have not met bacterial compliance. Refer to Table 2 for each Water Supply on page 51 .
		2021-22 Not met for all supplies. Refer to Table 2 for each Water Supply on page 51 .
	Full compliance (100%) with part 5 (protozoa compliance criteria).	2022-23 Not met for all supplies: 6 out of 9 supplies have not met protozoa compliance. Refer to Table 1 for each Water Supply on page 51 .
		2021-22 Not met for any supplies. Refer to Table 1 for each Water Supply on page 51 .

Provide a reliable supply of water

Activity contribution A reliable supply of water is provided through a maintained network.

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes	
No more than a 30% real water loss from the networked reticulation system.	Mandatory Performance Measure 2: No more than 30% water loss from the reticulation system.	2022-23 Not met for all supplies. Refer to Table 3 for each Water Supply on page 52.	
		2021-22 Not met for all supplies. Refer to Table 3 for each Water Supply on page 52.	

Provide a reliable supply of water – demand management

Activity contribution Demand on the water supply is managed through a maintained network.

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes	
Meet the average consumption of drinking water per day per resident within the Buller District.	Mandatory Performance Measure 3: 700 litres per resident per day.	2022-23 The average consumption per day per resident across 5 water supplies was not able to be measured due to their being no flow meter.	
		2021-22 The average consumption per day per resident across all water supplies is not able to be measured. Refer to Table 4 which shows the consumption for each individual supply if it was able to be measured.	

Provide an acceptable supply of water – customer satisfaction

Activity contribution An acceptable supply of water is provided through a maintained network to communities

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes	
<p>Stated performance delivery of the supply does not exceed the total complaints received target on the following aspects of the drinking water:</p> <ul style="list-style-type: none"> • Clarity • Taste • Odour • Pressure or flow • Continuity of supply 	<p>Mandatory Performance Measure 4:</p> <p>Less than 5 valid complaints per 1,000 connections for these measures.</p>	<p>2022-23</p> <p>Clarity: 12 complaints. 3.13 complaints per 1,000 connections (achieved).</p> <p>Taste: 1 complaint. 0.26 complaints per 1,000 connections (achieved).</p> <p>Odour: 2 complaints. 0.52 complaints per 1,000 connections (achieved).</p> <p>Pressure: 23 complaints. 6 complaints per 1,000 connections (not achieved).</p> <p>Continuity of supply: 30 complaints. 7.82 complaints per 1,000 connections (not achieved).</p>	◀
		<p>2021-22</p> <p>Clarity: 9 complaints. 2.35 complaints per 1,000 connections.</p> <p>Taste: 5 complaints. 1.31 complaints per 1,000 connections.</p> <p>Odour: 1 complained. 0.26 complaints per 1,000 connections.</p> <p>Pressure: 21 complaints. 5.50 complaints per 1,000 connections.</p> <p>Continuity of supply: 34 complaints. 8.91 complaints per 1,000 connections.</p> <p>Council response to any of these issues: 0 complaints. 0 complaints per 1,000 connections.</p>	◀

Provide a reliable supply of water - fault response times

Activity contribution A reliable supply of water is provided through a maintained network.

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
Response to network outages, faults and unplanned interruptions are measured.	<p>Mandatory Performance</p> <p>Measure 5:</p> <p>Attendance for urgent call-outs: from the time Council receives notification to the time that service personnel reach the site is to be two hours at the most.</p> <p>Resolution of urgent call-outs: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be eight hours at the most.</p> <p>Attendance for non-urgent call-outs: from the time Council receives notification to the time that service personnel reach the site is to be one working day at the most.</p> <p>Resolution of non-urgent call-outs: from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption is to be five working days at the most.</p>	<p>2022-23</p> <p>Urgent Call-Outs</p> <p>There were 12 urgent requests.</p> <p><u>Attendance:</u></p> <ul style="list-style-type: none"> • 2 were attended to within two hours • 10 were attended late. <p><u>Resolution:</u></p> <ul style="list-style-type: none"> • 5 were resolved to within eight hours • 7 were resolved late. <p><u>Additional notes:</u></p> <ul style="list-style-type: none"> • The median attendance time was seven days. • 8 involved rural or community supplies where eight hours rectification is often impractical. <p>Non-Urgent Call-Outs</p> <p>There were 493 non-urgent requests.</p> <p><u>Attendance:</u></p> <ul style="list-style-type: none"> • 139 were attended to within 24 hours <p><u>Resolution:</u></p> <ul style="list-style-type: none"> • 341 were resolved within 72 hours • 35 were resolved within seven days • 28 were resolved within 14 days • 41 were resolved in more than 28+ days • The longest resolution was 173 days.
		<p>2021-22</p> <p>There were 37 urgent requests, 21 were attended to within two hours, and 16 were attended late. The median attendance time was 50 minutes.</p> <p>There were 37 urgent requests, 30 were resolved to within two hours, and seven were resolved late. The median attendance time was 86 minutes.</p> <ul style="list-style-type: none"> • There were 610 non-urgent requests • 188 were attended to within one day • 72 were attended to within one - two days • 72 were attended to within two - four days • 22 were attended to within four - five days • 256 were attended to in more than five+ days

Table 1: Drinking Water Standard NZ Compliance

Water Supply (plant compliance)	Population (WINZ)	Bacterial Compliance			Protozoal Compliance (%)			Comments on Performance Outcome
		2021/22 Performance	Performance Outcome (2022-23) Bacterial Compliance	Target	2021/22 Performance	Performance Outcome (2022-23) Protozoa Compliance	Target	
South Granity Tank Supply (administered by Council)	30	No*	No*	No	No*	No*	No	No treatment (non-BDC managed)
Hector/Ngakawau (administered by Council)	219	No*	No*	No	No*	No*	No	No treatment (non-BDC managed)
Inangahua Junction	70	Yes	No	Yes	No***	Yes	Yes	Bacterial Compliance: 2 out of 26 samples are non-compliant (Total Coliform detected) Protozoa Compliant
Little Wanganui	150	No*	No*	No	No*	No*	No	No treatment
Mokihinui	100	No*	No*	No	No*	No*	No	No treatment
Punakaiki	230	No****	No	Yes	No****	No	Yes	Bacterial Compliance: 2 out of 32 samples are non-compliant (Total Coliform detected) Protozoa Compliance: 6 out of 363 days, UV operation is non-compliant, 2 days have no data.
Reefton	951	No****	Yes	Yes	No****	Yes	Yes	Bacterial Compliant. Protozoa Compliant.
Waimangaroa	300	No*	No*	No	No*	No*	No	No treatment
Westport (including Carters Beach)	4,974	No****	Yes	Yes	No***	Yes	Yes	Bacterial Compliant. Protozoa Compliant.

Table 1: Drinking Water Standard NZ compliance

* No treatment plant to enable compliance

** E Coli detection in supply

*** Data collection and reporting errors

**** Insufficient sampling, non-compliance of certain parameters

Table 2: Drinking Water Standard NZ Compliance

Water Supply (zone compliance)	Population (WINZ)	Bacterial Compliance			Target	Comments on Performance Outcome
		2021/22 Performance	Performance Outcome (2022-23) Bacterial Compliance			
South Granity Tank Supply (administered by Council)	30	No*	No*	No	No	No treatment in place, not attempting compliance
Hector/Ngakawau (administered by Council)	219	No*	No*	No	No	No treatment in place, not attempting compliance
Inangahua Junction	70	Yes	No	Yes		11 out of 45 samples are non-compliant. (Total Coliform was detected in July 2022, November 2022 and January 2023. Resampling was carried out)
Little Wanganui	150	No*	No*	No	No	No treatment in place, not attempting compliance
Mokihinui	100	No*	No*	No	No	No treatment in place, not attempting compliance
Punakaiki	230	Yes	No**	Yes		15 out of 66 samples are non-compliant. (E.coli detected in Feb 2023, daily sampling was carried out until non detected. Total Coliform detected in 15 samples)
Reefton	951	Yes**	Yes	Yes	Yes	Complied
Waimangaroa	300	No*	No**	No	No	No treatment in place, not attempting compliance
Westport	4617	Yes	Yes	Yes	Yes	Complied
Carters Beach	357	Yes	Yes	Yes	Yes	Complied

Table 2: Drinking Water Standard NZ Compliance

* No treatment plant to enable compliance

** E Coli detection in supply

Table 3: Water Leakage

Water Supply	Connections	2021/22 Performance	Performance Outcome (2022-23)	Target	Method	Comments on Performance Outcome
South Granity Tank Supply (administered by Council)	22	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	No Flow Meter
Hector/Ngakawau	174	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	No Flow Meter
Inangahua Junction	32	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	High flows, but no understanding of normal water usage patterns.
Little Wanganui	64	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	No Flow Meter
Mokihinui	47	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	No Flow Meter
Punakaiki	94	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	High flows, but no understanding of normal water usage patterns.
Reefton	677	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	High flows, but no understanding of normal water usage patterns.
Waimangaroa	140	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	No Flow Meter
Westport	2,801	2021/2022 : not measured (2020/2021: not measured).	N/A	30%	MNF	High flows, but no understanding of normal water usage patterns.

Table 3: Water leakage

MNF means Minimum Night Flow

Water leakage is not measured in some supplies as those supplies have no treatment plant therefore there is not way of determining leakage

Table 4: Water Use

Water Supply	Connections	Performance Outcome (2021-22)	Performance Outcome (2022-23)	Target
South Granity Tank Supply (administered by Council)	22	UTM - no flow meter	UTM - no flow meter	less than 700 l/p/day
Hector/Ngakawau (administered by Council)	174	UTM - no flow meter	UTM - no flow meter	less than 700 l/p/day
Inangahua Junction	32	340 L/person/day UTM - no flow meter	459 L/person/day UTM - no flow meter	less than 700 l/p/day
Little Wanganui	64	UTM - no flow meter	UTM - no flow meter	less than 700 l/p/day
Mokihinui	47	UTM - no flow meter	UTM - no flow meter	less than 700 l/p/day
Punakaiki	94	UTM - no flow meter	277 L/person/day	less than 700 l/p/day
Reefton	677	1090 L/person/day UTM - no flow meter	1115 L/person/day UTM - no flow meter	less than 700 l/p/day
Waimangaroa	140	UTM - no flow meter	UTM - no flow meter	less than 700 l/p/day
Westport	2,801	UTM - no flow meter	821 L/person/day	less than 700 l/p/day

Table 4 Water Consumption

Previously not measured per Water Supply

UTM means unable to measure

Water consumption is not measured in some supplies as those supplies have no treatment plant therefore there is no way of determining water use.

Funding Impact Statement for Water Supplies

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	3,137	3,279	3,660
Subsidies and grants for operating purposes	0	0	0
Fees and charges	232	235	169
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	0
Total operating funding	A	3,369	3,514
			3,829
Applications of operating funding			
Payments to staff and suppliers	1,429	1,404	1,905
Finance costs	353	350	661
Internal charges and overheads applied	489	526	527
Other operating funding applications	0	0	0
Total applications of operating funding	B	2,271	2,280
			3,093
Surplus/ (deficit) of operating funding	A-B	1,098	1,234
			736
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	21
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(108)	(177)	358
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	(108)	(177)
			379
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	275	370	1,648
- to replace existing assets	823	867	1,541
Increase/ (decrease) in reserves	(108)	(180)	(2,074)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	990	1,057
			1,115
Surplus/ (deficit) of capital funding	C-D	(1,098)	(1,234)
			(736)
Funding balance	((A-B)+(C-D))	0	0
			0

Core Asset Disclosures	2022				2023			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Treatment Plant and Facilities	11,052	594	0	17,487	11,052	390	0	17,383
Other Assets	30,102	2,163	0	54,079	38,803	9,409	0	52,938
Total	41,155	2,758	0	71,566	49,855	9,800	0	70,321

Wastewater/Sewerage

Links to community outcomes

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

What do we do?

Council provides these activities to support the health and well-being of the community and the environment.

Council currently is responsible for the collection and transportation of wastewater from residential and commercial properties in Westport, Little Wanganui and Reefton through the underground piping infrastructure and treatment facilities. The rest of the district is serviced by on-site disposal systems that property owners maintain.

Statement of Service Performance

Monitoring and reporting of the wastewater treatment plants have been undertaken in accordance with the resource consents.

Disposal of product generated at the wastewater treatment plants are being appropriately managed. Council continues to work with West Coast Regional Council and Ngāti Waewae on Westport waste water management, including resource consenting.

The sewer and stormwater system modelling, and separation are continuing. This work assesses the level of stormwater infiltration into the network and allows for planning to reduce the amount of stormwater entering it, therefore improving capacity across the network.

Levels of service

The overall corporate goals and legislative requirements have been translated into several more specific target performance standards:

- To maintain the systems so that there are no significant blockages.
- To maintain the service to the consumer with a minimum of disruption and inconvenience to the public.
- To ensure that services are managed in a cost-effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Payments to staff and suppliers

These exceeded the budgeted amount in the 2021 – 2031 LTP by \$41,000.

Routine maintenance exceeded the budgeted amount in the 2021-2031 LTP by \$346,000 as Council renegotiated its contracts with its main sub-contractor Westreef with the new contract rates starting from January 2023.

This increased spend was offset by savings in other operating expenditure.

Significant capital expenditure

Council approved as part of the 2022-2023 Annual Plan additional capital expenditure for service level improvements relating to the reconsenting and upgrading of infrastructure for the Westport Wastewater treatment plant totalling \$2,240,000 of which \$465,000 was spent in 2022-2023. Most of the expenditure related to making improvements to the network pumps station and lodging replacement consents for the pump stations.

Mains replacements programmed for Westport in the 2021-2031 LTP were not completed during the financial year resulting in spending on asset renewals to be down \$237,000 on budget.

Significant projects included:

- Installation of Buller River pumpstation overflow valves have significantly reduced the amount of river water backflowing into the wastewater network.
- Telemetry and flow monitoring equipment has been installed at the Reefton wastewater treatment plant.

Significant Issues

Stormwater entering the wastewater system due to faults and combined system and residential discharge continues to present challenges to the operation of the networks both in Westport and Reefton.

The re-consenting of pump station overflow discharge to the Buller Kawatiri River from riverside pump stations is ongoing.

Key Performance Indicators

What we plan to do and our levels of service

Provide adequate wastewater and sewerage systems

Activity contribution Wastewater and sewerage systems contribute to maintaining public health.

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes	
Wastewater and sewerage systems provide adequate capacity in relation to dry weather overflows.	Mandatory performance measure 1: Less than five sewerage overflows per 1,000 connections.	2022-23 • The number of dry weather overflows per 1,000 connections was 1.89 • Total overflows was 6 • Total connections was 3,182	✓
		2021-22 • The number of dry weather overflows per 1,000 connections was 0.62 • Total overflows was 2 • Total connections was 3,182	✓

Wastewater and sewerage discharge compliance

Activity contribution Provision of wastewater and sewerage collection and disposal systems that contribute to ensuring minimal environmental impact.

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes	
Wastewater and sewerage systems are managed within resource consent parameters, with less than five abatement notices and no infringement notices, enforcement orders and convictions in relations to those resource consents.	Mandatory performance measure 2: • Less than five abatement notices • 0 infringement notices • 0 enforcement orders • No convictions	2022-23 • 0 abatement notices • 0 infringement notices • 0 enforcement orders • 0 convictions received	✓
		2021-22 • 0 abatement notices • 0 infringement notices • 0 enforcement orders • 0 convictions received	✓

Provide reliable wastewater and sewerage systems – fault response time

Activity contribution Fault response provides a reliable wastewater and sewerage collection and disposal systems

Community outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
Response to network overflows resulting from a blockage or other fault in the system.	<p>Mandatory performance measure 3:</p> <p>Attendance time: from the time Council receives notification to the time that service personnel reach the site is to be two hours at the most.</p> <p>Resolution time: from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault is to be one working day at the most.</p>	<p>2022-23</p> <p>Total number of overflows were 10.</p> <p><u>Attendance times:</u></p> <ul style="list-style-type: none"> • 8 less than 2 hours. • 2 between 2 to 4 hours. • Average time less than 2 hours. <p><u>Resolution times:</u></p> <ul style="list-style-type: none"> • 3 less than 2 hours. • 6 between 2 to 4 hours. • 1 between 4 to 24 hours. • None exceeded the time allowed.
		<p>2021-22</p> <p>Average attendance time was less than 2 hours.</p> <p>Average resolution time was less than one working day.</p> <ul style="list-style-type: none"> • Total number of overflows were 14 • Wet weather overflows was 10 • Overflows during flood events was 2 • Dry weather overflow was 2 <p>There were likely to have been multiple unrecorded overflow events during the two floods..</p>

Provide acceptable wastewater and sewerage systems – customer satisfaction

Activity contribution An acceptable wastewater and sewerage collection and disposal system is maintained.

Community outcomes Social, affordability, prosperity, and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
<p>Stated performance delivery of the system does not exceed the total complaints received target on the following aspects of the sewerage and wastewater system:</p> <ul style="list-style-type: none"> • Odour • System faults • System blockages • Council response to any of these issues 	<p>Mandatory performance measure 4:</p> <p>Less than five complaints per 1,000 connections for each of these measures.</p>	<p>2022-23</p> <p>a) sewerage odour 2 complaints (0.63 per 1,000) - achieved</p> <p>b) sewerage system faults 5 (1.57 per 1,000) - achieved</p> <p>c) sewerage system blockages 6 (1.89 per 1,000) - achieved</p> <p>d) Council has received no complaints about its response to issues with its sewerage system (0 per 1,000) - achieved</p>

		2021-22 Achieved 2 of 4 a) sewerage odour 5 complaints - not achieved b) sewerage system faults 0 - achieved c) sewerage system blockages 3.14 not achieved d) Council's response to issues with its sewerage system expressed per 1,000 properties connected to Council's sewerage system 0 – achieved.	<
--	--	---	---

Funding Impact Statement for Wastewater/Sewerage

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	2,717	2,753	2,912
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	5	6	39
Total operating funding	A	2,722	2,759
Applications of operating funding			
Payments to staff and suppliers	1,107	1,264	1,305
Finance costs	84	73	99
Internal charges and overheads applied	381	414	405
Other operating funding applications	0	0	0
Total applications of operating funding	B	1,572	1,751
Surplus/ (deficit) of operating funding	A-B	1,150	1,008
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(393)	(403)	(393)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	(393)	(403)
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	153	606
- to replace existing assets	932	762	525
Increase/ (decrease) in reserves	(175)	(310)	(382)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	757	605
Surplus/ (deficit) of capital funding	C-D	(1,150)	(1,008)
Funding balance	((A-B)+(C-D))	0	0

Core Asset Disclosures	2022				2023			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Treatment Plant and Facilities	13,577	428	0	24,471	13,415	382	0	24,281
Other Assets	16,597	63	0	34,555	17,748	1,610	0	33,728
Total	30,175	491	0	59,026	31,163	1,992	0	58,009

Stormwater

Links to community outcomes

SOCIAL
<ul style="list-style-type: none"> ✓ By providing stormwater systems reduces the risk of death or injury resulting from flooding on private property.
AFFORDABILITY
<ul style="list-style-type: none"> ✓ The service is deemed to provide a public benefit, through the protection of property.
ENVIRONMENT
<ul style="list-style-type: none"> ✓ The adverse environmental effects of stormwater runoff and disposal can be addressed with appropriate management.

What do we do?

Council's stormwater management involves overseeing certain procedures and maintaining infrastructure that are designed to manage the disposal of surface water from rainfall.

Council manages open drain stormwater systems in Hector, Ngakawau, Granity, Waimangaroa, Westport, Carters Beach and Reefton. In addition, Westport and Waimangaroa have piped stormwater systems.

Sections of the Westport wastewater system and the entire Reefton wastewater system also accepts stormwater.

In Punakaiki, the only public stormwater drain is maintained by Waka Kotahi – New Zealand Transport Agency as part of their roading network. In other townships, such as Mokihinui and Little Wanganui, there are no formal stormwater systems and all stormwater simply soaks to the ground naturally.

Why are we involved in this activity?

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

How do we contribute to strategic goals and community outcomes

The most significant outcome supported by a working stormwater system is a healthy community. Uncontrolled stormwater runoff can be destructive and represent an immediate risk to life. A fit for purpose stormwater system minimises stormwater damage and protects the environment. This contributes to the prosperity and sustainability of communities in Buller.

Statement of service performance

In the year being reviewed, storms continued to test the districts stormwater systems. This resulted in some storm events exceeding the primary network capacity and saw storm water systems not able to cope without additional pumping. The community remains with a heightened level of sensitivity to significant rainfall events that continue to test the storm water system.

Flood damage fault repair across the network has continued in partnership with NEMA.

Modelling of the stormwater system will determine areas of the reticulation where additional stormwater works will be required. This project has commenced and will inform future planning and replacements investment programmes.

Our district wide management of stormwater includes scheduled maintenance for open drains and other rural networks.

Levels of service

The overall corporate goals and legislative requirements have been translated into several more specific target performance standards:

- Ensure that all stormwater systems have sufficient capacity to meet the reasonable needs of the consumers.
- Ensure that stormwater within urbanized areas does not contribute to cross boundary flooding for events up to 10% Annual Exceedance Probability (1 in 10-year event).
- Ensure that stormwater within urbanized areas does not enter dwellings for events up to 2% Annual Exceedance Probability (1 in 50-year event).
- Ensure that secondary flow paths are identified for events exceeding the capacity of the primary systems.
- Ensure that stormwater systems are maintained at or beyond the minimum capacity required.
- Ensure that stormwater systems are managed in a cost-effective manner.
- Ensure that stormwater discharges are managed in an environmentally sensitive manner.

Council has committed to detailed modelling investigations for Westport and Reefton townships to quantify what the capacity of the existing primary and secondary systems are.

The model is expected to indicate significant costs remain associated with upgrading the capacity. Council's investment priority is to ensure that new storm water systems meet demand, recognizing that additional funding will be required to retrospectively size and improve existing stormwater networks to meet future flow challenges.

Site specific investigations are undertaken when the existing capacity is not considered acceptable to the individual community. Pragmatic upgrade options are considered based on risk and benefit/cost.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Payments to staff and suppliers

These exceeded the budgeted amount in the 2021 – 2031 LTP by \$144,000 as Council renegotiated its contracts with its main sub-contractor Westreef with the new contract rates starting from January 2023.

Significant capital expenditure

Significant projects:

- A high-volume mobile pump was purchased, this aids response in reducing the risks of localised flooding which in turn could damage properties. Fire Emergency New Zealand (FENZ) also utilised this pump to further supplements their own capacity during very significant rainfall events.
- Stormwater main replacement in Southern Domett Street was completed reducing the risk of localised flooding.
- Stormwater capacity improvement have been made in Roebuck Street.

Significant Issues

There remains ongoing risk with insufficient stormwater capacity in southern Peel Street, the situation is now studied and understood leading to a range of optioneering for the appropriate solution. Other areas prone to surface flooding generally have more complex issues and are to be assessed as part of model analysis.

Key Performance Indicators

What we plan to do and our levels of service

Provide adequate stormwater drainage capacity

Activity contribution Stormwater systems contribute to maintaining public safety

Community Outcomes Social, affordability, prosperity and environment

Level of service	Performance measures 2021-2024	Performance outcomes
The number of flooding events in the stormwater systems are managed to a target level of service set in the performance measure	<p>Mandatory Performance</p> <p>Measure 1:</p> <p>No target has been set for the number of flooding events as it is deemed that flooding events are outside of Council control.</p> <p>For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected Councils stormwater system) is not more than five houses flooded for each event.</p>	<p>2022-23</p> <p>Achieved. There were zero dwellings affected by stormwater.</p> <p>2021-22</p> <p>The number of flood events where one or more habitable floors were affected was 484.</p> <p>The July 2021 flooding event was significant and it was not possible to meet the measure due to the nature of the flood.</p> <p>July 2021 Flooding Event</p> <ul style="list-style-type: none"> • Red stickered properties: 71 homes • Yellow stickered properties: 388 homes • Total properties affected: 459 homes <p>Feb 2022 Flooding Event</p> <ul style="list-style-type: none"> • Red stickered properties: 4 homes • Yellow stickered properties; 21 homes • Total properties affected: 25 homes <p>For each event the number of habitable floors affected per 1000 properties was as follows:</p> <ul style="list-style-type: none"> • July 2021: 144.24 • February 2022: 7.85 <p>There was one service request for floods outside July and February events The flood events the magnitudes were:</p> <ul style="list-style-type: none"> • July 2021: 1 in 60-years (1.67% Annual Exceedance Probability (AEP)) • February 2022 (two events): 1 in 14.5 years (6.9% AEP) for the worst event. • July 2021 event - maximum flow in Buller River was 8,900 cubic metres per second.

Stormwater environmental discharge compliance

Activity contribution Provision of stormwater collection and disposal systems that contribute to ensuring minimal environmental impact through its discharge.

Community Outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
<p>Stormwater systems are managed within resource consent parameters, with no abatement notices, infringement notices, enforcement orders, or convictions in relation to those resource consents.</p>	<p>Mandatory Performance Measure 2:</p> <ul style="list-style-type: none"> • 0 abatement notices. • 0 infringement notices. • 0 enforcement orders. • No convictions received 	<p>2022-23</p> <ul style="list-style-type: none"> • 0 abatement notices. • 0 infringement notices. • 0 enforcement orders. • 0 No convictions received.
		<p>2021-22</p> <ul style="list-style-type: none"> • 0 abatement notices. • 0 infringement notices. • 0 enforcement orders. • 0 No convictions received.

Provide reliable storm water systems – fault response time

Activity contribution Fault response provides a reliable stormwater collection and disposal systems.

Community Outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
<p>Response to flooding overflows resulting from a blockage or other fault in the system.</p>	<p>Mandatory Performance Measure 3:</p> <p>The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site is to be one hour at the most.</p>	<p>2022-23</p> <p>Achieved. There were no flooding events affecting dwellings.</p>
		<p>2021-22</p> <p>There was one flooding instance outside the July 2021 and February 2022 floods.</p> <p>The median response time for this instance was one hour. There is no data for the median time for the houses flooded during the July 2021 and February 2022 floods.</p>

Provide acceptable stormwater systems – customer satisfaction

Activity contribution An acceptable stormwater system is maintained for communities.

