



# AGENDA

Meeting of the  
Risk and Audit Committee

**Wednesday 11 December 2024**  
Commencing at 3:30PM

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



## CORE COUNCILLOR ROLE AND RESPONSIBILITIES

The Governance role entails:

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

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

Our commitments to best support each other and meet the challenges and opportunities of 2024 include:

### CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

Actively listening and not interrupting;

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

Responding/answering in a timely manner; and

Being honest, reasonable, and transparent.

### TRUST AND RESPECT

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

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

### CONTINUOUS LEARNING AND IMPROVEMENT

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

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

NONE OF US IS AS SMART AS ALL OF US

# Risk and Audit Committee

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

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## GENERAL PRINCIPAL

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

## PURPOSE

The Risk and Audit Committee is responsible for:

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

## TERMS OF REFERENCE:

### General

1. To receive regular reports regarding Council's financial and non-financial performance against Annual and Long Term Plans.
  2. To consider reports related to significant expenditure outside of the Annual and Long Term Plans and make appropriate recommendations to Council.
  3. To develop and monitor policy related to the following matters:
    - a) Financial management;
-

- b) Revenue generation;
  - c) Procurement and tendering; and
  - d) The appointment and remuneration of directors and CCOs
4. To monitor the probity of processes relating to policies developed by the Risk and Audit Committee.
  5. To provide clear direction to Council's CCOs on Council's expectations, including feedback on draft statements of intent.
  6. To receive Quarterly reports of Council's CCOs, including board performance.
  7. To undertake any reviews of CCOs and make appropriate recommendations for approval by Council.
  8. Review CCO requests for major transaction approval and recommend appropriate actions to Council.
  9. To monitor Council's debt and investments to ensure compliance with Council policy.
  10. To monitor the Council's outstanding debtors' positions.
  11. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
  12. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

#### **Internal Audit**

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

#### **Strategy, plans and policy**

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

#### **Bylaws**

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

#### **Consultation and engagement**

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

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

**Contracts**

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

**Reserves and Halls Subcommittees**

29. Monitor and oversee the Reserves and Halls Subcommittees.

**Creative Communities Subcommittee**

30. Monitor and oversee the Creative Communities Subcommittee.

**Other Matters**

31. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks
32. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy, and guidelines (including health and safety).
33. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
34. Provide an annual review of Council's risk management framework and amend as required.
35. Review and monitor business continuity planning.
36. Consider and make decisions which are within the Chief Executive Officer's delegations, and which the Chief Executive Officer has referred to the Committee for recommendation to Council.
37. Consider and make decisions on operational matters that fall within a Committee's area of responsibility that are outside of delegations to the Chief Executive Officer or other Council officers.
38. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
39. Monitor Audit recommendations and ensure completion.

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

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

**Special Notes:**

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- The Chairperson will be an independent appointment, not an elected member, to strengthen the independent nature of the Committee's monitoring responsibility of Council activities.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- The Chief Executive Officer and Chief Financial Officer are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the Committee meetings, as required.
- The Chairperson of the Committee shall review the travel and other reimbursed expenses of the Chief Executive Officer and confirm compliance with Council policies and practice. This information will be provided to the Chairperson on a monthly basis.
- The Chairperson shall review the travel and other reimbursed expenses of the Mayor and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chief Executive Officer (Principal Advisor) shall be responsible for drawing to the Committee's immediate attention to any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud or malpractice.
- The Chairperson shall present an annual Audit and Risk Self Review to Council summarising the Committee's activities during the year and any related significant results and findings.

# Risk and Audit Committee

Clock Tower Chambers,  
Palmerston Street, Westport



11 December 2024 03:30 PM

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Live Streamed to the Buller District Council YouTube Channel

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 1**

**Prepared by** Paul Numan  
Group Manager Corporate Services

### **APOLOGIES**

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#### **REPORT SUMMARY**

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

#### **DRAFT RECOMMENDATION**

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

**OR**

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

## RISK AND AUDIT COMMITTEE

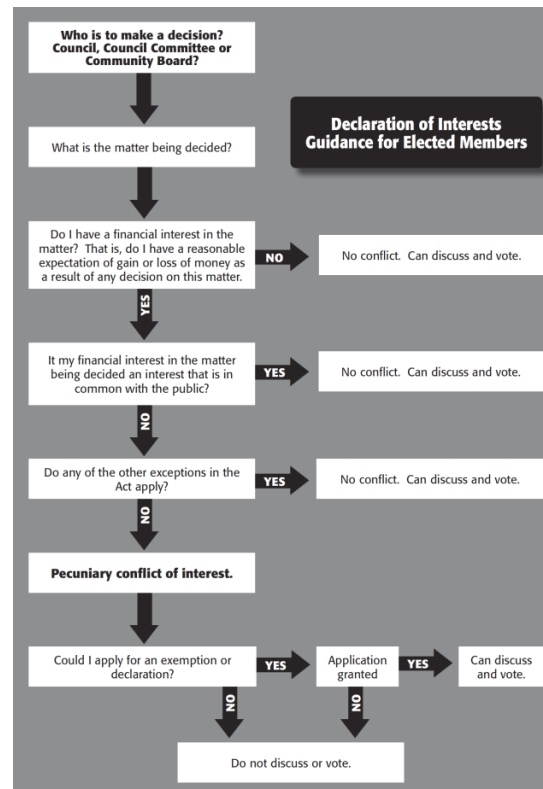
11 DECEMBER 2024

### AGENDA ITEM: 2

**Prepared by** Paul Numan  
Group Manager Corporate Services

#### MEMBERS INTEREST

1. Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.
2. Councillors are encouraged to advise the Governance Assistant, of any changes required to their declared Members Interest Register.
3. The attached flowchart may assist members in making that determination (Appendix A from Code of Conduct).



#### DRAFT RECOMMENDATION:

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

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 3**

**Prepared by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1. Risk and Audit Committee Public Meeting Minutes 30 October 2024

### **CONFIRMATION OF PREVIOUS MINUTES**

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#### **DRAFT RECOMMENDATION**

1. **That the Risk and Audit Committee receive and confirm the Public Meeting Minutes from 30 October 2024.**



**MEETING OF THE RISK AND AUDIT COMMITTEE, HELD AT 1:00PM ON WEDNESDAY 30 OCTOBER 2024 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.**

**PRESENT:** Independent Chair S Roche, Cr P Grafton, Cr T O'Keefe, Cr Joanne Howard, Mayor J Cleine, Cr C Reidy, Deputy Mayor A Basher, Cr G Neylon, Cr R Sampson, Cr A Pfahlert, Cr G Weston

**PRESENT VIA ELECTRONIC LINK:** Cr L Webb, N Tauwhare (Iwi Representative)

**IN ATTENDANCE:** S Pickford (CEO), M Aitken (Interim Group Manager Infrastructure Services), J Curtis (Manager Capital Works), K Phipps (Manager Finance), J Salmond (Senior Project Lead), P Bicknell (Programme Manager – Recovery), B Little (Policy Advisor), K Trigg (Group Manager community Services), P Numan (Group Manager Corporate Services), D Venz (Harbourmaster), C McDonald (Governance Secretary)

**IN ATTENDANCE VIA ELECTRONIC LINK:** B Murphy (Finance Support)

**MEDIA:** Ellen Curnow (Westport News)

**PUBLIC FORUM:** Kevin Smith – Spoke to Agenda Item 10 (Port and Dredge Operations Report – October 2024)

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**MEETING DECLARED OPEN AT: 1:18PM**

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**1. APOLOGIES (Page 9)**

**Discussion:**

Nil

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

**Independent Chair S Roche / Deputy Mayor A Basher**  
13/13

**CARRIED UNANIMOUSLY**

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

**Discussion:**

Nil

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

**Independent Chair S Roche / Cr P Grafton**  
13/13

**CARRIED UNANIMOUSLY**



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

**Discussion:**

Nil.

**RESOLVED** That the Risk and Audit Committee receive and confirm Public Meeting Minutes from 14 August 2024.

**Cr T O'Keefe / Cr P Grafton**

**13/13**

**CARRIED UNANIMOUSLY**

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

**Discussion:**

218: Pump Stations – December Risk and Audit Committee

228: Strategic Risk Register – December Risk and Audit Committee

233: Climate Change Adaptation to Strategic Risk Register – December Risk and Audit Committee

235: Slumpage in Wharf Backwall - ongoing

236: Crack in Buller Coal Ltd Shed Floor - ongoing

244: Capital Receipts And Expenditure To 31 December 2023 - Update

246: Bylaw and Policy Verbal Update – completed and to be removed

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

**Deputy Mayor A Basher / Cr G Neylon**

**13/13**

**CARRIED UNANIMOUSLY**

**5. RISK AND AUDIT WORKPLAN REPORT (Page 22)**

**Discussion:**

Nil

**RESOLVED**

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

**Mayor J Cleine / Cr A Pfahlert**

**12/1**

**Cr C Reidy against  
MOTION CARRIED**

**6. CAPITAL WORKS PROGRAMME REPORT (Page 24)****Discussion:**

J Curtis answered questions around the report and received feedback from members about the report and what they would like to see going forward.

**RESOLVED**

That the Risk and Audit Committee:

1. Receives the report for information.

2. Notes that the report will continue to evolve as the information required to show a full picture of the Capital Works Programme is understood e.g. the addition of minor capital works.

**Cr G Weston / Cr Joanne Howard**

**13/13**

**CARRIED UNANIMOUSLY**

**7. NEMA, IAF AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES (Page 52)****Discussion:**

P Bicknell spoke to the report and answered questions.

The Wharf project is doing well (it is on schedule and on budget).

The ineligible costs for projects – NEMA goes through the invoices line by line. The ineligible costs are higher at the start of the project as a result of factors that were considered Council costs (not funded).

In terms of Better Off Funding, there were some on hold claims from Crown. Crown has agreed to pay all of the claims on hold after reviewing the KPMG Report.

N Tauwhare (Iwi Representative) departed the meeting at 2:21PM and was not present for the vote.

**RESOLVED** That Risk and Audit Committee receive the NEMA, IAF and Better Off Funding Project Status Report Summaries for information.

**Cr P Grafton / Cr A Pfahlert**

**12/12**

**N Tauwhare (Iwi Representative) not present for the vote**

**CARRIED UNANIMOUSLY**

**8. FINANCIAL REPORT: 30 JUNE 2024 (Page 77)****Discussion:**

Nil

N Tauwhare (Iwi Representative) returned at 2:22PM

Cr L Webb departed the meeting at 2:22PM

Cr L Webb returned at 2:23PM

**RESOLVED** That the Risk and Audit Committee receive the unaudited financial report for the year ended 30 June 2024 for information.

**Cr T O'Keefe / Cr P Grafton**

**13/13**

**CARRIED UNANIMOUSLY**

**9. INVESTMENTS AND BORROWINGS REPORT – AS AT 30 SEPTEMBER 2024 (Page 88)**

**Discussion:**

B Murphy spoke to the report. Investments are down on budget mainly due to the timing of subsidies and grants.

B Murphy to check the NBS sponsorship rollover and relay this information.

**RESOLVED** That the Risk and Audit Committee receive the Investments and Borrowings report as at 30 September 2024 for information.

**Deputy Mayor A Basher / Mayor J Cleine**

**13/13**

**CARRIED UNANIMOUSLY**

**10. PORT AND DREDGE – OCTOBER 2024 OPERATIONS REPORT (Page 100)**

**Discussion:**

D Venz spoke to the report and the recent raised river level and how this impacts the Westport Bar.

D Venz to distribute the sounding of the river (when completed) to Elected Members.

**RESOLVED** That the Risk and Audit Committee receive the Port and Dredge – October 2024 Operations Report for information.

**Cr G Weston / Cr Joanne Howard**

**13/13**

**CARRIED UNANIMOUSLY**

**11. UPDATE OF THE 22/23 AND 23/24 ANNUAL REPORTS (Page 110)**

**Discussion:**

J Salmond spoke to the report and informed Members that Ernst Young will be in Buller District Council on 14 November for auditing.

The stakeholders have been updated.

It is important that the Annual Report for 22/23 is correct so as not to impact the 23/24 Annual Report.

**RESOLVED** That the Risk and Audit Committee receives the Update Of The 22/23 And 23/24 Annual Reports for information.

**Deputy Mayor A Basher / Cr P Grafton**

**13/13**

**CARRIED UNANIMOUSLY**

Meeting adjourned at 3:00PM

Meeting reconvened at 3:12PM without Deputy Mayor A Basher present.

**12. PMO REVIEW: PROCESS IMPROVEMENT OPPORTUNITIES ACTION PLAN – UPDATE OCTOBER 2024 (Page 112)**

**Discussion:**

S Pickford spoke to the report and answered questions.

Draft watermark to be removed from the attachment as this is now a live document.

Discussion was held around how much involvement Elected Members need to have in the operational function and assurance was given that this Action Plan will ensure them that they have all the oversight they need.

Deputy Mayor A Basher returned at 3:26PM

It was highlighted that processes and policy can change but if the culture does not change then it is all for nothing. This will not change overnight but it will happen.

Cr L Webb departed the meeting at 3:32PM

Cr L Webb returned at 3:33PM

**RESOLVED** That Risk and Audit Committee receives the PMO Review: Process Improvement Opportunities Action Plan – Update October 2024 for information.

**Mayor J Cleine / Cr P Grafton**

**13/13**

**CARRIED UNANIMOUSLY**

**13. BYLAWS AND POLICIES (Page 122)**

**Discussion:**

It was clarified to bring new policies forward; the committee would need to make that resolution.

**RESOLVED** That the Risk and Audit Committee:

a) Receives the Bylaws and Policies Report for information: and

b) Notes the projected work schedule for the review of bylaws and policies.

**Deputy Mayor A Basher / Cr A Pfahlert**

**13/13**

**CARRIED UNANIMOUSLY**

**14. DRAFT CONFLICT OF INTEREST POLICY (2024) (Page 133)**

**Discussion:**

S Pickford spoke to the report and answered questions.

J Curtis explained what documents are given to contractors prior to their tender being accepted.

Cr P Grafton departed the meeting at 3:50PM

Feedback was given to S Pickford about the policy.

**RESOLVED** That Risk and Audit Committee endorses the draft Conflict of Interest (2024) policy.

**Cr G Neylon / Cr P Grafton**

**13/13**

**CARRIED UNANIMOUSLY**

**15. DRAFT SENSITIVE EXPENDITURE POLICY (2024) (page 142)**

**Discussion:**

S Pickford spoke to the report and received feedback from Elected Members.

**RESOLVED** That Risk and Audit Committee endorses the draft Sensitive Expenditure Policy (2024).

**Mayor J Cleine / Deputy Mayor A Basher**

**12/1**

**Cr C Reidy against  
MOTION CARRIED**

**PUBLIC FORUM RESPONSE: Kevin Smith** - The responses from D Venz (Harbour Master) and direct him to the Westport Harbour Website. There are many factors around making the port viable.

**16. PUBLIC EXCLUDED REPORT (Page 157)**

**Discussion:**

Nil.

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

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
<b>PE 1</b>	Paul Numan – Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	<p><b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or</p> <p><b>(s 7(2)(j))</b> - prevent the disclosure or use of official information for improper gain or improper advantage.</p>
<b>PE 2</b>	Simon Pickford – Chief Executive Officer	Development West Coast Verbal Update	<p><b>(s 7(2)(b)(ii))</b> Protect information where the making Available of the information would:</p> <p>ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>

**Independent Chair S Roche / Deputy Mayor A Basher**

**13/13**

**CARRIED UNANIMOUSLY**

**MOVED INTO PUBLIC EXCLUDED AT: 4:04PM**

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 4**

**Prepared by** Paul Numan  
Group Manager Corporate Services

**Attachment:** 1. Risk and Audit Committee Action Points December 2024

### **ACTION POINTS**

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#### **DRAFT RECOMMENDATION**

1. **That the Risk and Audit Committee receive the December Action Point Report for information.**

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
218	<b>16 August 2023</b> <b>Pump Stations</b> Lifting of pump stations to be added to the Strategic Risk Register.	D Marshall P Numan	This item will remain on the action point report until it is transferred to the strategic risk register when it is completed in mid-2024 calendar year Deferred to October Risk and Audit Committee Meeting Deferred to December Risk and Audit Committee Meeting following Council workshop run by Phil Rossiter 23 October 2024. <b>Refer the Strategic Risk Register update to the December RAC</b>	13 September 2023 11 October 2023 26 June 2024 14 August 2024 30 October 2024 <b>11 December 2024</b>
228	<b>15 November 2023</b> <b>Strategic Risk Register</b> D Marshall to bring first draft of updated SRR to March RAC.	D Marshall P Numan	Update report included in agenda Strategic Risk Register review due to be completed by June 2024 Deferred to October Risk and Audit Committee Meeting following a Council workshop on 28 August 2024 run by Phil Rossiter which will cover Strategic Risk Register Review and Update. Please refer to the revised Risk and Audit Committee Work Plan. Deferred to December Risk and Audit Committee Meeting following a Council workshop on 23 October 2024 run by Phil Rossiter. <b>Refer the Strategic Risk Register update to the December RAC</b>	26 June 2024 14 August 2024 30 October 2024 <b>11 December 2024</b>
233	<b>14 Feb 2024</b> <b>PE: PIP IAF Funded Projects</b> Staff to ensure climate change adaptation is identified in SRR	D Marshall P Numan	Risk identified and will be included within the Strategic Risk Register review due to be completed by June 2024 Deferred to October Risk and Audit Committee Meeting Deferred to December Risk and Audit Committee Meeting following a Council workshop on 23 October 2024 run by Phil Rossiter <b>Refer the Strategic Risk Register update to the December RAC</b>	March 2024 RAC 26 June 2024 14 August 2024 16 October 2024 <b>11 December 2024</b>
235	<b>14 Feb 2024</b> <b>Slumpage in wharf back wall</b> Staff noted that harbour land adjacent to Cobden St has problem with slumpage in the wharf back wall. Council Engineers advised that the slumpage relates to a broken stormwater pipe and repair costs are not able to be claimed via the flood recovery process. The repairs will be funded from the Council stormwater and harbour accounts.	D Marshall W Dunlop	Staff to advise when work is complete IS advise there are a number of steps required in the Cobden St Storm water outfall repair as follows; • Currently awaiting storm water modelling data specific to Cobden St which is expected late August 2024. • Following this Davis Olgivie (DO) will be engaged for final solution and design engineering continuing on from site assessment and optioneering stages already completed by DO. • QS/Scope price final design and finalise budget allocation. • Undertake construction procurement – noting Procurement starting late Oct 2024 (pending Wayne Dunlop approval to proceed)  Staff to advise when work is complete.	26 June 2024 14 August 2024 <b>On Going</b>

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
			<p><u>Update 15 October 2024</u>  Confirmation is being sought from the modelers on their proposed outfall diameter and clear statement of level of service – noting this in advance of a fully completed model.  Recent CCTV has confirmed the need for replacement of pipe to the outfall and adjacent pipe in Cobden St that is likely to extend the scope of this project – under discussion as to separation or amalgamation of additional works.  It is expected that DO will be given the final design requirements /scope week ending 20 October 2024.</p> <p><u>Update 3 November 2024</u>  Diameters have been confirmed by modelers, final design is being undertaken by Davis Oglvie. Expected final design delivery Jan 2025.</p>	
236	<b>14 Feb 2024</b> <b>Crack in Buller Coal Ltd shed floor</b> Recent media coverage was discussed about this topic. The shed is located on council owned land and councillors were concerned there might be an exposure to the council if this cracking became a larger problem. Staff advised that the problem is not that of council, but councillors asked to keep the matter on the Action Points for future monitoring.	D Marshall P Numan	Staff to advise if any further issues arise.	On Going
244	<b>17 April 2024</b> <b>Capital Receipts And Expenditure To 31 December 2023 Update</b> D Marshall to provide a report to the June Risk and Audit Committee meeting regarding the original proposal to amalgamate the Reefton Service Centre and the original budget broken down	D Marshall P Numan	Moved to August Risk and Audit, as the capacity of the Finance Team is limited with the preparation of the Enhanced Annual Plan. This item is not on the Agenda as it was removed by the Senior Leadership Team. Please refer to the revised Risk and Audit Committee Work Plan. Next report scheduled to the December 2024 Risk and Audit Committee Meeting.	26 June 2024 14 August 2024 30 October 2024 11 December 2024



## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
			<p>Dec 2024 update: Amalgamation was proposed in the 2021-2031 LTP at \$230,000. Work commenced in September 2022 and was completed in September 2023.</p> <p>The final budget spend on the project amalgamation was \$170,222 which was underbudget. A breakdown can be sent to councillors if required.</p>	
247	17 April 2024 Review of Buller District Council Procurement Policy	P Numan	<p><del>A reviewed Procurement Policy paper will be brought to the October 2024 Council Meeting.</del></p> <p><del>A reviewed Procurement Policy Paper will be brought to the December Risk and Audit Committee Meeting</del></p> <p>Procurement policy paper included in the RAC December agenda</p>	<p><del>30 October 2024</del> 11 December 2024</p>

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 5**

**Prepared by:** Paul Numan  
Group Manager Corporate Services

**Attachments:** 1. Risk and Audit Committee Work Plan December 2024

### **RISK AND AUDIT WORK PLAN**

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#### **DRAFT RECOMMENDATION**

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

		Risk and Audit Committee											
Categories/Reports Proposed	SLT Member	Reporting Officer	February	March	April	May	June	July	August	September	October	November	December
<b>Risk &amp; Assurance Items</b>													
Ernst & Young Report on BDC's Annual Report and its Preparation	GM Corporate Services	Finance Manager		Moved to April									
Strategic Risk Register Update and Framework Review	GM Corporate Services	GM Corporate Services		✓	✓		✓				Moved to December		✓
Health and Safety Report Update	GM Corporate Services	Human Resources		✓			✓		✓				✓
BHL Letter of Expectation	GM Corporate Services												✓
CCO Statements of Intent	GM Corporate Services	Finance Manager		Draft			Final						
CCO Director Appointments and Remuneration	GM Corporate Services	Finance Manager			Review Appointments and remuneration levels								
CCO Exemption Paper (required every 3 years)	GM Corporate Services	Finance Manager	✓										
BHL Quarterly Financials	GM Corporate Services	Finance Manager	✓				✓				Moved to December		✓
BHL Annual Report (adopt is required under law by 30 Sept each year)	GM Corporate Services	Finance Manager									✓		
Westport Airport Authority Financials - 30 June	GM Corporate Services	Finance Manager					✓						
Westport Airport Authority Financials - Half year	GM Corporate Services	Finance Manager	✓										✓
Insurance	GM Corporate Services	Management Accountant					Insurance Update Report				Insurance Update Report		Finalise
Review of Procurement Policy	GM Infrastructure Services	Manager Infrastructure Delivery			✓		✓						
Update on By-law review process	CEO	Policy Advisor					✓		✓		✓		✓
Review of BDC Created Policy	GM Corporate Services	GM Corporate Services					✓				✓		
Review of Business Continuity Plan	GM Regulatory Services	CEO	✓								✓		
LGOIMA Report	CEO	CEO	✓				✓		✓				
Project Status Report	GM Corporate Services	Programme Manager - Resilient Westport	✓		✓		✓		✓		✓		✓
Reserve and Hall Subcommittee Update	GM Community Services	Subcommittee Liason Officer					✓		✓		✓		✓
<b>Internal Audits</b>													
Dredge Activities	GM Corporate Services	Project Accountant	✓				✓				✓		
Harbour Activities	GM Corporate Services	Project Accountant					✓				✓		
Follow-up on Ernst & Young Matters Raised in their Annual Report	GM Corporate Services	Finance Manager					EY Closing Report		✓				✓
<b>Monitoring Items</b>													
BDC Quarterly / Half Yearly Financials	GM Corporate Services	Finance Manager	✓				✓						✓
Punakaiki Campground Wastewater Treatment Plant	GM Infrastructure Services	Manager Infrastructure Delivery									✓		✓
BDC Monthly Financial Performance Report	GM Corporate Services	Financial Accountant		Report to be issued pre meeting			✓				✓		✓
BDC Investments and Borrowings	GM Corporate Services	Finance Manager	✓	✓	✓	✓	✓				✓		✓
BDC Debt Management - Sundry and Rates	GM Corporate Services	Finance Manager		✓			✓						✓
BDC Capital Receipts and Expenditure	GM Corporate Services	Financial Accountant		✓			✓				✓		✓
Buller District Council Infrastructure Services Capital Works Programme Report											✓		✓
KPMG Update	CEO	CEO	✓		✓		✓		✓		✓		✓
The following items are not directly related to the Risk & Audit work programme but are provided to note when staff have key programmes of work													
<b>Major Financially Based Reports to be Prepared in the 2024 Calendar Year</b>													
Annual Plan					Adopt draft & Consultation	Consultation & Hearings	Adoption						
Long Term Plan							Adoption		Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft
BDC Annual Report							Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Adoption Annual Report - Audit opinion issued	Publish Annual Report & Summary Document	Preparation of draft
<b>Rating Policy Review</b>													
Rating Policy Review			Preparation and review - 3 waters rates	Preparation and review - 3 waters rates	Consultation part of Enhanced Annual Plan	Hearings part of Enhanced Annual Plan	Adoption part of Enhanced Annual Plan			Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 6**

**Prepared by** Jess Curtis  
Capital Works Manager

**Reviewed by** Anthony Blom  
Group Manager Infrastructure Services

**Attachments** 1. Buller District Council Infrastructure Services Capital Works  
Programme Control Group Report

**Public Excluded:** No

### **INFRASTRUCTURE SERVICES CAPITAL WORKS PROGRAMME REPORT**

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1. **REPORT PURPOSE**

The attached Infrastructure Services Capital Works Programme report provides a status update on key capital projects (above \$100k). The report captures project health through budget, scope, resource, schedule, risks/issues and financial tracking for each project.

