



# AGENDA

## Meeting of the **Risk and Audit Committee**

**Commencing at 3:30pm**  
**Wednesday 17 September 2025**

*To be held at the*  
Clocktower Chambers  
Palmerston Street  
Westport

Also held by Zoom



## CORE COUNCILLOR ROLE AND RESPONSIBILITIES

The Governance role entails:

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

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

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

### CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

Actively listening and not interrupting;

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

Responding/answering in a timely manner; and

Being honest, reasonable, and transparent.

### TRUST AND RESPECT

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

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

### CONTINUOUS LEARNING AND IMPROVEMENT

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

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

NONE OF US IS AS SMART AS ALL OF US

# Risk and Audit Committee

<b>Reports to:</b>	The Council
<b>Interim Chairperson:</b>	<b>Deputy Mayor Andrew Basher</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.
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**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



17 September 2025 03:30 PM

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Live Streamed to the Buller District Council YouTube Channel

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

### **AGENDA ITEM: 1**

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

#### **APOLOGIES**

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1. **REPORT SUMMARY**

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

2. **DRAFT RECOMMENDATION**

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

**OR**

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

## RISK AND AUDIT COMMITTEE

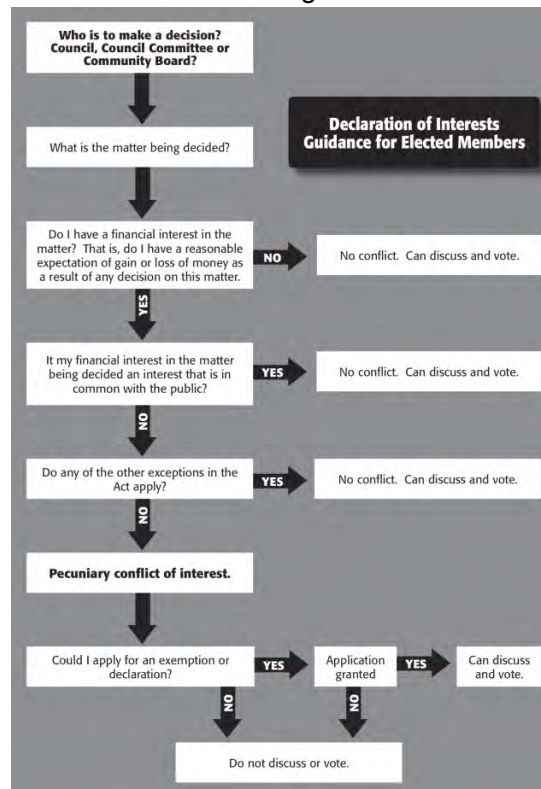
17 SEPTEMBER 2025

### AGENDA ITEM: 2

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

#### MEMBERS INTEREST

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



#### 4. DRAFT RECOMMENDATION:

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

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 3**

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

**Attachments** 1. Risk and Audit Committee Public Meeting Minutes 13 August 2025

### **CONFIRMATION OF PREVIOUS MINUTES**

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1. **DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receive and confirm the Public Meeting Minutes from 13 August 2025.**



**MEETING OF THE RISK AND AUDIT COMMITTEE, HELD AT 3:30PM ON  
WEDNESDAY 13 AUGUST 2025 AT CLOCKTOWER CHAMBERS,  
PALMERSTON STREET, WESTPORT.**

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**PRESENT:** Deputy Mayor A Basher, Mayor J Cleine, Cr R Sampson, Cr T O'Keefe, Cr G Weston, Cr P Grafton, Cr J Howard, Cr C Reidy, Cr L Webb

**PRESENT VIA ELECTRONIC LINK:** Cr G Neylon

**IN ATTENDANCE:** S Pickford (Chief Executive Officer), K Trigg (Group Manager Community Services), S Bastion (Group Manager Regulatory), A Blom (Group Manager Infrastructure Services), J Salmond (Corporate and Strategic Planning Manager), J Curtis (Manager Capital Works), B Little (Senior Policy Advisor), K Phipps (Manager Finance), G Pellow (Financial Accountant), C Borrell (Governance Assistant)

**IN ATTENDANCE VIA ELECTRONIC LINK:** P Numan (Group Manager Corporate Services), Penny Bicknell (Programme Manager - Recovery)

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

**PUBLIC FORUM:** Nil

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**MEETING DECLARED OPEN AT: 3:31pm**

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**1. APOLOGIES (Page 9)**

**Discussion:**

Cr A Pfahlert, N Tauwhare (IWI Representative)

**RESOLVED**

That the Risk and Audit Committee receive apologies from Cr A Pfahlert and N Tauwhare (IWI Representative).