Community Outcomes Social, affordability, prosperity and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
<p>Stated performance delivery of the system does not exceed the total complaints received about the performance of the stormwater system.</p>	<p>Mandatory Performance Measure 4:</p> <p>Less than 10 complaints per 1,000 connections.</p>	<p>2022-23</p> <p>Achieved. The number of complaints per 1,000 connections for the year was 5.6.</p>

		<p>Total number of complaints was eighteen.</p> <p>This is inclusive of roading related stormwater issues and some relating to Ex-Housing New Zealand areas.</p> <p>Southern Peel Street remains an area requiring improvement. Optioneering of solutions is currently in progress.</p>	
2021-22		<p>The number of complaints per 1,000 connections for the year was 2.51.</p> <p>Total number of complaints was eight.</p>	<input checked="" type="checkbox"/>

Funding Impact Statement for Stormwater

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	612	769	823
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	5	5	(1)
Total operating funding	A	617	774
			822
Applications of operating funding			
Payments to staff and suppliers	190	184	328
Finance costs	10	9	8
Internal charges and overheads applied	175	175	235
Other operating funding applications	0	0	0
Total applications of operating funding	B	375	368
			571
Surplus/ (deficit) of operating funding	A-B	242	406
			251
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	5
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(42)	(43)	(36)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	(42)	(43)
			(31)
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	5	158	100
- to replace existing assets	195	205	195
Increase/ (decrease) in reserves	0	0	(75)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	200	363
			220
Surplus/ (deficit) of capital funding	C-D	(242)	(406)
			(251)
Funding balance	((A-B)+(C-D))	0	0
			0

Core Asset Disclosures	2022				2023			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Stormwater Drainage	13,328	17	0	29,473	13,872	852	48	29,071
Total	13,328	17	0	29,473	13,872	852	48	29,071

Solid Waste

Links to community outcomes

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

What do we do?

Council solid waste portfolio oversees the collection, transfer and final disposal of waste generated by households and businesses within the district.

Council contracts out the solid waste collection and recycling services to an environmentally sustainable contractor.

Council signed a 10-year contract with Smart Environmental Ltd to provide this service until 1 February 2024. This will be extended until June 2025. This includes the kerbside refuse and recycling collection, and disposal of residual refuse and recycling, the management of the transfer stations and the transportation of waste to a landfill. The contract will be re-tendered for the period 2025–2035. As part of this procurement process, further investigation will be undertaken with the other Coast Councils to see if we can manage a level of cross-district landfill management in a collaborative regional context. A round of public consultation will be undertaken around the community's preferred level of service.

Council also operates two active landfills and recycling centres at Karamea and Maruia. Central government policy is moving away from a reliance on landfilling for waste management, and towards making New Zealand a more carbon neutral, circular economy.

Council oversees the aftercare of Council's closed landfill sites (Hector, Birchfield, Westport, Charleston, Inangahua, Reefton, Springs Junction, Mawheraiti and Ikamatua) and monitors surface and groundwater quality at these sites as required under resource consent conditions.

Council also has a role to play in fostering residents' waste minimisation behaviours. This is taken care of through providing resources for education programmes in schools about sustainability and waste minimisation. Support is also provided to businesses to develop more sustainable practices.

Why are we involved in this activity?

Ensuring residents have access to kerbside collection for their household refuse and recycling, providing waste disposal options for rural communities and offering ways to divert materials from landfill, helps to maintain the quality of life in the district. These services combined with Council's waste education encourage waste minimisation through re-use, recycling and recovery. It also minimises illegal dumping of refuse.

Statement of Service Performance

Contracted approach to solid waste

Solid waste transported under contract to York Valley landfill in Nelson has returned to usual quantities following the spike increase in 2021-2022 due to the impact of the floods that damaged a large number of the district's homes and caused an influx in construction as part of the rebuild.

Council has continued to take care of the legacy landfills by undertaking surface water monitoring, visual inspections, and noxious plant control.

The Reefton Historic Landfill was scoured out as a result of the February 2022 flood event. The reinstatement of the landfill sidewall will be completed early 2023-2024 and is well on track for repair and betterment at the closure of this year in review. Council is considering a collaborative approach with the other two West Coast District Councils, Greymouth District Council and Westland District Councils, to develop a regional waste management and minimisation approach, with benefits including reduced operational costs and maximizing economies of scale, pooled resources and economies of scales.

Council has completed the first stage of the Westport and Reefton Transfer Station upgrade and maintenance project. This involved installing a new weighbridge, renewing the recycling storage shed roof, a new shelter over the Westport site office and new access gates installed at the Westport and Reefton Transfer Station. The second stage of the project will commence in 2023-2024.

Council has continued with education campaigns around recycling, reminding residents what can be recycled, as well as encouraging people to reduce and reuse waste through a district-wide campaign focusing on the messages of reduce reuse recycle.

Karamea and Maruia landfills

There is a very active solid waste community group in Karamea who work in conjunction with Council staff to optimize the use of the landfill and explore recycling opportunities. Karamea and Maruia landfills are operating in compliance with resource consent conditions and national regulations.

Council is developing the Karamea Landfill and Recycling Centre upgrade project. This involves installing a weighbridge, a site office and recycling centre. The planning stage is underway and the physical works will be undertaken in 2023-2024.

The Maruia Landfill reconsenting project is nearing completion, and the recycling facilities were installed in April 2023.

Central government grants

- Council received \$50,000 central government grant for the weighbridge in Karamea. This is half of the total \$100,000 secured with the remainder to be paid when the weighbridge is commissioned.
- \$900,000 is secured for a construction and demolition waste project business case for the West Coast. The project planning and feasibility study has been completed. Three construction and demolition recovery facilities will be designed, and construction is expected to take place in 2024-2025.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Targeted rates

The targeted rates for refuse were increased for the 2022-2023 Annual Plan to cover increased cost of operations across all three waste management zones.

Subsidies and grants for operating expenditure

These exceeded the budgeted amount in the 2021-2031 LTP by \$100,000 as Council secured \$78,000 from the Ministry for the Environment for the feasibility phase of the commercial and demolition waste project. Waste minimisation levies were \$22,000 higher than budget.

Payments to staff and suppliers

The kerbside collection and transfer station operations contract was higher than budgeted in the Long Term Plan.

Internal charges and overheads applied

These exceeded the budgeted amount in the 2021-2031 LTP by \$140,000 as internal charges for the infrastructure delivery teams time on these activities was greater than expected with the additional projects undertaken.

Significant capital expenditure

The capital expenditure for Karamea is more than budgeted in the Long Term Plan. This is because additional government funding was secured for the Karamea Landfill upgrade.

The Westport and Reefton Transfer Station upgrade was originally planned for 2021-2022 but the first stage was completed in 2022-2023.

Key Performance Indicators

What we plan to do and our levels of service

Solid waste

Activity contribution Council provides ethical, economical, and efficient waste management services, where the concepts of sustainability and social responsibility are equally valued alongside cost. Change behaviours regarding solid waste, leading to a decrease in the quantity of waste generated per person and divert solid waste from landfills.

Community outcomes Social, affordability, prosperity, environment and culture.

Level of service	Performance measures 2021-2024	Performance outcomes	
Provide landfill operations in Karamea, Maruia, and Springs Junction. Offer recycling services at Karamea landfill. Provide transfer station services in Westport and Reefton, as well material recovery facilities at Westport Transfer Station. Education activities to encourage waste reduction, reduce contamination in recycling material, and compliance regarding recycling rules.	100% compliance with regulations set in the Resource Management Act, resource consents and national environmental regulations. Undertake two community engagement events, and two community education events to encourage the reduction of waste generated and increase of diversion from landfill.	<p>2022-23</p> <p>There were no abatement notices, infringement notices, or enforcement orders and no convictions received. However, the resource consent conditions for the closed Westport and Birchfield landfills are not complying with the parameter established. Further investigation was undertaken with the outcome that an extra specialised investigation is required to determine the magnitude of the impact and define options for remediation.</p> <p>Recycling bin Audits Programme carried out during summer.</p> <p>Illegal dumping summer campaign carried out during summer.</p> <p>Solid waste management Website updated.</p> <p>E-waste Recovery Programme has been extended until March 2024.</p> <p>Enviroschool Programme continues in place with 6 schools involved.</p> <p>Maruia Recycling facilities were installed in April 2023.</p>	➤
		<p>2021-22</p> <p>There were no abatement notices, infringement notices, or enforcement orders and no convictions received. However, the resource consent conditions for the closed Westport and Birchfield landfills are not complying with the parameter established. Further investigation with views to remediate will be undertaken (scheduled for August 2022).</p> <p>With the e-waste collection programme 565 kg of e-waste has been collected and recycled so far.</p> <p>With the fridge degassing programme over 100 fridges have been degassed and disposed of safely.</p> <p>40 residents have participated in the composting workshops completed so far.</p> <p>After the implementation of the Recycling Bins Audit Programme, the recycling contamination in kerbside collection has decreased from 32% to 30%.</p>	➤

Funding Impact Statement for Solid Waste

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	350	520	504
Targeted rates	739	763	864
Subsidies and grants for operating purposes	44	45	145
Fees and charges	0	0	28
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	99	101	134
Total operating funding	A	1,232	1,429
			1,675
Applications of operating funding			
Payments to staff and suppliers	940	1,122	1,202
Finance costs	24	13	26
Internal charges and overheads applied	184	206	346
Other operating funding applications	0	0	0
Total applications of operating funding	B	1,148	1,341
			1,574
Surplus/ (deficit) of operating funding	A-B	84	88
			101
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(39)	(25)	(39)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	(39)	(25)
			(39)
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	90	214	315
- to replace existing assets	80	10	21
Increase/ (decrease) in reserves	(125)	(161)	(274)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	45	63
			62
Surplus/ (deficit) of capital funding	C-D	(84)	(88)
			(101)
Funding balance	((A-B)+(C-D))	0	0
			0

Infrastructure Delivery

Links to community outcomes

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

What do we do?

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

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

Why are we involved in this activity?

An in-house professional services business unit allows Council to access engineering services on a cost-effective basis. In-house expertise assists the efficient management of Council roading and other infrastructure assets including water, wastewater and solid waste.

Statement of service performance

The Infrastructure Delivery unit provides regular governance project updates on contracts under their jurisdiction in a timely manner. Significant workload in response to flooding and District wide storm event damage has been resourced through the establishment of the Project Management Office. Regular project delivery reporting has been undertaken via the Projects in Partnership (PiP) reporting functions.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Payments to staff and suppliers

These exceeded the budgeted amount in the 2021 –2031 LTP by \$76,000 due to costs relating to the project management office (PMO) not budgeted for in the LTP as at the time the PMO was only temporarily stood up to deliver externally funded projects.

Internal charges and overheads applied

These exceeded the budgeted amount in the 2021 –2031 LTP by \$204,000, \$150,000 of which were due to the project management office (PMO) receiving internal charges not budgeted for in the LTP as at the time the PMO was only temporarily stood up to deliver externally funded projects.

Significant capital expenditure

There was no significant capital expenditure planned or spent in 2022-2023.

Key Performance Indicators

What we plan to do and our levels of service

Provide engineering advice to Council and administer contracts

Activity contribution Roads, transport, solid waste, and three waters service delivery is effectively managed.

Community Outcomes Social, affordability, prosperity, and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
Provide engineering services to support the maintenance and development of Council infrastructure.	Quarterly programme reports provided to the Chief Executive Officer.	<p>2022-23</p> <p>Programme reports provided to the Chief Executive Officer via the Project in Partnership reporting.</p>
		<p>2021-22</p> <p>Quarterly programme reports provided to the Chief Executive Officer.</p>

Funding Impact Statement for Infrastructure Delivery

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	1,022	1,085	1,030
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	0
Total operating funding	A	1,022	1,085
Applications of operating funding			
Payments to staff and suppliers	749	788	864
Finance costs	0	0	0
Internal charges and overheads applied	202	223	427
Other operating funding applications	0	0	0
Total applications of operating funding	B	951	1,011
Surplus/ (deficit) of operating funding	A-B	71	74
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	9
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	0	9
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	35	36	0
Increase/ (decrease) in reserves	36	38	(252)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	71	74
Surplus/ (deficit) of capital funding	C-D	(71)	(74)
Funding balance	((A-B)+(C-D))	0	0

Community Services

Links to community outcomes

SOCIAL
<ul style="list-style-type: none"> ✓ Recreation facilities allow people to connect socially, play sport, and achieve their fitness and recreational goals. Developing community cohesion which supports mental and social well-being.
AFFORDABILITY
<ul style="list-style-type: none"> ✓ The range of services and facilities provided are managed with the aim of being efficient and fit-for-purpose, with an eye on the current and future needs of our community and are funded through a mix of rates and user-pays to keep them as affordable as possible.
PROSPERITY
<ul style="list-style-type: none"> ✓ Economic development strategies, along with a focus on building partnerships of trust and collaboration, along with advocating on behalf of the district will achieve economic development through specific projects.
ENVIRONMENT
<ul style="list-style-type: none"> ✓ Building a strong relationship with the Ministry for the Environment and creating jobs for nature through Council's Environmental Improvement and Prosperity Strategy (EIPS) will create jobs and improve our waterways and natural environment.
CULTURE
<ul style="list-style-type: none"> ✓ Libraries assist with the development of lifelong learning and literacy. Theatres provide performance space for artistic and cultural performances all of which facilitate social and cultural connections.

Activities and services delivered

- Funding – community grants, museum support, community-led revitalisation projects, arts funding, facilities hire, rural travel fund
- Libraries
- NBS Theatre
- Reefton cinema/community hall
- Communications – website, Connect newsletter, news releases, social media, advertising.
- Customer services – over the counter and by phone and email through offices in Westport and Reefton
- Economic development
- Community engagement and consultation - Council works alongside our communities to support them to identify and implement solutions to the complex social issues in our society. The team works strategically and practically to ensure issues are identified, prioritised and addressed through a collaborative approach.
- Sub-committees – working collaboratively with the liaison officer, community volunteer representatives administer, promote and care for Council owned halls and reserves.

Funding

Council provides and/or administers a range of funding to community organisations and groups throughout the Buller District. Some are Council's own grants others are administered on behalf of central government organisations such as Creative New Zealand. All funds have criteria and applications are assessed by a committee or subcommittee.

Council provides support and advice to the community to access and leverage external funding opportunities.

Libraries

The two district libraries in Westport and Reefton provide a diverse up-to-date range of services to the community. The facilities and services meet information, learning, recreational and cultural needs of residents of all ages and backgrounds. Access to information will continue to be available in a variety of formats including books, media, and online apps. Free internet access is provided through Aotearoa People's Network. The two district libraries and their offerings enhance the community's well-being.

NBS Theatre

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

Reefton Cinema/Community Hall

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

Communications

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

Council's quarterly newsletter 'Connect' is delivered to all letterboxes in the district, is available at multiple outlets, and is sent in digital format to subscribers. This ensures the newsletter reaches also those who do not use digital platforms.

Social media is used in a creative, engaging way to target certain audiences. Council is undertaking staff training and widening staff expertise to increase and improve the reach, use, and quality of its digital channels.

Council's website is regularly updated. A new website is being developed and set to be launched by December 2022.

Strong systems oversee Council's responsibilities in relation to the Local Government Official Information and Meetings Act (LGOIMA). Staff undergo training to respond in an acceptable manner. Council began live streaming council meetings to its YouTube channels and publishes these in an easy to find and visually appealing way. This increase participation in local government and transparency for the community.

Council staff engage with and support national and local campaigns as appropriate.

Customer services

Council has offices in Westport and Reefton, where staff are available to assist over the counter, by phone and by email with customer enquiries. An after-hours telephone service is provided via a call centre.

Responses to service requests are increasingly becoming streamlined however, response time targets have been increased to seven working days to better match the ability of staff to respond.

Council will further promote use of the service request system and is looking at ways to improve its user-friendliness and functionality.

Economic development

As projects come to fruition, economic development plans and initiatives are supported in partnership with Development West Coast (DWC).

The district is in a strong economic position despite a looming recession mid 2023. Mining is still the districts leading industry and the Snowy River Mine is believed to be worth around \$2.1 billion, and is bringing highly skilled, high paying jobs to the district. Data from StatsNZ shows an increase of 240 jobs on the West Coast, with employment rising from 14,692 in May 2022 to 14,932 in May 2023. Job levels have also surpassed pre-pandemic levels, with 503 more jobs in the region than in May 2019.

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

Community engagement and consultation

To shape our district Council creates multi-media campaigns and engagement activities to encourage the community to have their say.

Opportunities to do so will be promoted and implemented during Council's Annual Plan and LTP processes, for policy and bylaw reviews and other changes that have significant impact on the community.

Council has a Significance and Engagement Policy that guides Council when deciding which issues to engage and/ or consult the community on.

Council will foster an understanding of the community in how to participate in local government as part of its multimedia campaigns and engagement efforts.

Council will continue to engage with key stakeholders and groups in the community.

Statement of service performance

Communications

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

Council's Connect newsletter was distributed quarterly to all letterboxes in the district and circulated to outlets such as libraries.

Council's upgraded website has greatly improved the user experience and ability to source information, make online payments and stay informed on relevant issues.

Council live-streams Council meetings to its YouTube channels and published these in an easy to find and visually appealing way.

Customer Services

In the 2021-2031 Long Term Plan, Council consulted with the community regarding the potential co-location of the Reefton Service Centre and the Reefton Visitors Centre in the Reefton Visitor Centre building, resulting in Council taking over the

operation of the Visitor Centre to create a Service Hub that could retain current services from both locations at least at the same level.

The amalgamation is not anticipated to increase the cost of providing these services. Through sharing resources and increasing efficiencies the merger over time could lead to a decrease in cost while achieving an increase in the level of service.

Following further staff and community consultation, the amalgamation of the Reefton Service Centre and Reefton Visitor Centre occurred successfully and opened as planned on 21 November 2022. Further upgrade works are being finalised to complete the relocation of services onto one site and ensure the building is fully compliant.

Grants

Council supported the Buller community through a total of \$162,255.91 from Council's own or administered grants in the 2022/2023 financial year. \$20,430.39 was distributed from the Creative Communities Scheme, \$13,265.52 from the Sports New Zealand Rural Travel Fund. \$75,000 was granted through Council's Community Grants Fund, and \$50,000 through the Community-Lead Revitalisation Fund. Facilities Hire Grants were distributed to the value of \$3,560.

The remaining amount of DWC's District Economic Stimulus Fund was allocated through Council and DWC and supported local businesses with a total of \$148,600.

Community and economic development

Council staff engaged with key local economic development partners through meetings, networking events and one-on one support. Council staff set up meetings and facilitated connections, partnerships and supported relationship building between local and regional stakeholders.

For the fourth year, the Mayor Tasks Force for Jobs (MTFJ) programme contract was secured, and Council staff regularly liaised with and assisted the MTFJ programme coordinator. A total value of \$369,678.40 was spent on supporting youth into sustainable employment.

Community engagement and consultation

Through various community engagement processes residents had the opportunity to share their thoughts and opinions. This also included information and awareness raising campaigns like the Reefton Chlorination, and the illegal dumping campaign.

The community was encouraged to find out more about the 2023/2024 Annual Plan process through a multi-channel promotion campaign.

As part of the Keeping of Animals Bylaw review, the Class 4 Gambling and TAB Venue Policy review, and the Customer Satisfaction Survey people were encouraged to submit feedback and be heard.

Council supported the consultation process for the different stages of the Te Tai o Poutini Proposed Plan inspiring the community to have their say.

Council actively aids youth development in the district through supporting Kawatiri Youth Voice Group with an annual contribution of \$10,000. Council engages regularly with the youth sector and key players like Homebuilders West Coast Trust, Buller REAP and the Police through attending the three-monthly Youth Services Networking Meetings. Council also supported Sport Tasman with \$25,000 to foster active recreation in Buller.

This year Council worked with its third TUIA candidate who attended five wānanga in different parts of the country over the year to build networks, obtain support and have exposure to a diverse range of people. The Mayor developed a mutually beneficial mentoring relationship with this candidate. This involved monthly informal meetings and participation at formal occasions. The Mayor and the Youth Councillor attended the second year the Festival for the Future event in Wellington.

NBS Theatre

The NBS Theatre is a vibrant, safe and welcoming theatre/ cinema environment that contributes to a community that is vibrant and inclusive. It provides a wide range of shows, movies and events that meet the cultural interest of our community. The NBS Theatre continues to be the venue of choice for many local, national and international shows/ events and meetings. Several local groups, schools and the community use the venue for entertainment of all genres such as film and live events.

Long term annual users continue to support the NBS Theatre. Groups such as Gravity Dance Studio and Westport Performing Arts Society are regular guests. They hold their annual competition at the theatre which draws many visitors to the district.

A local theatre group, Onstage Productions, calls the NBS Theatre its home. The group regularly rehearses at the theatre and stores their costumes there. Anyone from the community is warmly invited at any time. This ensures that both young and old have an opportunity to experience theatre etiquette and what a theatre can offer.

The NBS Theatre continues to attract overseas acts, through its membership with the Events Venues Association of New Zealand (EVANZ). Current bookings are being taken as far out as 2025, ensuring future events for the community.

The Fred Gregory Screen Room is very popular with private hires and birthday parties. This highlights the value the cinema brings to the community as a versatile all-round venue.

The front offices are hired weekly by three medical professionals, emphasizing the versatility of the theatre.

Reefton Cinema/Community Hall

The Reefton Cinema offers the Reefton community the enjoyment of a mix of old and new blockbuster and arthouse movies. The venue is also hired for meetings and shows. The Reefton Operatic and Repertory Society annually takes over the Reefton Cinema stage.

Buller District Libraries

Libraries and Aotearoa Peoples Network (APNK)The library continues to be a well-used resource and community hub in Reefton and Westport. APNK hardware is extremely popular. The seating outside the libraries has continued to allow customers to use comfortably the free Wi-Fi outside of business hours.

Moving forward

The community engagement team consists of one full-time position and our existing library team assists with the on-going digital archives requests and device literacy. The library continues to deliver programmes and services that improve the wellbeing, inclusion, and literacy of our community.

These include Better Digital Futures for Seniors, Tuesday Kids Club, School Holiday events, adult book club, Saturday Scrabble, digital literacy device-advice one-on-one sessions, visiting authors, community talks, a new Bounce Back from Cancer group, with a knitting group in Reefton and a Reefton Lego Club. We have continued to include more 'passive programs' including take-home options for children and activities such as scavenger hunts. The ever-popular Summer Reading Programme was another great success with 150 Buller children taking part. The library continues to run book clubs and reading challenges for children and adults.

Our history room was introduced in 2022. It is a quiet space for users to spend time delving into local history, historic council records and past issues of the Westport News. This space has been well used and has given the community a quiet space to conduct research.

Events have at times been disrupted in Reefton during phase one and two of the merger with the Visitor Centre, to allow for renovations. The library has still been able to cater for children with craft packs and reading programmes. We all look forward to upcoming move into the lovely new library space!

The library currently has 2274 active members. This is a slight decrease of 30 people from the year previous. Physical in-person visits across both libraries were up significantly this year from 36,816 to 48,374, or 31.39%. The growth was possibly due to covid-19 restrictions ending and implementing an almost full range of events again.

Virtual visits at the libraries continue to be a big part of our engagement. Virtual visits include log-ins, hits or reach to our Library App, Instagram page, Facebook page, and Library Website. There were 50,181 virtual visitors.

Heart of the community

Attendance of events and programmes indicates that the library and its services are still at the heart of the community. We held 545 events across our two libraries. This includes activities, programmes, and digital assistance sessions, with 2212 people attending.

Our libraries have continued to partner with community groups, examples of these are Dementia Canterbury and our Next Chapter initiative. Pub Charities Limited again funded the extremely popular summer reading programme which saw an enthusiastic crowd of approximately 150 students taking part. For Better Digital Futures Pathways, and Skinny Jump the library worked with Digital Inclusion Alliance Aotearoa (DIAA).

Through DIAA the team provided low-cost Skinny Jump modems to our eligible customers. This creates inclusion and enables those living in locations with access to the Skinny network to actively participate in the digital world.

The library has continued to trial a Karamea to Westport book return service. This was created to reduce barriers to issuing books and reducing fines for residents in northern Buller. We have had positive feedback from Karamea library users and the service continues to be used regularly.

Buller District Libraries continues to network with the wider library profession including Library and Information Association New Zealand Aotearoa (LIANZA) and Public Libraries New Zealand (PLNZ). Our staff attended online workshops and meetings for professional development.

The library aims to have a well-balanced collection that meets the needs and interests of the community. Our recent biennial survey indicates that 92% of respondents were satisfied with our collection.

We have introduced a collection of books that meets the needs of neuro-diverse children, with packs of books available to assist users in teaching children to read using a structured literacy approach. These have proven to be extremely popular, particularly with home-schooled families.

Our library website was updated this year which aligns with the Buller District Council website. It is a visually pleasing, modern platform for promoting our events, programmes and services.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Subsidies and grants for operating purposes

These exceeded the budgeted amount in the 2021-2031 LTP by an additional \$372,000, \$341,000 was received through the Mayor's Taskforce for Jobs (MTFJ) grants.

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

These exceeded the budgeted amount in the 2021-2031 LTP by \$165,000 due to the NBS Theatre earning more revenue than forecast.

Payments to staff and suppliers

These exceeded the budgeted amount in the 2021-2031 LTP by \$423,000 due to an additional \$202,000 running costs for the NBS Theatre with almost half of this being in extra performance fees for shows, mostly offset by higher than budgeted revenues.

The Buller Recreation Limited management fee for the Reefton Pool was incorrectly classified as internal charges in the 2021-2031 LTP.

Finance costs

External interest expense was \$330,000 higher than budgeted due to the 2021 – 2031 LTP interest rate forecasts being lower than actual.

Internal charges and overheads applied

These were under the budgeted amount in the 2021-2031 LTP by \$220,000 due to the Buller Recreation Limited management fee for the Reefton Pool being incorrectly classified as internal charges in the 2021-2031 LTP, along with reductions in overheads in particular internal rents.

Other operating funding applications

These exceeded the budgeted amount in the 2021-2031 LTP by \$243,000 due to the additional unbudgeted MTFJ payment of \$332,000 offset by the community grants being lower than budgeted in the LTP as the 2022-2023 reduced these by 25%.

Significant capital expenditure

To replace existing assets

The planned repairs to the NBS Theatre's roof were completed at the end of the 2023 financial year and were \$32,000 over budget because of the rising costs of materials, adding to the difference in planned and actual capital expenditure. Funding is being sought for the stage flooring replacement.

Key Performance Indicators

What we plan to do and our levels of service

Provide information about Council services, decisions, and opportunities to engage.