2. **EXECUTIVE SUMMARY**

The Infrastructure Services Capital Works Control Group meets monthly and is chaired by the Infrastructure Services Group Manager as the Sponsor for all projects. Other members include the Corporate Services and Community Services Group Managers, Infrastructure Delivery Manager and Infrastructure Planning Manager. Project managers will be invited to talk through the projects when project decisions are required and if there are key risks that require management support.

3. The monthly Capital Works Programme report shows key projects (above \$100k) that are run through the Infrastructure Services Unit by capturing project health through budget, scope, resource, schedule, risks/issues and financial tracking for each project. Minor capital works (less than \$100k) are not currently shown, however the long-term aim is to include minor capital, show finance over multiple years and show the total portfolio spend breakdown. High risks, health and safety events including notifiable events and communications for the month are also included in the report. Risks are reviewed and adjusted monthly, and risks

identified in this report will change for the October/November report. High risks and mitigations are identified in the September/October report from page 20.

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

5. **DRAFT RECOMMENDATION**

**That The Risk and Audit Committee regarding the Infrastructure Services Capital Works Programme report:**

- a) **Receives the report.**
- b) **Notes that the report will continue to evolve as the information required to show a full picture of the capital works programme is understood e.g. the addition of minor capital works and further breakdown to show multiyear projects.**
- c) **Notes that the reporting description for budgets have been updated with red and orange colour coding to reflect only forecasted overspends.**
- d) **Notes that work is underway to show estimated delivery dates and project closure dates on the report and highlight projects that require more than one financial year for their lifespan.**

## Buller District Council Infrastructure Services Capital Work Programme

<b>Reporting Month Ending:</b>	October 2024
<b>Financial Month Ending:</b>	September 2024
<b>Last Control Group Meeting:</b>	24 <sup>th</sup> October 2024
<b>This Control Group Meeting:</b>	20 <sup>th</sup> November 2024
<b>Next Control Group Meeting:</b>	18 <sup>th</sup> December 2024

## Overall Programme Financials

The table below provides a rolled-up overview of the annual budgets, carryovers, and costs to date along with remaining expenditure for each portfolio. The figures below represent the 24/25 capital programme budget, tracked against delivery. Figures in red show an overspend compared to budget. Of the 55 projects shown, approximately 55% are already completed and require project closure, or aimed to be completed by the 30<sup>th</sup> of June 2025 with the remaining projects requiring work programme confirmation or are to be delivered over multiple years.

Portfolio	24/25 AP budget	Carryovers from 23/24	Approved changes	Total approved budget	Cost To Date	Variance (budget – cost to date)	Commentary
<b>Local Roads</b>	\$4,292,216	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$476,456	\$3,815,759	Confirmed that this for the 24/25 budget.
<b>Special Purpose Roads</b>	\$3,065,489	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$55,720	\$3,009,769	Confirmed that this for the 24/25 budget.
<b>Transport &amp; Urban Development</b>	\$4,910	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$242,282	<b>\$237,373</b>	This includes costs from the IAF and Resilient Westport projects to be included in carryovers.

Portfolio	24/25 AP budget	Carryovers from 23/24	Approved changes	Total approved budget	Cost To Date	Variance (budget – cost to date)	Commentary
Sewerage Schemes	\$1,842,891	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$465,814	\$1,377,079	
Water Supplies	\$5,687,011	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$473,665	\$5,213,357	
Stormwater Network	\$631,578	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$143,669	\$487,908	
Solid Waste	\$197,404	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$41,105	\$156,300	
Community Facilities	\$781,275	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$554,239	\$227,026	
<b>Total</b>	<b>\$16,502,773</b>	<b>Not yet confirmed</b>	<b>Not yet confirmed</b>	<b>To be confirmed with carryovers</b>	<b>\$2,053,940</b>	<b>\$14,448,835</b>	

## Portfolio summaries

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

The report colour coding represents the following:

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



### Community Facilities Portfolio health check

The key projects in the Community Facilities portfolio are upgrades to the Mokihinui and Punakaiki campground sewage systems, HVAC installations for Brougham House, NBS theatre and Reefton Swimming Pool and Carnegie Library.

Key projects	Over all	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Mokihinui Campground Sewerage							\$738,114	\$18,755	\$719,359	\$738,114	\$0
Commentary	Design ongoing with draft design sent to the Mokihinui sub-committee. Survey contract negotiations underway to complete final design and resource consent application. \$400,000 BDC and \$338,114 of TIF funding.										
Punakaiki Campground Sewerage							\$588,400	\$368,818	\$138,431	\$507,249	\$81,151
Commentary	AES system installed, under Defects Liability Period										
Brougham House - HVAC							\$225,000	\$2,502	\$222,498	\$225,000	\$0
Commentary	Building Consent approved with materials underway. Contract management plans including asbestos management, health and safety, methodology, work programme and staff relocation planning underway.										
NBS theatre HVAC							\$457,000	\$4,650	\$452,350	\$457,000	\$0
Commentary	Budget made up of \$372K BDC funds, \$85K from Buller Arts and Recreation Trust (BART). HVAC procurement plan underway to obtain 3 quotes, the procurement process is being expedited to mitigate historic delays.										
Carnegie Library							\$547,157	\$54,984	\$492,173	\$547,157	\$0

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
<b>Commentary</b>	<p>Project business case underway. Funding provided by BDC through the 2023-24 Annual Plan, to provide seed funding to enable external funding to be sourced for strengthening and refurbishment work so the building can be reused.</p> <p>Heritage Works Architect contract awarded.</p> <p>Meeting held with Carnegie Culture Centre Incorporated (CCC), Heritage Works, BDC Manager Infrastructure Delivery and Project Manager</p>										
<b>Reefton swimming pool HVAC and upgrade</b>							\$600,000	\$28,735	\$571,265	\$600,000	\$0
<b>Commentary</b>	<p>Budget made up from \$300k approved Lotteries funding to fund HVAC system work along with \$300K BDC funding.</p> <p>200 kVA power supply upgrade switchboard design completed, awaiting long-lead items, install proposed Dec 2024.</p> <p>HVAC design completed; procurement underway for installation.</p>										

### Roading and Transport Portfolio Health Check

The projects listed below are the larger projects within the roading and transport portfolio including the Omau Road intersection upgrade and the 24-27 road resealing work. The 24-27 bridge work is currently being scoped to set up before adding to the report.

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
<b>LR – Low Cost/Low Risk – Omau Road intersection upgrade</b>							\$1,974,332	\$327,168	\$1,647,166	\$1,974,332	\$0

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
<b>Commentary</b>	Detailed design completed within budget. Construction budget of an additional \$1,650,757 has been approved by NZTA. The construction estimate has been provided by the designer and is significantly higher than the budget available. Value engineering has been completed and approved by the transport team. Designer to make the requested design changes.										
<b>SPR – Karamea highway rehabilitation</b>							\$1,895,172	\$1,770,079	\$0	\$1,770,079	\$125,093
<b>Commentary</b>	Contractor has agreed to a work programme to remediate the defective seal at site 2 and 3 with the aim to prevent deterioration in warmer months. Monitoring of the sites continues until remediation is completed.										
<b>LR – Speed Management Plan phase 1</b>							\$245,000	\$172,771	\$0	\$172,771	\$72,229
<b>Commentary</b>	New speed limit rules implement by central government, options for BDC being explored. Accounting treatment to be confirmed before project closure.										
<b>Toki Trail stage 2a</b>							\$142,599	\$94,118	\$17,979	\$112,097	\$30,502
<b>Commentary</b>	Final construction completed. Project handover and closure to be started.  Funded from a 22/23 carry-forward for district revitalisation work of \$158,004. \$9,480 of the carry-forward was spent on non-Toki Trail Stage 2A projects, leaving an available budget of \$142,599. As part of the end of 23/24FY, project costs requiring impairment are to be confirmed with finance.										
<b>24-27 Road resealing</b>							\$4,329,000	\$17,080	\$4,311,920	\$4,329,000	\$0
<b>Commentary</b>	Preferred Tenderer notified and contract negotiations are underway.										

## Waste Water Portfolio Health Check

The majority of the projects listed below are interrelated as part of a larger programme of work looking at bringing the wastewater and stormwater networks in Westport township up to compliance. Please note that Waste water/stormwater separation – 52024 and Waste water/stormwater separation smoke and dye test – 52017 from previous reports have been combined with this project.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Replacement of WWPS screens – 10234							\$200,000	\$202,957	\$0	\$202,957	-\$2,957
Commentary	Closure report underway.										
Discharge resource consent application - 10235							\$455,000	\$296,822	\$140,000	\$436,822	\$18,178
Commentary	Buller River Consent RFI's and consent variation for discharge into the Buller River ongoing. Review of community communication plan underway. Summary update letter to the WCRC underway. Ngati Waewae meeting arranged. Environmental monitoring negotiations underway.										
Waste water model preparation – 10236							\$315,000	\$65,397	\$137,000	\$202,397	\$112,603
Commentary	Wastewater modelling and optioneering ongoing. There is further modelling work to be completed once separation completed e.g. Carters Beach, Colvin Street and Riley Place (see project below).										
Stormwater model preparation - 10237							\$420,000	\$109,727	\$30,527	\$140,254	\$279,746
Commentary	Stormwater modelling and optioneering ongoing. Results expected in Q3 2024/25. Survey contract negotiations completed for awarding.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
	Variance not expected at project completion as additional modelling work is likely to be required that is not shown yet as a committed cost.										
Waste water/storm water separation – 10238							\$800,000	\$282,064	\$355,000	\$637,064	\$162,936
Commentary	Further 10 connections work programming underway. More sites have been scoped and materials ordered.										
Waste water/storm water separation policy – 10239							\$50,000	\$13,757	\$36,243	\$50,000	\$0
Commentary	Policy to be workshopped with Councillors.										
Riley Place pumpstation - 52052							\$250,000	\$722	\$249,278	\$250,000	\$0
Commentary	Investigation of options for pumpstation underway.										
Pakington street main replacement (20 – 32) - 52021							\$380,000	\$12,419	\$367,581	\$380,000	\$0
Commentary	Work continuing into 2025. Quote for final element underway.										
Potter Road – Buller							\$154,137	\$8,707	\$145,430	\$154,137	\$0

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Road reline - 52023											
Commentary	CCTV delays due to survey difficulties requiring the installation of a manhole. Suggestion that relining is possible. Relining contract work programme negotiations ongoing.										

### Water Supplies Portfolio health check

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

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Punakaiki Chlorination – 51011							\$194,000	\$38,768	\$312,906	\$351,674	- \$157,674
Commentary	Construction underway with estimated completion date late 2024. Project change request to add further funding from the 24/25 AP underway.										
Westport Water Treatment Plant Optimisation - 51052							\$270,000	\$50,441	\$219,558	\$269,999	\$0
Commentary	Caustic wash complete to finalise the improvements scope including treatment performance monitoring establishment, equipment purchase and safety improvements.										
Westport water Sectorisation - 51008							\$380,000	\$98,734	\$281,266	\$380,000	
Commentary	Current financial transactions against the project ID require adjusting.										
Waimangaroa raw water supply upgrade							\$2,519,912	\$2,053,819	\$2,400	\$2,056,219	\$463,693
Commentary	Handover report completed by EGIS. SLT memo underway for decision on budget movement for underspend.										
Westport Trunk Main Stage 1b - 10240							\$1,634,954	\$1,138,602	\$6,800	\$1,145,402	\$489,552

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
<b>Commentary</b>	Physical works completed. Defects liability period still to be completed. SLT memo to be drafted for decision on budget movement for underspend. Easement approved by BDC currently with Colls Surveying to be lodged. Handover report completed by EGIS.										
<b>Westport Trunk Main Stage 2 - 51080</b>							\$3,092,985	\$30,709	\$2,209,298	\$2,240,007	\$852,978
<b>Commentary</b>	Consent design has now been completed with final design to come. Kiwirail grant has also been compiled and lodged and is being tracked and monitored via Kiwirail reference. Discussions have also concluded with the and lease holder has who has given their permission for the project. Construction tender documents underway. A media release has gone out to Buller residents.										
<b>Coates Street Mains Replacement - 51076</b>							\$250,000	\$1,300	\$248,700	\$250,000	\$0
<b>Commentary</b>	Design completed, construction programme underway. Collaboration with road resealing work is underway to limit impacts.										
<b>Reefton backflow preventions – 51006</b>							\$131,000	\$30,889	\$100,111	\$131,000	\$0
<b>Commentary</b>	Work program underway in relation to the final scope. Due to be completed by the end of 2024.										
<b>Westport backflow preventions – 51007</b>							\$443,125	\$183,837	\$259,288	\$443,125	\$0
<b>Commentary</b>	Work programme confirmed with delivery underway through till June 2025.										



Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
West Disraeli to Queen Street Mains Replacement - 51023							\$103,857	\$7,788	\$96,069	\$103,857	\$0
Commentary	Construction 85% completed, Pipeline pressure testing to be carried out.										
Walsh street Main replacement							\$118,850	\$0	\$118,850	\$118,850	\$0
Commentary	Design completed, construction to be programmed in for Q1 2025.										

### Stormwater Portfolio health check

The largest projects in the stormwater portfolio are the repairs of the Cobden Street outfall and the Resilient Westport stormwater modelling.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Brougham Street Stormwater Upgrade – 53001							\$150,000	\$114,088	\$24,000	\$138,801	\$11,199
Commentary	The project is near completion, with road resealing still remaining. Easement process for BDC assets on private property ongoing.										
Southern Peel Street Stormwater Upgrade – 53011							\$300,000	\$26,884	\$207,151	\$234,035	\$ 65,965
Commentary	Construction to be completed in 2025 once design confirmed. Groundwater monitoring underway to inform design. Optioneering report underway to refine design scope.										
Cobden Street outfall repair - 53031							\$400,000	\$32,076	\$366,000	\$398,068	\$1,932
Commentary	CCTV has confirmed significant compression of pipe approx 10m in from outfall, with new pipe size confirmed at DN1200mm. Investigations have informed the final scope. Design procurement underway, construction tender documents underway.										
Thomas Creek outfall protection – 53006							\$160,000	\$180	\$159,820	\$160,000	\$0
Commentary	Interim works have been designed, delivery dates to be confirmed. Ongoing work underway to confirm final solution.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Resilient Westport – Stormwater							\$150,000	\$96,693	\$53,006	\$149,700	\$300
Commentary	Draft stormwater strategy and indicative business case for further funding complete. Application to Regional Infrastructure Fund for capital underway.										

### Waste Management Portfolio health check

The key projects in the Waste Management portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Current Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Karamea landfill and recycling centre upgrade							\$328,000	\$284,644	\$15,000	\$299,644	\$28,356
Commentary	<p>Minor tasks to be completed prior to project closure.</p> <p>Multiple funding streams including AP budgets from 22/23, 23/24, waste levy's fund, MFE funds, Karamea Waste Group Grants contribution of approximately \$25k for materials. Project closure report to be drafted that confirms final financial breakdown.</p>										
Construction and demolition waste recovery facility							\$949,999	\$128,033	\$772,000	\$900,033	\$49,966
Commentary	<p>Council approval of the Buller project confirmed, project manager procurement underway.</p> <p>Project majority funded by the Ministry for the Environment. Budget shows combined regional total which will be revised once the Westland project is confirmed.</p>										
Westport and Reefton transfer station upgrade							\$496,674	\$394,600	\$35,000	\$429,600	\$67,074
Commentary	<p>Minor weather dependent tasks to be completed at end of 2024 prior to project closure.</p>										

### Return to Service Programme Health Check

The NZTA funded Return to Service roading work is a programme of works separated into 12 bundles which are described below. Bundles were identified either by work of a similar nature or geographic similarity. Overall, the programme is overspent by \$676,337. The revised Bundle 9 scope has been included in the costs below and sent to NZTA while final costs for bundles 8 and 10 are still to be confirmed post construction.

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
<b>Bundle 1 – Work usually carried out by Council's maintenance contractor</b>							\$933,731	\$602,561	\$52,409	\$654,970	\$278,761
<b>Commentary</b>	Gannon's Creek bridge design ongoing. Initial Report has been received from WSP. Final design to be completed										
<b>Bundle 2 – Roding and culvert repairs</b>							\$332,795	\$239,588	\$0	\$239,588	\$93,207
<b>Commentary</b>	Work completed; defects liability period underway. Works executed efficiently with cost savings identified through agreement with the contractor.										
<b>Bundle 3 – Machine work</b>							\$448,204	\$344,754	\$0	\$344,754	\$103,450
<b>Commentary</b>	Work completed; defects liability period underway. Estimate higher than actual cost to complete.										
<b>Bundle 4 – MSE wall &amp; minor machine work</b>							\$618,765	\$793,797	\$22,500	\$793,797	<b>-175,033</b>

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Work completed; defects liability period underway. Tender price received higher than estimate.										
Bundle 5 – Karamea Basin & Little Wanganui underslips							\$662,360	\$526,775	\$3616	\$530,391	\$131,969
Commentary	Work completed; defects liability period underway. Works executed efficiently with cost savings identified through agreement with the contractor.										
Bundle 6 – Denniston retaining walls & road repair							\$3,371,256	\$4,080,164	\$16,000	\$4,096,164	-\$724,908
Commentary	Work completed; defects liability period underway. Additional costs identified during construction due to challenging ground conditions over five sites.										
Bundle 7 – Rock protection & repairs Northern Buller local roads							\$1,256,062	\$980,787	-\$19,238	\$961,579	\$294,513
Commentary	Work completed; defects liability period underway. Reduction on scope of work on De Malmanches Road identified by Project Manager and competitive tender received.										
Bundle 8 –							\$2,725,265	\$1,354,973	\$1597,331	\$2,952,304	-\$227,039

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
SPR underslips, retaining structures & roads											
Commentary	Final extent of retaining wall can only be determined during construction once unforeseen ground conditions are fully managed. Work underway. Site team proactively looking for cost savings.										
Bundle 9 – Local roads rockwall, roading & rock placement							\$215,750	\$134,428	\$89,875	\$224,303	-\$8,553
Commentary	Bundle 9 has been rescoped as instructed by NZTA to ensure only critical sites are completed. The following sites have been identified by BDC: - Lowes Bridge - Bridge No.48 - Reedys Road 1 Revised programme has been submitted to NZTA for approval										
Bundle 10 – Karamea Bluff rockwall, roading, rock & culverts							\$1,165,615	\$828,767,	\$478,785	\$1,307,552	-\$141,937
Commentary	Final extent of retaining wall can only be determined during construction once unforeseen ground conditions are fully managed. Spring construction could impact completion date. Work underway. Site team proactively looking for cost savings.										

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Bundle 11 – Karamea Bluff soil nail wall, replace culvert							\$751,279	\$758,305	\$5,380	\$763,685	-\$12,406
Commentary	<p>Final product not to strength and durability requirements. Contractor to remediate the site to acceptable standard in collaboration with the designer. Contractor has indicated that they plan to carryout remedial works during Novmeber 2024.</p> <p>Further project and contract management cost to be received as dispute is negotiated.</p>										
Bundle 13 – Christmas Creek & Burkes Creek Bridge abutments, rock protection, culverts							\$1,011,152	\$1,294,343	\$5,170	\$1,299,513	-\$288,361
Commentary	<p>Work completed, defects liability period underway.</p> <p>Tender price received higher than estimate.</p>										
	Budget		Cost to Date		Forecast Cost to Complete		Final Forecast Cost to Complete		Variance		Commentary
Overall Programme finances	\$13,492,234		\$11,939,243		\$2,229,328		\$14,168,571		-\$676,337		Reassessment of bundle 9 scope completed

Summary by event and local roads or special purpose roads:



Class and event	Current budget	Forecast final cost	Variance
LR FEB	\$6,232,155	\$6,995,425	-\$763,270
LR JUL	\$1,073,193	\$795,652	-\$277,541
SPR FEB	\$5,376,935	\$5,223,376	\$153,559
SPR JUL	\$809,951	\$1,154,121	-\$344,170
<b>TOTAL</b>	<b>\$13,492,234</b>	<b>\$14,168,570</b>	<b>-\$676,337</b>

## High Risks and Issues

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

Project name	Risk/Issue Name	Description	Action/Mitigation
<b>Brougham House - HVAC</b>	Cost escalation during construction works.	If unfavourable conditions are discovered once work is started, then there may be additional costs required.	Ensure robust negotiations are carried out to agreed quote and purchase order  Contract management communication lines clear between the contractor and BDC.
<b>NBS theatre – HVAC</b>	Cost escalation during construction works.	If unfavourable conditions are discovered once work is started, then there may be additional costs required.	Ensure robust negotiations are carried out to agreed quote and purchase order  Contract management communication lines clear between the contractor and BDC.
<b>Carnegie Library</b>	Achieving a fit for purpose and affordable outcome	If the design of and purpose for the Carnegie building is not agreed by the BDC and community, then the outcome may be unaffordable, unachievable and not fit for purpose.	Regular meetings between the project manager and the Carnegie committee with final approval through Council.
<b>Carnegie Library</b>	Investigation costs	If construction is not completed there may be write off and demolition costs for operating.	Costs to be held as Work in Progress until a decision on phase 2 construction is made.

Project name	Risk/Issue Name	Description	Action/Mitigation
Omau intersection upgrade	Cost escalation	The construction budget will be exceeded significantly if the existing detailed design is used	Design is to be reviewed and altered where possible so that the construction phase can be built within budget
Resilient Westport	Delivery funding not confirmed.	Funding for stormwater improvements not included in the June 2022 Westport Flood Resilience Business Case.	Once modelling is completed, active engagement with central government on external funding sources.
Resilient Westport	Modelling cost write offs	If modelling is charged to capital and construction is not completed there may be write off costs for operating.	Working with finance to agree on an accounting treatment for this work.
Discharge resource consent application - 10235	Volume of request for information	If the volume of request for information tasks is too big there will not be available BDC resourcing to respond.	Task list has been drafted with assigned resources to it. Workload priority conversations with assigned staff underway.
Discharge resource consent application - 10235	Consent compliance	If the Council's consent application is not complete within the timeframes or issues with onerous conditions that are unable to be fulfilled, then the council may incur penalties and reputational damage for breaching conditions.	Reduce stormwater discharge into wastewater network.
Waste water/stormwater separation policy - 10239	Community engagement	If community engagement is not completed, then the stormwater infiltration policy may not be understood and accepted by councillors and the community.	Advise underway from the BD Communications and Engagement team on a communications plan linked to the consent process.
Westport trunkmain stage 2	Landowner permissions	If all landowner permissions are not received within current project timeframes, then the construction will suffer delays leading into winter.	Applications completed as soon as practicable with ongoing follow up by the Project Manager.
IAF Programme	Stage 1 Programme Management	The project is split into stage 1 (design) and stage 2 (construction). The Programme Management budget will be exhausted in November 2024 unless construction funding becomes available.	September meeting between Programme Manager, Capital Works Manager and IS Group Manager to complete a transition plan to be arranged.
IAF Programme	Access to construction funding	If BDC is unable to satisfy the construction funding condition before 20 December, the IAF construction funding may be at risk.	Active work with the TToP Hearings Commissioners to provide supporting information and undertake further consultation re rezoning Alma Road completed 15 August. Formal request of Hearing Panel to release rezoning decision ahead of rest of TToP. Fast Track Consent

Project name	Risk/Issue Name	Description	Action/Mitigation
			application made for subdivision of Kawatiri Block at Alma Road.
IAF Programme	Stage 1 (design) cost write offs	Stage 2 costs were split between BDC (\$200k) and Kianga Ora \$1,100,000). If construction is not completed there may be write off costs for operating.	Costs to be held as Work in Progress until a decision on stage 2 construction is made.