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

**10/0**

**CARRIED UNANIMOUSLY**

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

**Discussion:**

Nil.

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

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

**10/0**

**CARRIED UNANIMOUSLY**





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

#### **Discussion:**

Nil.

**RESOLVED** That the Risk and Audit Committee receive and confirm the Public Meeting Minutes from 18 June 2025.

**Cr P Grafton/Mayor J Cleine**  
10/0

**CARRIED UNANIMOUSLY**

### 4. **ACTION POINTS (Page 17)**

#### **Discussion:**

Internal audit plan date to be changed to end of February 2026.

**RESOLVED** That the Risk and Audit Committee receive the August Action Point Report for information.

**Cr T O'Keefe/Mayor J Cleine**  
10/0

**CARRIED UNANIMOUSLY**

### 5. **WORK PLAN (Page 19)**

#### **Discussion:**

Annual report adoption 22/23 to be moved to December 2025.

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

**Cr P Grafton/Cr R Sampson**  
9/1

**Cr C Reidy against**  
**MOTION CARRIED**

### 6. **HEALTH AND SAFETY REPORT FOR THE LAST QUARTER (1 April 2025 – 30 JUNE 2025 (Page 21)**

#### **Discussion:**

Nil.

**RESOLVED** That the Health and Safety Report for the quarter 1 April – 30 June 2025 be received.

**Cr J Howard/Cr T O'Keefe**  
10/0

**CARRIED UNANIMOUSLY**

### 7. **NEMA AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES (Page 26)**

#### **Discussion:**

Nil.



**RESOLVED** That the NEMA and Better Off Funding Project Status Report Summaries dated 13 August 2025 be received.

**Cr C Reidy/Cr P Grafton**

**10/0**

**CARRIED UNANIMOUSLY**

**8. FINANCIAL PERFORMANCE REPORT AS AT 30 JUNE 2025 (Page 50)**

**Discussion:**

K Phipps spoke to the report and answered questions.

**RESOLVED** That the Financial Performance Report to 30 June 2025 - dated 13 August 2025 be received.

**Cr G Weston/Mayor J Cleine**

**10/0**

**CARRIED UNANIMOUSLY**

**9. BYLAWS AND POLICIES REVIEW AUGUST 2025 (Page 55)**

**Discussion:**

Confidential legal advice will be supplied to Councillors on Diligent.

**RESOLVED** That the report Bylaws And Policies Review August 2025 dated 13 August 2025 be received for information.

**Mayor J Cleine /Cr C Reidy**

**10/0**

**CARRIED UNANIMOUSLY**

**10. PROPERTY RATIONALISATION UPDATE (Page 58)**

**Discussion:**

Cr G Neylon departed the meeting 4:11pm

Cr G Neylon returned to the meeting at 4:11pm

**RESOLVED** That Council:

1. Notes progress made on the Property Rationalisation Project and sales to date.

2. Instructs the Chief Executive Officer to defer further preparatory work for the sale of Section 67 TN OF Denniston and Lot 1 DP 542 (Gillies Street, Denniston); and

3. Instructs the Chief Executive Officer to continue to:

(a) progress the preparation and sale of the two Reefton properties already identified for disposal; and

(b) identify any further properties no longer required for Council purposes and report back to Council for consideration.

**Cr G Weston/Cr J Howard**

**10/0**

**CARRIED UNANIMOUSLY**



**11. INFRASTRUCTURE SERVICES PROJECTS CONTROL GROUP REPORT (Page 65)**

**Discussion:**

Cr L Webb departed the meeting at 4:31pm

Cr L Webb rejoined the meeting at 4:35pm

**RESOLVED** That the Infrastructure Services Projects Control Group Report dated 13 August 2025 be received.

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

**10/0**

**CARRIED UNANIMOUSLY**

Cr C Reidy departed the meeting 4:38pm

**12. WAIMANGAROA RAW WATER PROJECT CLOSURE (Page 99)**

**Discussion:**

Cr C Reidy returned to the meeting 4:40pm

This report was left tabled to be brought back to a future meeting. Additional detail will be added including impact on rating and options for how unspent rated monies are used, project scope and approval, and five years' worth of information on how it's been spent.

**RESOLVED** That the Waimangaroa Raw Water Project Closure Report dated 13 August 2025 be received.

**MOVED**

**QTY**

**CARRIED UNANIMOUSLY**

**13. UPDATE ON LOCAL WATER DONE WELL PROJECT (Page 101)**

**Discussion:**

Nil.