Activity contribution The community feels informed, included, and empowered to access Council services and resources. The provision of access to a wide range of information relevant to the community's needs.

Community outcomes Social, prosperity, environment and culture.

Level of service	Performance measures 2021-2024	Performance outcomes	
<p>Council's website and social media are kept up to date as a source of information about Council projects, services and resources.</p> <p>Quarterly newsletter is produced.</p> <p>Communications plans are created to support projects considered to be of significant interest.</p>	<p>A biennial customer satisfaction survey will be carried out, and will ask how satisfied the community is with the information they receive from Council and their opportunities to engage with Council.</p>	<p>2022-23</p> <p>Council biennial Customer Satisfaction (CSS) is planned for 2025 although a review of how this information is captured and reported on is required. Council's website and social media have been kept up to date as a source of information about Council projects, services and resources.</p> <p>Communications plans have been created to support projects considered to be of significant interest.</p> <p>Quarterly newsletters were produced.</p>	➤
		<p>2021-22</p> <p>Council biennial Customer Satisfaction Survey (CSS) is planned to be undertaken in 2023. The previous CSS was completed in 2021.</p>	➤

Public library services

Activity contribution

A safe and welcoming library environment contributes to a community that is vibrant and inclusive.

The library offers quality facilities and services that meet our current and future needs.

The provision of access to a wide range of information relevant to the community's recreation and learning needs.

Community outcomes Social, prosperity, environment, and culture.

Level of service	Performance measures 2021-2024	Performance outcomes
The library is a safe social space which community members want to visit.	Total visits to the libraries maintained or increased by 0 - 4% per annum.	<p>2022-23 In person visits to the Libraries has increased by 31.39%, from 36,816 to 48,374.</p>
		<p>2021-22 8.8% increase (includes virtual and physical visits).</p>
The library offers quality facilities and services that meet our current and future needs.	At least 80% respondents satisfied or very satisfied with the libraries' services, as measured through a biennial survey.	<p>2022-23 97% of respondents were satisfied or very satisfied with the libraries' services. The above results are based on the biennial survey conducted in the 2021-22 financial year.</p>
		<p>2021-22 97% of respondents were satisfied or very satisfied with the libraries' services. Note to Auditors this was reported incorrectly in the 2021-22 Annual Report, the result was reported as the measure and the measure reported as the result. It is corrected here.</p>
The library's collection reflects the community's learning and recreational interests.	At least 80% of library users satisfied or very satisfied with the public libraries' collection, as measured through a biennial survey.	<p>2022-23 92% of respondents were satisfied with the library collection, as measured in our biennial collection survey</p>
		<p>2021-22 Next survey due and scheduled for the next financial year</p>

Economic development

Activity contribution

Networks and connections are facilitated to enable economic growth.

Economic development plans are created and shared with the community and key stakeholders.

Community outcomes Social, prosperity, environment and culture.

Level of service	Performance measures 2021-2024	Performance outcomes
<p>Staff actively build networks and connections across the community, with central government, regional partners and stakeholders.</p> <p>Community and/or economic development plans are shared via presentations to the community and/or industry groups.</p>	Four community and/or economic development presentations are delivered within the community each year.	<p>2022-23</p> <p>Development West Coast (DWC) delivered four economic development workshops throughout the financial year (Business Capability Series Workshop - How To Generate New Business Alongside Cycle Trails (Westport); Reefton Business Development 1:1 Sessions, Westport Business Development 1:1 Sessions, Plan to prepare for your exit from and/or sale of your business Workshop). These were promoted through Council channels. Council staff has monthly catch ups with DWC to exchange and share knowledge to pass on and support the Buller business community with.</p>
		<p>2021-22</p> <p>Two presentations/workshops were given as part of the Charleston Community Visioning process to the local community. Two Biz Breakfasts organised.</p>

NBS Theatre and Reefton Cinema

Activity contribution A vibrant, safe, and welcoming theatre/cinema environment contributes to a community that is vibrant and inclusive.

Provide a wide range of shows, movies and events that meet the current cultural interest of our community.

Community outcomes Social, prosperity, environment and culture.

Level of service	Performance measures 2021-2024	Performance outcomes
<p>The theatre team delivers a high level of service that meets our community's current and future needs.</p>	Total visits to the theatre maintained or increased by 0-4% per annum.	<p>2022-23</p> <p>Visits to the NBS Theatre have risen against last years drop in numbers due to COVID and local flood events. Supplied via in-house Veezi Report.</p>
		<p>2021-22</p> <p>Due to Covid-19 closures and flooding events, numbers were down slightly.</p>
<p>The theatres' variety of shows, hires, and films reflects our community's cultural interests.</p>	80% of respondents were satisfied or very satisfied with the theatres' services as measured by the biennial survey.	<p>2022-23</p> <p>Delayed until August 2023 due to biennial Council Customer Satisfaction Survey.</p>
		<p>2021-22</p> <p>Due to Covid-19 and Council's focus on flood recovery, the survey was not completed and is now due to be done June 2023.</p>
	A biennial survey will be carried out to establish customers' satisfaction in relation to services.	<p>2022-23</p> <p>Delayed until August 2023 due to biennial Council Customer Satisfaction Survey.</p>
		<p>2021-22</p> <p>Due to Covid-19 and Council's focus on flood recovery, the survey was not completed and is now due to be done June 2023.</p>

Funding Impact Statement for Community Services

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	3,571	3,693	3,910
Targeted rates	0	0	0
Subsidies and grants for operating purposes	340	74	446
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	262	269	434
Total operating funding	A	4,173	4,036
			4,790
Applications of operating funding			
Payments to staff and suppliers	2,172	1,956	2,379
Finance costs	454	452	782
Internal charges and overheads applied	725	786	566
Other operating funding applications	508	499	742
Total applications of operating funding	B	3,859	3,693
Surplus/ (deficit) of operating funding	A-B	314	343
			321
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(138)	(142)	(165)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	35	36	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	(103)	(106)
			(165)
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	35	44	35
- to replace existing assets	216	198	204
Increase/ (decrease) in reserves	(40)	(5)	(83)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	211	237
Surplus/ (deficit) of capital funding	C-D	(314)	(343)
Funding balance	((A-B)+(C-D))	0	0
			0

Governance and Representation

Links to community outcomes

Governance and Representation

- ✓ *activity covers all the Community Outcomes as it provides the oversight and strategy to achieve them.*

What do we do?

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

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

Council functions based on democratic local decision making that has the overall benefit of the community, for current and future generations at heart. Council's decision making and actions are concerned with meeting the current and future needs of Buller's communities. These include good quality infrastructure, local public services and performing regulatory functions in a cost-effective way for businesses and households.

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

Why are we involved in this activity?

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

Council and Community Boards provide:

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

Statement of Service Performance

Advocating for the district

Council has continued to work proactively with central government and related agencies to get the best results for the district during the year. This includes collaboration on key issues including economic development opportunities to grow our district; and the very important work seeking flood recovery funding to reinstate Council's assets as well as support the community through the rebuild.

Council works with Waka Kotahi and other regional partners to develop and deliver a regional transport infrastructure plan; govern the Te Tai o Poutini Plan (TTPP), and it participates in a regional leadership group. This group is a collaboration of central

government agencies interfacing with local government and Kainga Ora to address housing opportunities and needs in the district.

Council has worked closely with a raft of government agencies since the severe weather events during the financial year including Waka Kotahi, Temporary Accommodation Service, National Emergency Management Agency, Ministry of Building and Innovation, Department of Internal Affairs, Prime Minister and Cabinet, Minister for Local Government, and the Infrastructure Acceleration Fund. This collaboration has seen significant grant funding being brought into the district that benefited all ratepayers.

As local government's Three Waters Reform progresses through parliament, Council has provided the National Transition Unit with data about Three Waters Assets and made an application to use the Better Off Funding.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

There were no significant variances between the 2021-2031 Long Term Plan and the reported results for the year.

Significant capital expenditure

No significant capital expenditure was planned and there are no variances to report.

Key Performance Indicators

What we plan to do and our levels of service

Governance and representation

Activity contribution Provide annual budgeting and financial planning processes.

Community outcomes Social, affordability, prosperity, culture and environment.

Level of service	Performance measures 2021-2024	Performance outcomes	
Community engagement occurs across the district with representatives from a broad range of community groups.	Meet statutory deadlines for Councils Long Term Plan or Annual Plan before 30th June in each respective year	2022-23 The 2023/2024 Annual Plan was adopted on 28 June 2023.	✓
		2021-22 The Annual Plan was adopted on 29 June 2022. <i>Auditor Note this measure was incorrectly reported in the 30 June 2022 Annual Report as being an LTP adoption on this date. WE have updated this to the correct wording.</i>	✓
Publishing annual plans, annual reports and long term plans so the community is well informed.	Meet statutory obligations for requests for information under LGOIMA, greater than or equal to 90% of the time.	2022-23 97% statutory compliance achieved. 114 LGOIMAs received between 1 July 2022 - 30 June 2023. Three of these breached the statutory time periods. Of these two were breaches one day overdue, and the third breach was three days overdue.	✓
		2021-22 96% statutory compliance achieved. 97 LGOIMA's received between 1 July 2021 - 30 June 2022. Four of these breached the statutory time periods. <i>Auditors - Note this measure was incorrectly reported in the 30 June 2022 Annual Report as being not achieved. This has been corrected</i>	✓
	To meet legislative requirements for Strategic planning workshops held with Councillors	2022-23 Three strategic planning workshops were held	✓
		2021-22 Three strategic planning workshops were held	✓

Governance and representation

Activity contribution To maintain transparency, accountability and accessibility to the public.

Community outcomes Social, affordability, prosperity, culture and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
Conduct as much as Council business in public forum. Public to be excluded only for commercially sensitive reasons.	Council meetings to be held in Westport and at least one meeting a year in Karamea and Reefton.	<p>2022-23</p> <p>Significant additional workload has limited remote in-person meetings. This has been offset by the introduction of livestream and recorded public meetings being made available in Council digital platforms.</p>
		<p>2021-22</p> <p>Covid-19, flooding, weather events and elections have occasionally prohibited the ability to travel to other areas. Council meetings have been carried out via Zoom and in Westport, with all meetings now livestreamed.</p>

Governance and representation

Activity contribution Advocating for Buller District, forming strong alliances and partnership opportunities.

Community outcomes Social, affordability, prosperity, culture and environment.

Level of service	Performance measures 2021-2024	Performance outcomes
Participate in the mayors, chairs and CEO meetings with the other West Coast Councils.	Continue to attend 100% of mayors, chairs and CEO meetings.	<p>2022-23</p> <p>100% attendance at Mayors Chairs and Iwi meetings by Mayor and CEO.</p> <p>CEO Meetings - one meeting was not attended. The Acting CEO was unable to attend due to a calendar clash with the BDC council meeting and MP Simon Watts visit to Buller taking precedence.</p>
		<p>2021-22</p> <p>Mayor and chief executive officer attend all meetings. Either in person or via Zoom.</p>

Funding Impact Statement for Governance and Representation

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	1,621	1,680	1,775
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	26
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	39	0
Total operating funding	A	1,621	1,719
			1,801
Applications of operating funding			
Payments to staff and suppliers	570	651	758
Finance costs	0	0	0
Internal charges and overheads applied	1,051	1,068	1,118
Other operating funding applications	0	0	0
Total applications of operating funding	B	1,621	1,719
			1,876
Surplus/ (deficit) of operating funding	A-B	0	(75)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	0	0
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/ (decrease) in reserves	0	0	(75)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	0	(75)
Surplus/ (deficit) of capital funding	C-D	0	75
Funding balance	((A-B)+(C-D))	0	0

Customer Services and Support Services

Links to community outcomes

Support services

- ✓ *are related to all Community Outcomes as they provide the administrative and operational capacity to achieve them.*

What do we do?

Support services provide internal support to the different departments within Council. Ensuring a smooth functioning they are integral for Council's customers. They include:

- Corporate planning and support to governance
- Financial and accounting operations
- Production of Annual Plans, Long Term Plans and Annual Reports
- Rating operations
- Human resources management
- Information technology management
- General administration.
- Health and safety compliance
- Monitoring and compliance of all Council Controlled Organisations
- Guidance and monitoring of holding company performance
- Asset management
- Management functions

Why are we involved in this activity?

The support services all Council's departments to function and provide their services to the community.

Statement of Service Performance

Health & Safety

The Health and Safety committee has been refreshed and relaunched. Staff training, including warden, first aid and health and safety system training is ongoing. Signage has been updated and site audits carried out to maintain health and safety compliance.

Rates Policy Review

Council has continued to work through the rates policy review during the 2022-2023 year. This work has included workshops to update the newly elected Councillors and to seek their direction for future work on the rates review. The goal of introducing a proposal for consultation in the 2021-2031 Long Term Plan was not achieved.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Subsidies and grants for operating purposes

Subsidies and grants for operating purposes were \$371,000 higher than defined in the budget due to staff costs funded by the Department of Internal Affairs (DIA) for a staff secondment to work for the National Transition Unit (NTU) as well as additional funding from the NTU for new staff working on three waters for Council.

Fees and charges

Fees and charges were \$125,000 higher than defined in the budget caused by staff costs charged to flood recovery projects.

Payments to staff and suppliers

These exceeded the budgeted amount by \$824,000 for the following reasons:

Additional climate change adaptation project costs of \$130,000 funded from future Better Off Funding, the grant money has yet to be received, as well as a further \$40,000 of consultancy fees relating to managing Better Off Funded projects to also be funded externally.

Increased salary costs relating to staff funded by the DIA and NTU that were not budgeted for in the 2021-2031 LTP.

\$100,000 relates to paying back undistributed West Trak and Southwell Products loans funds to Development West Coast.

Asset valuation consultancy fees added into the 2022-2023 Annual Plan not in the LTP of \$95,000 for the June 2022 valuation of roading and the three waters assets.

Increase/(decrease) in debt

An internal loan was raised to fund the work to date on the Information Management project.

Significant capital expenditure

Work has been ongoing in developing Council's online systems for information management and also moving to electronic purchase orders, and cloud systems building up Council's remote access and working from home capability.

Key Performance Indicators

What we plan to do and our levels of service

Health and Safety

Activity contribution High functioning Health and Safety Committee that empowers employees, contractors, and visitors. Our systems and processes allow staff and contractors to gain the training and development required to comply with Health and Safety at Work Act 2015.

Community outcomes Social and affordability.

Level of service	Performance measures 2021-2024	Performance outcomes	
100% compliance with Health and Safety Work Act 2015 (HSWA 2015).	100% compliance with Health and Safety Work Act 2015 (HSWA 2015).	2022-23 No breach of Health and Safety at Work Act have occurred.	✓
		2021-22 No breach of Health and Safety at Work Act have occurred. Training and upskilling of workers and contractors has occurred throughout the year with an upgrade to the new reporting system.	✓

Funding Impact Statement for Customer Services and Support Services

for the year ended 30 June 2023

		2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		182	205	169
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	371
Fees and charges		0	0	125
Internal charges and overheads recovered		5,504	5,903	6,271
Local authorities fuel tax, fines, infringements fees and other receipts		75	76	119
Total operating funding	A	5,761	6,184	7,055
Applications of operating funding				
Payments to staff and suppliers		4,378	4,492	5,316
Finance costs		48	48	142
Internal charges and overheads applied		1,233	1,417	1,470
Other operating funding applications		0	0	0
Total applications of operating funding	B	5,659	5,957	6,928
Surplus/ (deficit) of operating funding	A-B	102	227	127
Sources of capital funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		0	0	331
Gross proceeds from sale of assets		500	500	296
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total sources of capital funding	C	500	500	627
Application of Capital expenditure				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		227	348	364
Increase/ (decrease) in reserves		375	379	390
Increase/ (decrease) in investments		0	0	0
Total applications of capital funding	D	602	727	754
Surplus/ (deficit) of capital funding	C-D	(102)	(227)	(127)
Funding balance	((A-B)+(C-D))	0	0	0

Community Facilities

Links to community outcomes

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

What do we do?

Amenities, parks, domains, reserves, and public spaces

Council provides and maintains active and passive recreational land and facilities in the Buller district to meet community and environmental needs. These areas may be managed by Council, or in conjunction with subcommittees. These green spaces include gardens, sports grounds, playgrounds, and parks.

Cultural and community facilities, buildings, and structures

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

Other property management

Council also owns and manages a number of other properties, land and buildings in the district. These have a range of uses including community groups, private licences and commercial leases.

Managing these properties includes assisting with property transfers and acquisitions, and helping with Council property licences, leases and legal agreements.

Public toilets

Public toilet facilities are provided by Council at Westport, Carters Beach, Tauranga Bay, North Beach, Reefton, Fox River, Springs Junction and Waimangaroa.

Council assists in providing toilet facilities in Karamea, Granity, Inangahua Junction, and Ikamatua.

Cemeteries

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

- Orowaiti
- Mokihinui
- Reefton – suburban
- Council assists the Karamea Cemetery Trust

Council maintains closed cemeteries at Charleston and Boatmans - Reefton

Housing for seniors

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

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

Urban renewals and revitalisation

In conjunction with Council's roading and transport team, property staff assist with urban revitalisation. This creates a more pleasant environment for our communities by improving urban spaces. Urban revitalisation and renewal shapes the district's public spaces by giving form, shape and character to buildings, neighbourhoods and towns.

Urban development in partnership with roading and transport includes the use of plantings, street treatments and decorative measures with a focus on the beautification of main thoroughfares with street flags and hanging floral baskets.

Punakaiki Beach Camp

The Punakaiki Beach Camp is in a picturesque setting on the beach and adjoins the Paparoa National Park.

The camp provides 10 various sized cabins, 32 powered sites and 30 tent sites. It has been leased to a private operator for a term of 20 years. Council is working with the lessee to improve the facilities for expected tourism growth and demand.

Why are we involved in this activity?

- The provision and maintenance of amenities and reserves creates a pleasant environment in which to live, work and play, which is an important part of the vision for the district. Amenities and reserve areas provide for social interaction and promote sport and recreation.
- Council owned buildings allow for cost effective provision of property for community use.
- Public toilet facilities assist with promoting the health and well-being of the community and environment and enhance the visitor experience.
- Jointly funding facilities with other agencies allows the public access to facilities at an acceptable cost.
- Housing for seniors assists members of our community to remain in the district close to public facilities.

Statement of Service Performance

Amenities, parks, domains, reserves and public spaces

Council maintained all owned parks and recreation facilities in the district. 11 subcommittees assist the local communities with halls and recreation reserves. A new liaison officer has been appointed to assist with the reserve sub committees.

Cultural and community facilities, buildings and structures

Council maintained all council-owned buildings and facilities to the required standards. ~~-~~ Improvements to the Reefton Service and Information Centre building commenced and will be completed in 2023/2024.

Other property management

Private licences and commercial leases have been administered accordingly. The property rationalisation project to sell un-utilised land ~~-~~ is continuing with three properties sold to date.

Public toilets

- Council owned public toilets have been maintained and kept to standard. The toilet facilities in Reefton were completed, utilising funding from the Tourism Infrastructure Fund.

Cemeteries

Land and plots continue to be administered by Council. A natural burial site in Karamea continues its progression towards completion.

Housing for seniors

The ownership of 12 units at Peel Street, locally known as McAuley Flats has been returned to the care of St Canices' Parish Trust, who are the owners of the land and who leased this to Council for 40 years.

Other senior housing stock is maintained to required standards.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Internal charges and overheads recovered

These are \$182,000 lower than budget as subsequent to the adoption of the 2021-2031 LTP a number of council property upgrades including the Brougham House were put on hold to reprioritise Council's capital spending back to core infrastructure. Therefore, internal rents are less than budgeted as the depreciation and loan servicing costs of the upgrades have not been incurred.

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

Council generated \$76,000 less income from its housing for seniors after the transfer of the McCauley Flats in Westport to St Canices' Parish Trust, and a reduction in availability of property after the severe flood events in 2022. There was also \$30,000 less in cemetery fees.

Payments to staff and suppliers

Payments to staff and suppliers were \$164,000 less than budgeted due to fewer repairs and maintenance undertaken on Council owned property.

Gross proceeds from sale of assets

Council received \$187,000 from freeholding leasehold property.

Subsidies and grants for capital expenditure

\$55,000 of grant income from MBIE for the War Memorials and Halls upgrades was and \$128,000 for the upgrade of the Reefton toilets were carried over to be completed in 2022-2023. Neither of these projects were budgeted for in the 2021 – 2031 LTP.

Council also secured \$65,000 from DIA to fund the Karamea Domain campground water supply upgrade.

The total capital grants recorded is less than budget as the budget of \$510,000 relates to the old Carnegie library seismic strengthening project, which has been carried over into the 2023-2024 financial year.

Significant capital expenditure

To improve the level of service

Capital expenditure to improve levels of service was \$881,000 less than budgeted in the LTP as \$1,020,000 relates to the old Carnegie library seismic strengthening project, which has been carried over into the 2023-2024 financial year.

Work undertaken not provided for in the LTP budgets includes the Karamea Domain campground water supply upgrade, the upgrade of the Reefton public toilets, and finalising work for the War Memorials and Halls upgrades.

To replace existing assets

Capital expenditure for asset renewals was \$358,000 less than budgeted in the LTP as Council decided as part of the 2022-2023 Annual Plan to defer work on the Clocktower Chambers of \$306,000.

Key Performance Indicators

What we plan to do and our levels of service

Community Facilities

Activity contribution Ensuring our parks, reserves, cemeteries and public amenities are compliant, safe and vibrant environments that encourage community inclusion and use.

Community outcomes Social, affordability and culture

Level of service	Performance measures 2021-2024	Performance outcomes	
<p>The district's parks, reserves, cemeteries and other amenities are maintained to ensure we are providing compliant, safe and vibrant social spaces for the community and visitors. Maintenance work is contracted out and is undertaken by qualified personnel.</p>	<p>Receive and review monthly reports from the Reserves and Public Amenities Contractor.</p>	<p>2022-23</p> <p>Service levels were maintained and reports of issues were logged. Actions were taken to rectify the issues. Reports were provided with each monthly claim.</p>	✓
		<p>2021-22</p> <p>Service levels were maintained and reports of issues were logged. Actions were taken to rectify the issues.</p>	✓

Community Facilities

Activity contribution Ensuring Council buildings and associated property infrastructure is maintained to relevant standards.

Community outcomes Social, affordability and culture

Level of service	Performance measures 2021-2024	Performance outcomes	
<p>Council's property staff manage these contracts to ensure the work is being done to the agreed level of service, and that contractual obligations are being met.</p>	<p>An up-to-date register of Council owned and operated buildings and associated infrastructure is maintained.</p>	<p>2022-23</p> <p>Register is up to date.</p>	✓
		<p>2021-22</p> <p>An up-to-date register of Council owned and operated buildings has been maintained. Building Warrant of Fitness checks were carried on as per the schedule.</p>	✓

Community Facilities

Activity contribution Ensuring land and property owned, vested and managed by the Council is rationalised and utilised responsibly, and for the benefit of the Buller community

Community outcomes Social, affordability and culture

Level of service	Performance measures 2021-2024	Performance outcomes	
Council provides public, community and commercial buildings that are safe and compliant.	<p>The Council Property Department maintains up-to-date records of Council land appointments, including:</p> <ul style="list-style-type: none"> - Reserve Subcommittees and community organisations utilising Council land for community non-profit purposes; and 	<p>2022-23</p> <p>An up-to-date register of Council's leases, licenses to occupy and subcommittees has been maintained.</p>	✓
		<p>2021-22</p> <p>An up-to-date register of Council's leases, licenses to occupy and subcommittees has been maintained.</p>	✓
Council land is managed to support use by non-profit community enterprises and community organisations, and also commercial use when appropriate.	<p>Council maintains a register recording commercial contracts including licences, leases and land use agreements</p>	<p>2022-23</p> <p>Information is kept up to date on Council's electronic file system.</p>	✓
		<p>2021-22</p> <p>The register of commercial licenses and leases is up to date.</p>	✓

Funding Impact Statement for Community Facilities

for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	1,698	1,795	1,713
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	32
Fees and charges	0	0	0
Internal charges and overheads recovered	525	606	424
Local authorities fuel tax, fines, infringements fees and other receipts	1,303	1,304	1,179
Total operating funding	A	3,526	3,705
			3,348
Applications of operating funding			
Payments to staff and suppliers	2,626	2,727	2,563
Finance costs	21	77	29
Internal charges and overheads applied	429	447	499
Other operating funding applications	0	0	66
Total applications of operating funding	B	3,076	3,251
Surplus/ (deficit) of operating funding	A-B	450	454
			191
Sources of capital funding			
Subsidies and grants for capital expenditure	0	510	239
Development and financial contributions	0	0	0
Increase/(decrease) in debt	520	627	(68)
Gross proceeds from sale of assets	0	0	187
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	520	1,137
			358
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	1,115	1,512	631
- to replace existing assets	542	491	133
Increase/ (decrease) in reserves	(687)	(412)	(215)
Increase/ (decrease) in investments	0	0	0
Total applications of capital funding	D	970	1,591
Surplus/ (deficit) of capital funding	C-D	(450)	(454)
Funding balance	((A-B)+(C-D))	0	0
			0

Commercial Infrastructure

Westport Airport

Links to community outcomes

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

What do we do?

Westport Airport is an unattended airport located 8km to the south-west of Westport. The airport has facilities for commercial airline and charter operations, aero-medical evacuation and transfer and general aviation including training and recreational activities. The Westport Airport is a joint venture between the Buller District Council and the Ministry of Transport. The airport is managed and operated by the Buller District Council which oversees the daily operation.

The airport is occasionally used as an airfield for military operations and training and is an essential point of entry for regional Civil Defence emergencies. The airfield has a sealed main runway and one grass taxiway. The airfield navigation aids are provided and maintained by Airways Corporation of New Zealand under an agreement for services.

Why are we involved in this activity?

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

Performance Commentary

Operating Revenue for the Westport Airport Authority was \$25k higher than budgeted. This is pleasing and is a result of budgets for airport dues and terminal rent being set when uncertainty existed over flight scheduling activity as a result of Covid-19 restrictions which meant the budget for income was prepared with caution.

Operating Expenditure was \$35k lower than budgeted primarily due to less repairs and maintenance being required.

Significant capital expenditure

The Capital Budget allowed for \$128k of capital expenditure for Signs, Website, Other Plant, Other Assets, including \$80,000 for Carpark resealing. Total expenditure was \$43k less than budget as the upgrades to the carpark allowed for in the budget were not as extensive as originally required.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

No Significant variances.