## Health, Safety and Environmental

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

Programme/project name	Events Reported	Notifiable Events	Audits Completed - August
RTS Programme	1	0	51
Punakaiki campground sewerage	0	0	4

## Communications/Community and Stakeholder Engagement

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

Project Name	Description
RTS Programme	Monthly traffic management update sent to interested parties, BDC key project webpage <a href="https://bullerdc.govt.nz/your-council/key-projects/roadmap-to-recovery-for-buller-s-roads/">https://bullerdc.govt.nz/your-council/key-projects/roadmap-to-recovery-for-buller-s-roads/</a> updated
Construction and demolition waste recovery facility	Media release on the 31st October <a href="https://bullerdc.govt.nz/blog/council-commits-to-construction-and-demolition-waste-recovery-for-buller/">https://bullerdc.govt.nz/blog/council-commits-to-construction-and-demolition-waste-recovery-for-buller/</a>
Punakaiki water chlorination	Media release on the 20th September 2024 <a href="https://bullerdc.govt.nz/blog/preparation-for-the-chlorination-of-punakaiki-s-water-supply-underway/">https://bullerdc.govt.nz/blog/preparation-for-the-chlorination-of-punakaiki-s-water-supply-underway/</a>

## Appendix 1: Project Name and Description

Portfolio	Project Name	Project Description
Community Facilities	Mokihinui campground sewerage	Upgrade of Mokihinui Campground Effluent discharge funded by both the MBIE Tourism Infrastructure Fund and BDC.
Community Facilities	Punakaiki campground sewerage	Upgrade the existing onsite effluent wastewater system, ensuring the upgrade is fit for purpose, operates efficiently and meets current resource consent conditions for a maximum of 400 camping ground uses.
Community Facilities	Brougham Street Upgrade	Upgrade Brougham House. Current work has included electrical-main switchboard replacement and upgrades of heating and ventilation system for ground and first floor of Brougham house. Earthquake strengthening work still to be confirmed through council as budget insufficient to complete the required works.
Community Facilities	NBS theatre HVAC	Upgrade of heating and ventilation system for NBS theatre.
Community Facilities	Carnegie Library	Primarily seismic upgrade and associated refurbishments to meet the building act.
Community Facilities	Reefton swimming pool HVAC and upgrade	Upgrade of heating and ventilation system to ensure swimming pool air temp consistent with water temp to rectify severe condensation problem.
Roading and Transport	LR – Low Cost/Low Risk – Omau Road intersection upgrade	Council is proposing to upgrade the Omau intersection due to safety concerns and to provide a safe alignment for the Kawatiri Coastal Trail. This stage will involve the detailed design of the intersection to be completed by 30th June 2024.
Roading and Transport	SPR – Karamea highway rehabilitation	Granular overlay and two coat chip seal at three sites from the northern side of the Karamea bluff to the Karamea bridge.
Roading and Transport	LR – Speed Management Plan phase 1	This project aimed to deliver on the outcomes of the Regional Speed Management Plan 2024-2026 consultation that proposed to lower the speed limit around eight schools, and seven high priority roads/high priority areas.
Roading and Transport	Toki Trail stage 2a	A shared path was created between the Toki Poutangata bridge and Victoria Park which has been the subject of a post-construction safe system audit undertaken by Abley Consultants which recommended multiple changes and

Portfolio	Project Name	Project Description
		<p>improvements. The scope of this project is to rectify the existing Kawatiri Coastal Trail, Westport town precinct, Westport CBD, and the recreational area of Victoria Park via a shared pathway.</p> <p>An enhanced journey experience for cyclists and pedestrians will increase well-being, retail and social benefits</p>
<b>Roading and Transport</b>	24-27 road resealing	Sections of road requiring resealing as part of regular maintenance.
<b>Waste Water</b>	Replacement of WWPS screens – 10234	Replace screens on the three pump stations subject of the consent RC00408/2. Note there are five other WW pump stations in Westport that are currently unconsented and may need the addition of overflow screens before consents can be issued.
<b>Waste Water</b>	Discharge resource consent application – 10235	Buller river and Orowaiti river resource consent application. Includes iwi liaison, environmental reporting etc.
<b>Waste Water</b>	Waste water model preparation – 10236	Waste Water model and optioneering to identify improvement works that will need to be carried out over short and longer term.
<b>Waste Water</b>	Stormwater model preparation - 10237	Stormwater model and optioneering to identify improvement works that will need to be carried out over short and longer term.
<b>Waste Water</b>	Waste water/stormwater separation investigation – 10238	Repairs for immediate cross connections.
<b>Waste Water</b>	Waste water/stormwater separation policy – 10239	Develop and consult on a WW/SW separation policy including consultation.
<b>Waste Water</b>	Riley Place pumpstation - 52052	The current pump station, rated at 4 litres per second (l/s), is outdated, frequently struck by vehicles, and deteriorating. This project looks to investigate options available.

Portfolio	Project Name	Project Description
Waste Water	Pakington street main replacement - 52021	Replacement of the main pipeline around numbers 20 – 32 in Pakington Street.
Waste Water	Potter Road – Buller Road reline - 52023	Reline inside of the pipework between Potter and Buller Roads.
Water Supplies	Punakaiki Chlorination – 51011	The objectives of the project are essential to improving water supply safety by introducing residual chlorine into the drinking supply and complying with the Drinking Water Assurance Rules of 2022
Water Supplies	Westport water treatment plant optimisation - 51052	This project aims to investigate the WTP treatment performance and undertake affordable improvements.
Water Supplies	Westport water sectorisation - 51008	Sectorisation of the Westport Water system to understand the areas of water loss and allow improvements through management.
Water Supplies	Waimangaroa WS Upgrade	Upgrade critical elements of the raw water supply to implement priorities of the raw water network.
Water Supplies	Westport Trunk Main stage 1b - 10240	The project is a continuation of the Westport Trunk main, construction of PE trunk main pipeline towards Westport.
Water Supplies	Westport Trunk Main stage 2- 51080	The project is the final stage of the Westport Trunk main, construction of PE trunk main pipeline towards Westport.
Water Supplies	Coates Street Mains Replacement - 51076	Replacement of mains in Coates Street
Water Supplies	Reefton Backflow prevention	In order to meet Taumata Arowai anticipated compliance testable backflow prevention valves are being rolled out firstly with rural water connections.

Portfolio	Project Name	Project Description
Water Supplies	Westport backflow preventions – 51007	In order to meet Taumata Arowai anticipated compliance testable backflow prevention valves are being rolled out firstly with rural water connections.
Water Supplies	West Disraeli to Queen Street Mains Replacement - 51023	Replacement of mains in West Disraeli to Queen Street
Water Supplies	Walsh street Main replacement	Replacement of mains in Walsh Street.
Stormwater	Brougham street stormwater upgrade – 53001	The project originates from an unresolved historic stormwater issue wherein private construction works damaged an unmapped public stormwater drain passing through private property and localized flooding persisted at the rear of 143-149 Palmerston Street. To address this, the project focuses on installing a new stormwater pipe. This pipe will facilitate the drainage of communal stormwater from neighbouring properties into the Council's stormwater system situated in Brougham Street, thereby resolving the persistent localized flooding issue.
Stormwater	Southern peel street stormwater upgrade – 53011	The primary objective of the Southern Peel Street Stormwater Upgrade project is to decrease flooding of roads and private properties during rain events ranging up to the 10-year Average Recurrence Interval (ARI). This involves improving the stormwater management system to handle stormwater effectively, thus ensuring the road corridor and surrounding properties remain flood-free during typical rainfall events, improving safety, and reducing maintenance costs
Stormwater	Cobden Street outfall repair - 53031	Reactive repairs to the Cobden Street outfall. Design required prior to construction.
Stormwater	Thomas Creek outfall protection – 53006	Reactive repairs to the Thomas Creek outfall. Design required prior to construction.
Stormwater	Resilient Westport - stormwater	Upgrade to the Westport township stormwater network integrated into the flood protection wall construction
Waste management	Karamea landfill and recycling centre upgrade	Purchasing and installing weighbridge, site office and recycling centre for Karamea.

Portfolio	Project Name	Project Description
Waste management	Construction and demolition waste recovery facility	Regional project to design, build and operate three construction and demolition waste recovery facilities around the region (Westport, Hokitika, Greymouth).
Waste management	Westport and Reefton transfer station upgrade	Major maintenance work of the two main waste facilities of the district (Westport and Reefton) e.g. roof repairs, Westport weighbridge, security fences/gates and cctv cameras.
Return to Service Programme	Bundle 1	Bundle 1 is made up of defects/projects that require simple designs and that are usually carried out by Council's maintenance contractor.
Return to Service Programme	Bundle 2	Bundle 2 is made up of general roading and culvert repairs.
Return to Service Programme	Bundle 3	Bundle 3 is made up of machine works on the Karamea highway.
Return to Service Programme	Bundle 4	Bundle 4 is made up of machine works and a mechanically stabilised earth wall on the Karamea highway.
Return to Service Programme	Bundle 5	Bundle 5 is made up of roading underslips that require the road shoulder to be reinstated in Karamea basin and Little Wanganui.
Return to Service Programme	Bundle 6	Bundle 6 is made up of retaining wall and roading repairs on the Denniston road.
Return to Service Programme	Bundle 7	Bundle 7 is made up of rock protection and roading repair work.
Return to Service Programme	Bundle 8	Bundle 8 is the repairs of underslips using retaining structures and roading work on the Karamea highway.
Return to Service Programme	Bundle 9	Bundle 9 is made up of rockwall and roading & rock placement. The largest portion is Darkies Tce, with a significant retaining structure intended to support road required
Return to Service Programme	Bundle 10	Bundle 10 is made up of rockwall and roading & rock and culvert work on the Karamea highway.



Portfolio	Project Name	Project Description
Return to Service Programme	Bundle 11	Bundle 11 is the construction of a Soil Nail wall, replacement of existing culvert and other miscellaneous works on the Karamea highway.
Return to Service Programme	Bundle 13	Bundle 13 is the repairs to two sites; Christmas Creek - Lift existing bridge, upgrade, construct new abutments, river works and miscellaneous work. Burkes Ford - Reinstatement of rock protection, void repairs, culvert installation and other works.

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 7**

**Prepared by** Penny Bicknell  
Programme Manager – NEMA and BoF

**Reviewed by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1. NEMA Projects Status Report October 24  
2. Better Off Funded Projects Status Report October 24  
3. NEMA Wharf Repair Project Report October 24

**Public Excluded:** No

### **NEMA AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES**

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1. **REPORT PURPOSE**

The purpose of this report is to bring the Risk and Audit Committee a summary of the Project Status Reports for NEMA and Better Off Funded projects for the month ended October 2024 (September 2024 financials) and a detailed project status report for the NEMA Wharf Repair Project.

2. **EXECUTIVE SUMMARY**

Key points to note from each of the Programmes of Work for October/November 2024:

3. **NEMA Projects**

- Wastewater Betterment project — final project – procurement of the long Leadtime components of the Grit screens for the Westport Wastewater Treatment plan. Project completed.
- Westport Port Repairs
  - o Programme progressing well with minimal weather delays
  - o 58% of sheet pile wall installed and 25% of Caisson piling
  - o First concrete pour on schedule for early October
  - o Completion on schedule for May 2025
- Currently \$300k has been approved by NEMA for reappropriation to the Westport Wharf Repair for contingency. The remaining contingency for the project is approximately \$60k (October)

- There is an additional \$100k that is potentially available for reappropriation from other T2 projects (subject to NEMA approval). BDC will request that this additional amount be reappropriated to the Westport Wharf Repair project.

4. **Better Off Funded Projects**

- Crown Infrastructure Partners (CIP) have reimbursed the April/May claims. All claims now approved.
- 3 Waters projects now progressing.
- Reefton Campground Accommodation project update –
  - o Meeting held with all stakeholders on 28 November to discuss how the cabins could be funded with no cost to the ratepayer:
  - o The project needs to understand the total cost of construction to facilitate further funding discussions. It is proposed that a Request for Tender is put on GETS in mid-December with a caveat that the project requires Council approval once total project costs are known.
  - o Federation Mining will write a letter of intent to contribute \$350k in the first year.
  - o Development West Coast (DWC) have agreed to evaluate a loan application from Council with the cabins held as equity. Terms to be agreed once the total costs are known (subject to DWC Trustees approval)
  - o The risk of non-repayment of the loan is mitigated by the revenue of market rents for the 10 cabins. Short term rental accommodation in Reefton is currently at capacity and will remain so for the next few years with the influx of mining personnel.
  - o Significant community benefits long term as the cabins will be available for Tourism rental in the future. There is also significant competition from Greymouth to house mining personnel. The housing of personnel in Reefton brings further revenue to other Reefton businesses from people staying in the town.
  - o The project team propose to bring a paper to Council for approval once the full costs and loan terms are known.

**DRAFT RECOMMENDATION**

**That the report NEMA and Better Off Funding Project Status Report Summaries dated 11 December 2024 be received.**

## Project Status Report – NEMA Projects overview – October 2024



### Programme/Project Details

<b>Location and Region:</b>	Buller District
<b>Contracted Amount:</b>	\$17.1 million of which \$10.6 million is for 'out of policy' repairs. Eligible infrastructure repairs are covered under the normal policy of 60% Govt/40% Council. Cabinet approved 'out of policy' for Betterment projects, Dredging and the 40% Council share. BDC share is the threshold payments for each event and any insurance claim deductions.
<b>Reporting Period:</b>	October 2024 (Financials to 30 September 2024)
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	NEMA
<b>Programme Manager:</b>	Penny Bicknell
<b>Programme Outcomes:</b>	<p>Flood Recovery Infrastructure repairs relating to the July 2021 and February 2022 weather events. The Programme of Works covers Infrastructure repairs approved by Cabinet for Tranche 2 in June 2022.</p> <p>The Programme of works includes the following work packages (WP):</p> <ul style="list-style-type: none"> <li>• WP 1-5: 3 Waters repairs (completed)</li> <li>• WP 6 Betterment Projects (out of policy - completed)</li> <li>• WP 7 Westport Port Repairs</li> <li>• WP 8 Westport Dredging Project (out of policy - completed)</li> <li>• WP 9 Inangahua River Projects <ul style="list-style-type: none"> <li>○ Reefton Historic Landfill (completed)</li> <li>○ Reefton Stopbank repairs (completed)</li> </ul> </li> <li>• WP 10 Tiphead repairs (completed)</li> <li>• Programme Manager</li> </ul>


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

Aspect	Status	Comments
<b>Overall:</b>	G	<ul style="list-style-type: none"> <li>Overall, the programme is complete with the exception of the Wharf Repairs and the delivery of the WWTP grit screen components due in October.</li> <li>Wharf repair contract awarded in July 2024.</li> </ul>
<b>Budget:</b>	G	<ul style="list-style-type: none"> <li>\$17,144,191</li> </ul>
<b>Scope:</b>	G	<ul style="list-style-type: none"> <li>All projects within scope</li> </ul>
<b>Resource:</b>	G	<ul style="list-style-type: none"> <li>Resource assigned to each project as required</li> </ul>
<b>Schedule:</b>	A	<ul style="list-style-type: none"> <li>Schedule for each project - see page 4. Currently all completed except for the Westport Wharf Repair which is scheduled for completion by end May 2025.</li> </ul>
<b>Risks / Issues:</b>	G	<ul style="list-style-type: none"> <li>All programmes have a Risk and Issues matrix.</li> </ul>

State of Play	
Last Month (October)	Next Month (November)
<ul style="list-style-type: none"> <li>• WP7 Westport Port Repairs. <ul style="list-style-type: none"> <li>○ Key milestones on track as planned</li> <li>○ Sheet pile wall installed along total length</li> <li>○ Caisson (circular hollow section) piling commenced – 50% installed</li> <li>○ Two of seven concrete pours completed. Formwork progressing for third pour</li> <li>○ Engineer construction monitoring inspections undertaken</li> <li>○ Significant risk management work to address remaining potential risks</li> <li>○ Fortnightly planning, management and reporting meetings with frequent team meetings to monitor and manage issues</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• WP7 Westport Port Repairs. <ul style="list-style-type: none"> <li>○ Complete remaining piling work</li> <li>○ Progress next concrete pours</li> <li>○ Reinstate mooring bollards on new section of wharf</li> <li>○ Continue repair work in upstream direction</li> <li>○ Community open day (site visit) early November</li> </ul> </li> </ul>

## NEMA Programme Schedule

NEMA T2 Project Schedule																											
Project	2022						2023												2024								Comments
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
WP 1-5 3 Waters	Construction continued from emergency repair works																										Project Complete
WP 6 Betterment Projects																											Project Complete
WP7 Westport Wharf																											Schedule to May 2025
WP8 Dredging																											Project Complete
WP9 - Reefton Stopbank																											Project Complete
WP 9 Reefton Landfill																											Project Complete
WP10 Tiphead Revetment																											Project Complete

Financials (30 September 2024)											
Budget and Expenditure Summary.											

NEMA T2 Financials Project Name	Funding Type	Original Estimate	Claimed To Date (Sept)	Claim 19	Claim 20	Retentions	Actuals To Date	Estimate To Complete	Estimate At Completion	Project Surplus	Surplus available for reappropriation (subject to NEMA approval)	
WP 1-5 Three Waters	Eligible costs	\$ 2,511,751.00	\$ 2,151,328.39	\$ 16,030.17	\$ -	\$ 11,101.94	\$ 2,178,460.50	\$ -	\$ 2,178,460.50	333,291	133,316	40%
<b>WP 1-5 Three Waters</b>	<b>Total Project Cost</b>	<b>\$ 2,511,751.00</b>	<b>\$ 2,151,328.39</b>	<b>\$ 16,030.17</b>	<b>\$ -</b>	<b>\$ 11,101.94</b>	<b>\$ 2,178,460.50</b>	<b>\$ -</b>	<b>\$ 2,178,460.50</b>	<b>\$ 333,290.50</b>		
WP 6 Betterment	Eligible costs	\$ 1,582,000.00	\$ 1,490,266.86	\$ 3,100.00	\$ 4,602.50	\$ 30,204.34	\$ 1,528,173.70	\$ -	\$ 1,528,173.70	53,826	53,826	100%
<b>WP 6 Betterment</b>	<b>Total Project Cost</b>	<b>\$ 1,582,000.00</b>	<b>\$ 1,490,266.86</b>	<b>\$ 3,100.00</b>	<b>\$ 4,602.50</b>	<b>\$ 30,204.34</b>	<b>\$ 1,528,173.70</b>	<b>\$ -</b>	<b>\$ 1,528,173.70</b>	<b>\$ 53,826.30</b>		
WP 7 Port	Eligible costs	\$ 5,920,000.00	\$ 426,722.38	\$ 1,075,463.70	\$ 815,827.88		\$ 2,318,013.96	\$ 3,901,986.00	\$ 6,220,000.00	-300,000	-300,000	100%
<b>WP 7 Port</b>	<b>Total Project Cost</b>	<b>\$ 5,920,000.00</b>	<b>\$ 426,722.38</b>	<b>\$ 1,075,463.70</b>	<b>\$ 815,827.88</b>	<b>\$ -</b>	<b>\$ 2,318,013.96</b>	<b>\$ 3,901,986.00</b>	<b>\$ 6,220,000.00</b>	<b>\$ 300,000.00</b>		
WP 8 Dredging	Eligible costs	\$ 4,716,000.00	\$ 4,441,500.00	\$ -	\$ -		\$ 4,441,500.00	\$ -	\$ 4,441,500.00	274,500	0	
<b>WP 8 Dredging</b>	<b>Total Project Cost</b>	<b>\$ 4,716,000.00</b>	<b>\$ 4,441,500.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,441,500.00</b>	<b>\$ -</b>	<b>\$ 4,441,500.00</b>	<b>\$ 274,500.00</b>		
WP 9 Reefton / Inangahua River Stopbank	Eligible costs	\$ 150,000.00	\$ 59,628.28				\$ 59,628.28	\$ -	\$ 59,628.28	90,372	36,149	40%
<b>WP 9 Reefton / Inangahua River Stopbank</b>	<b>Total Project Cost</b>	<b>\$ 150,000.00</b>	<b>\$ 59,628.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,628.28</b>	<b>\$ -</b>	<b>\$ 59,628.28</b>	<b>\$ 90,371.72</b>		
WP 9 Reefton Historic Landfill	Eligible costs	\$ 1,074,000.00	\$ 924,658.02	\$ -	\$ -		\$ 924,658.02	\$ -	\$ 924,658.02	149,342	59,737	40%
<b>WP 9 Reefton Historic Landfill</b>	<b>Total Project Cost</b>	<b>\$ 1,074,000.00</b>	<b>\$ 924,658.02</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 924,658.02</b>	<b>\$ -</b>	<b>\$ 924,658.02</b>	<b>\$ 149,341.98</b>		
WP 10 Tiphead	Eligible costs	\$ 1,000,000.00	\$ 705,997.99	\$ -	\$ -		\$ 705,997.99	\$ -	\$ 705,997.99	294,002	117,601	40%
<b>WP 10 Tiphead</b>	<b>Total Project Cost</b>	<b>\$ 1,000,000.00</b>	<b>\$ 705,997.99</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 705,997.99</b>	<b>\$ -</b>	<b>\$ 705,997.99</b>	<b>\$ 294,002.01</b>		
Programme Management	Eligible costs	\$ 190,440.00	\$ 164,334.11	\$ 5,640.21	\$ 4,560.00		\$ 174,534.32	\$ 15,905.36	\$ 190,440.00	0	0	40%
<b>Programme Management</b>	<b>Total Project Cost</b>	<b>\$ 190,440.00</b>	<b>\$ 164,334.11</b>	<b>\$ 5,640.21</b>	<b>\$ 4,560.00</b>	<b>\$ -</b>	<b>\$ 174,534.32</b>	<b>\$ 15,905.36</b>	<b>\$ 190,440.00</b>	<b>\$ -</b>		
<b>Overall Programme Total</b>	<b>Total Programme Cost</b>	<b>\$ 17,144,191.00</b>	<b>\$ 10,364,436.03</b>	<b>\$ 1,100,234.08</b>	<b>\$ 824,990.38</b>	<b>\$ 41,306.28</b>	<b>\$ 12,330,966.77</b>	<b>\$ 3,917,891.36</b>	<b>\$ 16,248,858.49</b>	<b>\$ 895,332.51</b>	<b>\$ 100,628.78</b>	
Threshold deducted from Claims			\$ 348,764.00									



## Communications

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

A media release is planned for the completion of WP1-5 \$2.5m programme at completion of Brougham Street Brick Arch and for the Coates Street Stormwater work, including letters to affected residents

A media release was drafted on contract confirmation of the Westport Wharf repairs. Further comms and engagement for progress on the repairs are being reviewed.

Open day first weekend November – media coverage

## Project Status Report – Better Off Funding Projects overview – October 2024



### Programme/Project Details

<b>Location and Region:</b>	Buller District
<b>Contracted Amount:</b>	\$3,500,000
<b>Reporting Period:</b>	October 2024 (September 2024 financials)
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	DIA (Crown Infrastructure Partners)
<b>Programme Manager:</b>	Penny Bicknell
<b>Programme Outcomes:</b>	The scope is made up of 13 projects approved by DIA that meet the funding criteria and demonstrate wellbeing outcomes. 6 projects completed.

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

State of Play	
Last Month (October)	Next Month (November)
<ul style="list-style-type: none"> <li>• CIP approved change request to reappropriate critical water funding. Submitted stormwater concept to CIP for remaining critical water funding</li> <li>• Completed internal change request to move the Airport budget and set up project codes for LWDW funding</li> <li>• 3 Waters – Combined Inangahua projects out for tender on GETS. CCTV re-engaged for Hughes Place to inform final scope for stormwater upgrade</li> <li>• Reefton stormwater/wastewater modelling – received offer of service from DO – in review</li> <li>• Community Hub Feasibility Study/concept - Continued discussions re set up of Charitable Trust. Offer of Service from Heritage Works to be evaluated by project team.</li> <li>• Civil Defence – Bulk of procurement complete. To be completed by end November</li> <li>• Reefton Campground cabins - approval for proceeding with final drawings, update AEE application, update on stormwater infrastructure improvements with feedback from IS</li> <li>• Westport Wastewater/Stormwater separation work – Procurement plan and docs completed. WestReef managing construction phase. Identify remaining sites that can be separated under remaining budget</li> <li>• Ngakawau Swimming Pool improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Once approved, complete internal change request to move Critical water budget to stormwater concept study and request project codes.</li> <li>• Submit further claims to CIP</li> <li>• Inangahua tender closes 19 November 2024. Anticipated tender will be awarded by end November. Hughes Place SW upgrade – finalise scope and obtain offer of service for required design details and specifications</li> <li>• Finalise offer of service</li> <li>• Evaluation of offer of service and next steps to be discussed by project team.</li> <li>• Civil Defence team to finalise last \$6k of budget.</li> <li>• Reefton Campground cabins – Stakeholder meeting to discuss funding structure/options for construction phase. Complete AEE application. Progress final drawings and specifications. Prepare tender docs to ascertain total cost of project.</li> <li>• Westport Wastewater/stormwater separation - finalise procurement plan and programme</li> <li>• Works commenced August with completion due end November.</li> </ul>

Programme delivery schedule																	
Project task	Feb to June 2023	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar	Apr	May	Jun	Jul	Aug 2025	Sep	Comments
3 Waters																➡	SW Backflow complete. Henley St East SW complete. Completion of last 3 projects end Feb 2025
Reefton WW/SW modelling																➡	Completion date to be confirmed
Climate Change Adaptation																	Completed BoF involvement
Master planning (Stage 1)																	Complete
Cultural Community Hub			Feasibility Study complete													➡	Project plan and scope for concept design \$50k
Civil Defence																	Finalising
Airport relocations options study																	Study completed – surplus funds to be reallocated to LWDW
Karamea Reserve Water																	Complete
Westport critical Water Supply																	Completed. Surplus funding to be reallocated to Resilient Westport Stormwater concept study
Reefton Campground																➡	Progress final drawings and specs. Completion dependent on funding
Westport Stormwater/Wastewater																➡	Completion date to be confirmed
Test Bores & Sampling																	Complete
Granity Fundraising Centre																	Complete

[illegible]

Financials (30 September 2024)								
Budget and Expenditure Summary.								
September 2024 Financials								
Project	Budget	Actual Cost to date	Claims submitted July/Aug	Claims submitted Oct/Nov	Revenue to date	Forecast Cost to complete	To claim	
3 Waters	\$ 1,095,000	\$ 372,942	\$ 183,274		\$ 143,137	\$ 722,058	\$ 46,531	
Programme Management	\$ 165,000	\$ 162,514	\$ 32,252		\$ 128,305	\$ 2,486	\$ 1,957	
Reefton Wastewater modelling	\$ 150,000	\$ 2,207			\$ -	\$ 147,793	\$ 2,207	
Climate Change adaptation	\$ 250,000	\$ 250,000	\$ 20,000		\$ 230,000	\$ -	\$ -	
Master planning	\$ 250,000	\$ 250,000	\$ 17,886		\$ 232,114	\$ -	\$ -	
Community Hub Feas/concept	\$ 200,000	\$ 152,164			\$ 143,578	\$ 47,836	\$ 8,586	
Civil Defence	\$ 275,000	\$ 273,958			\$ 275,000	\$ 1,042	\$ -	
Airport Relocation options study	\$ 34,358	\$ 34,358			\$ 34,358	\$ -	\$ -	
Karamea Reserve Water	\$ 65,000	\$ 65,000			\$ 65,000	\$ -	\$ -	
Westport Critical Water	\$ 180,000	\$ 110,288	\$ 25,509		\$ 84,779	\$ 69,712	\$ -	
Reefton Campground	\$ 300,000	\$ 47,457			\$ 21,489	\$ 252,543	\$ 25,968	
Ngakawau Swimming Pool	\$ 310,000	\$ 162,241		\$ 162,241	\$ -	\$ 147,759	\$ -	
Granity Fund raising centre	\$ 25,000	\$ 25,000	\$ 10,156		\$ 14,844	\$ -	\$ -	
Stormwater/Wastewater	\$ 135,000	\$ 443			\$ -	\$ 134,557	\$ 443	
Bore water tests	\$ 50,000	\$ 50,000	\$ 50,000		\$ -	\$ -	\$ -	
LWDW report	\$ 15,642	\$ -			\$ -	\$ 15,642	\$ -	
Total	\$ 3,500,000	\$1,958,572	\$ 339,077	\$ 162,241	\$1,372,604	\$ 1,541,428	\$ 85,692	
Colour key:		Project completed	Approved for reimbursement		Draw down complete	Funds to be reallocated to water projects		

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

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

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

## Communications

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

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

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

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

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

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

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

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

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

Media Release for completion of Granity Fundraising Centre – July

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

October – Media coverage from RAC meeting re funding hold.