Financial Performance Targets

The joint operation performance is judged against the following measures which are set out in the Statement of Intent:

Financial Performance	Actual 2022/2023 \$	AP Budget 2022/2023 \$	Actual 2021-2022 \$	AP Budget 2021/2022 \$
Operating Revenue	183,523	158,538	451,683	211,704
Operating Expenditure	540,163	574,699	573,022	406,096
Net Profit (Loss)	(356,640)	(416,161)	(121,339)	(194,392)
Capital Expenditure	84,888	127,544	214,831 (Variance due to flood insurance payout)	22,000
Ratio of Shareholder Funds to Total Assets	91%	99%	94%	99%

Key Performance Indicators

What we plan to do and our levels of service

Airport

Activity contribution Our airport provides public transportation links for the region. Providing a safe and sustainable transport system. We are a lifeline link for our rural community.

Community outcomes Social and affordability.

Level of service	Performance measures 2021-2024	Performance outcomes	
An airport facility that is safe, compliant and available for use. Providing a high level of customer service and community opportunity.	Complete an annual customer survey.	2022-23 An annual customer survey was not completed throughout the year.	✗
		2021-22 An annual customer survey was not completed throughout the year.	✗
	Retain CAA certification 100% of the time.	2022-23 CAA certification held 100% of the time.	✓
		2021-22 CAA certification held 100% of the time.	✓
	Operate in a cost-effective manner – judged against projected income and expenditure.	2022-23 Income less than budget due to number of flights reduced due to demand, however corresponding reduction in expenditure offsets this.	✓
		2021-22 Income less than budget due to number of flights reduced due to demand, however corresponding reduction in expenditure offsets this.	✓

Commercial Infrastructure

Westport Harbour

Links to community outcomes

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

What do we do?

Located on the West Coast of the South Island at the mouth of the Buller River, the Westport Harbour provides a sheltered haven for commercial, fishing and leisure boats, as well as supplying good berthing and marine services.

The harbour is ideally located for exporting and importing cargo for the region and, with the renaissance of coastal shipping, an increase in bulk shipping is anticipated in the near future.

In 2020, an application for funding from the Provincial Growth Fund (PGF) resulted in funding being made available for renovations and improvements to wharf and berthing facilities at the Westport Port.

The project is complete and with further work due to repair the damage to some of the wharves, caused by the 2021 – 2022 flood events, the port facilities will provide fit-for-purpose infrastructure for the region.

Once completed, the port is well positioned to play an important role in the aftermath of an AF8 event, providing an alternative route for establishing an emergency supply chain in the aftermath.

The fishing industry will continue to play its part in the local economy and create employment, as will the bulk shipping sector once it increases in volume.

To allow dredging of the harbour to continue, the dredge Kawatiri completed its five yearly marine survey in September 2022 which resulted in its survey certification extending to September 2027. Rehabilitation work has extended the dredge Kawatiri lifespan allowing further contract work to be considered at Westport and other ports in New Zealand. Significant decisions will be required in 2024 as to whether the council will remain as the dredge owner in future dredge activities.

Why are we involved in this activity?

- Ensuring the Buller District diversifies its economies by opening the port for fisheries.
- To operate as close as possible to a commercial business in a cost effective and efficient manner.

- To maintain the Westport Harbour assets, including the Kawatiri dredge.
- To enter into any commercial undertakings that will complement the airport operations.

Statement of Service Performance

The port has benefited from maintenance work being completed in the past 12 months. This included a refreshment of the harbour masters office, the construction of security fencing, access gates and improving accessways to the main port vehicular entrance.

420,000m³ of material was deposited from the July 2021 and February 2022 flood events into the Westport harbour making access to the wharf areas by larger ships challenging. The National Emergency Management Agency (NEMA) approved a flood recovery program of dredging worth \$4.6 million to remove this material and return the harbour back to its operating capacity prior to the floods. The dredge commenced this program in mid January 2023 and up until June 2023 had removed 78,475m³ of material. The dredge also undertook a contract to remove material in the Nelson Port in August and November 2022. This contract was undertaken at the same time as refurbishment of key components of the dredge to maintain the dredges' ability to complete the flood recovery project.

Significant variance explanations in comparison to the 2021-2031 Long Term Plan

Dredge operating costs for the year exceeded budget by \$1.6 million. This cost was the amount spent on dredge refurbishment work during the year and had been budgeted to be undertaken in the previous year. Dredge income was lower than budget by \$230,000 due to one less swing of dredging being completed as the refurbishment work took a month longer than anticipated.

Harbour income is \$950,000 over budget which relates to PGF grant income received early in the 2022/2023 financial year which had been budgeted to be received in the previous year. Costs of \$325,000 were incurred in the 2022/2023 financial year relating to the PGF projects and as noted above for grant funding, the cost of the work had been anticipated to be incurred in the prior financial year.

Significant capital expenditure

There was no significant capital expenditure planned or incurred for 2022/2023

Key Performance Indicators

What we plan to do and our levels of service

Port

Activity contribution Westport harbour provides a sheltered port for fishing and leisure boats. It supplies berthing and marine services and is ideally situated for exporting and importing cargo via the West Coast.

Community outcomes Social, affordability, prosperity and environment

Level of service	Performance measures 2021-2024	Performance outcomes	
A port facility which has health and safety at a high standard and provides a high level of service and commercial opportunity.	To operate in a cost-effective manner. Financial performance to be judged against projected income and expenditure.	<p>2022-23</p> <p>The dredge Kawatiri had a busy year. It undertook a dredging programme at the Nelson Port and commenced the dredging programme in the Westport Harbour to remove material dumped as a result of the 2021 and 2022 flood events. This work was funded by Central Government. The visit to Nelson coincided with a rehabilitation programme for the dredge to ensure that key components of the dredge were replaced allowing it to undertake its programme of works in 2022/2023 and 2023/2024. The final payments were received for the floating pontoon replacement and the completion of the port security and harbour master office upgrade funded by the Central Government PGF grant funds.</p>	➤
		<p>2021-22</p> <p>Sundry income related to dredge slipping not received this year due to timing of port projects. However corresponding reduction in dredge slipping expenditure. In addition, greater than budgeted grant income and gravel removal income resulted in a net positive variance.</p>	➤
	100% compliant with legislative, health and safety requirements.	<p>2022-23</p> <p>The dredge renewed its survey for operations. The next expiry date is 27 September 2027.</p>	➤
		<p>2021-22</p> <p>Oil certificate, bar soundings more accurate with RTK antenna 50mm margin of error from 300mm, Safety Management System plan review completed successfully. 2/3 towards pilotage port (skippers operate on exemption currently). No incidents. 100% compliant.</p>	➤

Funding Impact Statement for Commercial Infrastructure

Includes Westport Airport and Westport Harbour
for the year ended 30 June 2023

	2021/2022 LTP Budget \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	123	129	176
Targeted rates	0	0	0
Subsidies and grants for operating purposes	8	0	599
Fees and charges	198	232	71
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	2,168	2,976	2,533
Total operating funding	A	2,497	3,337
Applications of operating funding			
Payments to staff and suppliers	4,604	2,360	4,338
Finance costs	31	70	59
Internal charges and overheads applied	235	241	255
Other operating funding applications	0	0	0
Total applications of operating funding	B	4,870	2,671
Surplus/ (deficit) of operating funding	A-B	(2,373)	666
Sources of capital funding			
Subsidies and grants for capital expenditure	500	1,500	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	1,747	(126)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	C	2,247	1,374
Application of Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	337
- to replace existing assets	36	18	102
Increase/ (decrease) in reserves	(662)	522	(1,712)
Increase/ (decrease) in investments	500	1,500	0
Total applications of capital funding	D	(126)	2,040
Surplus/ (deficit) of capital funding	C-D	2,373	(666)
Funding balance	((A-B)+(C-D))	0	0

Council Controlled Organisations

Buller Holdings Limited

The nature and scope of Buller Holdings Limited (BHL) is to provide a holding company structure for the ownership of selected Council assets and investments.

BHL provides a commercial focus in the governance and administration of these assets, enabling more effective management of Council's commercial activities therefore allowing for maximum returns on behalf of the ratepayers.

Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relationships;
- Safety; and
- Environment.

Nature and Scope of Activities

The nature and scope of Buller Holdings Limited is to provide a holding company structure for the ownership of selected Council assets and investments.

Financial results

In the 2022/2023 year the Group generated a profit before taxation and subvention payments of \$1.5m (2022 \$2.6m profit). This is a very encouraging result, the Buller District has handled the recent economic environment very well, and WestReef Services Limited, in particular, is well placed for future growth. A subvention payment of \$1.137 million was approved for this financial year from Buller Holdings Limited to Buller District Council.

Subsidiary companies

WestReef Services Ltd has had another excellent year generating revenue of \$22.1m. The company provided excellent financial results during the year. WRSL has a strategy of growing competitively tendered works and remains focused on this strategy. The company maintains a strong focus on health and safety, ensuring a safe environment for our staff is a high priority for WestReef. We are one of the largest employers in the Buller District, and we are proud of the social and economic benefits we provide for the community. WestReef were involved in many projects during the year, that will greatly benefit the Buller community in the future. The increase in contractors that are securing work or entering the Buller district is a risk to the business and also the distribution that we return to Buller District Council.

BHL during the year entered into an agreement to purchase a large site for the future redevelopment of new premises for WestReef. This will be an exciting opportunity for future growth. The agreement will settle in November 2023.

Buller Recreation Ltd has performed extremely well throughout the year generating a loss before taxation of \$833,000, of this \$730,000 was depreciation. It was pleasing to see membership numbers well up at the year end. The multimembership income for the year was a record for the Centre. We increased our fees from the 1st April 2023 for all members under 65. We still provide excellent value for money options, and we have kept the fees the same for over 65s.

Insurance and power costs have increased substantially in the current environment. The Reefton Pool after the substantial rebuild is now an excellent facility for the Reefton community. After accounting for depreciation and other non-cash items, BRL again generated a cash surplus.

Key Performance Indicators

What we plan to do and our levels of service

Performance Measure	Target	Achievement 2023	Achievement 2022
Operational	The Board of Directors will meet with the Buller District Council CCO Committee on a formal basis a minimum of three times per year and at other times by request.	The Board met with the CCO Committee four times during the year	The Board met with the CCO Committee three times during the year
	The Buller Holdings' Chief Executive will provide a formal and/or informal report to Council as requested.	Three quarterly reports were provided as scheduled	Four quarterly reports were provided as scheduled
	The Chief Executive of Buller Holdings will meet with the Chief Executive of Buller District Council when requested.	Nine meetings with the CEO and BDC have been completed	Three meetings with the CEO and BDC have been completed

Performance Measure	Target	Achievement 2023	Achievement 2022
Health and Safety	Medical Treatment Injury target nil	5, not achieved	6, not achieved
	Nil serious harm incidents to customers or staff	0 - achieved	0 - achieved
	Lost Time Incident target nil	3 not achieved	4 not achieved

Performance Measure	Target	Achievement 2023	Achievement 2022
Operate Within Budgets	The financial performance measures for revenue, expenditure, surplus and capital expenditure included in the Statement of Intent are met	Achieved	Achieved
Provision of quarterly reports to Council	Provision of quarterly reports to Council within 2 months after the end of the quarter of each financial year, except for the June full year report	Achieved	Achieved
Provision of Annual Report and audited financial statements	The provision of the Annual Report and the Audited Financial Statements by 30 September for adoption by Council as shareholders	Achieved	Achieved
Statement of Intent	The Directors shall provide a Statement of Intent (SOI) by 1 March for approval by Council	Achieved	Achieved
Annual Review of Financial Performance	The financial performance measures included in the Statement of Intent are to be met	Achieved	Achieved

Council Controlled Organisations

WestReef Services Limited

WestReef Services Limited is 100% owned by Buller Holdings Limited (BHL).

The company is the largest civil and maintenance company in the Buller District and is the Council's most utilised contractor.

Objective

The principle objective of WestReef Services Ltd is to operate as a successful business while working for the benefit of the shareholders. In pursuing this objective, the company is guided by the following key principles:

- Financial performance;
- Service;
- Employee relationships;
- Safety; and
- Environment.

Nature and Scope of Activities

The nature and scope of WestReef Ltd activities will be predominantly to provide contracting services for the construction and maintenance of infrastructure and amenity assets on the West Coast of the South Island.

Its activities will include maintenance and civil construction services for:

- Roads and bridges
- Response to road and Civil Defence emergencies
- Parks and reserves (including associated facilities)
- Utility services (water and sewerage reticulation, wastewater treatment, storm water collection)
- Solid and liquid waste collection and disposal
- Vehicle workshop repairs and maintenance
- Transfer stations
- Recovery parks
- Roadside vegetation control
- Property maintenance
- Refuse collection
- Environmental and backcountry projects

How WestReef Services Limited performed

The 2023 year was a challenging yet successful year of operation for WestReef. We can be proud of our achievements relating to business resilience and continuity, development, and financial performance.

Several large projects were completed successfully across the business during the financial year. These included the Alma Road Emergency Housing Development and Westport Water Trunk main renewal. We were also successful in a variety of other tender opportunities across the business.

Financial results for the year were pleasing however, like the rest of New Zealand, we continued to operate in a high inflationary environment. Effects of price escalation on items such as fuel, wages and materials / consumables were evident, and this had a noticeable effect on our margin. Revenue generated for the period exceeded budget at \$22m and we concluded the year with a profit before tax and distributions of just over \$2m. The after tax profit was \$0.7m.

Uncertainty was cast across all Council Controlled Organisations (CCOs) that deliver three waters maintenance services

in late December. Government indicated that staff, plant and equipment would transfer from CCO's to the new three waters entity. Early in the new year government reversed their position regarding this which was welcomed. Despite the above uncertainty, we successfully negotiated and signed a new three waters maintenance contract with Buller District Council. This commenced in January 2023 and is a 9-year (total) contract.

We have continued to focus and invest heavily in staff training and Health and Safety. Additional resource was implemented with the addition of a Health and Safety Officer early in 2023. We were again successful in external audits with renewal of all Health and Safety and Quality Accreditations. Overall when compared to the previous five years our Health and Safety trends are pleasing and depict a reduction overall. Our auditing programme is also trending in a positive direction exceeding the previous year. This is really encouraging and can be attributed to dedication from our entire team.

Overall staff turnover was down on previous years and staff turnover in the first 12 months of employment increased on the previous year however both figures sat below the national average. We experienced an increasingly competitive labour market locally due to Stockton Coal Mine (international coal prices) and the recently operational Sand mine. This is a business risk that is set to continue for us moving forward.

After disappointment last year, we continued in search of securing a site for a new depot for WestReef. Buller Holdings Limited entered into an unconditional sale and purchase agreement for a section of Hamilton's farm (approx. 40ha). A significant section of this land is elevated and allows for achieving future business strategies. Considerable work was also undertaken on preparing for implementation of our new business IT systems which will 'go-live' on 1st July 2023.

Westreef is well positioned and remains in a robust position with many opportunities and challenges ahead. Our success is attributable to the ongoing effort of all WestReef employees, Buller Holdings Ltd CEO and Board of Directors. I would like to specifically recognise and thank all staff, especially our management team for their continued hard work and dedication.

Key Performance Indicators

What we plan to do and our levels of service

Performance Measure	Target	Achievement 2023	Achievement 2022
Revenue, expenditure and provision for Capex in line with the budget.			
Financial	Revenue over budget - target \$13.403m	\$22.055m	\$21.056m
	Expenditure target - \$13.403	\$21.364m	\$18.318m
	Net operating surplus target \$1.367m	\$1.991m	\$2.738m
	Provision for Capex target \$3.5m	\$1.328m	\$1.658m
	Ratio of shareholder funds to total assets target greater than 60%.	70%	66%
	45% of revenue to be competitively procured	97%	86%

Performance Measure	Target	Achievement 2023	Achievement 2022
Community support	Support at least 15 community activities.	48 community activities were supported.	33 community activities were supported.

Performance Measure	Target	Achievement 2023	Achievement 2022
Environmental	Receive no enforcement notices.	Nil - No enforcement notices were received.	Nil - no enforcement notices were received. 

Performance Measure	Target	Achievement 2023	Achievement 2022
Employee satisfaction	Undertake a staff satisfaction survey every two years to provide feedback on staff engagement and to use as a benchmark for future years.	Staff engagement survey was completed in September 2022.	Staff engagement survey was completed in September 2020. Next Survey due September 2022. Achieved. 
	Employee turnover < 17% per annum.	14.4%. 4.1% below the national average of 18.5% in the construction industry. This is positive as it is below the national average.	9.5% staff turnover achieved. Relatively low turnover compared to national average of 31.4%. 
	Hold weekly staff meetings with minutes kept.	Regular meetings held. Achieved.	Regular meetings held. Achieved. 

Performance Measure	Target	Achievement 2023	Achievement 2022
Safety	Medical treatment injuries, target Nil.	5- not achieved.	6- not achieved. 
	Lost time incidents target of zero.	3 - not achieved.	4 - not achieved. 
	Nil serious harm incidents to customers or staff.	0 serious harm incidents.	0 serious harm incidents. 

COUNCIL CONTROLLED ORGANISATIONS

Buller Recreation Limited

Buller Recreation Limited (BRL) is 100% owned by Buller Holdings Limited (BHL).

The principal objective of BRL is to operate as a successful business. The company was established to purchase the Pulse Energy Recreation Centre (PERC) from the Buller District Council (Council), and to fulfil a service contract with Council for the provision of recreation services to the Buller community.

BRL continues to provide the community with high quality recreation facilities and services.

Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relationships;
- Safety; and
- Environment.

Nature and Scope of Activities

The nature and scope of the company's activities are to provide accessible sport, recreation and event services and facilities to residents and visitors to the Buller District. Its activities will include provision of services for:

- Recreational swimming and learn to swim programmes
- Aquatic sports events
- Indoor court sports competitions and events
- Fitness centre programmes and classes
- Outdoor turf sports

The directors consider opportunities, from time-to- time, regarding other types of activities or expanding the reach of the Buller Recreation Limited for the provision of services outside of the centre's physical location.

How Buller Recreation Limited performed

The 2023 financial year has produced excellent results for Buller Recreation Ltd (BRL). This is particularly pleasing as we continue to face significant inflationary pressures in the current economic climate. We are experiencing large hikes in insurance premiums and energy supply costs. We are also very aware of the financial pressures facing many households in the community, so we have been focused on keeping prices affordable so people can enjoy the facility.

Fitness member numbers have continued to grow. We have put more fitness classes on to cater for the growth. Yoga is particularly popular, with many classes held during the week. With the continued growth in members, we have been able to only marginally increase the fees for our members. The fee increase took place from 1st April 2023. We have kept our fees at the same level for over 65s. Multi membership fee income was the highest since the centre opened in 2009. It was also an increase of over 70% from four years ago.

The aquatic centre continues to deliver quality programmes educating young children in and around water. The staff take considerable satisfaction in seeing increased confidence in this area. It is very pleasing to receive excellent feedback from members of the public with regards to personalized swim lessons. Swimming lessons have been a particularly strong performer in a tough environment.

Weather events had less of an impact during the 2023 year compared to the previous financial year. We were closed for three days during August 2022 as the region was placed in a Red weather warning. Thankfully the weather forecast didn't occur as the district received minimal rain. There was no impact for BRL other than losing three days trading.

The major capital expenditure items for the year were new aquatic pumps required for the safety of pool users, and some new fitness equipment.

Staff are focused on improving the marketing distribution and ensuring better utilisation of social media to keep up to date

with new technology. This will result in improved awareness of the Pulse Centre and the services that we deliver.

Key Performance Indicators

What we plan to do and our levels of service

Performance Measure	Target	Achievement 2023	Achievement 2022
Revenue, expenditure and provision for Capex in line with the budget.			
Financial	Revenue budget - \$678,000 (excluding management fees).	\$720,000	\$677,000 
	Expenditure budget - \$2.297m.	\$2,404m	\$2.291m 
	Ratio of shareholder funds to total assets >60%.	98%	98% 

Performance Measure	Target	Achievement 2023	Achievement 2022
Fitness membership	Average membership over 12 months of 700 members.	736	724 
	Average retention rate over 12 months >75%.	95%	95% 

Performance Measure	Target	Achievement 2023	Achievement 2022
Aquatic centre usage	Average 4,080 visits per month over 12 months.	3,855	3,305 
	Achieve 140 swimming students averaged over four swimming terms.	190	164 

Performance Measure	Target	Achievement 2023	Achievement 2022
Safety	Medical treatment injuries, target Nil.	Nil	Nil 
	Nil serious harm incidents to customers or staff.	Nil - no serious harm incidents (as defined by Worksafe NZ) were recorded in the incident register during the year	Nil - no serious harm incidents (as defined by Worksafe NZ) were recorded in the incident register during the year 
	Lost time incidents target of zero.	Nil	Nil 

Performance Measure	Target	Achievement 2022	Achievement 2021
Asset Management Plan (AMP).	Complete review of the Asset Replacement Schedule annually.	Achieved - ongoing	Achieved - ongoing 
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieved - ongoing	Achieved - ongoing 

Performance Measure	Target	Achievement 2023	Achievement 2022
Work environment	Hold meetings with all staff every four months.	Achieved. Weekly meetings held with Management and Quarterly meetings with each department	Achieved. Weekly meetings held with Management and Quarterly meetings with each department
	Review the succession plan for key positions and identify training needs and actions for the next 12 months.	Achieved. Consideration is given at Management meetings to skills and training if personnel in key positions leave	Achieved. Consideration is given at Management meetings to skills and training if personnel in key positions leave
	Complete annual review process with all staff to ensure staff are working to their full potential.	Achieved by 30 June 2023	Achieved by 30 June 2022
	Undertake a staff satisfaction survey every second year.	Not Required until June 2024	Completed 30 June 2022

Part five:

Financial Statements

Statement of Comprehensive Revenue and Expenses

for the 12 months ended 30 June 2023

	Notes	Parent			Group	
		2022/2023 Actual \$000	2022/2023 AP Budget \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
OPERATING REVENUE						
General Rates	1	10,211	10,159	9,419	10,194	9,401
Targeted Rates (excluding Metered Water)	1	7,436	7,409	6,594	7,432	6,590
Metered Water Charges		169	150	202	169	202
Rate Penalties	1	131	235	145	131	145
Subsidies and Grants	2	23,301	6,906	25,324	23,301	25,324
Investment Income	2	1,867	1,735	1,594	702	298
Other Income	2	0	0	1	208	425
Development and Financial Contributions		169	53	74	169	74
Fees & Charges		5,983	6,080	5,502	14,905	17,081
Gain on Sale of Investment Property	12	62	0	16	62	16
Vested Assets		315	50	0	315	0
Profit on Sale of Assets		119	0	0	119	0
Gain on Derivative Contracts	16	407	0	2,723	407	2,723
Gain on Revaluations of Investment Property	12d	1,125	158	1,033	1,106	997
Total Operating Revenue	3	51,293	32,935	52,627	59,219	63,276
OPERATING EXPENDITURE						
Employment Costs		7,752	7,398	8,090	16,839	16,752
Depreciation & Amortisation		8,777	7,283	6,391	10,091	7,287
Finance Costs (excluding loss on derivative contracts)		851	1,408	1,524	851	1,565
Loss on Derivative Contracts	16	0	0	0	0	0
Other Expenses		28,875	15,558	28,462	26,522	28,380
Loss on Sale of Assets	12	0	0	343	0	340
Assets Written Off		1,601	476	522	1,601	522
Loss on Revaluations of Investment Property	12	243	0	0	243	0
Loss on Revaluations of Assets Held for Sale		0	0	0	0	0
Loss on Sale/Write Off of Investments	12	0	0	500	0	500
Loss on Sale/Write Off of Investment in Associate		0	0	0	0	0
Loss on Sale/Write Off of Investment Property		81	0	0	81	0
Total Operating Expenditure	4	48,181	32,123	45,833	56,229	55,346
Net Surplus (Deficit) before Taxation	5	3,113	812	6,793	2,991	7,930
Income Tax Expense/(Benefit)	6	(677)	-	-	(2,556)	(718)
Net Surplus (Deficit) after Taxation		3,789	812	6,793	5,546	8,648
Other Comprehensive Revenue & Expense						
Gain on Revaluations of Assets Held for Sale		0	0	0	0	0
Increase/(decrease) in Infrastructure Revaluation Reserves	22	41,489	0	54,782	41,453	54,782
Gain/(Loss) on Investment Recognised in Asset Revaluation Reserve		0	0	0	0	0
Total Comprehensive Revenue & Expense		45,278	812	61,575	46,999	63,430

The accompanying notes and accounting policies form part of these financial statements.

Statement of Changes in Equity for the 12 months ended 30 June 2023

Notes	Parent		Parent		Parent		Group		Group	
	2022/2023		2022/2023		2021/2022		2022/2023		2021/2022	
	Actual \$000	AP Budget \$000	Actual \$000							
Equity as at 1 July	452,854		409,303		391,280		452,734		389,304	
Total Comprehensive Income	45,278		812		61,575		46,999		63,430	
Total Equity at End of Year	498,133		410,115		452,854		499,733		452,734	
Components of Equity										
Accumulated Funds	20	186,727		181,994		181,216		185,984		178,146
Reserves	21	5,414		4,405		6,147		5,414		6,147
Asset Revaluation Reserve	22	305,993		223,716		265,492		308,336		268,441
Total Equity at End of Year		498,133		410,115		452,854		499,733		452,734

The accompanying notes and accounting policies form part of these financial statements.

Statement of Financial Position

as at 30 June 2023

Notes	Parent			Group	
	2022/2023 Actual \$000	2022/2023 AP Budget \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
CURRENT ASSETS					
Cash and Cash Equivalents	8	4,396	897	6,549	5,829
Trade and Other Receivables	9	7,567	5,980	7,844	8,463
Derivative Financial Instruments	16	0	0	0	0
Inventories		12	19	16	332
Other Current Assets	10	627	224	259	1,537
Short Term Investments	12a	10,437	13,034	13,943	13,030
Assets Held for Sale	11	5	0	5	5
Total Current Assets		23,044	20,154	28,616	29,196
NON CURRENT ASSETS					
Investment in Council Controlled Organisations	12b	19,538	20,216	19,355	0
Other Investments	12c	758	0	719	758
Investment Property	12d	11,578	10,270	10,985	10,923
Infrastructural Assets	13	454,558	379,501	410,135	453,504
Other Non Current Assets	13	30,155	29,765	28,788	45,086
Derivative Financial Instruments	16	1,462	0	1,055	1,462
Deferred Tax	6	677	0	0	3,265
Intangible Assets	14	496	400	14	1,224
Total Non Current Assets		519,223	440,152	471,052	516,222
Total Assets		542,267	460,306	499,667	545,418
CURRENT LIABILITIES					
Trade and Other Payables	15	7,342	6,407	10,238	8,065
Derivative Financial Instruments	16	0	566	0	0
Tax Payable		0	0	0	0
Employee Benefits	17	904	721	977	1,731
Provisions	19	36	34	35	36
Current Portion of Borrowings	18	6,030	142	5,000	6,030
Total Current Liabilities		14,312	7,870	16,250	15,863
NON CURRENT LIABILITIES					
Derivative Financial Instruments	16	0	1,102	0	0
Provisions	19	1,253	1,836	1,981	1,253
Bond Deposits		208	334	208	208
Employee Entitlements	17	148	161	161	148
Deferred Tax	6	0	0	0	0
Borrowings	18	28,214	38,888	28,214	28,214
Total Non Current Liabilities		29,822	42,321	30,563	29,822
EQUITY					
Accumulated Funds	20	186,727	181,994	181,216	185,984
Reserves	21	5,414	4,405	6,147	5,414
Asset Revaluation Reserve	22	305,993	223,716	265,492	308,336
Total Equity		498,133	410,115	452,854	499,734
Total Liabilities & Equity		542,267	460,306	499,667	545,418
					501,671

The accompanying notes and accounting policies form part of these financial statements.

Statement of Cashflows

for the 12 months ended 30 June 2023

Note	Parent			Group	
	2022/2023	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	AP Budget \$000	Actual \$000	Actual \$000	Actual \$000
Cashflows from Operating Activities					
<i>Cash was provided from:</i>					
Rates	17,793	17,718	16,550	17,772	16,529
Other Income	28,334	13,274	32,358	37,228	43,064
Interest Received	614	435	516	898	460
Tax Received	0	0	0	0	0
Dividends & Subvention Payments Received	1,300	1,300	1,300	187	0
	48,041	32,727	50,724	56,085	60,054
<i>Cash was applied to:</i>					
Payments to Suppliers and Employees	37,403	21,691	36,748	44,414	41,728
Interest Paid	1,578	1,408	1,524	1,578	1,565
Income Tax Paid	6	0	0	38	0
Net GST Movement	148	0	(135)	211	(105)
	39,129	23,099	38,136	46,242	43,188
Net Cash from Operating Activities	7	8,912	9,628	12,588	9,843
Cashflows from Investing Activities					
<i>Cash was provided from:</i>					
Sales of Assets	388	1,600	165	388	165
Investments Realised	22,489	561	23,609	25,090	26,243
	22,877	2,161	23,773	25,478	26,408
<i>Cash was applied to:</i>					
Purchase of Fixed Assets	15,768	14,455	13,577	18,147	17,447
Purchase of Investments	19,205	183	23,507	22,240	25,382
Purchase of Intangibles	0	0	0		0
	34,973	14,638	37,084	40,386	42,829
Net Cash from Investing Activities		(12,095)	(12,477)	(13,311)	(14,909)
Cashflows from Financing Activities					
<i>Cash was provided from:</i>					
Loans Raised	1,030	3,891	1,440	1,440	1,440
	1,030	3,891	1,440	1,440	1,440
<i>Cash was applied to:</i>					
Repayment of Loans	0	145	0	410	0
Net Cash from Financing Activities		1,030	3,746	1,440	1,030
Net Increase/(Decrease) in Cash		(2,153)	897	716	(4,035)
Opening Cash as at 1 July		6,549	0	5,833	9,864
Closing Cash as at 30 June	8	4,396	897	6,549	9,864

The accompanying notes and accounting policies form part of these financial statements.

Funding Impact Statement for Whole of Council

for the 12 months ended 30 June 2023

	2021/2022 AP Budget \$000	2021/2022 Actual \$000	2022/2023 LTP Budget \$000	2022/2023 Actual \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	9,615	10,397	10,418	10,342
Targeted rates	6,593	6,594	6,795	7,436
Subsidies and grants for operating purposes	3,241	14,701	3,107	12,474
Fees and charges	429	1,568	467	1,510
Interest and dividends from investments	1,449	1,594	1,432	1,867
Local authorities fuel tax, fines, infringements fees and other receipts	5,005	4,471	5,871	4,691
Total operating funding	A	26,332	39,325	28,090
Applications of operating funding				
Payments to staff and suppliers	23,511	34,688	21,946	35,772
Finance costs	818	1,128	849	1,578
Other operating funding applications	508	1,847	499	887
Total applications of operating funding	B	24,837	37,663	23,294
Surplus/ (deficit) of operating funding	A-B	1,495	1,662	4,796
Sources of capital funding				
Subsidies and grants for capital expenditure	5,474	9,455	6,855	10,777
Development and financial contributions	52	74	53	169
Increase/(decrease) in debt	(230)	1,440	(313)	1,030
Gross proceeds from sale of assets	560	164	561	504
Lump sum contributions	35	0	36	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	C	5,891	11,133	7,192
Application of Capital expenditure				
- to meet additional demand	0	0	0	7
- to improve the level of service	3,700	8,218	4,698	6,387
- to replace existing assets	7,095	4,974	6,563	9,031
Increase/ (decrease) in reserves	(4,011)	1,060	(956)	(801)
Increase/ (decrease) in investments	602	(1,457)	1,683	(2,061)
Total applications of capital funding	D	7,386	12,795	11,988
Surplus/ (deficit) of capital funding	C-D	(1,495)	(1,662)	(4,796)
Funding balance	((A-B)+(C-D))	0	0	0

Part Six:

Notes to the Financial Statements

Note 1: Rates Revenue

	Parent	
	2022/2023	2021/2022
	Actual \$000	Actual \$000
Rates Revenue		
General Rates	10,211	9,419
Targeted Rates Attributable to Activities		
Water	3,660	3,147
Refuse and Sanitation	3,776	3,447
Economic Development	0	0
Penalties	131	145
Total Revenue from rates	17,778	16,158

Rates Remissions

Rates revenue is shown net of rates remissions, BDC's rates remission policy allows BDC to remit rates on sporting, culture and other community organisations.

	Parent	
	2022/2023	2021/2022
	Actual \$000	Actual \$000
Rates Remissions		
Total Rates Revenue	17,870	16,242
Rates Remissions		
Land used for sport	55	51
Land protected for historical or cultural purposes	37	33
Total Remissions	92	84
Rates Revenue Net of Remissions	17,778	16,158

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$300,432 (2022: \$381,960). For the Group, rates of \$300,432 (2022: \$381,960) have not been eliminated.

Rating Base Information

The rating base used to set the rates for 2022/23 were 7,603 rating units within the Buller District as at 30 June 2023. The total capital value of these rating units as at 30 June 2023 was \$3,273,689,830 of which \$1,597,331,800 consisted of land value (2021/2022: 7,527 rating units, capital value of \$2,332,191,560 which includes a land value of \$1,115,216,200.

Note 2: Investment and Other Revenue

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Investment Revenue				
Interest	1,011	513	1,011	458
	1,011	513	1,011	458
Less: Internal Interest	284	220	284	220
Total Investment Revenue	727	293	727	238

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Other Revenue				
Subvention Income	1,139	1,300	(26)	0
Other income	0	1	208	424
Donations	0	0	0	0
Found Assets	0	0	0	0
Total Other Income	1,139	1,301	182	424

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Subsidies and Grants				
Flood Recovery funding	15,616	10,652	15,616	10,652
Better Off funding (Excluding recovery portion)	82	0	82	0
DIA Subsidy for Three Waters	371	2,848	371	2,848
PGF Grant for Port Projects	599	3,796	599	3,796
Toki Bridge, Revitalisation and War Memorials Grants	255	1,706	255	1,706
Waka Kotahi Road and Transport Subsidy	5,435	3,198	5,435	3,198
Old Hector Landfill Grants	81	9	81	9
Other Sundry Grants	862	3,115	862	3,115
	23,301	25,324	23,301	25,324

Note 3: Operating Revenue

	Parent			Group	
	2022/2023	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	AP Budget \$000	Actual \$000	Actual \$000	Actual \$000
Revenue by Activity					
Regulatory Services	1,462	1,193	1,456	1,462	1,456
Roading & Transport	5,753	6,404	3,507	5,753	3,507
Water Supplies	3,850	3,878	6,197	3,850	6,197
Wastewater	2,951	2,917	2,712	2,951	2,712
Stormwater	827	5	23	827	23
Solid Waste	1,170	1,013	1,036	1,170	1,036
Infrastructure Delivery	1,030	2,150	1,204	1,030	1,204
Community Services	879	367	1,516	879	1,516
Governance & Representation	26	0	0	26	0
Support Services	6,885	6,269	5,849	6,885	5,849
Property	1,879	1,884	3,326	1,879	3,326
Commercial Infrastructure	3,202	2,846	6,378	3,202	6,378
	29,915	28,926	33,203	29,915	33,203
Plus:					
General Rates	9,388	10,159	9,419	9,371	9,401
Rates Penalties	131	150	145	131	145
Investment Income	1,861	2,097	1,592	696	296
Flood Recovery Income	15,696	0	11,923	15,696	11,923
Profit on Sale of Assets	119	0	0	119	0
Gain on Sale of Investment Property	62	0	16	62	16
Vested Assets	315	0	0	315	0
Sundry Income	0	0	0	208	425
Gain on Derivative Contracts	407	0	2,723	407	2,723
Gain on Revaluation of Investment Land	1,125	0	1,033	1,106	997
Group Fees and Charges	0	0	0	8,918	11,574
Share in Profit/(Loss) of Associate	0	0	0	0	0
	59,018	41,332	60,054	66,944	70,703
Less: Internal Recoveries	(7,725)	(8,397)	(7,427)	(7,725)	(7,427)
Total Income	51,293	32,935	52,627	59,219	63,276

**DISCLOSURE OF EXCHANGE AND NON EXCHANGE
TRANSACTIONS**

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Total Exchange and Non Exchange Transactions	51,293	52,627	59,219	63,276
Less: Non Exchange Transactions				
Rates Revenue	(17,647)	(16,013)	(17,626)	(15,991)
Rates Penalties	(131)	(145)	(131)	(145)
Gain on Derivative Contracts	(407)	(2,723)	(407)	(2,723)
Grants and Subsidies Received	(23,301)	(25,324)	(23,301)	(25,324)
Gain on Revaluation of Investment Property	(1,125)	(1,033)	(1,106)	(997)
Subtotal	(42,611)	(45,238)	(42,571)	(45,180)
Total Exchange Transactions	8,682	7,389	16,648	18,096

Note 4: Operating Expenditure

	Parent			Group	
	2022/2023	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	AP Budget \$000	Actual \$000	Actual \$000	Actual \$000
Expenditure by Activity					
Regulatory Services	2,502	2,741	2,701	2,502	2,701
Roading & Transport	4,998	4,395	4,027	4,998	4,027
Water Supplies	3,093	2,651	2,307	3,093	2,307
Wastewater	1,809	1,814	1,507	1,809	1,507
Stormwater	570	411	418	570	418
Solid Waste	847	1,407	1,589	847	1,589
Infrastructure Delivery	1,291	1,620	1,203	1,291	1,203
Community Services	4,569	3,938	4,545	4,569	4,545
Governance & Representation	1,898	1,808	1,704	1,898	1,704
Support Services	6,771	6,278	5,874	6,771	5,874
Property	3,157	3,242	2,834	3,157	2,834
Flood recovery	9,304		10,698	9,304	10,698
Commercial Infrastructure	4,677	2,816	6,307	4,677	6,307
	45,488	33,121	45,714	45,488	45,714
Plus					
Depreciation and Amortisation					
- <i>Regulatory Services</i>	23	36	34	23	34
- <i>Roading & Transport</i>	4,693	3,530	3,317	4,693	3,317
- <i>Water Supplies</i>	1,291	1,063	802	1,291	802
- <i>Wastewater</i>	1,153	930	796	1,153	796
- <i>Stormwater</i>	377	281	254	377	254
- <i>Solid Waste</i>	81	96	82	81	82
- <i>Infrastructure Delivery</i>	10	20	14	10	14
- <i>Community Services</i>	202	254	257	202	257
- <i>Governance and Representation</i>	0	0	0	0	0
- <i>Support Services</i>	148	254	110	148	110
- <i>Property</i>	644	669	605	644	605
- <i>Commercial Infrastructure</i>	153	150	129	157	129
- <i>Group Depreciation</i>	0		0	0	0
Other Group Expenses	0		0	8,044	9,513
Assets Written Off	1,601	476	522	1,601	522
Loss on Sale of Assets	0		343	0	343
Loss on Derivative Contracts	0		0	0	0
Loss on Revaluations of Investment Land	0		0	0	0
Loss on Revaluations of Assets Held for Sale	0		0	0	0
Loss on Sale/Write Off of Investment in Associate	0		0	0	0
Loss on Sale/Write Off of Investment Property	324		0	324	0
Loss on Sale/Write Off of Investments	0		500	0	500
Less				0	0
Internal Recoveries	(7,725)	(8,397)	(7,427)	(7,725)	(7,427)
Internal Interest	(284)	(362)	(220)	(284)	(220)
Total Operating Expenditure	48,181	32,123	45,833	56,229	55,346

Note 5: Operating Surplus

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Operating Surplus Was Determined After Accounting For				
Fees to principal auditor				
Fees to Ernst & Young for audit of Financial statements (2022 & 2023)	195	144	195	231
Fees to Audit New Zealand for audit of Long Term Plan	0	0	0	0
Fees to Audit New Zealand for other services	0	0	0	0
Fees to other CA firms for audit of Subsidiaries	0	0	0	0
Grants and Donations Expense	833	1,206	833	1,206
Lease Income	393	390	393	390
Lease Expense	65	57	65	57
Movement in provision doubtful debts				
Accounts Receivable	(64)	34	(64)	34
	1,423	1,831	1,423	1,918

(i) Remuneration

During the year to 30 June 2023, the total remuneration and value of non-financial benefits received by or payable to the Mayor, other Councillors and the Chief Executive of the Council were as follows:

	Group	
	2022/2023	2021/2022
	Actual \$000	Actual \$000
Chief Executive		
Sharon Mason (ceased 02/12/2022)	162,266	248,262
Rachel Townrow (Acting CE) (02/12/2022 - 10/06/2023)	183,911	0
Sean Judd (Acting CE) (commenced 10/06/2023)	10,163	0
Total Chief Executive:	356,341	248,262
Mayor		
Jamie Cleine	106,526	95,867
Councillors		
Andrew Basher (Dept Mayor) (commenced 14/10/2022)	29,520	0
Ivor Grafton (commenced 14/10/2022)	18,363	0
Annelise Pfahlert (commenced 14/10/2022)	18,363	0
Toni O'Keefe (commenced 14/10/2022)	18,363	0
Graeme Neylon (commenced 14/10/2022)	27,180	0
Linda Webb (commenced 14/10/2022)	19,211	0
Colin Reidy (commenced 14/10/2022)	18,363	0
Dave Hawes (ceased 14/10/2023)	7,649	24,765
Robyn Nahr (ceased 14/10/2023)	8,179	26,616
Sharon Roche (ceased 14/10/2023)	13,321	48,637
Philip Rutherford (ceased 14/10/2022)	9,388	31,242
Rosalie Sampson	32,430	26,285
John Bougen (ceased 14/10/2022)	7,854	25,252
Martin Hill (ceased 06/12/2021)	0	10,031
Grant Weston	26,499	26,616
Joannne Howard	34,496	27,085
Margaret Montgomery (ceased 14/10/2022)	9,388	31,192
Total Mayor & Councillors	405,095	373,588

(ii) Severance Payments

Schedule 10 of the Local Government Act 2002 requires the Council to disclose any severance payments to staff. Severance payments include any consideration (monetary or non - monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. For the year ended 30 June 2023, the council made two severance payments of \$33,619. (2021/2022: One payment of \$14,582).

(iii) Employee Staffing Levels and Remuneration

	2022/2023	2021/2022
Number of Employees		
Fulltime	58	64
Fulltime Equivalent of other employees	15	19

Buller District Council defines a full time equivalent employee as one that works a minimum of 40 hours per week. However in 2022/2023 there was 1 employee who is contracted to work 37.5 hours per week (2021/2022: 3 employees). These employees are regarded as full time employees for the purposes of this disclosure. At balance date the total number of employees employed by Council was 92 (2021/2022: 95). Councillors are not included in employee staffing levels and remuneration disclosures.

REMUNERATION LEVELS

Remuneration Levels

2022/2023	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$139,999	\$160,000 to \$219,999
Number of Employees	51	15	12	8	6
2021/2022	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$119,999	\$120,000 to \$249,999
Number of Employees	67	21	14	6	10

The Local Government Act (2002) requires that if the number of employees in a remuneration band is 5 or fewer then that band is combined with the next highest band. In 2022/2023 there were 5 or fewer employees in the \$100,000 to \$119,999 and the \$120,000 to \$139,999, hence inclusion of those employees in a \$100,000 to \$139,999 remuneration band. There was no employees in the \$140,000 to \$159,999 band. There were 5 or fewer employees in the \$160,000 to \$179,000. the \$180,000 to \$199,999 and the \$200,000 to \$219,999 bands, hence the inclusion of those employees in a \$160,000 to \$219,000 band.

In 2021/2022 there were 5 or fewer employees in the \$120,000 to \$139,999, the \$140,000 to \$159,999, the \$160,000 to \$179,999 and the \$180,000 to \$199,999 bands, hence inclusion of those employees in a \$120,000 to \$199,999 remuneration band. There were 5 or fewer employees in the \$200,000 to \$219,999 and one employee in the \$220,000 to \$249,999 band, hence the inclusion of those employees in a \$200,000 to \$249,000 band.

Note 6: Income Tax

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Components Of Tax Expense				
Current Tax Expenses	0	0	0	0
Adjustments to Current Tax in Prior Year	0	0	0	0
Deferred Tax Expenses	(677)	0	(2,556)	(718)
Income Tax Expense	(677)	0	(2,556)	(718)

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Relationship Between Tax And Accounting Profit				
Surplus/(Deficit) Before Tax	3,113	6,793	2,991	7,930
Tax @ 28%	872	1,902	837	2,220
Non-Deductible Expenditure	0	0	5	0
Non-Taxable Income/(Expenditure)	(553)	(444)	(746)	(2,299)
Change in Building Depreciation	0	0	0	0
Effect of tax rate change	0	0	0	0
Prior Year Adjustment	0	0	(2,372)	1
Group Loss Offset	(319)	(1,300)	0	0
Temporary Differences Not Recognised	0	0	0	0
Tax Losses Not Recognised	0	(158)	0	0
Tax Losses Previously Not Recognised	(597)	0	(202)	0
Deferred Tax Adjustments	(80)	0	(78)	(640)
Tax Expense	(677)	(0)	(2,556)	(718)

Deferred Tax Assets/(Liabilities)

Parent	Property, Plant & equipment	Employee entitlements	Other provisions	Tax Losses	Total
Balance at 1 July 2021	(41)	0	0	41	0
Credited to Profit and Loss	22	0	0	(22)	0
Balance at 30 June 2022	(19)	0	0	19	0
Credited to Profit and Loss	80	0	0	597	677
Charged to Equity	0	0	0	0	0
Balance at 30 June 2023	61	0	0	616	677

Group	Property, Plant & equipment	Employee entitlements	Other provisions	Tax Losses	Total
Balance at 1 July 2021	(532)	186	10	325	(11)
Credited to Profit and Loss	616	(10)	24	88	718
Balance at 30 June 2022	84	176	34	414	707
Credited to Profit and Loss	2,373	6	(25)	202	2,556
Charged to Equity	0	0	0	0	0
Balance at 30 June 2023	2,457	182	9	616	3,264

Additional disclosures

A deferred tax asset has not been recognised in relation to tax losses of \$0 (2022: \$1,477,547). The deferred tax asset has been recognised in the current year on the basis that it is probable that the tax losses can be utilised within the group.

Note 7: Reconciliation of Net Surplus/(Deficit) After Tax to Net Cash Flow From Operating Activities

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Surplus/(deficit) after tax	3,789	6,793	5,546	8,648
Add/(less) non-cash items:				
Depreciation & Amortisation Expense	8,777	6,391	10,091	7,286
Impairment	0	0	0	0
Movement in Provisions	(727)	405	(727)	396
Movement in Deferred Taxation	(615)	0	(2,556)	(718)
Donated Assets	0	0	0	0
Assets Written Off	1,601	0	0	0
Vested Assets	(315)	0	(315)	0
Loan Amortisation	0	0	0	0
(Gains)/Losses on Derivative Financial Instruments	(407)	(2,723)	(407)	(2,723)
(Gains)/Losses on Disposal of Investment Property and PPE	(388)	(165)	(388)	(165)
Non cash movement in Fixed Assets	0	865	1,601	865
Gain/(Loss) in Fair Value of Financial Assets	(0)	501	0	501
(Gains)/Losses in Fair Value of Investment Property	(593)	(884)	(574)	(828)
	7,334	4,390	6,725	4,613
Add/(less) Movements in Working Capital Items:				
Trade and Other Receivables	277	2,348	391	834
Inventories	4	(1)	(250)	29
Other Current Assets	(368)	(35)	(1,278)	44
Trade and Other Payables	(2,065)	(1,145)	(1,188)	2,404
Income Tax Payable	0	0	0	0
Employee Benefits	(59)	239	(66)	294
	(2,211)	1,405	(2,392)	3,605
Net cash inflow/(outflow) from operating activities	8,912	12,588	9,880	16,866

Note 8: Cash and Cash Equivalents

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Cash at bank and in hand	537	3,913	1,970	5,127
Short term deposits maturing three months or less from the date of acquisition	3,859	2,636	3,859	4,737
Total cash and cash equivalents	4,396	6,549	5,829	9,864

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Note 9: Trade and Other Receivables

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Trade Receivables	3,326	4,032	5,631	6,407
Amounts due from Controlled Entities (excluding GST)				
WestReef Ltd	7	7	0	0
Buller Holdings Ltd	101	59	0	0
Buller Recreation Ltd	0	0	0	0
Buller Health Trust	0	0	0	0
Interest Receivable	159	46	159	46
Dividend / Subvention Receivable	1,139	1,300	(161)	0
Other Receivables:				
NZTA Roading Subsidies	1,817	1,581	1,817	1,581
Rates Receivable	1,051	917	1,051	917
Total Trade Receivables	7,601	7,941	8,497	8,951
Less:				
Provisions for doubtful debts	(33)	(97)	(33)	(97)
	7,567	7,844	8,463	8,854
Represented by:				
Current Portion	6,457	5,979	7,467	6,989
Term Portion	1,110	1,865	1,110	1,865
	7,567	7,844	8,577	8,854
Buller District Council has classified the following receivables as exchange transactions	3,136	1,619	4,146	2,629
Buller District Council has classified the following receivables as non exchange transactions	4,431	6,225	4,431	6,225
	7,567	7,844	8,577	8,854

Fair Value

Trade and other receivables are non-interest bearing and receipt is normally on 30 day terms. The carrying value of trade, and other receivables (excluding loans to related parties and community loans) approximates their fair value.

Impairment

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

Buller District Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale of lease or the rating unit.

	2022/2023			2021/2022		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	6,457	0	6,457	5,973	0	5,973
Past due 1-60 days	138	0	138	23	0	23
Past due 61-120 days	243	0	243	45	0	45
Past due > 120 days	763	33	730	1,900	97	1,803
Total	7,600	33	7,567	7,941	97	7,844
	0	0	0	0	0	0

Group						
Not past due	7,353	0	7,353	6,679	0	6,679
Past due 1-60 days	138	0	138	328	0	328
Past due 61-120 days	243	0	243	45	0	45
Past due > 120 days	763	33	730	1,900	97	1,803
Total	8,497	33	8,464	8,951	97	8,854

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Provision for Impairment				
Individual Impairment	33	97	33	97
Collective Impairment	0	0	0	0
Total Provision for Impairment	33	97	33	97

The doubtful debt provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors as detailed above.

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Individual Impairment				
Past due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	+	0
Past due > 120 days	33	97	131	97
Total Individual Impairment	33	97	131	97

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Movement in the provision for impairment of receivables				
At 1 July	97	63	97	63
Additional provisions made during the year	33	34	34	34
Provisions reversed during the year	0	0	0	0
Receivables written-off during the period	(97)	0	0	0
At 30 June	33	97	131	97

Buller District Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. Except for rates receivables when the Council has legislative powers to recover any outstanding debts.

The carrying value of receivables that would otherwise be past due or impaired whose terms have been renegotiated is nil (2022: nil).

Note 10: Other Current Assets

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Other Current Assets				
Work In Progress	21	22	21	22
Prepayments	605	238	1,515	237
	627	259	1,537	259

Note 11: Non Current Assets Held For Sale

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Non-current Assets held for sale				
Structures	5	5	5	5
Total Assets Held for Sale	5	5	5	5

As at 30 June 2023 Council had one asset held for sale (2021/2022: One asset for sale).

Note 12: Current and Non Current Investments

Note - 12a Short Term Investments

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Term Deposits	10,436	13,943	13,029	15,919
Total Short Term Investments	10,436	13,943	13,029	15,919

Council classifies investments with a maturity date of less than 12 months at balance date as short term investments.

Term deposits with a maturity date of less than 3 months from acquisition date is classified as cash and cash equivalents. Council classified \$3,589,038 of term deposits to cash and cash equivalents (2022: \$2,637,000).

Note - 12b Investment in Council Controlled Organisations

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Investment in CCO's (Buller Holdings Ltd)	18,038	17,855	0	0
Investment in CCO's (Loans to Subsidiaries)	1,500	1,500	0	0
Total Investment in CCO's	19,538	19,355	0	0

Council subscribed for 183,000 of additional shares in Buller Holdings Limited in 2022/2023 for \$183,000 in cash payments. The equity was to be used to fund capital expenditure in Buller Recreation Limited (2021/2022: \$102,000 for 102,000 additional shares acquired by Buller District Council to fund capital expenditure in Buller Recreation Limited).

There was no impairment of investment in Buller Holdings in 2022/2023 (2021/2022 Nil impairment).