November – Plan media release for Inangahua tender





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

### Programme/Project Details

<b>Location and Region:</b>	Buller, Westport
<b>Project Budget:</b>	\$6,220,000
<b>Month End</b>	October-2024
<b>Financial Period End</b>	September-2024
<b>Project Principal:</b>	Buller District Council
<b>Project Partner(s):</b>	National Emergency Management Agency (NEMA)
<b>Project Manager:</b>	Phil Rossiter
<b>Programme Outcomes:</b>	<p>Project Scope:</p> <p>This project seeks to repair and reinstate safe and fit-for-purpose wharf infrastructure at the bulk shipping precinct that was damaged during the July 2021 and February 2022 Buller River flood events.</p>



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

Aspect	Status	Comments
<b>Overall:</b>	A	The project progressed as planned during the period with sheet piling completed and caisson (CHS) piling progressed to 50% complete. The first two concrete pours were completed (for replacement wharf decking) and additional formwork was progressed for subsequent concrete pours. Significant on-going risk mitigation and planning work was completed, increasing confidence of completion on time and within close and active management or contingency is on-going to ensure the project is completed within the project funding envelope. While some risks still exist, these have been quantified, with a range of strategies prepared should they eventuate, and confidence has increased about budget adequacy given the advanced state of piling work. The status of this aspect has been retained as amber to reflect the on-going and 'live' management of this element.
<b>Budget:</b>	A	
<b>Scope:</b>	G	The repair scope has been defined based on a combination of user-input, a detailed structural site inspection, a 'constructability' review, and a Peer Review. The repair design will be based on Importance Level 3. The scope is as defined in the IFC drawing set.
<b>Resource:</b>	G	Resources required have been secured.
<b>Schedule:</b>	G	The overall programme stalled compared with its initial estimated baseline because of unforeseen delays confirming the Importance Level of the repair design and because of the unforeseen need to complete a peer review of the repair design. However, with those matters resolved, the programme was reset with award of a repair contract and despite poor weather conditions over the last few months, repair work is still scheduled for completion by May 2025.
<b>Risks / Issues:</b>	A	There has been a significant recent reduction in project risk with construction repair work progressing well through the piling stage and enabling confirmation of methodology to address variable ground conditions. Despite this, and because hazardous tasks are on-going, a notable degree of risk and uncertainty still remains, hence the RAG status has been retained as Amber.

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
<p>Key milestones were completed as planned.</p> <p>Sheet pile wall installation completed along entire length.</p> <p>Caisson (circular hollow section) piling progressed - almost 50% of all piles installed to date.</p> <p>First two concrete pours (of seven total) completed. Formwork being progressed for third concrete pour.</p> <p>Engineer construction monitoring inspections undertaken.</p> <p>Significant risk management work undertaken by team address remaining potentialities.</p> <p>Fortnightly planning, management, and reporting meetings on-going, with frequent team meetings occurring to monitor and manage issues.</p> <p>Media liaison and engagement undertaken.</p>	<p>Complete all remaining piling work.</p> <p>Progress additional concrete pours (formwork and replacement concrete decking).</p> <p>Reinstate mooring bollards on new sections of wharf.</p> <p>Continue with repair works in an upstream direction.</p> <p>Community open day (site visit) planned for early November.</p>

Updated Project Road Map/Schedule														
Project task	2024										2025			
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Comments
Project management, coordination, and delivery (Sep '22 to May '25)														Scheduled for completion in May 2025
Design (Sep '22 to Dec '23)														Significantly delayed due to need to undertake Peer Review. Peer Review now completed. Design input and support on-going with construction underway
Consents & approvals (Jun '23 to Mar '24)														Resource consents and Building Consent exemption secured
Construction procurement (Jun '23 to Jun '24)														Complete. RFT released in February 2024. Contract awarded in May 2024
Construction & site management (Jun '24 to May'25)														Current forecast is for Practical Completion by March 2025 with full handover by May 2025
Handover & closeout (Apr '25 to May '25)														

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Conceptual engineering design	23-Sep-22	23-Sep-22	100%	Complete
Geotechnical investigation & assessme	11-Nov-22	11-Nov-22	100%	Complete
Topographical survey acquisition	9-Nov-22	9-Nov-22	100%	Complete
Detailed engineering inspection and as	16-Nov-22	16-Nov-22	100%	Complete
Kiwirail liaison and building fate deterr	28-Feb-23	28-Jan-23	100%	Complete
Preliminary engineering design	14-Dec-22	14-Jan-23	100%	Complete
Construction supplier engagement/vali	18-Jan-23	24-Apr-23	100%	Complete
Statutory approvals	10-May-23	28-Mar-24	100%	Building consent exemption to be secured
Detailed design	12-Apr-23	15-Dec-23	100%	Complete
Construction procurement	7-Jun-23	31-May-24	100%	Completed. Contract awarded
Construction	30-Jun-24	7-May-25	40%	Construction repair underway
Handover	31-Jul-24	31-May-25	0%	

Financials						
Budget and Expenditure Summary						
Programme/Project Item	Current Budget	Cost To Date (CTD)	Forecast Cost to Complete (FCC)	Final Forecast Cost (FFC)	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	
Planning and investigations (Phase 1 - 3)	\$108,000	\$121,897	\$0	\$121,897	\$13,897	
Consents, procurement, and legal (Phase 4)	\$61,200	\$53,657	\$6,000	\$59,657	\$1,544	
Design (Phase 4)	\$150,000	\$124,055	\$0	\$124,055	\$25,945	
Construction (Phase 4)	\$5,432,387	\$1,861,558	\$3,692,203	\$5,553,761	\$121,374	
Closeout (inc operational readiness, handover, as built) (Phase 5)	\$12,000	\$0	\$12,000	\$12,000	\$0	
Project Management	\$156,000	\$146,173	\$62,770	\$208,943	\$52,943	
<b>Total</b>	<b>\$6,220,000</b>	<b>\$2,307,339</b>	<b>\$3,772,973</b>	<b>\$6,080,312</b>	<b>\$139,688</b>	
Contingency (not included above)			\$139,688			

**Risks/Issues/Outcomes**

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

Risk ID - Risk/Issue	Mitigation	Residual Risk
10232 / 8 - Because of the failure or absence of controls addressing the number of hazards that are present	Monitor, manage, and communicate	10
10232 / 6 - Because it is not possible to accurately predict ground conditions and circumstances affecting the cost of the repair, creating a risk of financial burden on the Council (there is no additional funding available from NEMA).	Monitor, manage, and communicate	9
10232 / 7 - Because the Port Repair Project must co-exist and accommodate on-going operations meaning repair sequencing and/or efficiency and/or access gets disrupted	Monitor, manage, and communicate	6

**Communications**

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

Several media engagements for the period.

Community open-day (site visit) planned for Saturday the 2nd November .

**Risk Key**

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

Table 5: Likelihood of Occurrence

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

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

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 8**

**Prepared by** Paul Numan  
Group Manager Corporate Services

**Reviewed by** Simon Pickford  
Chief Executive Officer

**Attachments** 1. Buller DC Risk Register – Strategic Risks

**Public Excluded:** No

### **STRATEGIC RISK REGISTER UPDATE**

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1. **REPORT PURPOSE**  
The purpose of this report is to provide the Committee with an update on the Strategic Risks following a recent Councillor workshop. This is for information only – noting no decision is needed in relation to this information.
2. **EXECUTIVE SUMMARY**  
The Strategic Risk Register identifies the organisational strategic risks and is monitored by the Senior Leadership Team and reported to the Risk and Audit Committee.
3. The Strategic Risk Register was last presented to the Risk and Audit Committee at their June 2024 meeting.
4. At the June meeting it was noted that a Councillor workshop would be held to progress work on the Strategic Risk Register.
5. A review of strategic risks at elected-member level was workshopped during September and October 2024.
6. Attached is the updated Strategic Risk register following (as of October 2024).
7. The work undertaken at elected member level now provides the Council Senior Leadership Team with a current and accurate view of Strategic Risks to monitor and report on to the Risk and Audit Committee.

8. **DRAFT RECOMMENDATION**

**That the Risk and Audit Committee:**

1. **Note that Councillor workshops were held during September/October to provide an Elected member level view on the Strategic Risk Register.**
2. **Note the updates received for the Strategic Risk Register – from Elected Members as part of this report.**
3. **Note that Council staff will report back at the Risk and Audit Committee meeting to provide an updated strategic risk register in the first quarter of the 2025 calendar year.**

9. **ISSUES & DISCUSSION**

10. **BACKGROUND**

The strategic risk register review for Council involved workshops (facilitated by Phil Rossiter) with all Council Units during March and April 2024.

11. A further Councillor workshop was agreed to be undertaken at the June meeting to ensure that all strategic risks have been identified and included the appropriate risk mitigations.
12. This will allow the Elected Members to have a program of monitoring how senior management mitigate the risks identified.

13. **NEXT STEPS**

The work undertaken on the Strategic Risk Register by elected members is considered valuable and will assist elected members in decision making and monitoring progress against risk management/mitigation.

14. This also provides the Senior Leadership Team with further information on which to develop action plans to further mitigate the residual risk ratings.

15. **CONSIDERATIONS**

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

16. An effective and efficient Risk Management Framework must be adequately resourced and supported at the very top of an organisation's hierarchy. The Risk and Audit Committee (comprising of full Council) has been established with the

purpose of endorsing management's risk approach, as well as assessing, monitoring, and reporting on key risks. Effective risk management also requires a 'no blame' culture as well as clear lines of accountability and pathways for risk escalation.

*Risk Assessment Matrix to Enable Easy Review.*

**Table 7: Risk Assessment Matrix**

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



## Buller District Council Strategic Risk Register - OCTOBER 2024



I.D.	Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating
#	Potential strategic matter	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and the impact the Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 8 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account
1	Assets and Infrastructure	Central Government three-waters reform	If Central Government water reforms are not fit-for-purpose or affordable, THEN there may be significant financial impact	Financial/Economic	5	5	25	Advocacy to Central Government. Regional collaboration to address Local Water Done Well reforms. Active engagement with Taumata Arowai on acceptable solutions Strategic asset planning resource in place to help identify cost and ability to maintain services and infrastructure (underway)	25
2	Assets and Infrastructure	Central Government three-waters reform	If Central Government water reforms are not achievable and Council is unable to meet its statutory obligations under Local Water Done Well and/or fails to deliver services acceptable and affordable to the community, THEN there may be significant reputational/stakeholder risk	Reputational/stakeholders	5	4	20	Advocacy to Central Government. Regional collaboration to address Local Water Done Well reforms. Active engagement with Taumata Arowai on acceptable solutions No surprises approach being taken with the community about the significance of the issue	20
3	Natural Disaster	River inundation of Westport Airport	If the airport is not protected against Buller River inundation, THEN facilities damage may occur leading to loss of function and ability to offer air services	Operations & service delivery	5	4	20	Flood protection installed around generator shed	15
4	Natural Disaster	Climate change and flooding impacts on Council assets and infrastructure (other than Airport)	If Council does not protect its assets and infrastructure at risk from coastal erosion, sea inundation and flooding or repair them to a resilient standard, THEN there may be significant loss and impact	Financial/Economic	5	3	15	Asset management strategy (identifying weak points and prioritising investment) Resilience considered in recent asset upgrades and replacements Noting Resilient Westport work underway but controls yet to be implemented and take effect (so no effective risk reduction assumed just yet)	15
5	Natural Disaster	Major flooding of Westport township	If adequate flood mitigation planning and or protection works are not designed and undertaken (including resolving the absence of an integrated stormwater pumping system inside proposed walls), THEN a catastrophic flood of the township, resulting from increased high intensity storm events, may occur leading to potential loss of life and considerable financial loss and infrastructure damage	Financial/Economic	5	3	15	Some river stop banking in place (residual risk remains) WCRC flood warning (telemetry) systems Property tags around flood levels and consideration in issuing of building consents Resilient Westport Package established with government funding (physical works are a multiyear project and yet to take effect) Stormwater improvements to lessen backflow and inundation Additional CD resource appointed	15
6	Natural Disaster	Major flooding of other Buller settlements	If adequate flood mitigation planning and or protection works are not designed and undertaken around Buller settlements, THEN a catastrophic flood, resulting from increased high intensity storm events and/or coastal inundation, may occur leading to potential loss of life and considerable financial loss and infrastructure damage	Financial/Economic	5	3	15	Some river stop banking in place Some coastal protection work in place WCRC flood warning (telemetry) systems in place Property tags around flood levels and consideration in issuing of building consents Additional CD resource appointed and improved planning in place TTPP hazard mapping and identification undertaken and on-going	15
7	Assets and Infrastructure	Financial loss from depreciating assets and unrealised opportunities at Westport Port	If commercial opportunities are not realised for the Westport Port, THEN it will continue to cost ratepayers and depreciate in value, resulting in significant financial loss	Financial/Economic	5	3	15	Lease and business arrangements in place to enable business and enterprise Out of port dredging activity underway Regular financial reporting to monitor progress Port infrastructure upgrades delivered and on-going Harbourmaster and support employed	15
8	Assets and Infrastructure	Failure/inability to fund and implement master planning outcomes	If Council is unable to secure external funding and/or regulatory pathway to implement the master planning outcomes, THEN opportunities for growth in less hazard-prone areas will be constrained resulting in financial loss	Financial/Economic	5	3	15	Community engagement started and on-going On-going conversations between Master Planning proponents and district stakeholders/developers Advocacy between BDC and Central Government	15
9	Process and systems	Failure to implement process improvements from the KPMG PMO Audit Report	If Council does not implement the process improvements identified and arising from the KPMG report, THEN there is a risk that similar issues may reoccur in the future, resulting in reputational and relationship damage and potential financial loss	Reputational/stakeholders	4	4	16	Action plan developed based on audit recommendations and progress reported to RAC On-going work with funding partners and stakeholders to rebuild trust and confidence	12
10	Council Financial Vulnerability	Heavy reliance on rates income with a low and aging population base	If Council fails to explore and secure external income opportunities and contain unrecovered debt levels, THEN reliance on rates income will continue to increase towards Council's rates revenue 65% upper limit, forcing Council to consider service level reductions	Reputational/stakeholders	4	4	16	Commercial & Corporate portfolio established. Active exploration of Port and other commercial opportunities. Strengthened partnership with Iwi, RIF and DWG. Ongoing advocacy and regional collaboration. Budget/service level reviews as part of LTP	12
11	Natural Disaster	Coastal erosion and sea inundation of Westport Airport runway	If the airport is not protected against coastal erosion, THEN erosion and inundation may continue to occur leading to the presence of Unsafe Conditions and revocation of the airport's Operating Certificate and ability to offer air services	Operations & service delivery	5	4	20	Debris exclusion fence constructed (February 2019) to prevent incursion of debris onto runway strip and runway Rockwall constructed	10
12	Natural Disaster	Natural hazard and unforeseen event impacts on public safety	If effective Civil Defence processes are not in place, THEN emergency response could be compromised, resulting in avoidable serious injury to, or loss of life of, a member or members of the public	Health & safety	5	3	15	Emergency Management Officer employed by WCRC (and based in Buller) Staff and community training undertaken in emergency response (on-going) Public education and awareness Civil Defence exercises and simulations undertaken Community planning and organisational efforts Increasing experience and learnings implemented from previous events	10

## Buller District Council Strategic Risk Register - OCTOBER 2024



I.D.	Strategic Aspect	Risk Title	Risk Description & Impact	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating
#	Potential strategic matter	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event that the Council would be (i.e. what the loss or gain will be if the event occurs)	Based on the 6 risk categories in Table 6			Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account
13	Council systems	IT systems and data security	IF IT systems are not fit for purpose or are vulnerable to cyber attack or not used appropriately, THEN important information may be overlooked, undiscoverable or lost, leading to financial loss, lost opportunity, reputational impact or poor service delivery or service disruption	Operations & service delivery	5	3	15	IT security systems in place and active testing and monitoring Server back-ups Training modules for staff and Councillors IT staff employed On-going upgrades and maintenance of systems	10
14	Natural Disaster	Major earthquake impacts on employees and public health and safety	IF Council's buildings are not EQ code-compliant, THEN Council employees and public may be seriously injured or killed in the event of a major earthquake	Health & safety	5	2	10	On-going assessment of key Council buildings undertaken Earthquake strengthening of key Council buildings where necessary Evacuation procedures	10
15	Assets and Infrastructure	Central Government three-waters reform	IF Central Government water reforms are not achievable and Council is unable to meet its statutory obligations under Local Water Done Well, THEN there may be significant legal/regulatory risk	Legal/regulatory	3	3	9	Advocacy to Central Government. Regional collaboration to address Local Water Done Well reforms. Active engagement with Taumata Arowai on acceptable solutions	9
16	Assets and Infrastructure	Inability to fund and maintain key tourism infrastructure	IF Council cannot financially maintain key tourism infrastructure, THEN then the visitor experience will be compromised leading to demand drop off and reputational impact	Reputational/stakeholders	3	3	9	Close working relationship with other key agencies and community to identify opportunities	9
17	Governance and Process	Failure to adopt the 22/23 Annual Report (containing audited financial statements) in a timely manner	IF Council fails to adopt the 22/23 Annual Report in a timely manner (and within four months after the end of the financial year as per LGA requirements), THEN it faces compliance and reputational impact	Reputational/stakeholders	3	4	12	Working with OAG and EY and have retained external independent advocate/advice Permanent GM Corporate Services in place Process improvements being implemented as part of KPMG process audit	9
18	Assets and Infrastructure	Business success of Buller Holdings Ltd	IF Council's expectations and requirements compromise BHL's ability to sustain and grow itself, THEN there will be a decrease in dividend available to Council that may result in an impact on ratepayers	Financial/Economic	4	3	12	Rigorous director appointment process to get the right focus and skillset. Regular review of strategic direction (input via SOI process) and financial performance. Regular two way updates, reporting and communication. IS workflow improvements between BDC and WestReef	9
19	Governance	Willingness and capacity of candidates to stand for Council	IF external pressures, demands, risk exposure, and/or unfair criticism are not balanced or addressed, THEN there is a risk that the willingness to stand for Council erodes, compromising effective governance	Human Resources	4	2	8	Pre-election engagement and communications Greater focus on communication with community around what Council does	8
20	District Economic Vulnerability and Fragility	Business and industry activity in the district	IF Council fails to identify and enable opportunities for economic growth in the district, THEN population decreases, job losses, and business closures may result, causing declines across various social indices and living standards	Financial/Economic	4	3	12	Strengthened partnerships with external funders. Presence of a regional ED strategy. Briefing to incoming Ministers (BIM). Ongoing advocacy. Infrastructure investment and upgrades. Resilient Westport programme underway	8
21	Assets and Infrastructure	Leaching from historic waste sites	IF Council fails to comprehensively map, remediate, and/or manage/contain historic waste disposal sites, THEN environmental contamination, public health concerns, community dissatisfaction and financial loss may occur	Environmental	3	2	6	Known sites monitored/managed Containment/protection measures implemented (i.e. Hector, Reeflon)	6
22	Assets and Infrastructure	Costs associated with Special Purpose Road (SPR) to Karamea	IF Council fails to secure agreement with NZTA for alternative long-term funding for the Mokihinui to Karamea SPR beyond 2027, THEN there will be a significant impact on ratepayers resulting in upset/dissatisfaction	Reputational/stakeholders	3	2	6	Funding agreement in place that secures 100% contribution by NZTA until 2027 Substantial improvements to highway (improving resilience)	6
23	Human Resources	Failure to recruit key roles	IF Council does not develop an effective recruitment strategy, THEN key managerial or technical roles may not be filled resulting in significant operational disruption and/or stress to existing staff	Operations & service delivery	4	3	12	HR Manager in place Permanent CE recruited and building SLT Availability to contract in short term cover for key roles	6

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 9**

**Prepared by** Bronwyn Little  
Senior Policy Advisor

**Reviewed by** Krissy Trigg  
Group Manager Community Services

**Public Excluded:** No

### **BYLAWS AND POLICIES REVIEW DECEMBER 2024**

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1. **REPORT PURPOSE**

This report outlines progress made on the review of bylaws and policies and in particular the Class 4 Gambling and TAB Venue Policy.

2. **EXECUTIVE SUMMARY**

General:

Work continues to proceed on the following:

- Navigation and Safety Bylaw – legal matters are being addressed
- Trade Waste Bylaw – legal advice received, staff addressing issues raised and finalising draft
- Wastewater and Storm Water Bylaws – staff continuing to work on completing draft bylaws
- Control of Dogs Bylaw and Dog Control Policy – review and evaluation of current bylaw and policy underway alongside review of best practice examples from other local authorities
- Dangerous and Insanitary Buildings Policy – review of first draft and best practice examples underway

3. **Class 4 Gambling and TAB Venue Policy:**

In total 29 submissions were received to the Statement of Proposal as adopted by Regulatory and Hearings Committee in May 2023 with 11 from stakeholder organisations and the remainder being from individuals within the District.

4. **The issues under review were as follows:**

- Number of gaming machines in the district
- Number of venues in the district
- Venue location – both Gambling Venues and Board (TAB) venues

- Number of gambling machines per venue
  - Relocation of licenses to other venues.
5. The options for dealing with each of the issues were:
- Status Quo
  - Putting a cap on numbers and providing further specific criteria around venue location
  - Sinking lid
6. Submissions on the Statement of Proposal were heard on 13 November 2024 at an extraordinary Council meeting. At the hearing six of the submitters spoke to their submissions and a covering report summarising all the submissions was received. Councillors deliberated on the matters before them and made the following resolution:
- RESOLVED That Council:*
1. *Receives the submissions to the Statement of Proposal for the review of the Class 4 Gambling and TAB Venue Policy.*
  2. *Hears the verbal submissions of those submitters who wished to be heard.*
  3. *Considers all the submissions to the Statement of Proposal.*
  4. *Directs the Chief Executive Officer to prepare a draft Class 4 Gambling and TAB Venue Policy to the Risk and Audit Committee by April 2025 based on the following:*
    - Relocation of venues provisions and restrictions on:*
      - *Number of machines in district*
      - *Number of venues in district*
      - *Location of venues*
      - *Number of machines in venues.*
7. Council staff are now working on a draft policy including options for this committee to consider in relation to restrictions/caps which could apply to each of the above.
8. Examples for the restriction on the number of machines and venues in the district together with the number of machines in venues could be based on:
- National average/ratio per head of population
  - Current number of each
  - Another ratio head of population
9. Examples of restrictions on location could be:
- Specific distances from sensitive sites;
  - Full list of sensitive sites e.g. schools, pre-schools; and
  - Zoning in the District Plan e.g. commercial only

10. Relocation of venues and associated machines criteria could range from:
  - Permitted only in the case of fire or natural disaster;
  - Permitted if current venue site is not within the criteria specified for locations of venues or is moving from a high social deprivation level location to a lower one; or
  - Permitted for any reason
11. The report outlining these matters along with an analysis of the advantages and disadvantages of each will be presented to this committee before April 2025 as directed by Council.