	Parent	
	2022/2023	2021/2022
	Actual \$000	Actual \$000
Investments acquired -shares issued by Buller Holdings Limited	183	102
Investments acquired (disposed of) -Advances and Loans	0	0
	183	102

All loans to Council Controlled Organisations have been advanced at market interest rates.

The fair value of loans to related parties in 2022/2023 is \$1,500,000 (2021/2022: \$1,500,000). Fair value has been determined using cash flows discounted at a rate based on market interest rates including an additional risk to take into account the specific risks of each loan. The interest rate on the loan of \$1,500,000 to Buller Holdings Ltd is the 90-day interest rate plus 1%.

Note - 12c Other Investments

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Investment in Associate	0	0	0	0
Term Deposits (maturity greater than one year)	0	0	0	0
Investment in CCO's (New Zealand Whitebait Ltd)	0	0	0	0
Investments in other CCO's (NZ Local Government Insurance Corporation Ltd)	26	26	26	26
DWC Community Loans	(5)	1	(5)	1
Bond Deposits	237	237	237	237
Borrower Notes LGFA	500	455	500	455
Total Other Investments	758	719	758	719
	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
New Zealand Whitebait Limited				
Balance at 1 July	0	0	0	0
Shares purchased	0	500	0	500
Disposal/ Write down of investment	0	(500)	0	(500)
Balance 30 June	0	0	0	0

(2022: Council received \$700,000 grant funding from the Provincial Growth Fund over the past two financial years for investment in an aquaculture project with New Zealand Whitebait Limited.

This grant was in two parts: \$200,000 for administration and \$500,000 for the purchase of shares.

New Zealand Whitebait Limited aimed to establish a whitebait farm near Westport but did not proceed as it could not secure further investment, and the Covid pandemic affected progress. As per the funding agreement Council passed \$180,000 on to New Zealand Whitebait Limited for administration costs and retained \$20,000 for Buller District Council's administration fees. \$500,000 of shares were purchased giving Buller District Council administration costs to New Zealand Whitebait Limited and 500,000 \$1 shares (6.7% shareholding).

Note - 12d Investment Property

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Investment Property				
Balance at 1 July	10,985	10,101	10,349	9,521
Additions	0	0	0	0
Transfers (to)/from Non Current Assets Held for Sale	0	0	0	0
Disposals/Adjustments	(289)	(148)	(289)	(169)
Fair value gains/(losses) on valuation	882	1,033	863	997
Balance 30 June	11,578	10,985	10,923	10,349

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Investment Property - Revenue and Expenses				
Rental Revenue from Investment Property	208	188	138	118
Direct Expenses of Income Generating Investment Property	35	26	20	11
Direct Expenses of Non-income Generating Investment Property	0	0	0	0

Buller District Council investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence as at 30 June 2023.

Consideration has been given the relevant and appropriate valuation approaches. There are three principle valuation approaches these are:

- Market Approach,
- Cost Approach, and
- Income Approach

The most appropriate approach is selected under the particular circumstances of the property given the nature of the property and availability of reliable market information.

The valuation was performed by Quotable Value, an independent valuer. Quotable Value are an experienced valuer with extensive market knowledge in the types of investment properties owned by Council. The total value of investment property valued by Quotable Value as at 30 June 2023 was \$11,578,000 (2021/2022: \$10,985,000).

As at 30 June 2023 there were no leasehold properties lodged at Council's solicitors pending completion of sale, this is disclosed in note 11. (2021/2022: nil properties).

Note 13: Property, plant and equipment

Council 2023

Council 2023

Group 2023												Carrying Amount	
	Cost/	Accumulated Depreciation	Carrying Amount										
	Revaluation 30-06-23	Revaluation 30-06-23	Revaluation 30-06-23	Carrying Amount									
OTHER FIXED ASSETS	\$000s	\$000s	\$000s	\$000s									
Land	6,194	0	6,194	0	(55)	0	0	0	276	0	6,415	0	
Leasehold Improvements	295	(119)	176	21	0	0	0	0	0	0	316	(134)	
Buildings	41,251	(16,351)	24,900	1,255	(268)	0	(99)	(965)	(88)	0	42,150	(17,415)	
Office Equipment, Furniture	3,107	(2,597)	510	184	0	0	(6)	(174)	0	0	3,291	(2,777)	
Vehicles	9,270	(5,741)	3,529	1,158	(21)	0	0	(664)	(152)	0	10,255	(6,405)	
Library Books	1,234	(1,210)	24	71	0	0	0	(15)	0	0	1,305	(1,225)	
Plant and Equipment	5,269	(4,175)	1,094	433	(46)	0	(32)	(315)	0	0	5,656	(4,522)	
Other Assets	8,055	(2,986)	5,069	1,326	0	0	(29)	(283)	84	0	9,465	(3,298)	
Vessels	4,387	(4,341)	46	0	0	0	0	(1)	0	0	4,387	(4,342)	
Work in Progress	2,039	0	2,039	823	0	0	0	0	(898)	0	1,964	0	
Subtotal	81,101	(37,520)	43,581	5,271	(390)	0	(166)	(2,432)	0	(778)	0	85,204	(40,118)
Total	492,679	(39,563)	453,116	24,159	(1,586)	0	(195)	(9,220)	0	(8,295)	0	506,880	(48,949)

Group 2023												Carrying Amount	
	Cost/	Accumulated Depreciation	Carrying Amount										
	Revaluation 01-07-22	Revaluation 01-07-22	Revaluation 01-07-22	Carrying Amount									
INFRASTRUCTURE ASSETS	\$000s	\$000s	\$000s	\$000s									
Land under roads	19,408	0	19,408	0	0	0	0	0	0	0	19,408	0	
Sewerage	30,242	0	30,242	1,844	(111)	0	0	(947)	0	0	31,975	(947)	
Stormwater	13,367	0	13,367	839	(48)	0	0	(337)	0	0	14,158	(338)	
Roads and Bridges	294,159	0	294,159	2,825	(722)	0	0	(4,323)	0	0	296,262	(4,323)	
Water supplies	40,825	0	40,825	9,650	(301)	0	0	(1,079)	0	0	50,174	(1,079)	
Airport runway	312	(163)	149	0	0	0	0	(8)	0	7	319	(170)	
Landfills/Transfer Stns	1,798	(1,038)	760	188	0	0	(29)	(61)	0	21	0	2,007	
Wharves	2,004	(842)	1,162	0	(14)	0	0	(33)	0	13	0	2,003	
Work in Progress	9,464	0	9,464	3,542	0	0	0	0	0	(7,636)	0	5,370	
Subtotal	411,578	(2,043)	409,535	18,888	(1,196)	0	(29)	(6,788)	0	(7,517)	0	421,676	(8,831)

Council 2022	Cost/ Revaluation 01-07-21	Accumulated depreciation	Carrying Amount 01-07-21	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	Carrying Amount 30-06-22
	Cost/ Revaluation 30-06-22	Accumulated depreciation 30-06-22	Revaluation Gains	Transfers/ Others	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-22						
INFRASTRUCTURE ASSETS													
Land under roads	19,404	0	19,404	0	0	0	0	0	0	0	19,404	0	19,404
Sewerage	28,936	(1,661)	27,275	491	(39)	0	0	(796)	(2,457)	(8)	3,312	30,243	0
Stormwater	10,597	(498)	10,099	17	(30)	0	0	(254)	(752)	16	3,522	13,354	0
Roads and Bridges	261,497	(6,385)	255,112	1,418	(178)	0	0	(3,306)	(9,691)	3	41,116	294,163	0
Water supplies	34,519	(1,598)	32,921	2,758	(274)	0	0	(802)	(2,401)	11	6,833	41,434	0
Airport runway	311	(155)	156	0	0	0	0	(8)	0	1	0	311	(163)
Landfills/Transfer Stns	2,677	(972)	1,705	1	(7)	0	0	(63)	0	(887)	0	1,811	(1,035)
Wharves	1,998	(807)	1,191	0	0	0	0	(33)	0	1	0	1,998	(840)
Work in Progress	4,505	(1)	4,504	6,434	0	0	0	0	0	(1,474)	0	9,464	(1)
Subtotal	364,444	(12,077)	352,367	11,119	(528)	0	0	(5,262)	(15,301)	(2,343)	54,783	412,182	(2,039)

Council 2022	Cost/ Revaluation 01-07-21	Accumulated depreciation	Carrying Amount 01-07-21	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	Carrying Amount 30-06-22
	Cost/ Revaluation 30-06-22	Accumulated depreciation 30-06-22	Revaluation Gains	Transfers/ Others	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-22						
OTHER FIXED ASSETS													
Land	5,609	0	5,609	0	0	0	0	0	0	0	0	5,608	0
Buildings	21,321	(8,196)	13,125	3,103	(58)	0	0	(547)	0	0	0	24,366	(8,743)
Office Equipment, Furniture & Fittings	2,212	(1,904)	308	161	0	0	0	(113)	0	0	0	2,373	(2,017)
Vehicles	1,144	(959)	185	187	(7)	0	0	(56)	0	0	0	1,312	(1,015)
Library Books	1,154	(1,136)	18	79	0	0	0	(74)	0	0	0	1,233	(1,211)
Plant and Equipment	2,355	(2,190)	165	125	0	0	0	(69)	0	1	0	2,481	(2,259)
Other Assets	7,106	(2,723)	4,383	348	(271)	0	0	(256)	0	863	0	8,050	(2,980)
Vessels	4,384	(4,340)	44	0	0	0	0	(1)	0	0	0	4,384	(4,341)
Work in Progress	1,916	0	1,916	1,169	0	0	0	0	0	(1,538)	0	1,547	0
Subtotal	47,192	(21,450)	25,742	5,172	(336)	0	0	(1,116)	0	(674)	0	51,384	(22,566)
Total	411,645	(33,525)	378,120	16,291	(864)	0	0	(6,378)	(15,301)	(3,009)	54,783	463,536	(24,605)

Group 2022													Carrying Amount 30-06-22
	Accumulated Depreciation 30-06-22	Cost/ Revaluation 30-06-22	Revaluation Gains	Transfers/ Others	Elimination of Accumulated Depreciation on Valuation	Current Year Depreciation/ Impairment Charges	Accumulated Depreciation on disposals	Transfer (to)/ from Assets Held for Sale	Current Year Disposals	Current Year Addition	Carrying Amount 01-07-21	Cost/ Revaluation 01-07-21	
INFRASTRUCTURE ASSETS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,408	0	19,408	0	0	0	0	0	0	0	19,408	0	19,408
Sewerage	28,794	(1,653)	27,141	491	(39)	0	0	(796)	(2,457)	295	3,312	30,242	0
Stormwater	10,610	(515)	10,095	17	(30)	0	0	(254)	(752)	119	3,522	13,367	0
Roads and Bridges	261,230	(6,388)	254,842	1,418	(178)	0	0	(3,306)	(9,691)	958	41,116	294,159	0
Water supplies	34,382	(1,611)	32,771	2,149	(274)	0	0	(802)	(2,401)	758	6,833	40,825	0
Airport runway	308	(155)	153	0	0	0	0	(8)	0	4	0	312	(163)
Landfills/Transfer Stns	2,633	(976)	1,657	1	(7)	0	0	(63)	0	0	(1,681)	0	1,798
Wharves	2,004	(809)	1,195	0	0	0	0	(33)	0	0	0	2,004	(842)
Work in Progress	4,505	0	4,505	6,434	0	0	0	0	0	(2,950)	0	9,464	0
Subtotal	363,874	(12,107)	351,767	10,510	(528)	0	0	(5,262)	(15,301)	(2,488)	54,782	411,578	(2,043)

Group 2022													Carrying Amount 30-06-22
	Accumulated Depreciation 30-06-22	Cost/ Revaluation 30-06-22	Revaluation Gains	Transfers/ Others	Elimination of Accumulated Depreciation on Valuation	Current Year Depreciation/ Impairment Charges	Accumulated Depreciation on disposals	Transfer (to)/ from Assets Held for Sale	Current Year Disposals	Current Year Addition	Carrying Amount 01-07-21	Cost/ Revaluation 01-07-21	
OTHER FIXED ASSETS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	6,322	0	6,322	0	0	0	0	0	0	17	0	6,194	0
Leasehold Improvements	278	(102)	176	0	0	0	0	(17)	0	17	0	295	(119)
Buildings	38,244	(15,821)	22,423	3,103	(58)	0	0	(530)	0	0	(38)	41,251	(16,351)
Office Equipment, Furniture & Fittings	2,879	(2,437)	442	228	0	0	0	(160)	0	0	0	3,107	(2,597)
Vehicles	8,293	(5,160)	3,133	1,090	(44)	0	0	(581)	0	(69)	0	9,270	(5,741)
Library Books	1,155	(1,136)	19	79	0	0	0	(74)	0	0	0	1,234	(1,210)
Plant and Equipment	4,796	(3,847)	949	492	(8)	0	0	(328)	0	(11)	0	5,269	(4,175)
Other Assets	7,132	(2,730)	4,402	351	(271)	0	0	(256)	0	843	0	8,055	(2,986)
Vessels	4,387	(4,340)	47	0	0	0	0	(1)	0	0	0	4,387	(4,341)
Work in Progress	1,920	0	1,920	1,169	0	0	0	0	0	(1,050)	0	2,039	0
Subtotal	75,406	(35,573)	39,833	6,512	(381)	0	0	(1,947)	0	(291)	0	81,101	(37,520)
Total	439,280	(47,680)	391,610	17,022	(909)	0	0	(7,209)	(15,301)	(2,779)	54,782	492,679	(39,563)

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Work in Progress				
Property, Plant and Equipment in the course of construction by class of asset				
Water Systems	1,175	6,352	1,175	6,352
Road Network	2,807	952	2,807	952
Other Assets	2,824	3,707	3,352	4,199
Total Work in Progress	6,806	11,011	7,334	11,503

REVALUATION OF INFRASTRUCTURE ASSETS

Revaluation of infrastructure assets was completed as at 30 June 2023

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Infrastructure Assets were increased by the following values:				
Roading and Transport revaluation increase		34,230	47,279	34,230
Less impairment of roading and transport affected by flooding emergencies			(6,163)	(6,163)
Net increase in Roading and Transport revaluation assets due to revaluation	34,230	41,116	34,230	41,116
Water Supplies revaluation increase	3,630	6,833	3,594	6,833
Stormwater revaluation increase	873	3,522	873	3,522
Wastewater revaluation increase	2,756	3,311	2,756	3,311
Total Increase in Revaluation Reserves due to Infrastructure Assets Revaluation	41,489	54,782	41,453	54,782

Other assets includes both other assets and sewerage assets

Note 14: Intangible Assets

	Parent		Group		
	Computer Software & Licences \$000	Total \$000	Goodwill \$000	Computer Software & Licences \$000	Total \$000
Cost:					
Balance at 1 July 2021	757	757	728	769	1,497
Transfers	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Balance at 30 June 2022	757	757	728	769	1,497
Balance at 1 July 2022	757	757	728	769	1,497
Transfers	0	0	0	0	0
Additions	535	535	0	535	535
Disposals	10	10	0	10	10
Balance at 30 June 2023	1,282	1,282	728	1,294	2,022
Accumulated Amortisation and Impairment:					
Balance at 1 July 2021	729	729	0	741	741
Transfers	0	0	0	0	0
Amortisation charge	14	14	0	14	14
Disposals	0	0	0	0	0
Balance at 30 June 2022	743	743	0	755	755
Balance at 1 July 2022	743	743	0	755	755
Transfers	0	0	0	0	0
Amortisation charge	48	48	0	48	48
Disposals	5	5	0	5	5
Balance at 30 June 2023	786	786	0	798	798
Carrying Amounts					
Balance at 30 June 2022	14	14	728	14	742
Balance at 30 June 2023	496	496	728	496	1,224

Goodwill has been assessed for impairment during the year. On this basis, it has been determined that Goodwill has not been impaired.

Goodwill relates to Buller Recreation Limited. Impairment is assessed on Fair value less the cost to sell of assets held. Buller Recreation Limited recognises assets at cost less depreciation, not fair value.

Note15: Trade and Other Payables

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Trade payables	3,429	5,382	6,030	7,801
Amounts due to related parties:				
WestReef Ltd	1,877	1,289	0	0
Buller Arts & Recreation Trust	0	0	0	0
Buller Health Trust	0	0	0	0
Buller Holdings Ltd	0	0	0	0
Buller Recreation Ltd	0	0	0	0
Westport Harbour Ltd	0	0	0	0
Revenue Received in Advance	2,035	3,567	2,035	3,754
Total trade and other payables	7,341	10,238	8,065	11,555
Buller District Council has classified the following payables as exchange transactions	5,249	6,571	5,973	7,888
Buller District Council has classified the following payables as non exchange transactions	2,092	3,667	2,092	3,667
Total	7,341	10,238	8,065	11,555

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

Note 16: Derivative Financial Instruments

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Current Asset Portion				
Interest Rate Swaps	0	0	0	0
Total Current Asset Portion	0	0	0	0
Non Current Asset Portion				
Interest Rate Swaps	1,462	1,055	1,462	1,055
Total Current Asset Portion	1,462	1,055	1,462	1,055
Current Liability Portion				
Interest Rate Swaps	0	0	0	0
Total Current Liability Portion	0	0	0	0
Non Current Liability Portion				
Interest Rate Swaps	0	0	0	0
Total Non Current Liability Portion	0	0	0	0
Total Derivative Financial Instruments	1,462	1,055	1,462	1,055

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2023 were \$26,340,000 (2021/2022: \$26,340,000). This includes a forward swap with an effective date of 30 March 2027.

At 30 June 2023 the fixed interest rates of interest rate swaps range from 1.84% to 3.87% (2021/2022: 1.84% to 3.87%).

The interest rate swaps have been included at fair value.

The termination date of the interest rate swap contracts of \$26,340,000 at 30 June 2023 range from 31 March 2025 to 30 March 2032 (2021/2022: 31 March 2025 to 30 March 2032).

Valuation Technique

Derivative financial instruments have been valued using observable inputs. The valuation is based on the active market value on the date of valuation as provided by the financial institution with whom the instrument is held.

Note 17: Employee Benefit Liabilities

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Accrued Pay	274	282	274	282
Annual Leave & Long Service Leave	646	750	1,473	1,557
Retirement Gratuities	132	105	132	105
Sick Leave	0	0	0	0
Total Employee Benefit Liabilities	1,052	1,138	1,879	1,944
Comprising:				
Current	904	977	1,731	1,784
Non-current	148	161	148	161
Total Employee Benefit Liabilities	1,052	1,138	1,879	1,945

Note 18: Borrowings

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Current				
Bank overdraft	0	0	0	0
Secured loans	6,030	5,000	6,030	5,000
Total current borrowings	6,030	5,000	6,030	5,000
Non-current				
Secured loans	28,214	28,214	28,214	28,214
Total non-current borrowings	28,214	28,214	28,214	28,214
Total Borrowings	34,244	33,214	34,244	33,214

On 4 November 2016 Council negotiated a \$20,000,000 facility with the Local Government Funding Agency (LGFA). An additional commercial debt facility is in place for \$21,000,000 and matures on 1 July 2024. (2021/2022: \$14,000,000 commercial debt facility maturing 1 July 2024.)

Buller District Council's has debt of \$12,903,860 on floating interest rates (2021/2022: \$11,873,860). Floating interest rates are set quarterly at the 90-day bill rate + margins between 0.65% and 1.17%

Council has interest rate swaps and floating rates for fixed interest rates for \$21,340,000 (2021/2022: \$21,340,000) of this debt. For more details of the swaps refer to note 16 in the financial accounts.

Credit Cards

Council has credit card facilities provided by Westpac Banking Corporation with credit limits totalling \$30,000 (2022: \$30,000).

Security

The overdraft is secured by a general security agreement. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2021/2022: \$500,000). There are no restrictions on the use of this facility.

Council's loans are secured over either separate or general rates of the district.

Refinancing

Council manages its borrowings in accordance with its funding and financial policies, which includes a Treasury policy. These policies have been adopted as part of Council's Long Term Plan 2021-2031.

Maturity analysis and effective interest rates

The following is a maturity analysis of Council's borrowings

	Overdraft Council	Overdraft Group	Secured Loans Council & Group
2022/2023			
Less than one year	0	0	17,904
Weighted average effective interest rate	12.1%	12.1%	3.4%
Later than one year but not more than five years	0	0	28,214
Weighted average effective interest rate	0.0%	0.0%	3.9%
Later than five years	0	0	0
Weighted average effective interest rate	0.0%	0.0%	0.0%
2021/2022			
Less than one year	0	0	5,000
Weighted average effective interest rate	8.8%	8.8%	4.03%
Later than one year but not more than five years	0	0	28,214
Weighted average effective interest rate	0.0%	0.0%	3.67%
Later than five years	0	0	0
Weighted average effective interest rate	0.0%	0.0%	0.0%

Fair value of non-current borrowings

The carrying amounts of borrowings are at market interest rates and approximate their fair values.

Internal Borrowings

Council has internal borrowings. Internal borrowings are funds which are utilised from Council's term deposits with banks, generally on terms which are more favourable than borrowing the funds externally. The cost of borrowing these funds is then allocated to the activities that utilise them. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Internal Loans

Council had the following Internal Loans allocated to the listed Groups of Activities at balance date:

	Loans repaid during period	Loans drawn down during period	Interest paid for the year	Balance as at 30 June
2022/2023	\$000	\$000	\$000	\$000
Support Services	0	331	0	331
Community Services	165	0	72	1,912
Regulatory Services	9	0	1	36
Property Management , Amenities & Reserves	68	0	26	699
Water Supplies	154	513	37	1,444
Commercial Infrastructure	0	1,500	0	1,500
Solid Waste	89	50	26	714
Wastewater	393	0	99	2,530
Stormwater	36	0	8	196
Roading	15	108	12	454
Professional Services Business Unit	0	0	0	0
	929	2,502	281	9,815

	Loans repaid during period	Loans drawn down during period	Interest paid for the year	Balance as at 30 June
2021/2022	\$000	\$000	\$000	\$000
Support Services	0	0	0	0
Community Services	169	0	56	2,077
Regulatory Services	9	0	1	45
Property Management , Amenities & Reserves	68	0	21	767
Water Supplies	146	185	26	1,085
Solid Waste	89	0	21	753
Wastewater	393	0	84	2,923
Stormwater	36	0	7	232
Roading	6	261	3	361
Professional Services Business Unit	0	0	0	0
	916	446	219	8,243

Note 19: Provisions

Council and Group	Landfill Aftercare Provision	Contaminated Site Remediation	Total Environmental Provisions	Total Environmental Provisions
	2022/2023	2022/2023	2021/2022	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Environmental Provision				
Opening Balance	2,007	9	2,016	1,620
Additional Provisions	0	0	0	0
Amounts Used	(46)	0	(46)	(27)
Other Adjustments (incl. unused provision reversed)	11	0	11	(53)
Discounting Changes	(692)	0	(692)	476
Closing Balance	1,280	9	1,289	2,016
Total Provisions				
Council and Group:				
Current Liability	36	35	36	35
Non-current Liability	1,253	1,981	1,253	1,981
	1,289	2,016	1,289	2,016

Landfill Aftercare Provision

Council has responsibility under its resource consents to provide ongoing maintenance and monitoring of its landfills after the sites are closed. Council's closure and post closure responsibilities include:

Closure responsibilities:

- Lay cover and revegetation
- Drainage control
- Water quality monitoring

Post Closure responsibilities:

- Ground and surface water quality monitoring
- Landfill gas monitoring
- Site maintenance
- Mitigation of environmental effects identified
- Annual reporting in accordance with consent conditions

The expected closure dates for Council's landfill sites are as follows:

Westport closed 2008 (now capped)

Birchfield closed 2005

Karamea 2034

Ikamatua closed 2005

Charleston closed 2010 (now capped)

Mawheraiti closed 2005

Inangahua closed 2010 (now capped)

Reefton closed 2005

Maruia Resource consent issued 2021 for another 25 years

The cash outflows for landfill post-closure costs have been estimated to occur for a period of 25-50 years from the closure of the site. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision had previously been estimated taking into account existing technology and was discounted using a discount rate of 2.81% which was based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2021/2022: 2.96%).

A change in the methodology was applied to align to reporting standards and is now estimated taking into account the spot rate at balance date instead of the rolling monthly average NZ Government 10 Year Bond rate.

Note 20: Accumulated Funds

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Opening Balance as at 1 July	181,215	174,320	178,146	169,394
Net Surplus (Deficit) for the Period	3,789	6,793	5,546	8,648
Transfer from Reserves	2,488	1,205	2,488	1,207
Transfer from asset revaluation reserve on disposal of assets	997	277	1,567	277
Transfer to Reserves	(1,763)	(1,379)	(1,763)	(1,379)
Balance at 30 June	186,727	181,215	185,984	178,146

Note 21: Reserves

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Balance as at 1 July	6,147	5,973	6,147	5,973
Add: Transfer from Accumulated Funds	1,763	1,379	1,763	1,379
	7,910	7,352	7,910	7,352
Less: Transfer to Accumulated Funds	(2,496)	(1,205)	(2,496)	(1,205)
Balance at 30 June	5,414	6,147	5,414	6,147

Reserve Fund Disclosures

The Local Government Act 2002 requires councils to provide a summary of the Reserve funds that it holds. This places more focus on the accounting for and disclosure of reserves. The Act defines reserve funds as “money set aside by a local authority for a specific purpose”. Reserves are part of equity which may or may not be physically backed by cash/investments.

Reserves are often used to separate a funding surplus of an activity. The Act requires Council to specify the amount deposited in the fund, and the amount withdrawn from the fund over the 10 year period that the Long Term Plan covers. Council does not transfer money from one reserve to fund another. Council also does not charge/pay ‘internal’ interest on any surplus or deficit balances that each individual reserve may have. Opening balance surpluses are usually due to approved committed projects not yet being undertaken or completed.

Reserves in further detail:

Separate Reserves	relates to	Purpose of the Reserve	Opening Balance 1 July 2021	\$000	\$000	\$000	\$000	30 June 2022		Opening Balance 1 July 2022	\$000	\$000	\$000	\$000	30 June 2023	
								Transfers to Reserves	Transfers from Reserves						Transfers to Reserves	Transfers from Reserves
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365					365		365					365	
Community Development - various not specified		Funds from depreciation used for the upgrade and construction of replacement Council assets	4,253	1,300	1,119	4,434				4,434	1,484	2,410	3,508			
Other																
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	1,185	74	85	1,174				1,174	275	85	1,364			
Isdell Trust	Property Management, Amenities and Reserves	Funds bequested for the purpose of providing assistance towards relief of poverty, improvement of public reserves, parks and Crown Land, the erection of public or school gymnasiums, all educational purposes and recreations pursuits of benefit to society in promotion of public welfare.	14			14				14			14			
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	8	7	1	13				13	3	0	16			
Kater Plot	Property Management, Amenities and Reserves	n/a will be rounded down to 0	0			0				0			0			
Boiler Replacement Fund	Property Management, Amenities and Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7			7				7			7			
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	119			119				119			119			
Sale of Gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11			11				11			11			
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10			10				10			10			
Total Reserves Only			5,973	1,380	1,205	6,147				6,147	1,763	2,496	5,414			

Separate Reserves	relates to	Purpose of the Reserve	Opening Balance 1 July 2021	30 June 2022			Opening Balance 1 July 2022	30 June 2023		
				\$000	\$000	\$000		\$000	\$000	\$000
Contracted Refuse/Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection and recycling activities	(55)	739	749	(65)	(65)	817	855	(103)
Karamea Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the Karamea Solid Waste activity	39	80	81	38	38	163	184	16
Maruia Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the Maruia Solid Waste activity	(16)	22	35	(28)	(28)	50	51	(29)
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	2,214	4,622	6,777	59	59	2,803	3,868	(1,006)
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(285)	2,063	2,128	(351)	(351)	1,033	997	(314)
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	29	18	18	29	29	19	32	17
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	24	13	22	15	15	15	31	(1)
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	384	54	21	417	417	54	26	445
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(10)	318	909	(601)	(601)	132	1,009	(1,478)
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	617	74	30	661	661	56	97	620
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(366)	574	976	(768)	(768)	218	284	(833)
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(157)	50	92	(199)	(199)	27	90	(262)
South Granity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	16	6	3	18	18	6	3	21

Separate Reserves	relates to	Purpose of the Reserve	Opening Balance 1 July 2021	30 June 2022				Opening Balance 1 July 2022	Transfers to Reserves	Transfers from Reserves	Balance 30 June 2023
				\$000	\$000	\$000	\$000				
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(49)	0	5	(54)	(54)	0	0	0	(54)
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	613	2,316	2,799	130	130	2,487	2,801	(184)	
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	499	353	326	526	526	416	485	457	
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	54	43	40	57	57	48	46	58	
Inangahua Junction Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(2)	0	0	(2)	(2)	0	0	0	(2)
Punakaiki Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	0	(16)	(16)	0	0	0	(16)
Punakaiki Camp	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(314)	34	42	(321)	(321)	44	48	(324)	
Punakaiki Sea Wall	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	0	2	2	0	0	0	2
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(274)	227	214	(260)	(260)	231	275	(305)	
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	(140)	0	201	(341)	(341)	177	127	(291)	
Westport Port and Kawatiri Dredge	Commercial Infrastructure	Separates all funding and expenditure and surpluses or deficits for the Westport Port and Kawatiri dredge activities	0	5,617	6,151	(534)	(534)	3,111	4,822	(2,245)	
Total Separate Balances only			2,807	17,222	21,617	(1,588)	(1,588)	11,906	16,130	(5,811)	
Total Reserves & Separate Balances			8,779	18,602	22,822	4,559	4,559	13,669	18,626	(397)	

Note 22: Asset Revaluation Reserves

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Opening Balance as at 1 July	265,501	210,989	268,450	213,938
Change in Asset Values through Comprehensive Revenue	41,489	54,782	41,489	54,782
Transfer to accumulated funds on disposal of assets and consolidation	(997)	(270)	(1,603)	(270)
Closing Balance as at 30 June	305,993	265,501	308,336	268,450
Comprising:				
Library Books	258	258	258	258
Roads and Bridges	252,676	219,228	253,435	220,601
Sewerage	19,904	16,426	20,203	16,630
Stormwater	12,829	11,998	13,172	12,341
Water Supplies	20,327	17,591	21,269	18,620
Landfill	0	0	0	0
Assets held for Sale	0	0	0	0
Investment Revaluation Reserve	0	0	0	0
Balance at 30 June	305,993	265,501	308,336	268,450

Note 23: Related Party Transactions and Balances

Buller District Council is the ultimate parent of the group and controls three entities in the Buller Holdings Group, being Buller Holdings Limited, Westreef Services Limited and Buller Recreation Limited. Council also controls Buller Health Trust. Council owns 50% of Westport Airport Authority through a joint operation agreement with the Ministry of Transport.

The following transactions of the Council were carried out with related parties on an arms-length basis:

	2022/2023	2021/2022
	Actual \$000	Actual \$000
WestReef Services Limited		
Services provided by Council during the year	121	107
Services provided to Council during the year	15,208	11,486
Accounts payable to Council at 30 June	7	7
Accounts receivable from Council at 30 June	1,877	1,289
Asset purchased from Council during the year	0	0
Subventions revenue to Council during the year	1,139	1,300
Subventions payable to Council at 30 June	1,139	1,300
Buller Recreation Limited		
Service level fee paid by Council to Buller Recreation	851	851
Grant provided to Buller Recreation during the year	0	0
Services provided to Council during the year	1	1
Services provided by Council during the year	4	4
Accounts payable to Council at 30 June	0	0
Accounts receivable from Council at 30 June	82	82
Loans owed to Council at 30 June	0	0
Buller Holdings Limited		
Accounts payable to Council at 30 June	101	59
Loans owed to Council at 30 June	1,500	1,500
Subventions revenue to Council during the year	0	0
Subventions payable to Council at 30 June	0	0
Interest Expenses paid to Council	101	21
Total Shares Issued to Council	20,117	19,934
Shares Issued during the year	183	102
Asset purchased from Council during the year	0	0
Assets Purchased by Council during the Year	0	0
Westport Airport Authority		
Services provided by Council during the year	308	244
Services provided by Westreef during the year	6	1
Rates, lease and interest charges paid to Council during the year	38	5
Current account balance owed (to) from Council at 30 June	(286)	(236)
Equity contribution made by Council for the year ended 30 June	274	65
Lease Payments made to Westport Harbour during the year	0	0
Buller Health Trust		
No related party transactions other than administration services provided by Council to Buller Health Trust during the year for no consideration.	0	0

No debts or transactions were written off between parties during the period. (2021/2022: No debts were written off.)

Key Management and Members of Council

Chair of Risk and Audit Committee, Sharon Roche is a director/shareholder of ITatWORK. In 2022/2023 goods and services to the value of \$14,440 were provided to Council. (2021/2022: \$33,930).

Councillor John Bougen is a director/shareholder of Retail Solutions Limited. In 2022/2023 goods and services to the value of \$71,007 were provided to Council. (2021/2022: \$31,885).

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 5.

Note 24: Council Subsidiaries, Associates and Joint Ventures

The Council has a significant interest in the following entities:

Entity	Principal Activities	Ownership	Status	Interest held by Council
Westreef Services Limited	Infrastructure Maintenance & Construction	Subsidiary	CCO	100%
Buller Holdings Limited	Ownership of Selected Council Assets and Investments	Subsidiary	CCO	100%
Buller Recreation Limited	Sports & Recreation Facilities	Subsidiary	CCO	100%
Buller Health Trust	Dental & Medical Services	Controlled	Exempted as a CCO	100%
Buller Arts & Recreation Trust	Charitable Trust	Controlled	Controlled	100%
Westport Airport Authority	Airport Operation	Joint Venture	CCO	50%
Denniston Heritage Trust	Incorporated Society	Associate	Trust	29%

CCO - Council Controlled Organisation

Westport Airport Authority

- The Council recognises its share of the assets, liabilities, revenue, expenses of Westport Airport Authority in the Parent Financial Statements.
- In 2022/2023 contributions totalling \$370,000 were made by the joint operation holders (2021/2022: contributions totalling \$130,258 were made).
- Buller District Council's 50% share of its interest in the joint operation is detailed below.

	2022/2023	2021/2022
	Actual \$000	Actual \$000
Current Assets	30	19
Long Term Assets (represented by Equity)	5,741	5,407
Current Liabilities	358	324
Long Term Liabilities	0	0
Operating Revenue	184	452
Interest Expense	38	2
Depreciation and Amortisation	87	68
Total Operating Expenses	540	571

Note 25: Statement of Commitments, Contingent Liabilities and Contingent Assets

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Commitments				
Capital Commitments Approved and Contracted				
Westport Water Supply	817	192	192	192
Westport River Bank	0	0	0	52
Westport Waterfront	0	5	0	5
Reefton Historical Landfill Reinstatement	723	0	723	0
Little Wanganui Water Supply	0	3	0	3
Waimangaroa Water Supply Resilience Project	440	25	440	25
Inangahua Water Supply	0	8	0	8
Westport Wharf Repairs	81	0	0	0
Roading Flood Recovery Works	1,165	0	0	0
Punakaiki Water Supply	0	82	0	82
Road Metalling	0	150	0	150
Road Resurfacing	0	700	0	700
Roading Drainage	0	135	0	135
Westport Town Precinct and Pathways	0	81	0	81
Information Technology Software	0	50	0	50
	3,226	1,431	1,355	1,483
Non-cancellable Operating Lease Commitments				
Office Equipment				
Not later than a year	31	38	38	38
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	31	38	38	38
Land and Buildings				
Less than a year	0	8	8	8
More than 1 year less than 2	0	0	0	0
More than 2 years less than 5	0	0	0	0
Later than five years	16	0	0	0
	16	8	8	8

The Kiwi Rail (Ontrack) lease assigned to Buller District Council upon the transfer of port operation is for a period of 10 years and commenced on 1 April 2023.

Other Contracts Commitments

Buller District Council does not have any other contracts commitments.

(2022: Buller District Council disclosed a commitment to purchase land to the value of \$55,000 to be used for operating purposes.

Buller District Council had a commitment to construct Floating Pontoons at the Port of Westport under a Provincial Growth Fund agreement with the Ministry of Business, Innovation and Employment dated 13 May 2020. The Ministry funded \$6,000,000 to construct the Pontoons which are principally for the fishing fleet usage. Following completion of the Pontoons Council will lease them from the Ministry for the amount of \$1 per annum for a term yet to be negotiated. As at 30 June 2022, all of the funding had been spent.

The following contracts (except for the Refuse, Recycling and Landfill contract) were renewed in 2022/2023 for another 5 years with two rights of renewal for two years, and expire on 13 December 2031. The Refuse, Recycling and Transfer Station contract was awarded to Smart Environmental Limited in 2013/14 for a term of 10 years and expires on 31 January 2024. We expect the annual amounts to be as follows:

	2022/2023	2021/2022
	Actual \$000	Actual \$000
Utility Services and Maintenance	2,788	1,329
Parks, Reserves, and Cemeteries	1,090	1,010
Refuse Collection, Recycling and Landfill Operation	740	635
	4,618	2,974

Roading

Council's Roading Network Maintenance Contract was renewed in September 2020 under NZTA's Competitive Pricing Procedures. The existing contract with WestReef Limited has been extended for subsequent renewable yearly terms since then. The commitments under this contract are as follows:

	2022/2023	2021/2022
	Actual \$000	Actual \$000
Roading Network Maintenance	3,972	6,706

Lease Commitments as Lessor

Council has leases in place with Coaltown Trust, New World Investment NZ Limited and the West Coast Primary Health Organisation. The lease commitments are as follows:

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Less than a year	0	89	0	89
More than 1 year less than 2	0	60	0	60
More than 2 years less than 5	54	0	54	0
Greater than 5 years	66	0	66	0
	120	149	120	149

Contingent Liabilities for Council and the Group are as follows:

Council has recognised a Kāinga Ora contribution of \$400,000 as a contingent liability. The funds were used for pensioner housing upgrades. The amount will be required to be paid back to Housing New Zealand if Council did not utilise the funds on a pensioner housing project or divests the completed project within a 20 year timeframe. This liability ceases on 11 June 2027.

Council has one resource consent decision subject to appeal in the Environment Court for which it may be liable for costs should the appeal be upheld. The resource consent decision relates to an open cast coal mine in the Te Kuha area. The extent of any potential liability was unknown at balance date. The court process was put on hold on 22 June 2018 at the request of the resource consent applicant and remains on hold post balance date. (2022: Potential liability for unknown level of costs should the Te Kuha open cast coal mine consent decision appeal be upheld in the Environment Court).

Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers cease to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

WestReef Ltd had \$130,000 in Performance Bonds outstanding with Westpac as at 30 June 2023 (2022: \$130,000).

Buller Health Trust has no contingent liabilities as at 30 June 2023 (2022: nil).

Buller Recreation Limited had no contingent liabilities as at 30 June 2023 (2022: nil).

Buller Holdings Limited has no contingent liabilities as at 30 June 2023 (2022: nil).

Contingent Assets

The Buller District Council and the Group has no contingent assets as at 30 June 2023 (2022: Nil).

Note 26: Capital Management

The Council's capital is its equity (or ratepayers funds), which comprise retained earnings, reserves and asset revaluation reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Funding and Financial Policies in the Long Term Plan.

Buller District Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and

- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus of deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

Note 27: Financial Instruments

Financial Instrument Risks

Buller District Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council Approved Liability Management and Investment Policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Council may be exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk on its investment portfolio in accordance with the limits set out in Council's Investment Policy.

Council currently doesn't hold listed equity instruments which are publicly traded and included in the NZX50 equity index.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest Rate Risk

The interest rates on Council's investments are disclosed in Note 12 and on Council's borrowings in Note 18.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose Council to fair value interest rate risk. Council's Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose Council to fair value interest rate risk.

Cashflow Interest Rate Risk

Cashflow interest rate risk is that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, except for funds owed by New Zealand Transport Agency (NZTA) for subsidised roading works. Other than this it has a large number of credit customers, mainly ratepayers. Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of Council's 2021/2031 Long Term Plan.

Council has a maximum amount that can be drawn against its overdraft facility of \$500,000 (2022: \$500,000). There are no restrictions on the use of this facility.

The maturity profiles of Council's interest-bearing investments and borrowings are disclosed in Note 12 and 18.

Categories

Contractual Maturity Analysis of Financial Assets

The table below analyses Buller District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Parent		Group	
	2022/2023 Actual \$000	2021/2022 Actual \$000	2022/2023 Actual \$000	2021/2022 Actual \$000
Financial Assets				
Loans and Receivables				
Cash and Cash Equivalents	4,396	3,913	9,688	5,127
Debtors and Other Receivables	7,567	7,844	8,463	8,854
Other Financial Assets:				
- Short Term Deposits	10,437	16,579	9,171	20,656
- Term Deposits (maturity greater than one year)	500	455	500	455
- Community Loans	(5)	1	(5)	1
- Loans to Related Parties	1,500	1,500	0	0
Total Loans and Receivables	24,395	30,292	27,817	35,093
Fair Value Through Other Comprehensive Income				
Other Financial Assets:				
- unlisted shares	26	26	26	26
Total Fair Value Through Other Comprehensive Revenue	26	26	26	26
Fair Value Through Surplus or Deficit - Held For Trading				
Derivative Financial Instrument Assets	1,462	1,055	1,462	1,055
Total Financial Assets At Fair Value Through Surplus or Deficit	1,462	1,055	1,462	1,055
Financial Liabilities				
Fair Value Through Surplus or Deficit - Held For Trading				
Derivative Financial Instrument Liabilities	0	0	0	0
Total Financial Liabilities At Fair Value Through Surplus or Deficit	0	0	0	0
Financial Liabilities At Amortised Cost				
Creditors And Other Payables	5,307	7,977	4,584	7,940
Borrowings:				
- Bank Overdraft	0	0	0	0
- Bond Deposits	208	0	208	0
- Secured Loans	34,244	31,774	34,244	31,774
Total Financial Liabilities At Amortised Cost	39,759	39,751	39,036	39,714

Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position

fair values are determined according to:

- Valuation techniques using quoted prices (Level 1) - Financial instruments with quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Valuation techniques using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

Valuation Technique

Financial assets under level 3 (Unlisted shares held) have been recorded at cost, which is the transaction price paid for purchases of shares in NZ Local Government Insurance Corporation Ltd.

2022/2023	Observable Inputs \$000	Significant Non- observable Inputs	Total \$000
Parent			
Financial Assets			
Unlisted Shares	0	26	26
Derivative Financial Instrument Assets	1,462	0	1,462
Financial Liabilities			
Derivative Financial Instrument Liabilities	0	0	0
Group			
Financial Assets			
Unlisted Shares	0	26	26
Derivative Financial Instrument Assets	1,462	0	1,462
Financial Liabilities			
Derivative Financial Instrument Liabilities	0	0	0

2021/2022	Observable Inputs \$000	Significant Non- observable Inputs	Total \$000
Parent			
Financial Assets			
Unlisted Shares	0	26	26
Derivative Financial Instrument Assets	1,055	0	1,055
Financial Liabilities			
Derivative Financial Instrument Liabilities	0	0	0
Group			
Financial Assets			
Unlisted Shares	0	26	26
Derivative Financial Instrument Assets	1,055	0	1,055
Financial Liabilities			
Derivative Financial Instrument Liabilities	0	0	0

Contractual Maturity Analysis of Financial Liabilities

The table below analyses Buller District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

2022/2023	Carrying	Contractual	Less than 1	1-2	2-5	More Than 5
	Amount	Cash Flows	Year	Years	Years	Years
	\$000	\$000	\$000	\$000	\$000	\$000
Parent						
Creditors and Other Payables	5,307	5,307	5,307	0	0	0
Net Settled Derivative Liabilities	0	0	0	0	0	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	34,244	37,961	7,681	18,997	11,283	0
Total	39,551	43,268	12,989	18,997	11,283	0
Group						
Creditors and Other Payables	6,030	6,030	6,030	0	0	0
Net Settled Derivative Liabilities	0	0	0	0	0	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	34,244	37,961	7,681	18,997	11,283	0
Total	40,274	43,991	13,712	18,997	11,283	0
2021/2022						
2021/2022	Carrying	Contractual	Less than 1	1-2	2-5	More Than 5
	Amount	Cash Flows	Year	Years	Years	Years
	\$000	\$000	\$000	\$000	\$000	\$000
Parent						
Creditors and Other Payables	6,671	6,671	6,671	0	0	0
Net Settled Derivative Liabilities	0	0	0	0	0	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	33,214	38,752	6,298	6,218	26,235	1
Total	39,885	45,423	12,969	6,218	26,235	1
Group						
Creditors and Other Payables	7,814	7,814	7,814	0	0	0
Net Settled Derivative Liabilities	0	0	0	0	0	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	33,214	38,752	6,298	6,218	26,235	1
Total	41,028	46,566	14,112	6,218	26,235	1

Contractual Maturity Analysis of Financial Assets

The table below analyses Buller District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2022/2023	Carrying	Contractual	Less than 1	1-2	2-5	More Than 5
	Amount	Cash Flows	Year	Years	Years	Years
	\$000	\$000	\$000	\$000	\$000	\$000
Parent						
Cash and Cash Equivalents	537	537	537	0	0	0
Debtors and Other Receivables	7,567	7,567	7,567	0	0	0
Other Financial Assets:						
- Short Term Deposits	13,232	13,741	13,741	0	0	0
- Term Deposits (maturity greater than one year)	1,375	1,522	0	1,198	325	0
- Community Loans	(5)	(5)	(5)			0
- Net Settled Derivative Assets	1,462	1,462	0	84	1,023	355
- Loans to Related Parties	1,500	1,513	1,513	0	0	0
	25,668	26,336	23,353	1,282	1,348	355
Group						
Cash and Cash Equivalents	1,970	1,970	1,970			
Debtors and Other Receivables	8,366	8,366	8,366			
Other Financial Assets:						
- Short Term Deposits	16,888	21,016	21,016			
- Term Deposits (maturity greater than one year)	1,375	1,522	0	1,198	325	0
- Community Loans	(5)	(5)	(5)	0	0	0
- Net Settled Derivative Assets	1,462	1,462	0	84	1,023	511
- Loans to Related Parties	0	0	0	0	0	0
	30,056	34,331	31,347	1,282	1,348	511
2021/2022						
2021/2022	Carrying	Contractual	Less than 1	1-2	2-5	More Than 5
	Amount	Cash Flows	Year	Years	Years	Years
	\$000	\$000	\$000	\$000	\$000	\$000
Parent						
Cash and Cash Equivalents	3,913	3,913	3,913	0	0	0
Debtors and Other Receivables	7,844	7,844	7,844	0	0	0
Other Financial Assets:						
- Short Term Deposits	16,580	16,865	16,865	0	0	0
- Term Deposits (maturity greater than one year)	455	513	88	136	289	0
- Community Loans	1	1	1	0	0	0
- Net Settled Derivative Assets	1,055	1,055	0	0	544	511
- Loans to Related Parties	1,500	1,513	1,513	0	0	0
	31,348	31,704	30,224	136	833	511
Group						
Cash and Cash Equivalents	5,127	5,127	5,127	0	0	0
Debtors and Other Receivables	8,366	8,366	8,366	0	0	0
Other Financial Assets:						
- Short Term Deposits	20,657	21,016	21,016	0	0	0
- Term Deposits (maturity greater than one year)	455	513	88	136	289	0
- Community Loans	1	1	1	0	0	0
- Net Settled Derivative Assets	1,055	1,055	0	0	544	511
- Loans to Related Parties	0	0	0	0	0	0
	35,661	36,078	34,598	136	833	511

Maximum Exposure to Credit Risk

Buller District Council's maximum exposure for each class of financial instrument is as follows:

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Cash at Bank and Term Deposits	15,333	20,946	19,359	26,237
Debtors and Other Receivables	7,567	7,844	8,463	8,854
Community and Related Party Loans	1,495	1,501	(5)	1
Total Credit Risk	24,395	30,291	27,817	35,092

No collateral is held over the financial assets above, except for usual trading terms for receivables.

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poors or Fitch credit ratings (if available) or to historical information about counterparty default rates:

	Parent		Group	
	2022/2023	2021/2022	2022/2023	2021/2022
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Counterparties With Credit Ratings				
Cash at Bank and Term Deposits:				
AA+	500	455	500	455
AA-	11,365	17,023	15,391	22,314
BB+	3,468	3,468	3,468	3,468
Total Cash at Bank and Term Deposits	15,333	20,946	19,359	26,237
Counterparties Without Credit Ratings				
Cash at Bank and Term Deposits:				
Existing counterparty with no defaults in the past	0	0	0	0
Total Cash at Bank and Term Deposits	0	0	0	0
Community and Related Party Loans:				
Existing counterparty with no defaults in the past	1,495	1,501	(5)	1
Total Community and Related Party Loans	1,495	1,501	(5)	1

Financial Instrument Risks

Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Buller District Council's financial instrument exposures at the balance date.

Council - Interest Rate Risk	Note	2022/2023 \$000				2021/2022 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Financial Assets									
Cash and Cash Equivalents	1	0	0	0	0	(7)	0	7	0
Other Financial Assets - Short Term Deposits & deposits with maturities greater than 1 year	2	(143)	0	143	0	(166)	0	166	0
Financial Liabilities									
Derivatives - Held for Trading	3	(213)	0	213	0	(213)	0	213	0
Borrowings - Secured Loans	4	129	0	(129)	0	119	0	(119)	0
Total Sensitivity to Interest Rate Risk		(227)	0	227	0	(267)	0	267	0

Explanation of Sensitivity Analysis - Council

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$537,000 (2022: \$537,000) of which \$Nil (2022: \$2,212,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$Nil (2022: \$19,000).

2. Other Financial Assets - Short Term Deposits & Deposits with maturities greater than 1 year

Short Term Deposits consist of term deposits at financial institutions and total \$13,573,000 (2022: \$20,656,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$135,573 (2022: \$207,000).

Financial Liabilities

3. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$1,462,000 (2022: (\$1,055,000)). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$146,000 (2022: \$213,000).

4. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$12,904,000 (2022: \$11,877,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$13,213 (2022: \$119,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Note	2022/2023 \$000				0 \$000				
	-100bps		+100bps		-100bps		+100bps		
	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	
Group - Interest Rate Risk									
Financial Assets									
Cash and Cash Equivalents	1	(12)	0	12	0	(19)	0	19	0
Other Financial Assets - Short Term Deposits & deposits with maturities greater than 1 year	2	(190)	0	190	0	(207)	0	207	0
Financial Liabilities									
Derivatives - Held for Trading	3	(213)	0	213	0	(213)	0	213	0
Borrowings - Secured Loans	4	129	0	(119)	0	119	0	(119)	0
Total Sensitivity to Interest Rate Risk		(286)	0	296	0	(319)	0	319	0

Explanation of Sensitivity Analysis - Group

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$3,393,000 (2022: \$5,127,000) of which \$0 (2022: \$2,212,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$12,000 (2022: \$19,000)

2. Other Financial Assets - Short Term Deposits & Deposits with maturities greater than 1 year

Short Term Deposits consist of term deposits at financial institutions and total \$11,436,000 (2022: \$17,443,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$174,000 (2022: \$207,000).

Financial Liabilities

3. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$1,462,000 (2022: \$1,055,000 liability). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$213,000 (2022: \$213,000).

4. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$12,904,000 (2022: \$11,877,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$129,000 (2022: \$119,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Note 28: Post Balance Date Events

There have been no significant events after balance date.

(2022: Flood Recovery Funding

Subsequent to balance date Council has been approved for funding of \$17.1m by Central Government. This funding is specifically for Tranche 2 Flood Recovery which encompasses repair and reinstatement of water supplies, waste-water systems, port dredging and port infrastructure.

An application has also been made to Waka Kotahi for reinstatement of both Local Roads and the Special Purpose Road Karamea Highway which were damaged in the February 2022 severe weather event. The application is at review stage and has not yet been approved).

(2022: Three waters reform

On 14 December 2022 Royal Assent was received confirming that the Three Waters service delivery reforms using a legislated approach so that every Council in New Zealand must participate and cannot opt out.

Three Waters reform involves the creation of four statutory water services entities to be responsible for service delivery and infrastructure for all water services, removing these from local authorities from 1 July 2024.

There is uncertainty associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and how the control and governance of these entities will be undertaken. Despite this uncertainty, once the reform is legislated Council will no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

The impacts of the proposed reforms are currently unclear. Additional information is expected later in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

As at 30 June 2022, Council has \$17.3m of borrowings and activity deficits related to three waters activities, the carrying value of Council's Three Waters Assets was \$85.031 million. Three Waters Asset capital additions during the year was \$3.266 million and annual operating expenditure in relation to Three Waters Assets was \$4.233 million.