**DRAFT RECOMMENDATION**

12. **That the report Bylaws And Policies Review December 2024 dated 11 December 2024 be received.**

## RISK AND AUDIT COMMITTEE

11 DECEMBER 2024

AGENDA ITEM: 10

**Prepared by** Francesca Welte  
Health & Safety Advisor

**Reviewed by** Shantha Maharaj  
Human Resource Manager

**Public Excluded:** No

### HEALTH AND SAFETY QUARTERLY REPORT 30 JUNE 2024 – 30 SEPTEMBER 2024

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#### 1. REPORT PURPOSE

This report provides an overview of workplace safety concerns and outlines the steps taken to mitigate identified H&S risks. It also highlights key initiatives and activities supporting our commitment to fostering a safe and healthy workplace, including updates on their progress.

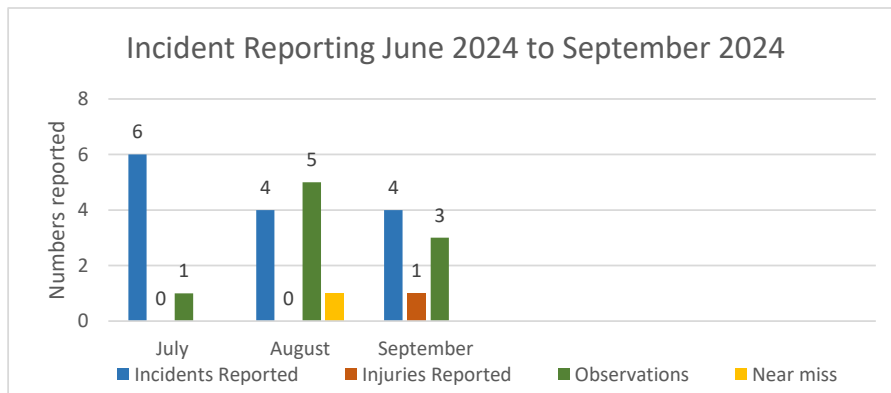
#### 2. EXECUTIVE SUMMARY

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

It was identified that the new staff induction process needed to incorporate a more comprehensive health and safety component. This has now been implemented, with all new employees receiving an introduction to Damstra, BDC's Health and Safety system.

3. In January, a staff training day will be conducted to provide a deeper understanding of Damstra's functionalities, including its use as a tool for reporting incidents, recording near misses, observations, and identifying hazards.

4. From 30 June 2024 to 30 September 2024, there has been a range of incidents reported:



5. **Damstra Reporting**  
Incidents – 14  
Injury – 1  
Near Miss – 1  
Observations – 9
6. **Incident reporting** is vital for identifying hazards and taking proactive steps to prevent future incidents, fostering a safer environment for everyone.
7. **Key Factors Identified in Each Category**  
**Incidents**
  - At the airport, two cases of bird strikes were recorded during this period, consistent with trends from previous years.
  - Other incident categories included a field incident (non-injury), damage to facilities and equipment, and threats to staff safety, often occurring in community or public service settings.
    - Environmental factors, such as wind causing property damage, were also reported.
8. **Injuries**  
Only one injury was reported, involving a member of the public who tripped on an uneven footpath, resulting in a minor ankle sprain. The pathway has been repaired. Individual followed up on and is recovering well.
9. **Near Misses**  
Equipment issues at playgrounds This has been resolved and our contractor continues to maintain and inspect all council playgrounds for us.
10. These reports show a great reporting culture at the airport to log and ensure all maintenance on vehicles and equipment is completed. It has raised the ongoing concern around staff safety in public spaces, specifically when dealing with upset or aggressive members of the public.
11. **Employee Welfare:**  
Buller District Council is dedicated to building a workplace that is supportive, respectful, and inclusive, ensuring all employees feel safe, valued, and empowered. This commitment aligns with health and safety regulations and is supported by clearly defined policies.
12. Employees are encouraged to contribute to maintaining this positive work environment by reporting any concerns through the available reporting channels. All reports are promptly investigated, with appropriate actions taken to ensure workplace safety, respect, and compliance.
13. Our partnership with Workplace Support Services reflects our commitment to employee well-being. The recent Employee Assistance Programme (EAP) Wellbeing Report (July–September 2024) highlights a few trends:
  - **Service Utilisation:** During the reporting period, 1.4% of our employees accessed counselling services. Emotional health was the predominant issue addressed, accounting for 100% of personal matters raised.

- **Workplace Concerns:** Career development was the sole workplace matter reported, showcasing employees' focus on growth and progression.
14. To build on these findings, we are enhancing our support mechanisms through:
- **Awareness and Training Programs:** Most of our front facing teams have been offered the opportunity to complete Situational Awareness training in the last reporting period, which addresses the raising issues of aggression in the workplace. This aimed to assist staff to recognise, address, and prevent inappropriate behaviours from members of the public and assisting them with tools to de-escalate the situation and the confidence to call for assistance when needed.
  - **Policy Reviews:** Policies have been reviewed and updated to reflect best practices in managing risks. This work is ongoing.
  - **Wellness Initiatives:** Promoting physical and mental health through programs such as mindfulness sessions and promoting awareness days.
  - **Diversity and Inclusion Efforts:** Building on an environment where all employees feel respected and valued.
15. The EAP Wellbeing Report also underscores the importance of proactive engagement, with services designed to address challenges promptly and minimise work-related impacts. By prioritising these initiatives, BDC aims to create a thriving workplace where every employee can be safe and confident to report issues.
16. **Health & Safety Committee**
- The Health and Safety Committee has been actively engaged in enhancing workplace safety through monthly meetings, targeted training, and policy reviews. Key initiatives and accomplishments include:
- Regular Hazard Identification and Incident Response
    - The committee conducts monthly meetings focused on identifying and addressing workplace hazards and incidents. These meetings ensure timely responses to safety concerns, supporting a proactive approach to risk management.
  - Expanded Training and Compliance Monitoring
    - Four additional committee members have been trained across the organisation to enhance the team's capacity. In the upcoming months, committee members will receive training to conduct audits and inspections, contributing to comprehensive compliance monitoring across the different business units.
  - Visibility in New Employee Induction
    - To increase awareness, the committee members are formally introduced during the employee induction process via a dedicated slideshow. This initiative ensures that all new staff members are informed of the committee's role in maintaining a safe work environment.
  - Policy Review and Development
    - The committee is currently involved in reviewing critical safety policies, including the vehicle policy, and working alone policy. This review aims to ensure these policies meet current safety standards and effectively protect employees in relevant situations.



17. These initiatives underscore the committee's commitment to fostering a safe workplace environment through continuous improvement, compliance monitoring, and strategic policy review.
18. **Site Audits**  
Inspection Summary and Action Plan:
19. Total Inspections Completed this quarter:
- 4 Workplace Health & Safety Audits
  - 2 Contractor Monitoring Inspections
20. Action Plan:
- To ensure consistent and thorough monitoring, all managers and Health & Safety Committee members will be required to participate in regular workplace and contractor inspections. This expanded involvement will support proactive identification and mitigation of potential hazards, fostering a culture of safety and accountability across all levels of the organisation.
  - Workplace health and safety inspections and contractor monitoring Audit and inspections are starting to be conducted and recorded by the health and safety committee and management.
  - Positive number of observation and incidents being recorded showing initiative and proactive culture throughout the staff.
21. **Training**  
The following training will be delivered across the rest of this calendar year for key staff, including:
- First aid (including refresher training)
  - Fire warden training
  - Health and safety rep training
  - Crane operator refresher (Port)
  - Personal efficiency programme training (preventing burnout)
  - Situational awareness training (dealing with aggression in the workplace)
22. **Overview of Document Systems**  
Key documents under review / updates:
- Working alone Procedure
  - Vehicle Policy
  - Health & Safety Policy
  - Health & Safety Induction for new starters
23. These policies are being reviewed and are in the process of being updated on the new template. This will then be rolled out to staff and training completed where necessary.
24. **DRAFT RECOMMENDATION**  
**That the report Health and Safety Quarterly Report 30 June 2024-30 September 2024 dated 11 December 2024 be received.**

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 11**

**Prepared by** Paul Numan  
Group Manager Corporate Services

**Reviewed by** Simon Pickford  
Chief Executive Officer

**Attachments** 1. Revised Buller District Council Procurement Policy

**Public Excluded:** No

### **BULLER DISTRICT COUNCIL PROCUREMENT POLICY - REVISION**

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1. **EXECUTIVE SUMMARY**

The purpose of this report is to provide a revised Buller District Council Procurement Policy for Risk and Audit Committee review. This policy has been updated to have a strong focus on underlying rules and principles with operational procedures captured separately in the Contractor Procurement and Management Manual on the Buller District Council website. The Risk and Audit Committee is asked to provide feedback prior to approval of the policy by Council.

2. **DRAFT RECOMMENDATION**

**That the Risk and Audit Committee:**

- a) Review the revised Procurement Policy as per Attachment 1.
- b) Note the operational manual for conducting Contractor Procurement and Management Manual at Buller District Council is accessible on the Buller District Council website.
- c) Note that the financial limits from the 2019 Procurement Policy are unchanged and in line with limits set by other Local Government organisations.
- d) Recommends to the Council that it adopt the revised BDC Procurement Policy.

3. **ISSUES & DISCUSSION**

4. **BACKGROUND**

As part of a larger look into procurement and contractor management at Council, a review of the Procurement Policy has been completed. The new Policy focuses on the rules and underlying principles of procurement.

5. Although the Government Procurement Rules are not mandatory for local authorities, the Council has regard for these practices as a framework to ensure good procurement practices are adopted. This policy has regard for the [Government Procurement Charter](#)

The policy refers to broader outcomes and states that “Where practicable, procurement activities must prioritise opportunities for local suppliers and Council Controlled Organisations, provided they meet the requirements of value for money, quality, and sustainability.”

6. The revised policy document sets out the underlying rules and principles. The operational processes that ensure transparency, fairness, consistency and accountability when acquiring goods and services along with guidelines for procurement and managing contracts have been included in the recent Contractor Procurement and Management Manual. This information has been uploaded to the Buller District Council website for public awareness.

7. Under Section 5 – Full Procurement Process of the Contractor Procurement and Management Manual a definition is given to local suppliers with a mandatory non-price attribute given to broader outcomes and local suppliers  
*Local suppliers are defined as businesses owned, operated and located within the Buller district boundaries that ensures that the economic benefits directly support the local economy. Secondary local benefits include businesses that source goods and services predominantly from the Buller District.*

8. **OPTIONS**

9. **Option 1 – Status Quo**

Do not recommend the adoption of the revised policy and recommend that Council continue research into a final document.

10. **Option 2 – revised Policy adopted**

Recommend to the Council that it adopt the revised BDC Procurement Policy.

This Policy was developed by IQANZ ( [Independent Quality Assurance New Zealand](#)) in line with [New Zealand Procurement Rules](#).

11. **The following is an assessment of the advantages and disadvantages of each option:**

12. **Option 1 – Status Quo**

*Advantages*

- No further changes in the organisation that is currently going through a high level of change.

*Disadvantages*

- Further work still to be undertaken to finalise the Procurement Policy.
- Actions resulting from recent audits are not able to be closed off.

13. **Option 2 – Revised Policy Adopted**

*Advantages*

- Continues to work towards a consistent and mutually understood standard operating procedure for contractor procurement and management within Council,
- Aims to close out actions resulting from recent audits.

*Disadvantages*

- Procurement practices are ongoing with the staff with more time required to imbed.

14. **PREFERRED OPTION**

The preferred option is to recommend the adoption of the revised Procurement Policy as it is in line with New Zealand Procurement Rules and compliments the Buller District Council Contractor Procurement and Management Manual.

15. **NEXT STEPS**

Should the preferred option be adopted, the revised Procurement Policy will be presented to Council at it's meeting on the 18<sup>th</sup> of December 2024.

16. **CONSIDERATIONS**

17. **Strategic Impact**

This supports the work that is proposed in the Long Term Plan and Enhanced Annual Plan

18. **Significance Assessment**

Section 76AA of the Local Government Act requires the Council to adopt a policy on significance and engagement. The Council Policy on significance can be found by clicking the following link:

<https://bullerdc.govt.nz/media/f2ofzb4z/buller-district-council-significance-and-engagement-policy-2021-2031-ltp.pdf>

19. There are no significant environmental, risk or financial matters within this document.

20. **Risk Management Implications / Opportunities**  
The following risks or opportunities are identified with the issues identified in this report.
21. **Policy & Legislative Considerations**  
There is no legal context, issue or implication relevant to this decision.
22. **Māori Impact Statement**  
The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture and traditions.
23. **Financial Considerations**  
There is no financial implication relevant to this decision.
24. **Communication Internal / External**  
There has been Internal Engagement with Infrastructure Services as the attached Procurement Policy Document compliments the Buller District Council Contractor Procurement and Management Manual.
25. There may be Media may be interest in this report after recent audits showing a need for improvement in the Procurement and Contractor Management at Buller District Council . These will be referred to the Capital Works Manager for response.



**BULLER**  
DISTRICT COUNCIL  
Te Kaunihera O Kawatiri

# PROCUREMENT POLICY

Creation Date:	27/11/2024	Consulted on:	N/A
Approved Date:		Date for Review:	27/11/2027
Author:	Jess Curtis	Authorised by:	
Version:	1		
Also, Refer to:	<a href="#">Contractor Procurement and Management Manual</a> <a href="#">Minor Contractors Procurement and Management Manual</a>		

## 1. INTRODUCTION

### OVERVIEW

Buller District Council procures significant goods and services that impact on the local community from lawn mowing services to public convenience upgrades and IT services to roading maintenance works. Public services are widely delivered by private businesses as suppliers, so choosing and managing these relationships well is critical to achieving the best results.

The Council needs to be confident that staff, suppliers and contractors working on behalf of the Council are complying with the law and considering the NZ Government Procurement Charter, Principles and Rules during its procurement activities.

### PURPOSE AND SCOPE

The purpose of this Procurement Policy is to ensure the Council achieves optimal value through ethical, transparent, fair, and robust procurement practices. These activities support sound decision-making and are conducted efficiently and effectively across the Council.

### OBJECTIVES

Having and delivering a consistent procurement practices benefits of the Council's long term plan and wellbeing of its community. The procurement policy objectives of the Council are:

- **Achieve the Council's strategic vision:** Ensure procurement activities, principles and processes are in alignment with the Council's vision, community outcomes and strategic priorities.
- **Local recognition:** The Council recognises the capability and resourcefulness of local companies. The Council's procurement planning is fair and transparent to local suppliers and provides them with an opportunity to become a viable and cost-effective provider.
- **Ethical and fair dealing:** The Council are committed to applying ethical considerations and provide standards based on honesty, integrity and transparency.
- **Sustainability:** Procurement sustainability ensures today's needs are met without compromising future generations' ability to meet theirs.

### LOCAL GOVERNMENT ACT 2002

The [Local Government Act 2002](https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html)<sup>1</sup> outlines specific responsibilities for local authorities, which applies to the procurement of goods, services and works. Below are key provisions and principles related to procurement under the Act:

- Local authorities must act in ways that contribute to the social, economic, environmental, and cultural well-being of their communities. The Council will consider opportunities for local suppliers and encourage equitable access to contracts.

<sup>1</sup> <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html>

- Local authorities must take a sustainable approach when procuring goods and services. The Council will consider strategies to avoid unnecessary consumption, minimise environmental impacts and supplier's socially responsible practices.

## GOVERNMENT PROCUREMENT CHARTER, PRINCIPLES AND RULE

Although the Government Procurement Rules are not mandatory for local authorities, the Council has regard for these practices as a framework to ensure good procurement practices are adopted. This policy has regard for the following:

[Government Procurement Charter<sup>2</sup>](#) which directs agencies to:

- Seek opportunities to include New Zealand businesses
- Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility
- Look for new and innovative solutions
- Engage with businesses with good employment practices
- Promote inclusive economic development within New Zealand
- Manage risk appropriately
- Encourage collaboration for collective impact

[Government Procurement Principles<sup>3</sup>](#) which are the overarching values that apply to Government procurement:

- Plan and manage for great results
- Be fair to all suppliers
- Get the right supplier
- Get the best deal for everyone
- Play by the rules

[Government Procurement Rules<sup>4</sup>](#). The Government Procurement Rules covers the following:

- Procurement planning
- Market research
- Approaching the market
- Evaluating responses
- Negotiating and awarding the contract

## POLICY

### PRINCIPLES

1. All procurement decisions **must** seek to obtain value for money, taking into account the Total Cost of Ownership (TCO), appropriate quality, fit for purpose and management of risk.

<sup>2</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-charter/>

<sup>3</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-principles/>

<sup>4</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-rules/>



2. Procurement **must** be conducted in an ethical and transparent manner, free from unmanaged conflicts of interest, to ensure the quality and integrity of the decision making process, and to meet the accountability requirements of public entities.
3. The procurement processes and methodologies applied **must** match the level of value, complexity and risk to the Council. Refer to the Council's [Contractor Procurement and Management Manual](#) for detailed guidance.
4. Where practicable, procurement activities **must** prioritise opportunities for local suppliers and Council Controlled Organisations, provided they meet the requirements of value for money, quality, and sustainability.
5. Procurement activities **must** consider the secondary benefits that are generated from the procurement activity, i.e. the [Broader Outcomes](#)<sup>5</sup> ([Rule 16](#)<sup>6</sup>). They can be environmental, social, economic or cultural benefits prioritise.

## OPERATIONAL REQUIREMENTS

6. All Procurement Activity **must** be authorised by a staff member with the appropriate financial delegation in accordance with the Financial Delegations Policy.
7. The following good practice principles **must** be adhered to throughout all stages of the procurement process, including the evaluation, negotiation, execution and management of any associated contract. These are:
  - Use of a competitive process wherever possible
  - Transparency of the process
  - Identification and resolution of Conflicts of Interest
  - Fairness and impartiality
  - Privacy and confidentiality
8. Where the Council has entered into Contracts with Preferred Suppliers and/or Panel Agreements, these providers must be used in the first instance for all procurement within that category.
9. Where a Preferred Supplier or Panel Agreement cannot fulfil the necessary requirements, or where there is no Preferred Supplier or Panel Agreement in place for a particular category, steps outlined in Section 3 of the [Contractor Procurement and Management Manual](#) must be followed.
10. Exemptions from the requirement to openly advertise **must** be in accordance with Section 5 of the [Contractor Procurement and Management Manual](#) written approval **must** be obtained from the Chief Executive prior to any Procurement Activity commencing.
11. The Council's approved RFx templates **must** be used unless otherwise approved in the Procurement Plan.

<sup>5</sup> <https://www.procurement.govt.nz/guides/broader-outcomes/>

<sup>6</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-rules/planning-your-procurement/broader-outcomes/>

12. The Council **must** keep records of each procurement for at least seven years from the date the Contract was signed by all parties. The records must document the procurement process (including all decisions); the Contract awarded and include all recommendations.

## EMERGENCY PROCUREMENT

13. An emergency is when there are genuine unforeseen and urgent circumstances. An urgent situation that has occurred because of a lack of planning, or a failure to mitigate a known risk, is not a genuine emergency. Emergency situation can include but are not limited to:
- Natural disasters
  - Failure of critical infrastructure
  - Health emergencies
  - Security emergencies
14. In the event of a genuine emergency the Council will need to be flexible in how they procure goods and services that are required for their response. In these situations rapid procurement may mean it is not possible or prudent to satisfy all requirements of this policy.
15. When making emergency procurement decisions the Council must act lawfully and with integrity.
16. Once the situation is stabilised and there is no risk to human life, the environment or critical infrastructure, a recovery plan must be established to authorise necessary procurement activity.
17. The Council must document and account for all emergency procurement activity, including decisions made, to safeguard against the high risk of corruption.

## POLICY EXEMPTIONS

18. Written approval must be obtained from the Chief Executive for any deviations from this policy.

## POLICY REVIEW

19. This policy will be reviewed every two years.

## APPLICABLE TO:

- ✓ All employees, suppliers and contractors of Buller District Council who undertake procurement and contract management activities on behalf of the Council and Council Controlled Organisations.

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

### **AGENDA ITEM: 12**

**Prepared by** Simon Pickford  
Chief Executive Officer

**Attachments** 1. PMO Review Action Plan Update December 2024

**Public Excluded:** No

### **PMO REVIEW: PROCESS IMPROVEMENT OPPORTUNITIES ACTION PLAN – UPDATE DECEMBER 2024**

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1. **REPORT PURPOSE**

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

2. **EXECUTIVE SUMMARY**

3. **BACKGROUND**

Phase 4 of the PMO review involved the identification of process improvement opportunities with Council. This was workshopped with Council and the Chair of Risk and Audit on 15 May 2024. Feedback from the Risk and Audit Committee meeting held on 26 June 2024 was incorporated into a finalised version of the Process Improvements Opportunities document which was presented to the August Risk and Audit Committee meeting.

4. A comprehensive action plan has been developed based on the Process Improvements Opportunities document.

5. **DISCUSSION**

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

6. Further progress has been made since October, with 12 of the 18 of the items now complete. Updates are shown in red on the attached Action Plan.

7. The main focus since the October update been the redrafting of the Procurement Policy and the development of two manuals for contractor procurement and

management. These guidelines establish clear, standardised processes to ensure Council acquires its goods and services in a transparent, fair, consistent, and accountable way. A new webpage has been created to provide information for suppliers and contractors working with Council. The webpage can be found here: [Working with us as a contractor](#)

8. Further work has been undertaken to develop a draft internal audit programme to target key areas. This will be brought to Risk and Audit Committee for consideration in early 2025.
9. A clear process for the approval and sign off of funding claims has been agreed with NZTA.
10. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
11. **DRAFT RECOMMENDATION**  
**That the report PMO Review: Process Improvement Opportunities Action Plan – Update December 2024 dated 11 December 2024 be received.**

## Project Management Office (PMO) Review: Process Improvement Opportunities Action Plan – December 2024

### 1. Procurement / Finance Issues

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

		<p>Sensitive Expenditure procedure review to establish clear guidelines to ensure compliance with Office of the Auditor General's Sensitive Expenditure guidelines.</p> <p>Roll out of the new Policy and Procedure to all staff</p>			<p>New Sensitive Expenditure Policy was approved by SLT and noted by the October 2024 RAC meeting.</p> <p>An email has been sent in the interim to all IS staff to describe progress payments and invoice checking. This is explained further in the Procurement and contract management manual.</p>
1.c	Insufficient information on consultant invoices for approvers	Development and communication of new procedure for invoice narration and approval.	GM Corporate Services	Complete	<p>Procedure for approval of invoices has been developed and implemented.</p> <p>Expectations around invoice clarity has been communicated to approvers and contractors - an email has been sent to all IS staff to describe progress payments and invoice checking. This is explained further in the Procurement and contract management manual.</p> <p>Reminder communication in November to all staff and suppliers regarding the need for electronic purchase orders (EPO) and appropriate invoice narration.</p> <p>A new webpage provides clear guidance and instructions to</p>

suppliers on EPOs, invoices and procurement.

1.d	Costs incurred without approved budget or outside of the parameters set by external funders	Development of new processes to ensure that Council's procurement practices align with the requirements of external funders.	GM Corporate Services	Complete	<p>This is dealt with by both the project and programme management procedure then the procurement and contract management manual.</p> <p>A contract register has been created for the Manager Capital Works on SharePoint who has started reviewing professional services contracts and setting them up with progress payments checks.</p>
1.e	Costs allocated to cost centres that do not align with the nature of the costs	Development of controls to ensure costs are appropriately allocated.	GM Corporate Services	Complete	<p>Rules setting out where costs should be allocated have been reiterated to staff. Internal audit process will be implemented (1.f).</p>
1.f.	Lack of Internal Audit function	Investigate options for an Internal Audit programme, as approved by the Risk and Audit Committee (RAC).	GM Corporate Services	End December 2024	<p>Discussions underway with audit service to provide three to four internal audit engagements per year.</p> <p>A draft internal audit programme to target key areas will be developed and brought to RAC for consideration in early 2025.</p>

1.g	Individual had a financial delegation set up in the financial system that did not align to the Financial Delegations Policy	Review and check financial system delegations including a robust change management process	GM Corporate Services	End December 2024	Review of financial delegation configuration in systems is underway.  Staff training will be undertaken.
1.h	Insufficient controls in the complex receipting process	Development of controls to ensure reconciliation of all project related general ledger (GL) codes, including the complex receipting GL.  Investigate the options for allowing invoices with multiple lines to be allocated within MAGIQ.  Implement regular reporting of the "Monthly PMO Costs" general ledger account to the General Manager of Infrastructure Services.	GM Corporate Services	End December 2024	Underway
1.i	Finance is required to confirm that funding submissions are true and accurate, however they are not responsible for and do not have oversight of the projects	Develop procedure that requires an Infrastructure Services manager certify accuracy of funding submissions.	GM Infrastructure Services	Complete	Before Finance process finding submissions, a written verification is required from IS. This is dealt with by both the project and programme management procedure then the procurement and contract management manual.



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

## 2. Conflict of Interest (COI)

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

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

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

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

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

communicated to the organisation on 17 June 2024.

### 3. Protected Disclosures

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

### 4. Management / Governance

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

This new setup has been  
communicated to key council teams.

## RISK AND AUDIT COMMITTEE

11 DECEMBER 2024

### AGENDA ITEM: 13

**Prepared by** Umang Kataria  
Financial Accountant

**Reviewed by** Matt Townsend  
Contract Accountant

Paul Numan  
Group Manager Corporate Services

**Attachments** 1. Buller District Council Financial Performance Report as of 31 October 2024

**Public Excluded:** No

### FINANCIAL PERFORMANCE REPORT – AS OF 31 OCTOBER 2024

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1. **REPORT PURPOSE**

This report provides an update on Council's financial performance for the period ended 31 October 2024. No decision is needed in relation to this information.

2. **EXECUTIVE SUMMARY**

This report is to assist in understanding the operational results and the report is presented in three sections - business-as-usual, - additional grants and - flood recovery.

3. **DISCUSSION**

Business-as-usual:

The business-as-usual result to date is a surplus of \$2.171m against a budgeted surplus of \$996k, a positive variance of \$1.174m is primarily due to lower expenses compared to budget, delays in Roding & Transport projects as well as some water supplies operational expenses - these are driven by service requests.

4. Additional grant revenue and expenditure:

Additional grants to date yield a \$140k deficit when compared to the budget of \$43k surplus. (The reason grants are in deficit is due to accounting timing – We accrued for grants within prior year-end, while these accruals have been reversed

in this quarter- the expected grants of \$183k for water supplies and \$59k for Roading have not been received yet).

5. Overall, the council budgets for less projects than experience due to one of nature of these spends and grants i.e. floods.
6. Flood recovery revenue and expenditure:  
The flood event result to date is an overall surplus of \$2.561m, as this is unbudgeted it shows a favourable variance and is driven by NEMA Tranche 2 funded dredging of the Buller River.
7. **DRAFT RECOMMENDATION**  
**That the report Financial Performance Report – As of 31 October 2024 dated 11 December 2024 be received.**

## OPERATIONAL FINANCIAL PERFORMANCE

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

	Actual YTD	Annual Plan	YTD Variance		Projected Full Year	Annual Plan Full Year	Projected Variance Full Year
Operational Revenue	13,987,645	13,713,458	274,187	●	41,384,510	41,384,510	0
Operational Expenditure	11,817,056	12,717,253	900,197	●	39,289,522	39,289,522	0
TOTAL OPERATIONAL VARIANCE			1,174,385	●			0
Additional Grant Revenue	351,222	43,780	307,442	●	0	0	0
Additional Grant Expenditure	490,758	0	(490,758)	■	0	0	0
TOTAL ADDITIONAL GRANT VARIANCE			(183,316)	■			0
Flood Event Revenue	2,569,644	0	2,569,644	●	0	0	0
Flood Event Expenditure	8,398	0	(8,398)	▲	0	0	0
TOTAL FLOOD EVENT VARIANCE			2,561,245	●			0
TOTAL PROFIT / (LOSS)			3,552,314	●			0
Net Profit / (loss)	4,592,299	1,039,985	3,552,314	●	2,094,988	2,094,988	0

Key: ■ Favourable Variance + \$50k ■ Unfavourable Variance - \$50k ▲ Neutral Variance +/- \$50k

## **Operational Performance Report – Summary of Results to October 2024**

1. Total operational performance to date is a \$1,174m surplus, results are \$2.171m when compared to a budget of \$996k. This is driven by expenses rather than revenue being lower than compared to budget.
2. It is predicted Council's operational performance for the full year to 30 June 2025 is forecast to be a \$2.095m surplus excluding year end accounting adjustments for valuation movements or asset write offs.
3. Business-as-usual.  
Operating revenue is \$274k higher than budgeted revenue.
4. The favourable variance relates to:
  - \$187k in Regulatory Services this is due from increased resource consents activity resulting in increase in application fees and an increase in the consent holders who have a requirement to contribute to reserve financial contributions in order to obtain titles.
5. Operational expenditure is \$900k lower than the budgeted expenses.
6. The favourable variance relates to:
  - \$369k lower costs in Rooding & Transport, this is mainly due to the delay of projects undertaken till date for this period.
  - \$245k lower expenses were incurred for Water supplies. These was mainly driven through lower demand for repairs and maintenance service requests.
  - \$112k lower employee cost in Regulatory due to an unfilled staff vacancy of 1 full-time employee (FTE), there were delays in hiring.
7. Additional grant revenue and expenditure:  
All actual revenue and expenditure incurred were not budgeted for. Some of the operational expenditure projects relate to items such as - Mayor's taskforce for jobs, - Better off funded climate change adaptation and preparedness, - DIA funded resilient Westport costs, - Betterment funding for the Westport Master Plan, - KMTT restoring and protecting flora project, and - MfE funded organic waste project.
8. Capital projects such as - IAF funded Alma Road infrastructure and Better Off funded projects.
9. Additional grant revenue is \$307k higher than budgeted revenue of \$44k (we are investigating the basis for budget).
10. Additional grant expenditure is \$491k made up of MTFJ activity was unanticipated in this period as the contract extended.



11. Flood recovery revenue and expenditure:  
The Flood event surplus of \$2.561m reflects the NEMA Tranche 2 funded dredging of the Buller River. Note the true cost of delivering this project are represented by the Kawatiri Dredge operating costs which are accounted within the business-as-usual Westport Harbour expenditure.
12. As agreed with NEMA each qualifying day of river dredging is charged to the project at a daily rate of \$31,500 excluding GST. This charge is recorded as under the Westport Harbour business-as-usual. The daily charges are recorded and reported on for management reporting purposes but net off for external reporting purposes, in line with accounting standards.

**BULLER DISTRICT COUNCIL**  
**Financial Performance Report for the Month to Oct 2024**

Prepared by: Umang Katiara  
Reviewed by: Matt Townshed /Paul Numan

	Actual Year to Date	Annual Plan YTD Budget	YTD Variance	Status	Full Year Prediction	Annual Plan Budget	Variance Full Year Prediction
<b>Operational Revenue</b>							
Community Services	170,824	127,697	43,127	▲	368,490	368,490	0
Westport Harbour	1,230,574	1,042,024	188,550	●	3,116,659	3,116,659	
Governance & Representation	0	0	0	▲	0	0	0
Water Supplies	2,339,289	1,229,733	1,109,556	●	4,878,928	4,878,928	0
Airport	77,001	71,521	5,480	▲	206,013	206,013	0
Community Facilities	341,411	308,766	32,645	▲	1,451,978	1,451,978	0
Roading & Transport	48,138	2,434,005	(2,385,867)	■	10,191,004	10,191,004	0
Regulatory Services	834,913	647,638	187,275	●	1,717,741	1,717,741	0
Solid Waste	667,061	341,981	325,080	●	1,240,979	1,240,979	0
Support Services	9,338	23,323	(13,985)	▲	76,921	76,921	0
Council - General Rates & Treasury	6,670,870	6,646,724	24,146	▲	14,949,786	14,949,786	0
Wastewater	1,598,227	837,445	760,782	●	3,180,809	3,180,809	0
Stormwater	0	2,601	(2,601)	▲	5,202	5,202	0
<b>Total Operational Revenue</b>	<b>13,987,645</b>	<b>13,713,458</b>	<b>274,187</b>	<b>●</b>	<b>41,384,510</b>	<b>41,384,510</b>	<b>0</b>
<b>Operational Expenditure</b>							
Community Services	1,501,966	1,597,302	95,336	●	4,709,425	4,709,425	0
Westport Harbour	963,380	1,070,935	107,555	●	3,126,273	3,126,273	0
Governance & Representation	604,123	652,403	48,280	▲	2,186,945	2,186,945	0
Water Supplies	1,335,811	1,581,266	245,455	●	5,125,046	5,125,046	0
Airport	161,671	171,273	9,602	▲	591,913	591,913	0
Community Facilities	1,061,783	1,117,642	55,859	●	3,567,338	3,567,338	0
Roading & Transport	3,238,630	3,607,635	369,005	●	10,326,211	10,326,211	0
Infrastructure Delivery (cost recovery and expenditure netted off)	196,711	(24,185)	(220,896)	■	(1)	(1)	0
Regulatory Services	976,430	1,088,449	112,019	●	3,268,072	3,268,072	0
Solid Waste	738,254	587,906	(150,348)	■	1,801,249	1,801,249	0
Support Services	(48,022)	90,427	138,449	●	546,660	546,660	0
Wastewater	828,010	894,893	66,883	●	3,081,687	3,081,687	0
Stormwater	258,307	281,307	23,000	▲	958,704	958,704	0
<b>Total Operational Expenditure</b>	<b>11,817,056</b>	<b>12,717,253</b>	<b>900,197</b>	<b>●</b>	<b>39,289,522</b>	<b>39,289,522</b>	<b>0</b>
<b>OPERATIONAL PROFIT / (LOSS)</b>	<b>2,170,589</b>	<b>996,205</b>	<b>1,174,384</b>	<b>●</b>	<b>2,094,988</b>	<b>2,094,988</b>	<b>0</b>
	Actual Year to Date	Annual Plan YTD Budget	YTD Variance	Status	Full Year Prediction	Annual Plan Budget	Variance Full Year Prediction
<b>Additional Grant Revenue</b>							
Community Services	235,377	0	235,377	●	0	0	0
Regulatory Services	0	0	0	▲	0	0	0
Westport Harbour	0	0	0	▲	0	0	0
Commercial and Corporate Services	201,435	43,780	157,655	●	0	0	0
Water Supplies	(188,096)	0	(188,096)	■	0	0	0
Wastewater	114,031	0	114,031	●	0	0	0
Stormwater	10,830	0	10,830	▲	0	0	0
Community Facilities	8,531	0	8,531	▲	0	0	0
Roading & Transport	(58,590)	0	(58,590)	■	0	0	0
Council - Resilience	9,679	0	9,679	▲	0	0	0
Solid Waste	18,026	0	18,026	▲	0	0	0
<b>Total Additional Grants Revenue</b>	<b>351,222</b>	<b>43,780</b>	<b>307,442</b>	<b>●</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Additional Grant Expenditure** (excludes Capital Expenditure)

Community Services	374,516	0	(374,516)	■	0	0	0
Regulatory Services	0	0	0	▲	0	0	0
Westport Harbour	0	0	0	▲	0	0	0
Commercial and Corporate Services	43,477	0	(43,477)	▲	0	0	0

Water Supplies	0	0	0	▲	0	0	0
Community Facilities	0	0	0	▲	0	0	0
Council - Resilience	44,544	0	(44,544)	▲	0	0	0

Solid Waste	28,222	0	(28,222)	▲	0	0	0
<b>Total Additional Grants Expenditure</b>	<b>490,758</b>	<b>0</b>	<b>(490,758)</b>	■	<b>0</b>	<b>0</b>	<b>0</b>

<b>ADDITIONAL GRANTS PROFIT / (LOSS)</b>	<b>(139,536)</b>	<b>43,780</b>	<b>(183,316)</b>	■	<b>0</b>	<b>0</b>	<b>0</b>
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**Flood Event Revenue**

All Flood Event Revenue	2,569,644	0	2,569,644	●	0	0	0
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<b>Total Unbudgeted Flood Event Revenue</b>	<b>2,569,644</b>	<b>0</b>	<b>2,569,644</b>	●	<b>0</b>	<b>0</b>	<b>0</b>
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**Flood Event Expenditure** (excludes Capital Expenditure)

Flood Event Operational Expenditure	8,398	0	(8,398)	▲	0	0	0
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<b>Total Unbudgeted Flood Event Expenditure</b>	<b>8,398</b>	<b>0</b>	<b>(8,398)</b>	▲	<b>0</b>	<b>0</b>	<b>0</b>
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<b>FLOOD EVENT PROFIT / (LOSS)</b>	<b>2,561,245</b>	<b>0</b>	<b>2,561,245</b>	●	<b>0</b>	<b>0</b>	<b>0</b>
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<b>TOTAL PROFIT / (LOSS)</b>	<b>4,592,299</b>	<b>1,039,985</b>	<b>3,552,314</b>	●	<b>2,094,988</b>	<b>2,094,988</b>	<b>0</b>
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Key

● Favourable  
 ■ Unfavourable  
 ▲ Neutral +/- \$50k

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

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**Prepared by** Matt Townsend  
Contract Accountant

**Reviewed by** Kaaren Phipps  
Manager Finance

Paul Numan  
Group Manager Corporate Services

**Public Excluded:** No

### **INVESTMENTS AND BORROWINGS REPORT – AS AT 31 OCTOBER 2024**

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1. **REPORT PURPOSE**

This report provides the Risk and Audit Committee with the information regarding Council's Investments and Borrowings. No decision is needed in relation to this information.

2. **EXECUTIVE SUMMARY**

This report summarises Council's cash investments and borrowings for the month of October 2024, and compliance with Council treasury management policy.

3. **DISCUSSION**

4. **BACKGROUND**

The last reported period for Council's cash investments and borrowings was for the month of September 2024.

5. **CURRENT ISSUES**

Council staff are still currently working through the rollover of its Multi Option Credit Line/Wholesale Advance Facility (MOCL) with Westpac. Council is looking to increase this facility from its current \$21m to \$28m to meet forecast debt requirements, this includes a year extension of the short term \$7m line of funding for flood recovery working capital requirements.

6. Council cannot look to borrow more than its current \$20m with the Local Government Funding Agency (LGFA) as \$20m is the borrowing limit for a non-guarantor.
7. Council staff are currently drafting reports for council consideration for changing to become a guarantor council. This change is intended to be included as part of the LTP. Formal Council approval will be sought to proceed post adoption 30 June 2025.
8. LGFA will provide cheaper interest rates than can be accessed from current debt providers.
9. Staff are also working with our auditors on the finalisation of the Council's Annual Report and audit opinion for the year ended 30 June 2023 as both lenders require a copy of the annual report to complete their renewal processes.
10. **Term Investments**  
Total term investments remain the same as the previous month at \$10,157,725.
11. **Bank Balance**  
Council's main trading account closing balance was negative (\$1,631,957) as at 31 October 2024. The balance decreased by \$1,749,403 from the previous month.
12. This is primarily due to timing delays in BDC and NZ Transport processing the eligible roading expenses funding. Returning the trading account back from negative will involve successfully processing the backlog of claims from July 24.
13. The processing facility was closed to BDC until an acceptable process and sign off from the CEO was created and activated.
14. The processing facility was opened back to BDC on November 10<sup>th</sup> and the claim for July 2024 for \$943,436 (GST Inclusive) was submitted 28 November 2024.
15. The claim for August 2024 has been calculated to be (\$236k), we anticipate calculating and processing the Sept 2024 and October 2024 claims, all within the month of December 2024 – but after confirmation of approval of the July 2024 claim.
16. In addition to the main trading account, Council holds contract retentions in an interest earning bank account but does not include that bank balance in the treasury management report because these funds are committed for future use.
17. **Interest Revenue**  
Interest revenue to the end of October is \$121k against a year-to-date budget of \$288k

18. Interest revenue is down on its year-to-date budget due to year end term deposits being lower than forecast in the 2024/2025 Enhanced Annual Plan.

19. **Borrowings and Net Debt Position**

Total borrowings at \$38.66m have not changed from the previous month.

20. Net debt (borrowings less term investments and call account balance) at \$28m also have not changed from previous month.

21. **Compliance with Treasury Management Policy**

The Treasury Management Policy of Council is that all term deposits are held with New Zealand Registered banks with no more than \$10 million with any one institution.

22. The terms and maturity dates of investments are spread to minimise Council's exposure to interest rate fluctuations while still aiming to optimise interest earned.

23. Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base.

24. Currently investment \$2.93m in NBS representing 29% of the total investment portfolio.

25. The Treasury Management Policy sets fixed rate bands for term borrowings:

	Maximum fixed rate %	Minimum fixed rate %
0 to 2 years	100%	50%
2 to 5 years	80%	25%
5 to 10 years	60%	0%

26. As at 31 October 2024 Council is sitting within the limits for the periods 0 to 2 and 5 to 10 years, however, breaches the minimum limits for 2 to 5 years by 29 September 2028 as existing swaps are set to mature.

27. Council's policy also includes two liquidity and funding risk management limits that Council is presently in breach of, being:

1. Council shall maintain committed funding lines of not less than 110% of forecast debt over the ensuing 12-month period as detailed in the Annual Plan
2. No more than 40% of total borrowings is subject to refinancing in any financial year.

28. Council currently holds \$41m of committed funding lines, \$20m with LGFA and \$21m with Westpac.

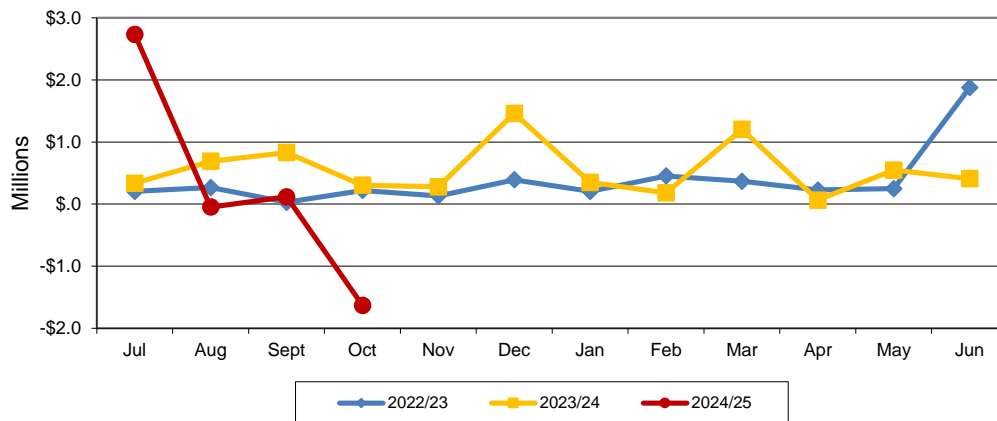
29. Council's forecast debt to 30 June 2025 is \$45.4m, Council's current committed funding lines at \$41m represent 90% of this forecast debt, 20% less than is required by policy. Once the increase in the Westpac MOCL is achieved Council's committed funding lines will total \$48m, or 106% of forecast debt.
30. Council is also currently in breach of the refinancing limit of 40%. At \$21m Council's MOCL constitutes over 50% of all funding lines, so at a minimum 51% of council's borrowings are subject to refinancing in a financial year. If any of the LGFA loans are also subject to financing in the same year this increases the percentage. The rollover currently being negotiated will only increase this debt maturity concentration.
31. The risk of having a large percentage of debt maturing or being reissued in the same period is credit margins in that period may be high. The intention of the 40% limit is to minimise this risk.
32. As Council has maximised its available borrowings as a non-guarantor with the LGFA the Westpac facility is the only other form of funding presently available to Council.
33. Council will need to consider what options it has to reduce the existing concentration of debt maturity dates through either choosing to become a guarantor of the LGFA and utilising the agency for future debt requirements and staggering the maturity dates of those loans, split and stagger the facilities with Westpac or enter into a funding arrangement with another provider.
34. **Compliance with Financial Strategy Net Debt Limit in the Long Term Plan**  
The Financial Strategy of Council is that net debt is not more than \$25m at any given time. Currently Council's net debt is \$28m.
35. Council planned and adopted to have a net debt position of \$29.3m as at 30 June 2024, \$4.3m over the limit. As part of the 2025-2034 Long Term Plan Council will need to review its Financial Strategy including an appropriate net debt limit.
36. **DRAFT RECOMMENDATION**  
**That the Investments and Borrowings Report as at 31 October 2024 dated 11 December 2024 be received.**

## INVESTMENTS AND BORROWINGS REPORT

### 1. BANK BALANCE

	This Month 31-Oct-24	Last Month 30-Sep-24	Last Year 30-Jun-24
Council	-\$1,631,957	\$117,446	\$408,926

### 2. MONTH END BANK BALANCES



### 3. SUMMARY OF INVESTMENTS

	This Month 31-Oct-24	Last Month 30-Sep-24	Last Year 30-Jun-24
Term deposits (includes Call Account)	10,173,787	10,657,725	14,607,472
LGFA Borrower Notes	500,000	500,000	500,000
Call Account	-	-	-
<b>Balance before other Investments</b>	<b>10,673,787</b>	<b>11,157,725</b>	<b>15,107,472</b>
Other loans (includes loan to Holding Company)	1,600,841	1,600,841	1,600,981
<b>Total Investments</b>	<b>\$12,274,628</b>	<b>\$12,758,566</b>	<b>\$16,708,453</b>

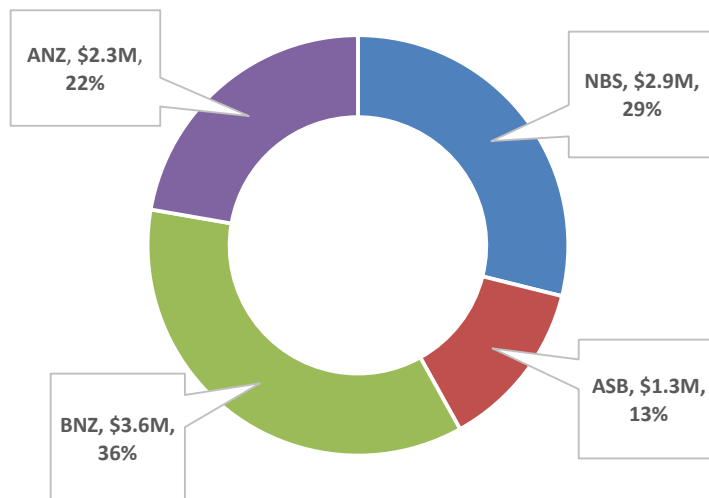


### 3.1 Term Deposits

Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	NBS	1,534,037.53	18-Jul-2024	18-Jul-2025	5.90%
Term Deposit	NBS	1,000,000.00	1-Jul-2024	1-Jul-2025	5.90%
Term Deposit	NBS	400,000.00	6-May-2024	6-May-2025	6.00%
Term Deposit	ASB	1,325,000.00	13-Sep-2024	13-Mar-2025	5.39%
Term Deposit	BNZ	1,000,000.00	2-Jul-2024	27-Feb-2025	6.00%
Term Deposit	BNZ	1,636,800.00	25-Aug-2024	22-May-2025	5.30%
Term Deposit	BNZ	1,000,000.00	29-Jun-2024	29-Jun-2025	6.00%
Term Deposit	ANZ	1,078,128.52	25-Oct-2024	22-Jul-2025	5.45%
Term Deposit	ANZ	1,199,821.00	8-Oct-2024	8-Oct-2025	5.45%
<b>Total Term Deposits</b>		<b>10,173,787</b>			

The objective of this table is to show a trend of falling interest rates over the past 12 months.

### 3.2 Term Deposits Summary by Trading Bank

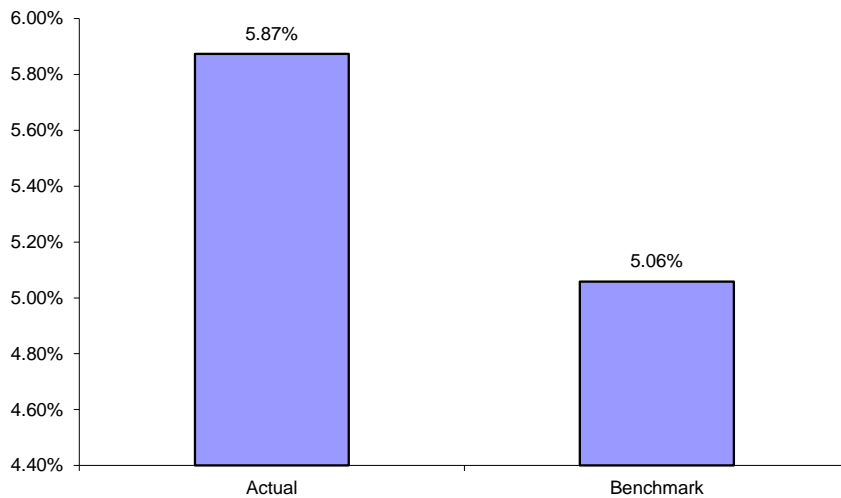


The maximum allowable investment per issuer is \$10m.