Council continues to recognise its three waters assets at 30 June 2022 in accordance the accounting policies set out on pages 174 to 182. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity.

It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.)

(2022: Covid-19

The Covid-19 pandemic has not significantly impacted the Buller District Council financial results. Further commentary on the Covid-19 pandemic is included in Note 31).

Note 29: Explanation of Major Variances Against Budget

Explanations of major variances from Council's budgeted figures in the 2022/2023 Annual Report are as follows:

Overall Result and Impact of Flood Events

Council results were significantly affected due to two significant weather events that occurred in the 2021/2022 financial year. The July 2021 and February 2022 flood events have continued to result in unbudgeted grants revenue being received and expenditure being incurred for Flood Recovery operations.

Council has received \$15.70 million additional grant funding and subsidies for flood recovery from central government agencies during the year.

Council has spent \$9.30 million on flood recovery expenditure which is included in Other Expenses category in the Statement of Comprehensive Revenue and Expenses.

\$6.39m of significant capital expenditure for flood recovery has been undertaken including reinstatement of 3 Waters infrastructure, roading infrastructure. Work is in progress at Westport Port for wharf repairs, roading reinstatement and other 3 Waters reinstatement projects.

All additional flood recovery income whether it be from donations, grants or subsidies, along with flood expenses and capital costs were not budgeted for in the 2021-2022 Long Term Plan and/or 2022-2023 Annual Plan. This means that significant variances due to flood recovery are reported.

Overall, Council has a surplus of \$3.79 million compared to a predicted surplus of \$0.81 million in the 2022-2023 Annual Plan.

Operating Revenue was \$51.29 million, which was \$18.36 million more than the anticipated budget of \$32.93 million.

The main contributor is an additional \$15.70 million of subsidies and grants income, which was more than anticipated. This revenue is made up of several unbudgeted central government grants for flood recovery projects.

Subsidies and grants income is \$16.39 million greater than budgeted as a result of several unbudgeted central government grants received for projects including flood recovery. Central government grants include:

- Flood response and recovery projects \$15.62 million
- Better Off Funding \$0.82 million
- DIA staff subsidy for Three Waters \$0.37 million
- PGF Grant for Port Projects \$0.59 million
- District Revitalisation Projects \$0.26 million
- Waka Kotahi Roading Subsidy \$5.44 million

DIA Subsidy for 3 Waters Transition was \$0.37 million greater than budget. \$0.44 million of Waka Kotahi subsidies for roading works has not been received due to timing of projects and weather delays. Work on the transport network is re-programmed to the next financial year.

Non Cash Items included in the Financial Results Council recorded total non-cash revenues of \$2.02 million including \$0.40 million as a consequence of a revaluation gain on derivatives, revaluation of investment land of \$1.13 million, and \$0.31 million relating to receipt of vested assets.

Operating Expenditure

Other Expenses category was \$48.18 million against a budget of \$32.12 million. This is a difference of \$16.06 million. This extra expenditure was incurred as part of central government funded projects for flood recovery.

This additional expenditure is partially offset by less roading and transport expenses. The gap between the budgeted and actual amount was \$0.42 million. Funding for the unspent portion of this financial year and last financial year on roading and transport works is not foregone. This work will carry over into the next financial year and the planning of roading projects aims for maximum efficiency. This workplan re-organisation was necessary to take into account the severe weather events of July 2021 and February 2022.

Employment costs were \$7.87 million compared to a budget of \$7.40 million. The reason for the \$0.47 million variance is unbudgeted wages. These extra costs were paid from external central government funding for flood recovery and from 3 Waters National Transition Unit funding.

Depreciation and Amortisation Expense was budgeted to be \$7.28 million. The actual result is \$7.94 million.

The \$660,000 variance is because of the timing of projects. The weather events experienced in the prior financial year have delayed projects with property, plant & equipment and infrastructure assets recording \$6.84 million of incomplete projects (works in progress) at year end. More details can be found in the property, plant, and equipment notes in the financial statements.

Statement of Financial Position

Cash and cash equivalents were \$3.50 million higher than budget due to differences highlighted to budget in timing for cash revenue items less cash expenses items.

Trade and other receivables were \$1.59 million higher than budget mainly due to National Emergency Management Agency debtor accrued at balance date relating to flood recovery projects and other sundry debtors due.

Short-term investments were \$2.59 million less due to being classified as cash and cash equivalents due to them maturing three months or less from the date of acquisition.

Investment in Council Controlled Organisations ((CCOs) was \$0.67 million lower than budget as the requirement to fund capital expenditure over time has been below expected budgets, due to the timing of CCOs projects.

Other Investments of \$758,00 not budgeted for relate to Local Government Funding Agency borrower notes and bonds put on long-term deposit.

Investment property was \$1.30 million more than budgeted due to variations in estimates to market movements.

Derivative Financial Instruments are \$1.46 more than budgeted due to unbudgeted upward movements in interest rates that affect the fixed interest portion of Council's borrowings.

Infrastructure assets were \$75.05 million higher than budget due to actual capital expenditure being higher than planned, primarily due to central government funded capital projects not budgeted for.

Intangible assets are \$96,000 more than budgeted because of greater investment in technology software which was offset by external grant funding with approved upgrades being made in relation to the flood events.

Trade and other payables are \$0.93 million more than budgeted, primarily due to the payments due on Central government funded projects.

Total Borrowings that takes into account the movements in current and term borrowings were \$3.07 million lower than budgeted due to deferral of some debt funded capital projects such as the Waimangaroa Water Supply upgrade, and Brougham House heating and cooling project.

Cashflow Statement

Other income was \$15.06 million greater than budgeted mainly due to additional income from government and external party subsidies.

Interest Received was \$179,000 more than budgeted due to the improvement in interest rates being greater than anticipated in the 2022-2023 Annual Plan.

Payments to Suppliers & Employees was \$14.48 million greater than budgeted due to unbudgeted Central government funded operational projects.

Investments realised, and Investments purchased were \$21.92 million and \$19.02 million higher than budgeted due to maturation and subsequent re-investments of term deposits, and the amounts being shown gross movement not net for the year.

Purchase of fixed assets were \$3.45 million higher mainly due to the Central government funded projects not budgeted for.

Loans raised were \$1.03 million more for short term borrowings required to fund flood recovery projects as these must be paid for in advance and are reimbursed later, and loans repaid were \$145,000 less than budgeted for due to timing of the Waimangaroa Water Supply upgrades, and the Brougham House upgrade.

Council entered into a number of interest rate swaps some time ago when interest rates were expected to remain relatively high or potentially increase. These swaps were entered into to protect the Council from increasing interest rates and they fix a portion of the interest costs paid on loans.

By balance date 30 June 2023 Interest rates have begun to rise and continue to rise. Due to the recent uncertain global economic conditions after the COVID-19 pandemic, the impact of these swaps is that the Council, for the remaining term of the swaps, is forecast to pay lower cash interest payments than the standard market interest rates that were available at 30 June 2023.

Accounting standards require Council to recognise the present value of the forecast payments above (or below) market rate as a liability (or asset) at balance date. As a result, the change in valuation is required to be recognised as an expense (or revenue) during the year. The value of the swaps are disclosed as Derivative Financial Instruments, they are shown as a Non-Current Asset \$1.46 million this year.

Note 30: Insurance of Assets

The cost of a number of natural hazard events in New Zealand in recent years ranging from flooding to earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

Water, Waste Water and Storm Water Assets The total value of this asset category in the financial statements as at 30 June 2023 \$94,900,000 (2022: \$85,032,000) (cost/revaluation). These activities have a total asset value for insurance purposes of \$169,642,000 (2022: \$160,065,000). Of this \$26,578,000 (2022: \$26,578,000) of mainly above ground infrastructure plant is fully insured for replacement value. Council insures 40% of the remaining assets of \$143,063,000 (2022: \$133,487,000) via Lloyd's of London with the remaining 60% being funded by Central Government.

Roading and Footpath Assets The total value of this asset category in the financial statements as at 30 June 2023 is \$292,029,000 (2022: \$294,162,655) (cost/revaluation). These activities are not insured by Council and do not have an asset value for insurance purposes for this activity of assets. Council would receive a minimum of 72% subsidy from the NZTA with the remaining portion of the loss likely to be a loan funded by Council to replace the assets. There is no self insurance fund maintained by Council for replacement of roading assets in the event of a loss.

Wharves, Vessels and Maritime Navigation Assets The total value of these assets in the financial statements as at 30 June 2023 is \$6,383,000 (2022: \$6,383,000) (cost/revaluation). These assets have an asset value for insurance purposes of \$4,504,000 (2022: \$4,504,000). Vessels and hydrographical equipment are fully insured for \$1,844,000 (2022: \$1,894,000). The remaining assets comprising wharves and land based navigational assets \$2,660,000 (2022: \$2,660,000) are partially insured.

Buildings, Plant & Equipment & Other Assets The total value of these assets in the financial statements as at 30 June 2023 is \$32,291,000 (2021: \$31,273,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$91,984,615 (2022: \$63,724,178). This includes assets such as non infrastructure assets, Council plant and buildings and airport assets, excluding runways.

Vehicles The total value of assets in this category in the financial statements as at 30 June 2023: \$1,336,000 (2022: \$1,312,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$816,267 (2022: \$1,009,000). All vehicles are insured for market value. The Council is insured for all glass related claims.

Note 32: Flood Events During the 2022 Year

Flood Recovery Funding

Buller District was affected by two severe storm events in the financial year. The first was in July 2021. It caused significant damage to certain infrastructural assets, Council-owned buildings and the Westport Airport buildings and runway lighting. The second was in February 2022, this caused significant damage to the roading network, Westport Water intakes and the Westport Harbour wharf infrastructure, as well as causing significant gravel to build up in the port area.

Council first responded to these two events by activating the Civil Defence Emergency Operations Centre and providing staff and resources to manage the emergency. The second phase of Council's involvement has been recovery which has continued into the 2023 financial year and further.

To assist the readers of the Annual Report, Council has included an extra narrative and financial information segment in the "Our Work in Detail" section of this report. Information relating to the costs incurred, external funding received to date, and the recovery activities being undertaken is set out on in this annual report.

Statement of Accounting Policies

Reporting Entity

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

The Buller District Council group consists of Buller District Council and its subsidiaries Buller Holdings Ltd (BHL), WestReef Services Ltd (WSL) and Buller Recreation Ltd (BRL), subsidiaries in substance Buller Health Trust (BHT) and Westport Airport Authority (WAA) which is owned as a 50% joint venture with the Ministry of Transport. Council owns 100% of BHL which in turn holds 100% interests in WSL and BRL.

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

The financial statements of Buller District Council are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 17 December 2025.

Basis of Preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period and have been no changes in accounting policies during the financial year except for the minor impact of adoption of ISPAS 41. The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, investment property and financial instruments.

Statement of Compliance

The financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The financial statements comply with PBE Standards.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless stated. The functional currency of Buller District Council is New Zealand dollars.

New Reporting Standards issued and effective as at 30 June 2023

The following new standards, interpretations and amendments are effective as at 30 June 2023. The Buller District Council and Group has adopted these standards and interpretations.

PBE FRS 48 Service Performance Reporting: PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements. The Council has determined the application of PBE FRS 48 has minimal effect on its statement of service performance with only additional disclosures on the judgement that had the most significant effect on the selection, measurement, aggregation and presentation of service performance information reporting required.

PBE IPSAS 41 Financial Instruments: replaces PBE IFRS 9 and partially PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The main changes under PBE IPSAS 41 are new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost. Also a new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses. The standard also requires revised hedge accounting requirements to better reflect the management of risks. The effect of the standard has minimal impact and is immaterial.

Subsidiaries

Subsidiaries are those entities where Buller District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Buller District Council controls the majority voting power of the governing body or where such policies have been irreversibly predetermined by Buller District Council.

The subsidiaries of Buller District Council are Buller Holdings Limited, WestReef Services Limited, Buller Recreation Limited and Buller Health Trust.

Buller District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs attributable to the business combination.

Any excess of the cost of the business combination over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The purchase method of consolidation has been used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, revenue and expenses on a line by line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

Buller District Council's investment in its subsidiaries is carried at cost in the Buller District Council's own "parent entity" financial statements.

Associates

An associate is an entity over which Buller District Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Buller District Council accounts for an investment in an associate using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate.

The Council has two associates, Denniston Heritage Charitable Trust and Buller Resilience Trust. There are no entries in the group financial statements for Denniston Heritage Charitable Trust and Buller Resilience Trust because Council has no equity investment in these organisations.

Joint Operation

A joint operation is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Buller District Council has a 50/50 joint operation interest in the Westport Airport Authority with Ministry of Transport.

Buller District Council recognises in its financial statements the assets it controls, the liability and expenses it incurs, and the share of revenue that it earns from the joint operation.

Revenue

Revenue is measured at the fair value of consideration received. Revenue from the rendering of services is recognised by the reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided.

Revenue from Non-Exchange Transactions

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Un-billed usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the West Coast Regional Council (WCRC) are not recognised in the financial statements, as the Council is acting as an agent for the WCRC.

Subsidies and Grants Revenue

Buller District Council receives Government Grants from Waka Kotahi New Zealand Transport Authority, which subsidises part of Buller District Council's costs in maintaining the local roading infrastructure. Grants are received from the Ministry of Health for eligible schemes. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure are fulfilled.

Revenue from Exchange Transactions

Other Revenue

Sales of goods are recognised when a product is sold to a customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Buller District Council are recognised as revenue when control over the asset is obtained.

- Rental revenue is recognised on a straight line basis.
- Interest revenue is recognised using the effective interest method.
- Dividends are recognised when the right to receive the payment has been established.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure at the time when such application has been received.

Discretionary grants are those grants that Buller District Council has no obligation to award and are recognised as expenditure when a successful applicant has been notified of the Buller District Council's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill, or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint operations, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax are charged or credited against the surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Buller District Council recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Buller District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the lease term or useful life, whichever is the shortest.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as current liabilities in the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Loans, including loans to community organisations made by Buller District Council at nil, or below market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset / investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that Buller District Council will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit.

Non Current Assets Held for Sale

Non current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through the sale transaction rather than through continuing use. Non current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Financial Assets

Buller District Council classifies its financial assets into the following three categories:

- Financial assets at fair value through other comprehensive revenue and expense
- Financial Assets as subsequently measured at amortised cost
- Fair value through surplus or deficit

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Purchases and sales of investments are recognised on trade date, the date on which Buller District Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred, Buller District Council having transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial Assets at Fair Value Through Surplus or Deficit

This category has two sub-categories:

- Financial assets held for trading.
- Those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit. Currently Buller District Council recognises derivative financial instruments in this category.

Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Loans and receivables are classified as “trade and receivables” and short and long term investments in the Statement of Financial Position.

Investments in this category include loans to subsidiaries and other companies and term deposits.

Impairment of Financial Assets

At each balance sheet date Buller District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment

losses are recognised in the surplus or deficit.

Any cumulative losses previously recognised in equity will be removed from equity and shown in the surplus or deficit.

Term deposits, loans to subsidiaries and associates, and community loans (loans and receivables)

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

Listed and unlisted shares, listed bonds (fair value through other comprehensive revenue and expense)

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payment is considered to be objective evidence of impairment.

Derivative Financial Instruments

Buller District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Buller District Council does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The gain or loss on re-measurement to fair value is recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counter-parties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

Property, Plant and Equipment

Property, plant and equipment consist of:

Council Assets – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

Infrastructure Assets – These include roads, footpaths, traffic facilities, streetlights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

Harbour Assets – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

WestReef Services Limited Assets – These include leasehold improvements, plant and equipment, office equipment, office furniture, fittings and computer equipment.

Buller Health Trust Assets – These include plant and equipment and furniture and fittings.

Property, plant and equipment is shown at cost or revaluation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be reliably measured.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

The cost of day-to-day servicing of property, plant and equipment are recognised in the surplus or loss as they are incurred.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds. An item of property, plant and equipment is de recognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal'

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land or erosion protection assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Council Assets

	Depreciation Rate (%)	Useful Life (Years)
Motor vehicles	15%	7
Office equipment	10% to 50%	2 - 10
Plant and machinery	3.33% to 15%	7 - 30
Buildings	1% to 10%	10 - 100
Library Books	10%	10
Airport runway:		
Basecourse	1.3%	75
Seal	5%	20

Harbour Assets

	Depreciation Rate (%)	Useful Life (Years)
Wharves	1.67%	60
Buildings	2.5%	40
Plant and Machinery	3.3% to 10%	10 - 30
Office Equipment	20% to 33.5%	3 - 5
Motor Vehicles	10% to 20%	5 - 10
Harbour Vessels	5% to 6.7%	15 - 20

WestReef Services Limited Assets

	Depreciation Rate (%)	Useful Life (Years)
Leasehold Improvements	6.5% to 15%	6.7 - 15
Plant and Equipment	5.5% to 40%	2.5 - 18
Vehicles	8% to 29%	3 - 12
Office Equipment	8% to 40%	2.5 - 12.5
Office Furniture & Fittings	8% to 24%	4 - 12.5
Computer Equipment	18% to 36%	3 - 5.5

Buller Health Trust Assets

	Depreciation Rate (%)	Useful Life (Years)
Plant and Equipment	10% to 50%	2 - 10
Furniture and Fittings	7% to 13.5%	7.4 - 14.3
Furniture and Fittings (accommodation)	16.2% to 48%	21 - 6.2

Infrastructure Assets

	Depreciation Rate (%)	Useful Life (Years)
Roads:		
Formation	Not depreciated	

	Depreciation Rate (%)	Useful Life (Years)
Basecourse - unsealed roads	Not depreciated	
Basecourse - sealed roads	1% to 2%	50 - 100
Seal	4% to 12.5%	8 - 25
Footpaths:		
Basecourse	Not depreciated	
Pavement	1.25% to 10%	10 - 80
Traffic facilities	5% to 10%	10 - 20
Street lights	3.33%	30
Bridges	1% to 2%	50 - 100
Culverts	1.11% to 1.25%	80 - 90
Water Reticulation:		
Drains	Not depreciated	
Kerb and Channelling	1.25%	80
Pipes	1.10% to 4.10%	25 - 100
Valves, hydrants	1.67%	60
Intake structures	1.11% to 2%	50 - 90
Reservoirs	1.25%	80
Resource Consents	2.85%	35
Pump stations	2% to 6.67%	15 - 50
Treatment Equipment	2% to 6.67%	15 - 50
Tunnels	0.7% to 4%	25 - 150
Stormwater Reticulation:		
Pipes	1% to 1.54%	65 - 100
Sewerage Reticulation:		
Pipes	1% to 1.42%	70 - 100
Treatment Plants	1.11% to 6.67%	15 - 90
Pump Stations	1.11% to 6.67%	15 - 90
Manholes	1.11%	90

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

Revaluation

Those asset classes that are revalued are valued on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Council Land

The Airport land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Council land is recognised at deemed cost.

Harbour Land

The Harbour land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Harbour land is recognised at deemed cost.

Infrastructural Assets

The infrastructural assets are valued on a three yearly valuation cycle at fair value determined on a depreciated replacement cost basis with preparation or peer review by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets fair value. The most recent roading valuation was performed by BECA and the valuation is effective as at 30 June 2022. Only three waters and roading assets were valued. The total value of infrastructural assets valued by BECA on 30 June 2022 was \$379,184,220.

Accounting for Revaluation

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows: Computer software 3 to 5 years 20 to 33.3%

Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Value with an effective date as at 30 June 2022.

Gains or losses arising from a change in the fair value of investment property are recognised in the Surplus or Deficit.

Impairment of Non Financial Assets

Property, plant and equipment assets, measured at fair value are not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the asset class is revalued. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Property, plant and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed each balance date for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, and goodwill, are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cashflows.

Employee Entitlements

Short Term Benefits

Employee benefits that Buller District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Buller District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Buller District Council anticipates it will be used by staff to cover future absences.

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long Term Benefits

Long Service Leave and Retirement Leave

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement; and

The present value of the estimated future cashflows. A discount rate of 1.9%, and a inflation factor of 3.9% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

Superannuation Schemes

Defined Contributions Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

Buller District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Payables

Short-term creditors and other payables are recorded at their face value.

Financial Liabilities

All financial liabilities are recognised as subsequently measured at amortised cost, or fair value through surplus or deficit.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP or Public Benefit Entity Accounting Standards, using accounting policies that are consistent with those adopted by Buller District Council for the preparation of the financial statements.

Cost Allocation

Buller District Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Classification of Property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Landfill Aftercare Provision

The Landfill Aftercare Provision Note discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, eg Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's Asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers prepare Council's roading and 3-waters assets revaluations. The last roading and 3-waters revaluation was prepared by BECA on 30 June 2022.



**Shape the future
with confidence**

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BULLER DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Buller District Council (the District Council) and its subsidiaries and controlled entities (and Group). The Auditor-General has appointed me, Brendan Summerfield, using the staff and resources of Ernst & Young, to:

- carry out an audit, on the Auditor-General's behalf, of:
 - the financial statements of the District Council and Group on pages 115 to 118 and 121 to 191, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, statement of changes in equity for the year ended on that date, and the notes to the financial statements that include other explanatory information, and the statement of accounting policies;
 - the performance information on the District Council's levels of service, for each group of activities for the year ended 30 June 2023, on pages 26 to 113, which includes the statements about significant capital expenditure for each group of activity, and the funding impact statement information for each group of activities;
 - the funding impact statement for the whole of Council on page 119; and
- report, on the Auditor-General's behalf, on:
 - whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
 - the completeness and accuracy of the disclosures, on performance in relation to benchmarks, on pages 12 to 16 of the District Council's annual report in accordance with Schedule 5 of the Local Government (Financial Reporting and Prudence) Regulations 2014.

Disclaimer of opinion on the financial statements, performance information and funding impact statement

We do not express an opinion on the financial statements, the performance information, or the funding impact statement of the District Council and Group.

Because of the significance of the matters described in the Basis for our disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements, the performance information, or the funding impact statement.

Basis for our disclaimer of opinion

The scope of our audit was limited because we were unable to obtain sufficient appropriate audit evidence for the matters described below. These matters also limited our work on the District Council's performance information and funding impact statement. There were no satisfactory audit procedures that we could adopt to determine the effects of these limitations in scope. These matters are considered material and pervasive.

Infrastructure assets

The District Council and Group could not provide sufficient appropriate audit evidence to support the amount of recorded additions to infrastructure assets in the year or whether they were appropriately capitalised.



Shape the future with confidence

We were therefore unable to determine whether the current year additions to infrastructure assets amounting to \$15,346,000 (see note 13 Current year additions), or Other Expenses amounting to \$26,522,000 (see Statement of Comprehensive Revenue and Expenses) required any adjustments.

The District Council and Group revalued its infrastructure assets at 30 June 2023. An external party assisted with assessing the value of these assets and in doing so placed significant reliance on information provided by the District Council, including current year additions. Given the limitations in the supporting evidence able to be provided in relation to infrastructure current year additions, we could also not obtain sufficient appropriate audit evidence in relation to the valuation of infrastructure assets as at 30 June 2023.

We were therefore unable to determine whether infrastructure assets amounting to \$453,504,000 as at 30 June 2023 required any adjustment. We were also unable to determine whether the Asset revaluation reserve of \$308,336,000, including the current year revaluation of \$41,453,000 required any adjustment.

Infrastructure and Other Fixed Assets Work in Progress

The District Council and Group could not provide a detailed assessment of the projects recorded as Work in Progress (WIP) to support the appropriate recognition of each project as WIP. We were therefore unable to determine the appropriateness of the carrying amount of WIP amounting to \$7,334,000 (see note 13 \$5,370,000 (Infrastructure) and \$1,964,000 (Other Fixed Assets)) as at 30 June 2023.

Costs claimed and reimbursed under Subsidies and Grants

The District Council and Group have recorded revenue from subsidies and grants totalling \$23,301,000 (see Statement of Comprehensive Revenue and Expenses and note 2). These subsidies and grants are generally dependent on having incurred relevant costs which they seek to reimburse or refund. The District Council could not provide sufficient and appropriate evidence that the costs claimed and reimbursed for certain subsidies and grants were in line with the funding agreements.

We were therefore unable to determine whether Subsidies and Grants recorded as revenue (amounting to \$23,301,000) and receivable (amounting to \$1,817,000 (Statement of Financial Position) were properly recorded, whether all or some of these amounts should be reversed, or whether a provision to repay the associated cash received should be recognised.

The matters described above may also have affected the recorded surplus for the year of \$5,546,000.

Report on the requirements of Part 3 of Schedule 10, and Schedule 5

We do not report on whether:

- the relevant information included in the District Council's annual report complies with the requirements of Part 3 of Schedule 10 of the Local Government Act 2002, or
- the District Council's annual report includes disclosures on performance in relation to benchmarks that are complete and accurate in accordance with the requirements of Schedule 5 of the Local Government (Financial Reporting and Prudence) Regulations 2014.

Basis for our report on the requirements

Because we have been unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on the financial statements, performance information and funding impact statements, we also do not have a basis for reporting on the requirements of Part 3 of Schedule 10 and Schedule 5 of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, respectively.



**Shape the future
with confidence**

Responsibilities of the Council

The Council is responsible for preparing the information contained in the annual report that we are required to audit and report on, as appropriate (the relevant annual report information).

The requirements related to the relevant annual report information arise from Part 3 of Schedule 10 of the Local Government Act 2002, and Schedule 5 of the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare information that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor

Our responsibility is to carry out an audit of, and report on, as appropriate, the relevant annual report information of the District Council and Group in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and issue an auditor's report.

However, because of the matters described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements, performance information or funding impact statements or report on other related information. We were also unable to report on the requirements of Part 3 of Schedule 10, and Schedule 5.

Our responsibilities arise from the Public Audit Act 2001 and the Local Government Act 2002.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit of, and report on, as appropriate, the relevant annual report information and the audit of the debenture trustee reporting we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

Brendan Summerfield
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Christchurch, New Zealand

Date 15 January 2026

Westport Office
4-6 Brougham Street,
PO Box 21, Westport 7866
New Zealand
Freephone 0800 807 239
Phone 64 3 788 9111
Email info@bdc.govt.nz

Reefton Office & Library
67-69 Broadway,
PO Box 75,
Reefton 7851, New Zealand
Freephone 0800 808 821
Phone 64 3 732 8821

Sue Thomson-Casey Memorial Library
87-89 Palmerston Street,
Westport 7825, New Zealand
Phone 64 3 788 8030
bullerdcc.govt.nz