### 3.3 Local Government Funding Agency Borrower Notes

Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000	31-Mar-2025	5.81%
LGFA Borrower Note	LGFA	125,000	29-May-2026	5.85%
LGFA Borrower Note	LGFA	125,000	31-Mar-2025	5.82%
LGFA Borrower Note	LGFA	125,000	31-Mar-2027	5.98%

### 4. INVESTMENTS PORTFOLIO PERFORMANCE (12-Month Average)



### 5. INTEREST REVENUE

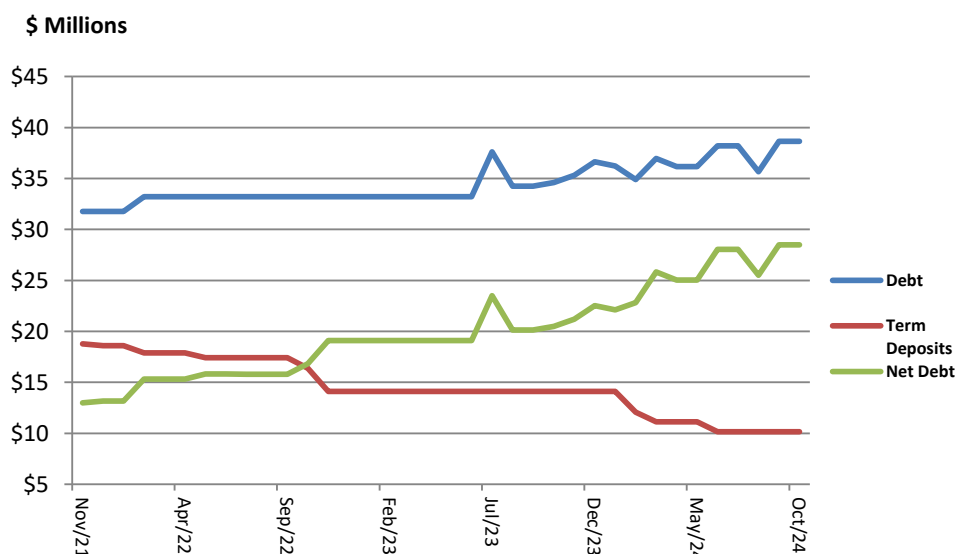
	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$121,261	\$288,368	\$1,259,030

## 6. SUMMARY OF BORROWINGS

	This Month 31-Oct-24	Last Month 30-Sep-24	Last Year 30-Jun-24
<b>External Debt</b>			
Westpac Loan Facility	18,663,860	18,663,860	14,243,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	<b>\$38,663,860</b>	<b>\$38,663,860</b>	<b>\$34,243,860</b>
Weighted Average Interest Cost	4.57%	4.43%	4.47%

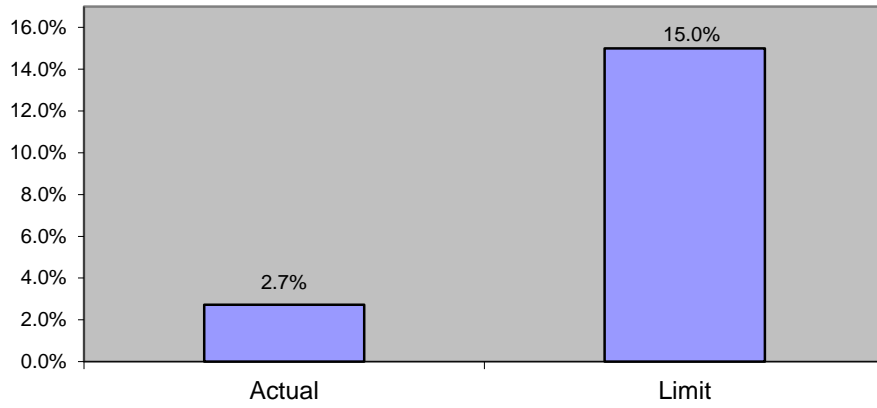
<b>Net Debt</b>			
Total Borrowings	38,663,860	38,663,860	34,243,860
Less: Term deposits (including Call Account)	10,673,787	10,657,725	14,607,472
	<b>\$27,990,073</b>	<b>\$28,006,135</b>	<b>\$19,636,388</b>

## 7. DEBT AND INVESTMENTS 3-YEAR TREND

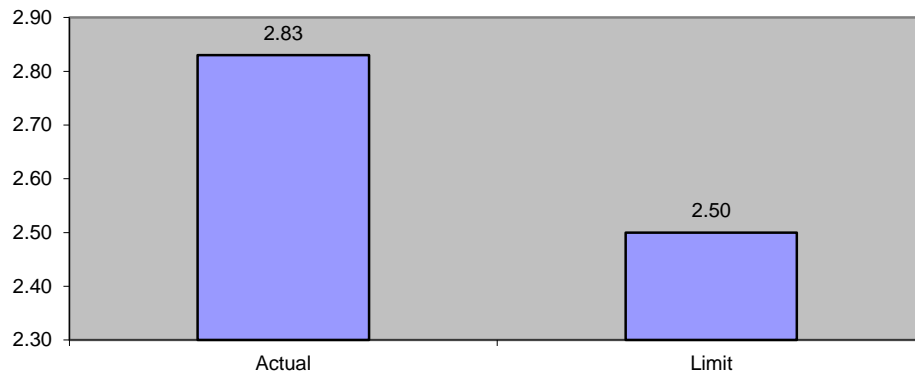


The above graph reports net debt as: gross debt held with external parties; less terms deposits excluding the call account. The definition used by this graph is in line with Council's Treasury Policy but differs from how investments and net debt are expressed in other parts of this report that include the call account. The variability shown since January 2022 is due to the use of short-term borrowings that are being utilised as needed for flood recovery activities until they are funded from external agencies. There is also term borrowings drawn for planned capital works as set out in the Annual Plan, in conjunction with the reduction in term deposits.

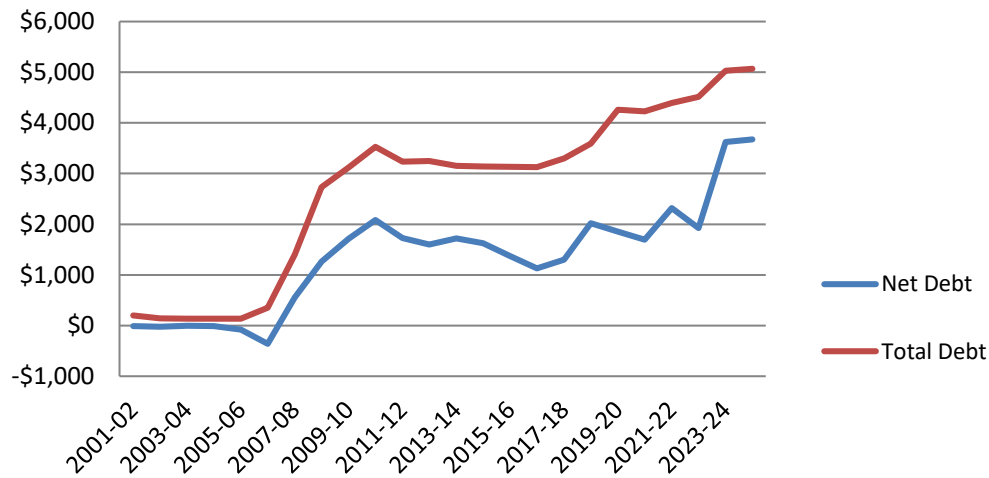
### 7.1 Interest Expense / Total Income



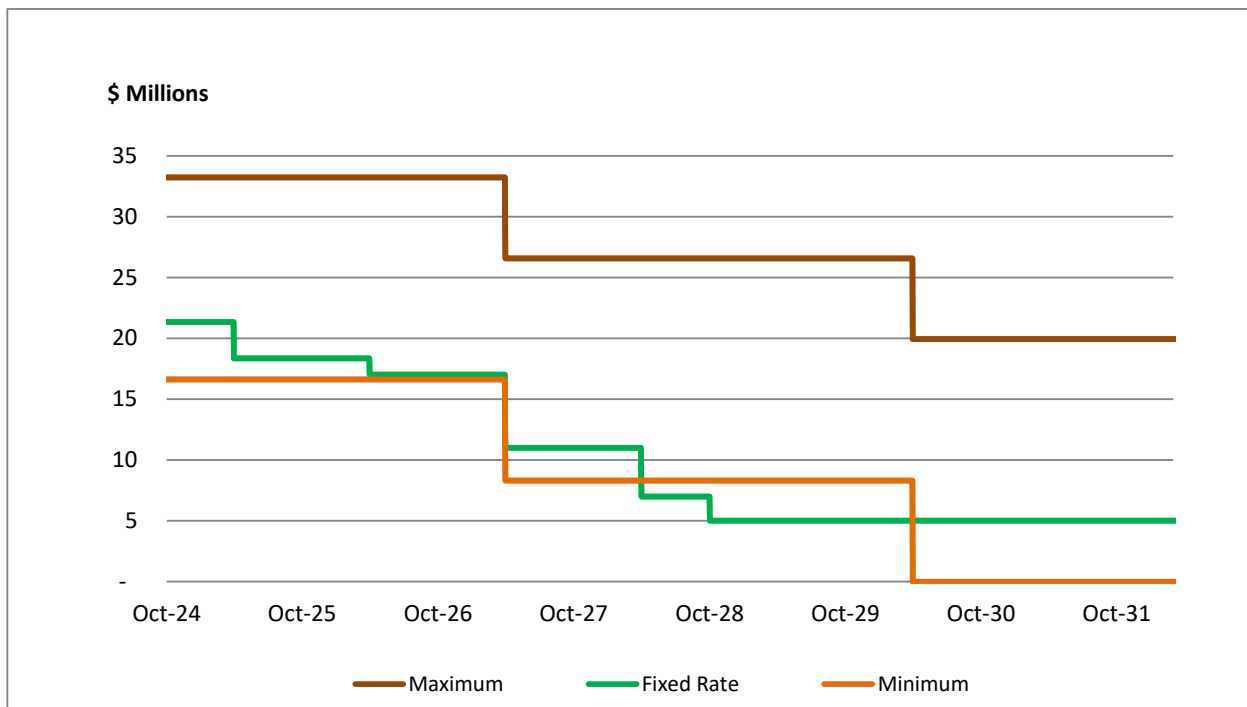
### 7.2 Gross Debt / Total Income



### 7.3 Debt and Net Debt per Rateable Property



### 7.4 Fixed Rate Debt - Compliance with Treasury Policy



Council uses interest rate swaps as a tool to manage fixed rate interest on external debt. This graph shows the amount of swaps held currently provide sufficient cover to meet policy limits until 2028.

## RISK AND AUDIT COMMITTEE

11 DECEMBER 2024

### AGENDA ITEM: 15

**Prepared by** Matt Townsend  
Contract Accountant

**Reviewed by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1. Sundry Debtors Management Report  
2. Rates Debt Management Report

**Public Excluded:** No

### DEBT MANAGEMENT REPORT 31 OCTOBER 2024

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1. **REPORT PURPOSE**

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

2. **EXECUTIVE SUMMARY**

This report presents and classifies the outstanding balances of rates debtors and sundry debtors as at 31 October 2024 for monitoring and information purposes.

3. **DISCUSSION**

Council requires a high-level overview of the debt owed to Buller District Council. This information, when taken in conjunction with all other aspects of the financial results provides a full view of the financial performance and financial position of Buller District Council.

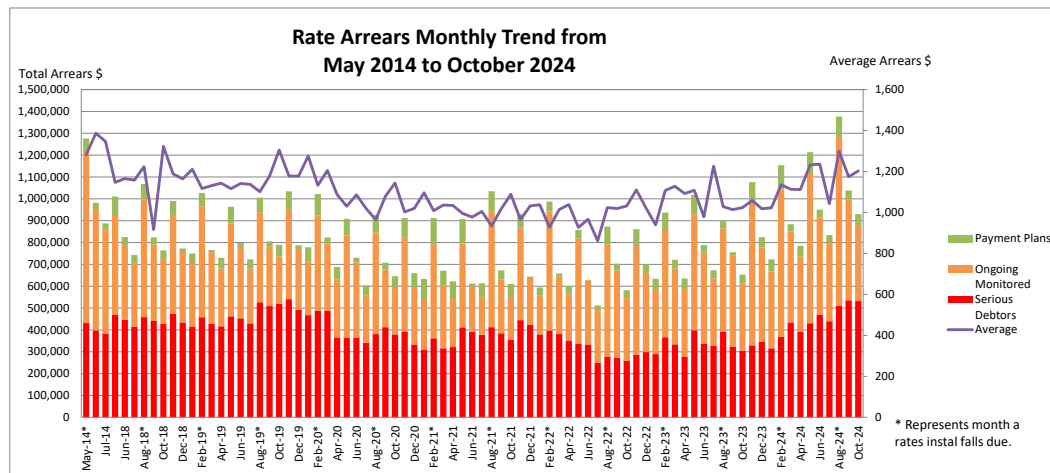
4. **Rates**

As at 31 October 2024 the Councils Rates Debtors arrears have increased by 16% since June 2024, from \$985,141 to \$1,141,201. This is from a total of 813 Buller District Council rate payers in arrears.

5. Of the 813 ratepayers, 275 (or 33.8%) are on instalment plans, and 209 (or 25.7%) have only missed one instalment. (33.8% + 25.7% = 59.5%).

6. As at 31 October 2024 there are 316 ratepayers in the “ongoing monitored” category. The defaults exposure for these ratepayers has decreased since June 2024 by (\$210,731) to be \$344,349.
7. Council staff are actively attempting to be in contact with ratepayers in the “ongoing monitored” category. When all attempts from the council are unsuccessful, these ratepayers proceed to become categorised as “serious defaults”.
8. As at 31 October 2024 there are 124 ratepayers in the “serious defaults” category. The defaults exposure and has increased by \$241,009 since June 2024 to be \$532,229.
9. Ratepayers in the “Serious Defaults” category are managed in one of two ways:
  - mortgage lenders have been contacted where there is a mortgage on the rate-payers property; or
  - debt collectors have been contacted where there is no mortgage on the rate-payers property.
10. Staff are mindful that several ratepayers have been significantly affected by the 2021-2022 flooding events along with cost-of-living increases. There have been tailored payment arrangement plans offered to these ratepayers from Council.
11. Early intervention is made when ratepayers miss one or two instalments. At this point Council intervenes to help save these ratepayers from falling behind in payments before compounding missed instalments becomes too large for them to manage.
12. Where consent is received from the ratepayer, Council works alongside the ratepayer and their bank (if relevant), suggesting Budget Advice agencies and other support services. This produces some positive outcomes where the ratepayer has both the support they need and independent advice about their debt and obligations.
13. If ratepayers become more challenged in paying their rates due to a variety of reasons, there could be an increase from those seeking to make use of the rates rebate scheme. Council is aware of this and will communicate to Central Government seeking greater rebates to assist with funding rates if generally this is needed.
14. A programme of rates outstanding on abandoned land is about to commence, this category relates to 40 properties on the arrears report. The first property being readied for a tender land sale listing.

15.



16. **Interest/penalties charged on outstanding debtors accounts**  
A question was raised about the amount of interest charged on overdue sundry debtor accounts at prior Risk and Audit Committee meetings.
17. Debtors accounts do not have penalty interest charged, in order for the interest to be collectable the terms of trade must be signed up to prior to customers placing orders with Council.
18. Rates accounts when unpaid as per the conditions of the rating act, are charged 10% penalties for non-payment.
19. **Sundry Debtors**  
Sundry Debtors arears balances to date shows an increase of \$577k since last quarter yet a decrease in the number of debtors by 24.
20. This results from large outstanding invoices mostly from Government departments Kainga Ora and DIA (these have subsequently been paid post 31 October 2024).
21. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
22. **DRAFT RECOMMENDATION**  
**That the Debt Management Report 31 October 2024 dated 11 December 2024 be received.**

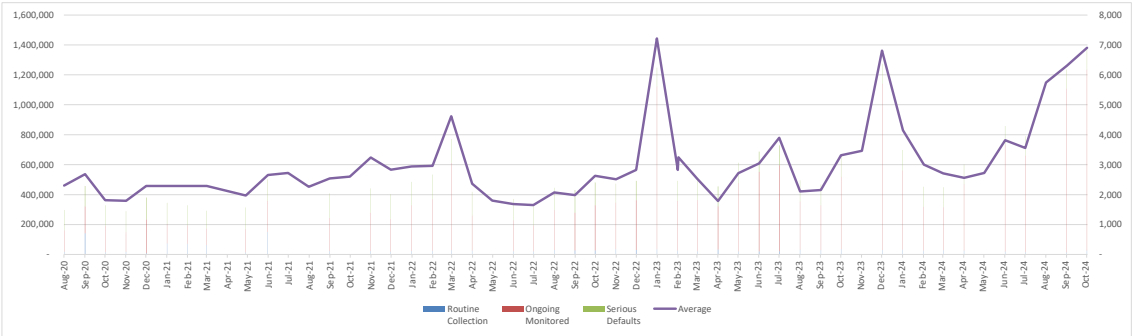
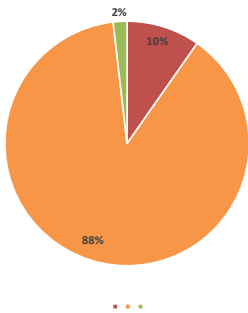


ATTACHMENT 1

Sundry Debtors - Debt Recovery Report

Report cutoff date 31 October 2024  
Ageing cycle - current due 31 October 2024

Status Flag	Debtor Type	Age of Debt 31 October 2024		Age of Debt 31 July 2024		Variance 24 vrs Jul 24		No. of Account Holders per Debt Thresholds			Further Action to Commence					Comments
		No. of Debtors	Overdue	No. of Debtors	Overdue	No. of Debtors	Overdue	Less than \$2,000	\$2,001 to \$10,000	Over \$10,001	Formal Review	To Debt Agency / Mortgagee	Monitor Progress	Further Letter/ Meeting	Other Options	
🔴	Leasehold Properties	17	132,939	18	130,786	(1)	2,154	7	6	4	✓			✓	✓	Rents invoiced 6 monthly in advance. Long standing arrears receiving increased collection measures and purchase discount option.
🟡	Orowaiti Connection	1	3,375	2	6,750	(1)	(3,375)	0	1	0				✓		Long standing arrears collected when property transfers.
🟡	Libraries	1	150	0	0	1	150	1	0	0						Small amounts monitored.
🟡	Water	15	36,254	23	44,189	(8)	(7,936)	11	3	1	✓			✓		Payment plans promoted for those with long standing debt.
🟡	Resource Management	14	79,295	19	93,237	(5)	(13,941)	8	3	3	✓	✓		✓		Long standing arrears receiving increased collection measures.
🟡	Rentals	36	70,290	29	57,244	7	13,046	29	6	1		✓		✓		\$27k debtor in Liquidation, this debt remains on Council records until final notification of wind up. The balance is under routine monitoring.
🟡	Regulatory Licences e.g. Food Premises	26	12,466	54	16,652	(28)	(4,185)	26	0	0						Timing of Annual Licences billing.
🟡	Sundry	42	978,837	34	401,575	8	577,262	32	2	8			✓			Instalment arrangements entered into for those with long standing debt.
🟡	Westport Harbour	21	28,944	18	24,915	3	4,029	16	5	0						Annual payment plans in place. Rents,Berthage etc
🟢	Trade Waste	7	8,487	7	8,487	0	0	5	2	0					✓	Annual invoicing cycle in August of each year.
🟢	Airport Parking	1	40	1	40	0	0	1	0	0					✓	Small amounts monitored.
🟢	Building Consents	10	11,458	10	4,422	0	7,035	7	3	0						Where overdue, this represents inspections not yet completed due to timing of building process.
🟢	Swimming Pools	1	150	1	150	0	0	1	0	0						
🟢	Cemetery	4	4,114	2	438	2	3,676	3	1	0						
🟢	LIMs	2	600	4	1,200	(2)	(600)	2	0	0						
	Totals	198	1,367,398	222	790,084	(24)	577,314	149	32	17						



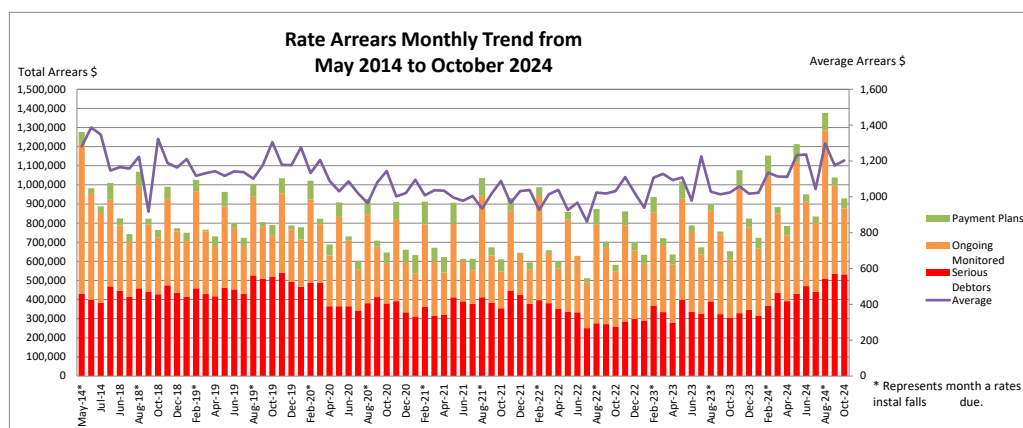
## Rates Accounts - Debt Recovery Report

Report cutoff date 31 October 2024  
 Last rates instalment due date 28 August 2024  
 Next rates instalment due date 28 November 2024

## Internal Debt Recovery Analysis

Status Flag	Category	No. of Ratepayers	Total Arrears Balance YTD	Current Year Arrears	Previous Year Arrears		Further Action to Commence						Comment
					\$	%	Formal Review	To Debt Agency	Title Search	Monitor Progress	Further Letter	Continue Sale Process	
Red	Placed with External Debt Collection	8	99,272	9,362	89,910	12%				✓			Arrears placed with Credit Recovery Agency. Refer to the analysis below.
Red	No current mailing address	0	0		0	0%		✓					Tracing addresses through bank deposits & social media undertaken.
Red	Approach Mortgagee	16	58,030	14,995	43,035	6%							Ratepayers with mortgages are pursued for payment under the Rating Act provisions.
Red	Awaiting Decision	60	283,659	62,951	220,708	30%	✓		✓				More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
Red	Missed more than two instalments	38	91,268	35,890	55,378	7%					✓		Reviewing for possibility of Mortgagee Action.
Orange	Under Action - Short Term Monitored	14	29,456	7,769	21,687	3%	✓				✓		Reviewed systematically with each ratepayer.
Orange	Payments Insufficient	52	25,399	19,319	6,080	1%				✓	✓		Reviewed systematically. Work through options to increase payments/resolve debt.
Orange	Long Term Monitored	35	87,625	34,191	53,434	7%	✓						Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/Feb), more frequently if in decline.
Orange	No Payments - Property on Market	15	27,316	8,467	18,849	3%	✓						Annual Review.
Orange	Missed May & August 2024 instalments	51	65,133	39,999	25,134	3%					✓		Letters sent - monitoring.
Orange	Missed one instalment only	209	109,420	109,420	0	0%					✓		Letters sent - monitoring.
Green	Payment plans	275	53,299	33,880	19,419	3%				✓			Reviewed annually and updated as required.
Blue	Abandoned Land Tender Project	40	211,324	18,343	192,981	26%						✓	Report to June 2019 Council Meeting.
<b>Totals</b>		<b>813</b>	<b>1,141,201</b>	<b>394,586</b>	<b>746,615</b>	<b>100%</b>							

Internal Debt Recovery			
Red	532,229	46.6%	
Orange	344,349	30.2%	
Green	53,299	4.7%	
Abandoned land	211,324	18.5%	
	1,141,201	100.0%	



## RISK AND AUDIT COMMITTEE

11 DECEMBER 2024

### AGENDA ITEM: 16

**Prepared by** Matt Townsend  
Contract Accountant

**Reviewed by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1. Westport Airport Authority Full Year Report to 30 June 2024

### WESTPORT AIRPORT AUTHORITY – FULL YEAR REPORT TO 30 JUNE 2024

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1. **REPORT PURPOSE**

In accordance with section 66 of the Local Government Act 2002 Council Controlled Organisations must deliver a half yearly report to shareholders.

2. This report presents the interim (unaudited) financial statements for the 12-month period ended 30 June 2024 including the budget for this period. The report also presents a Statement of Service Performance summary.

3. **EXECUTIVE SUMMARY**

This report is presented to the Risk and Audit Committee to monitor the Westport Airport Authority financial results.

4. **DISCUSSION**

**Revenue**

Total years actual revenue of \$196,453 was close to the budget of \$203,269 and is higher than actual revenue in the prior financial year of \$183,523.

5. **Expenditure:**

Total actual operating expenditure (\$542,960) was above the budget of (\$522,251) overall and like last year's operating expenditure of (\$540,163).

6. The reduction in legal fees by (\$10,000) was more than offset by the (\$30,000) increase in combined general and administration expenses reflecting inflationary pressures.

7. **Operating Surplus (Deficit):**

The total operating surplus (deficit) was (\$346,507) compared to the budget of (\$318,892).

8. The total operating surplus (deficit) after interest expense was (\$394,122) compared to the budget of (\$416,161).
9. **Capital Expenditure:**  
Capital expenditure for the year of (\$61,182) was less than last year's spend of (\$105,643).
10. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
11. **DRAFT RECOMMENDATION**  
**That the report Westport Airport Authority – Full Year Report To 30 June 2024 dated 11 December 2024 be received.**

**WESTPORT AIRPORT  
AUTHORITY**

**FINANCIAL STATEMENTS  
FOR 2023/24 FY**

**WESTPORT AIRPORT AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 June 2024**

	2024 \$	2023 \$
<b>Current Assets</b>		
Accounts receivable and accruals	39,246	26,458
Prepayments	4,344	3,919
<b>Total Current Assets</b>	<u>43,590</u>	<u>30,377</u>
<b>Non-Current Assets</b>		
Property, plant & equipment	5,678,787	5,710,596
<b>Total Assets</b>	<u><b>5,722,378</b></u>	<u><b>5,740,972</b></u>
<b>Current Liabilities</b>		
Accounts payable and accruals	71,211	71,767
Buller District Council – current account	266,283	286,254
<b>Total Current Liabilities</b>	<u>337,494</u>	<u>358,021</u>
<b>Net Assets</b>	<u><b>5,384,884</b></u>	<u><b>5,382,951</b></u>
<b>Equity</b>		
Equity: Ministry of Transport	2,161,650	1,965,532
Less: Share of accumulated losses	<u>(626,550)</u>	<u>(429,489)</u>
	<u>1,535,100</u>	<u>1,536,043</u>
Equity: Buller District Council	4,515,117	4,315,181
Less: Share of accumulated losses	<u>(665,334)</u>	<u>(468,273)</u>
	<u>3,849,783</u>	<u>3,846,908</u>
Equity: Ministry of Transport & Buller District Council	6,676,767	6,280,713
Less: Total accumulated losses	<u>(1,291,884)</u>	<u>(897,762)</u>
<b>Total Equity</b>	<u><b>5,384,883</b></u>	<u><b>5,382,951</b></u>

**WESTPORT AIRPORT AUTHORITY**  
**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**  
For the period ended 30 June 2024

2023		2024	Budget
\$		\$	\$
<b>Revenue</b>			
40,008	Landing fees & Other Dues	42,003	42,230
101,515	Terminal Rental & Other Income	112,449	117,779
42,000	Farming Lease	42,000	43,260
183,523	<b>Total Revenue</b>	196,453	203,269
<b>Less: Expenditure</b>			
61,474	Airport Maintenance	26,740	41,201
308,903	Administration	333,495	303,518
19,692	Audit Fees	20,666	19,054
86,849	Depreciation	92,993	97,200
10,050	Rates and Insurance	13,422	10,971
9,037	Legal Fees	-	2,060
10,210	Power and Telephone	12,241	11,515
33,947	General Expenses	43,401	36,732
540,163	<b>Total Expenditure</b>	542,960	522,251
(356,640)	<b>Operating Surplus (Deficit)</b>	(346,507)	(318,982)
<b>Less:</b>			
37,559	Interest Expense	47,615	
-	Loss on Disposal of Asset	-	
<b>Plus:</b>			
	Depreciation Recovery		
(394,198)	<b>Net Surplus/(Deficit) Before Tax</b>	(394,122)	(416,161)
	Less Tax Expense		
(394,198)	<b>Net Surplus (Deficit) after Tax</b>	(394,122)	(416,161)
(394,198)	<b>Net Surplus (Deficit)</b>	(394,122)	(416,161)
Attributable to:			
(197,099)	Profit / (Loss) Buller District Council	(197,061)	(208,081)
(197,099)	Profit/ (Loss) Ministry of Transport	(197,061)	(208,081)
(394,198)		(394,122)	(416,162)

**WESTPORT AIRPORT AUTHORITY**  
**APPROPRIATION ACCOUNT**  
For the period Ended 30 June 2024

	2024	2023
	\$	\$
Opening Balance (Accumulated Losses)	(897,762)	(503,563)
Net Surplus/Deficit	(394,122)	(394,198)
Closing Balance (Accumulated Losses)	(1,291,884)	(897,762)

**WESTPORT AIRPORT AUTHORITY  
STATEMENT OF CHANGES IN EQUITY  
For the period ended 30 June 2024**

	2024 \$	2023 \$
Equity at Start of the Period	5,382,951	5,407,150
Total Comprehensive Revenue and Expense	(394,122)	(394,198)
Contributions from Buller District Council	199,936	273,669
Contributions from the Crown	196,118	96,330
Equity at End of the Period	<u>5,384,883</u>	<u>5,382,951</u>

**WESTPORT AIRPORT AUTHORITY  
STATEMENT OF CASH FLOWS  
For the period ended 30 June 2024**

	2024 \$	2023 \$
<b>Cash Flows from Operating Activities</b>		
Cash was provided from:		
Landing Fees & Airport Dues	30,883	30,490
Rental, Service Charges & Other Income	112,449	101,515
Farming Lease	42,000	42,000
Flood Recovery Income Received	<u>0</u>	<u>0</u>
	185,332	174,005
Cash was applied to:		
Payments to Suppliers and Employees	(488,435)	(420,539)
Interest Paid	0	0
Net GST	<u>(1,740)</u>	<u>516</u>
	(490,175)	(420,023)
Net Cash Flows from Operating Activities	<u>(304,842)</u>	<u>(246,018)</u>
<b>Cash Flows from Investing Activities</b>		
Cash was provided from:		
Sale of Assets	0	0
Cash was applied to:		
Purchase of fixed assets	(61,182)	(105,643)
Net Cash Flow from Investing Activities	<u>(61,182)</u>	<u>(105,643)</u>
<b>Cash Flows from Financing Activities</b>		
Cash was provided from:		
Buller District Council	199,936	96,330
Contributions from Joint Venture Partners	196,118	273,669
Cash was provided to:		
Buller District Council Current Account	<u>(30,031)</u>	<u>(18,340)</u>
Net Cash Flows from Financing Activities	366,023	351,660
Net Increase in Cash and cash equivalents	<u>- 2</u>	<u>-</u>
Add Cash and cash equivalents at Start of Year	<u>-</u>	<u>-</u>
Cash and cash equivalents End of Year	<u>- 2</u>	<u>-</u>



**WESTPORT AIRPORT AUTHORITY  
STATEMENT OF SERVICE PERFORMANCE  
For the period Ended 30 June 2024**

The Authority's performance in comparison to its performance targets is outlined as follows.

	Actual Performance \$	Performance Target \$
Operating Revenue	196,453	203,269
Operating Expenditure	542,960	522,251
Net Profit (Loss)	(346,507)	(318,982)
<b>Capital Expenditure</b>		
Equipment (including Work in Progress)	61,184	127,544

**WESTPORT AIRPORT AUTHORITY  
STATEMENT OF SERVICE PERFORMANCE  
NARRATIVES  
For the period Ended 30 June 2024**

**Revenue**

Total revenue is \$196,453 actual compared to a budget of \$203,269.

**Expenditure**

Total operating expenditure (\$542,960) is close to budget (\$522,251).

Administration and General expenses are higher than budget.

**Capital Expenditure**

Capital expenditure for the year of (\$61,182) is less than the budgeted spend of (\$105,643).

## **RISK AND AUDIT COMMITTEE**

**11 DECEMBER 2024**

**AGENDA ITEM: 17**

**Prepared by** Matt Townsend  
Contract Accountant

**Reviewed by** Paul Numan  
Group Manager Corporate Services

**Attachments** 1. Financial Report (unaudited) for Buller Holdings Ltd for the period ending 30 September 2024

**Public Excluded:** No

### **BULLER HOLDINGS LTD - FINANCIAL REPORT TO 30 SEPTEMBER 2024**

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1. **REPORT PURPOSE**

This report presents the quarterly (unaudited) financial statements for the three ended 30 September 2024 including the budget for this period. The report also presents results against the Statement of Intent targets which are non-financial measures.

2. **EXECUTIVE SUMMARY**

This report is presented to the Risk and Audit Committee to monitor Buller Holdings Limited (BHL) financial results.

3. **DISCUSSION**

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

4. Commentary on the results of each area of BHL operations which are WestReef Services Limited and Buller Recreation Limited (trading as the Pulse Energy Recreation Centre) are set out in the accompanying report. This information should be read in conjunction with the financial statements to provide detail about the group's reported results.

5. The Group posted a surplus of \$175,000 for the three months to 30 September 2024 against a budgeted surplus of \$360,000 and note that the surplus for this

financial year's first three month period is tracking higher than in the same period for the previous year.

6. The full year 2023 result for BHL provided a profit/surplus before tax and distributions of \$1,464,000. Traditionally, BHL have a strong 4th quarter result so the early 30 September 2024 result being lower than budget is not necessary of concern yet.
7. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
8. **DRAFT RECOMMENDATION**  
**That the report Buller Holdings Ltd - Financial Report To 30 September 2024 dated 11 December 2024 be received.**

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# Financial Report (unaudited)

For

Buller Holdings Ltd

*For the Period Ending 30 September 2024*

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Contents	2
The 3-month review	3
Performance Information	4
Statement of Financial Performance	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Statement of Financial Position	13

Directors Report to the shareholders of Buller Holdings Ltd on the financial performance for the three months to 30 September 2024

**Commentary:**

The financial performance for the first 3 months of the financial year for the Group is currently tracking under budget but is higher than the equivalent period last year. The total revenue for the Group for the first quarter is higher than in the same period for the previous year but is less than budgeted for the first quarter of 2024/25.

WestReef Services Ltd (WSL) has performed satisfactorily from a financial perspective for the first quarter. Opportunities and scheduled work has been slow for the start of the year but this is expected to improve as tendering opportunities begin to hit the market, budgeted work from the Council is scheduled, and also as we start to move into the construction season.

The month of September was a particularly pleasing financial result for WSL. A strong focus on managing expenses in the current environment is starting to benefit the company.

Milestones for the company for the period include; achieving excellent health and safety objectives, completing the first tranche of carbon reporting and analysis, environmental projects department has completed the Oceana multipurpose track at Reefton which will contribute to the amenities available in the Buller region.

Buller Recreation Ltd (BRL) has had a good start to the financial year. Income is better than budgeted for the first quarter. BRL is committed to ensuring that expenses overall are managed efficiently, particularly as some costs such as electricity have increased markedly over the quarter.

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

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

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

A commentary against key performance indicators is contained on pages 4 to 8 of this report.

On behalf of the Board

Steve Grave

Chair

**Statement of Intent Targets:**

The targets as set out in the Buller Holdings Limited statement of intent for each subsidiary are shown below with an update of progress:

**Buller Holdings Limited**

The performance of Buller Holdings Limited will be judged against the following measures and targets;

Objective	Key Performance Measure	Budget Targets	
		2025	Achieved
<b>Health &amp; Safety</b>	Medical Treatment Injury	Nil	Nil
<b>Operational</b>	The board of directors will meet with the BDC Mayor and Chair Risk & Audit Committee on a formal basis: (per/year)	3 times per year	1
<b>Financial Parent (\$000)</b>	Revenue	\$751	\$186
	Expenditure	\$749	\$189
	Net Operating Surplus/(deficit)	\$2	(\$3)
	Provision for Capex	\$0	\$0
	Ratio of Shareholders Funds to Total Assets	>45%	84%
<b>Financial Group (\$000)</b>	Group Consolidated Operating Surplus before Tax	\$1,792	\$175
	Provision for capex	\$4,298	\$193
	Forecast distribution to Shareholders	\$1,300	At risk
	Ratio of Shareholders Funds to Total Assets	>45%	65%
	Gearing Ratio (Debt to Debt plus Equity)	<40%	12%
<b>Environmental</b>	Business Environmental Footprint	Establish KPIs and improve on 2024 baseline (<1,100,359kg CO2e)	272,860kg CO2e



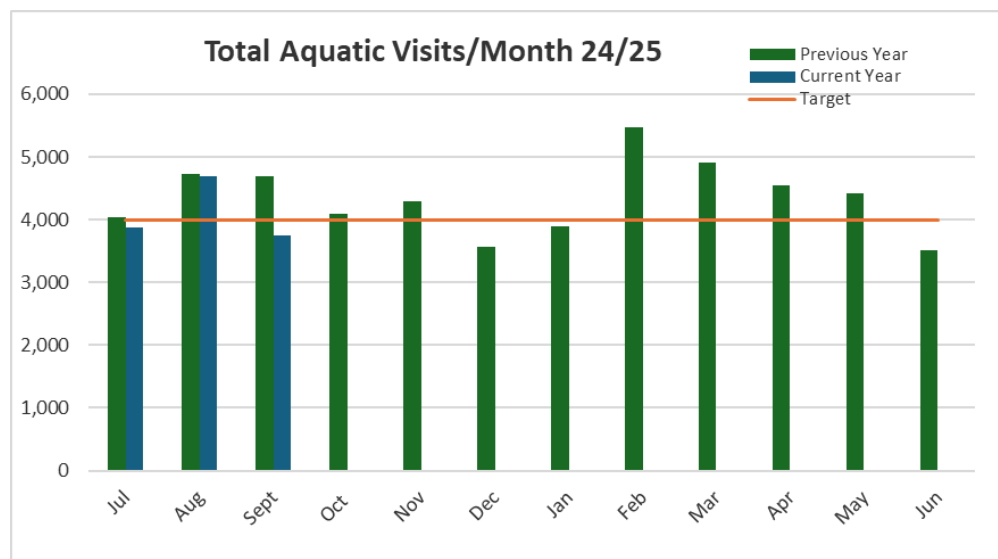
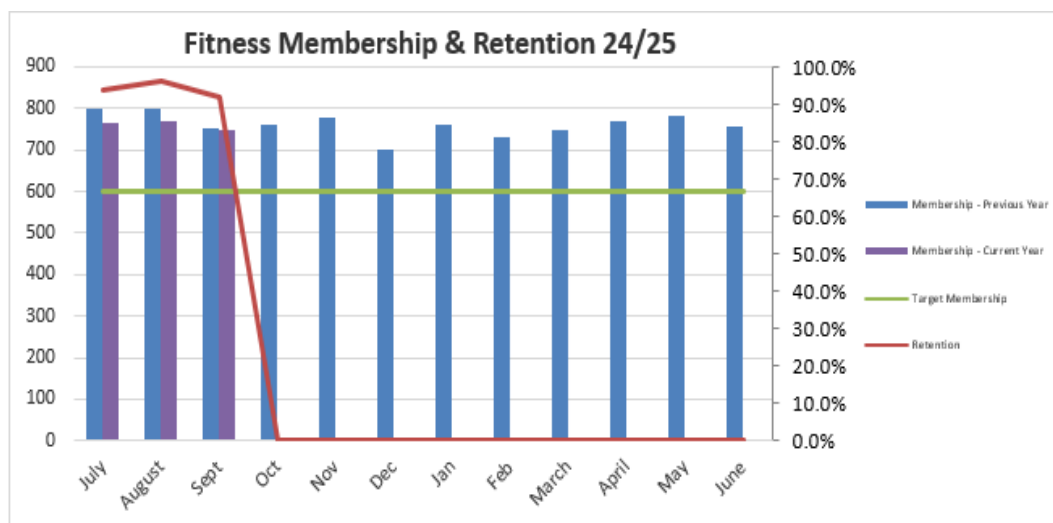
**WestReef Services Ltd**

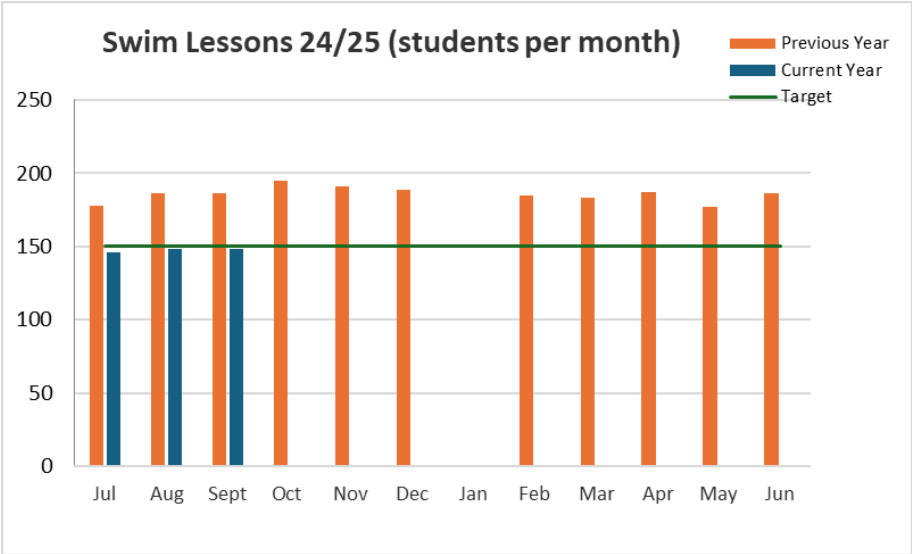
OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGETS	
		2025	Achieved
<b>Health &amp; Safety</b>	Medical Treatment Injuries	Nil	1 (not achieved)
	Notifiable Incident ICAM (investigated with recommendations actioned)	100%	None (achieved)
	Total safety audits completed	>100	66
	ISO 45001 Accreditation	Maintain accreditation	Achieved
<b>Operational</b>	Employee Satisfaction – Staff turnover excluding retirement, redundancy, and internal transfers.	Within the range of +/- 5% of the national benchmark	Measured at year end
<b>Employee Development &amp; Satisfaction</b>	Undertake staff satisfaction survey (every 2nd year)	Survey completed	Survey not yet completed
<b>Financial (\$000)</b>	Revenue	\$19,142	\$5,548
	Expenditure	\$17,169	\$5,282
	Net Operating Surplus before Tax	\$1,973	\$266
	Provision for Capex	\$4,150	\$192
	Competitively Procured Revenue	>45%	94%
	Ratio of Shareholders Funds to Total Assets	>45%	75%
<b>Environmental</b>	Number of enforcement notices	Nil	Nil
	Business Environmental Footprint	Establish KPIs and improve on 2024 baseline (<1,039,250kg CO2e)	255,869kg CO2e
<b>Community</b>	Support Minimum 25 community activities	25	7

**Buller Recreation Ltd**

Performance Measure	Key Performance Indicator	Targets	
		2025	Achieved
<b>Fitness membership</b>	Average membership over 12-month period.	>700	756
	Average retention rate over 12-month period	>75%	95%
<b>Aquatic centre usage</b>	Average visits per month over 12 months	>4,000	4,252
<b>Safety</b>	Medical Treatment Injuries	Nil	Nil
	Undertake staff satisfaction survey every second year	Survey completed	Not yet completed
	Undertake client satisfaction survey every second year.	Nil	Not required in 2025
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieved	Completed
<b>Financial Forecasts (\$000)</b>	Revenue	\$816	\$206
	BDC Service level fee	\$906	\$226
	Expenditure	\$2,257	\$562
	Net operating surplus (deficit) before Tax	(\$535)	(\$130)
	Cash surplus/(deficit) (after adding back depreciation)	\$5	\$3
	Provision for capex (funded by Council)	\$148	\$1
	Ratio of Shareholders Funds to Total Assets	>45%	80%
<b>Environmental</b>	Business Environmental Footprint	Establish KPIs and improve on 2024 baseline (<61,109kg CO2e)	16,991kg CO2e

July, August, September			
	2022	2023	2024
<b>Pool</b>	11,505	13,468	12,328
<b>Gym</b>	6,227	9,251	8,281





**STATEMENT OF FINANCIAL PERFORMANCE**

For the period ending 30 September 2024

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	5,955	6,107	186	188
Expenses	5,780	5,747	189	187
<b>OPERATING SURPLUS/(DEFICIT) before taxation</b>	<b>175</b>	<b>360</b>	<b>(3)</b>	<b>1</b>

**STATEMENT OF FINANCIAL PERFORMANCE**

For the period ending 30 September 2023

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	5,769	4,325	163	173
Expenses	5,628	4,161	167	172
<b>OPERATING SURPLUS/(DEFICIT) before taxation</b>	<b>141</b>	<b>164</b>	<b>(4)</b>	<b>1</b>

**STATEMENT OF CHANGES IN EQUITY**

For the period ending 30 September 2024	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2024	20,472	(9,468)	11,004	20,472	(12,040)	8,432
Profit for the period	-	175	175	-	(3)	(3)
	<b>20,472</b>	<b>(9,293)</b>	<b>11,179</b>	<b>20,472</b>	<b>(12,043)</b>	<b>8,429</b>
<b>Transactions with owners, recorded directly in equity</b>						
Issued capital	-	-	-	-	-	-
Closing balance 30 September 2024	<b>20,472</b>	<b>(9,293)</b>	<b>11,179</b>	<b>20,472</b>	<b>(12,043)</b>	<b>8,429</b>

For the period ending 30 September 2023	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2023	20,117	(7,822)	12,295	20,117	(13,930)	6,187
Profit for the period	-	141	141	-	(4)	(4)
	<b>20,117</b>	<b>(7,681)</b>	<b>12,436</b>	<b>20,117</b>	<b>(13,934)</b>	<b>6,183</b>
<b>Transactions with owners, recorded directly in equity</b>						
Issued capital	-	-	-	-	-	-
Closing balance 30 September 2023	<b>20,117</b>	<b>(7,681)</b>	<b>12,436</b>	<b>20,117</b>	<b>(13,934)</b>	<b>6,183</b>

**STATEMENT OF CASH FLOWS**  
**For the period ending 30 September 2024**

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2024	2024	2023	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Management fees	211	138	213	155
Receipts from Customers	7,250	23	5,547	8
Interest received	0	0	21	0
	<u>7,461</u>	<u>161</u>	<u>5,781</u>	<u>163</u>
Cash was applied to:				
Payments to suppliers and employees	7,613	349	4,584	106
GST paid	302	17	631	39
Interest paid	23	23	18	18
	<u>7,937</u>	<u>389</u>	<u>5,233</u>	<u>163</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u>(476)</u>	<u>(228)</u>	<u>548</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Realisation of term investments	407	130	2,593	130
Proceeds from sale of fixed assets	-	-	26	-
	<u>407</u>	<u>130</u>	<u>2,619</u>	<u>130</u>
Cash was applied to:				
Term investments	777	-	2,596	130
Purchase of fixed assets	193	-	116	-
	<u>970</u>	<u>-</u>	<u>2,712</u>	<u>130</u>
<b>Net cash inflow/(outflow) from investment activities</b>	<u>(563)</u>	<u>-</u>	<u>(93)</u>	<u>-</u>

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2024	2024	2023	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Dividends received	-	-	-	-
Share Issue	-	-	-	-
	-	-	-	-
Cash was applied to:				
Share Issue	-	-	-	-
Subvention payment made	-	-	-	-
	-	-	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	-	-	-	-
Net increase in cash held	(1,039)	(98)	455	0
Add opening cash as at 1 July	2,131	258	1,009	125
<b>Closing cash balance</b>	1,092	160	1,464	125
Made up of:				
Bank	1,092	160	1,464	125
<b>Closing cash balance</b>	1,092	160	1,464	125



**STATEMENT OF FINANCIAL POSITION**  
**As of 30 September 2024**

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
	2024	2024	2023	2023
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and short-term deposits	1,092	160	1,464	125
Receivable and prepayments	3,436	71	1,931	62
Inventories	251	0	264	0
Other Current Assets	0	0	1,000	1,000
Short Term Investments	777	0	2,596	130
<b>Total current assets</b>	<b>5,556</b>	<b>231</b>	<b>7,255</b>	<b>1,317</b>
<b>Non-current assets</b>				
Deferred tax	0	17	286	15
Fixed assets	11,075	2,400	8,872	403
Goodwill	389	0	389	0
Investment in Subsidiaries	0	7,430	0	7,075
<b>Total Non-current assets</b>	<b>11,464</b>	<b>9,847</b>	<b>9,547</b>	<b>7,493</b>
<b>Total Assets</b>	<b>17,020</b>	<b>10,078</b>	<b>16,802</b>	<b>8,810</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals	1,515	85	1,132	69
Employee entitlements	830	64	597	58
Provision for Subvention	611	0	1,137	0
<b>Total Current liabilities</b>	<b>2,956</b>	<b>149</b>	<b>2,866</b>	<b>127</b>

**Non-current liabilities**

Deferred Tax	1,385	0	0	0
Loans	1,500	1,500	1,500	2,500
<b>Total Non-current liabilities</b>	<b>2,885</b>	<b>1,500</b>	<b>1,500</b>	<b>2,500</b>
<b>Total Liabilities</b>	<b>5,841</b>	<b>1,649</b>	<b>4,366</b>	<b>2,627</b>

**EQUITY**

Share capital	20,472	20,472	20,117	20,117
Accumulated Funds	175	(3)	141	(4)
Retained earnings	(9,468)	(12,040)	(7,822)	(13,930)
	<b>11,179</b>	<b>8,429</b>	<b>12,436</b>	<b>6,183</b>

**Total Liabilities and Equity**

<b>17,020</b>	<b>10,078</b>	<b>16,802</b>	<b>8,810</b>
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## RISK AND AUDIT COMMITTEE

11 DECEMBER 2024

AGENDA ITEM: 18

**Prepared by** Paul Numan  
Group Manager Corporate Services

### PUBLIC EXCLUDED REPORT

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#### REPORT SUMMARY

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

#### DRAFT RECOMMENDATION

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

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	<b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or  <b>(s 7(2)(j))</b> - prevent the disclosure or use of official information for improper gain or improper advantage.
PE 2	Paul Numan Group Manager Corporate Services	Insurance Cover Placement 2024-25	<b>(s7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)