**RESOLVED** That the update on Local Water Done Well dated 13 August 2025 be received.

**Cr C Reidy/Cr P Grafton**

**7/3**

**Cr R Sampson, Cr G Neylon, Cr L Webb against  
MOTION CARRIED**

**14. UPDATE ON THE 22/23, 23/24 AND 24/25 ANNUAL REPORTS (Page 103)**

**Discussion:**

Cr P Grafton departed the meeting at 5:23pm

Cr P Grafton rejoined the meeting at 5:24pm

Mayor J Cleine departed the meeting at 5:27pm



**RESOLVED** That the update on the 22/23, 23/24 and 24/25 Annual Reports dated 13 August 2025 be received.

**Cr C Reidy/Cr J Howard**  
8/1

**Cr G Neylon against**  
**CARRIED**

**Meeting adjourned at 5:33pm**

Cr G Neylon departed the meeting at 5:33pm

**Meeting reconvened at 5:44pm**

**15. DANGEROUS, AFFECTED AND INSANITARY BUILDINGS POLICY REVIEW (Page 105)**

**Discussion:**

Nil.

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

1. Receives the report;
2. Notes the decision of Council on 28 May 2025 to adopt the draft Dangerous, Affected and Insanitary Buildings Policy (Attachment 1) for public consultation;
3. Notes the public consultation and engagement process undertaken as required under the Building Act 2004 (section 132) and Local Government Act 2002 (section 83);
4. Considers the submission received from Health New Zealand Te Whatu Ora (Attachment 2);
5. Recommends that Council:
  - ii. Adopts the Dangerous, Affected and Insanitary Buildings Policy with minor amendments (Attachment 3) to take effect from 1 September 2025.

**Deputy Mayor A Basher/Cr C Reidy**  
8/0

**CARRIED UNANIMOUSLY**

**16. BULLER DISTRICT COUNCIL BUSINESS CONTINUITY MANAGEMENT SYSTEM (Page 138)**

**Discussion:**

Page 144 – Spelling mistake to correct.

**RESOLVED** That the Buller District Council Draft Business Continuity Management System dated 13 August 2025 be received.

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



**8/0**  
**CARRIED UNANIMOUSLY**

**17. PMO REVIEW: PROCESS IMPROVEMENT OPPORTUNITIES ACTION PLAN – UPDATE AUGUST 2025 (Page 281)**

**Discussion:**

Page 283, 1A – year to be added.

**RESOLVED** That the “PMO Review: Process Improvement Opportunities Action Plan – Update August 2025” dated 13 August 2025 be received.

**Cr G Weston/Cr R Sampson**

**8/0**  
**CARRIED UNANIMOUSLY**

**18. PUBLIC EXCLUDED REPORT (Page 135)**

**Discussion:**

Nil.

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

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	<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>

**Deputy Mayor A Basher/Cr J Howard**

**8/0**  
**CARRIED UNANIMOUSLY**

**MOVED INTO PUBLIC EXCLUDED: 6:07pm**

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 4**

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

**Attachment:** 1. Risk and Audit Committee Action Points September 2025

### **ACTION POINTS**

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1. **DRAFT RECOMMENDATION**

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

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
249	<b>11 December 2024</b> <b>CAPITAL WORKS PROGRAMME REPORT</b> The Waimangaroa Water Upgrade Surplus (from the Capital Works Programme Report) is to be updated in the bimonthly Risk and Audit Committee report around the progress of options for this surplus with the intention of a paper brought back Council regarding options for the surplus.	J Curtis/P Numan	<u>Update 23 January 2025</u> A paper regarding the surplus will be brought to Council in April 2025 <u>Update 1 April 2025</u> Draft paper being reviewed, aiming for May 2025 Council <u>Update 5 June 2025</u> Draft paper under reviewed, aiming for July 2025 Council <u>Update 13 August 2025</u> Paper is included in the August Risk and Audit Committee Agenda. <u>Update 17 September 2025</u> A paper is to be brought back to the new Council with additional detail that includes impact on rating, project scope and approval and five years' worth of information on how the money has been spent.	12 February 2024 30 April 2025 May 2025 July 2025 August 2025 TBC
252	<b>18 June 2025</b> <b>REX WORKSHOP TO BE HELD</b>	S Bastion	Incorporated into business as usual (BAU). Under development with council information. Until all assets are loaded, we will defer the workshop.	April 2026
253	<b>18 June 2025</b> <b>Internal Audit Schedule to be created</b>	P Numan	Internal audit schedule to be developed. <u>Update from meeting 13 August 2025</u> Due date by end of February 2026	Early 2026 28 February 2026

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 5**

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

**Attachments:** 1. Risk and Audit Committee Work Plan September 2025

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

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#### **1. DRAFT RECOMMENDATION**

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



Risk and Audit Committee  
Programme 2025 Calendar Year

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

## RISK AND AUDIT COMMITTEE

17 SEPTEMBER 2025

AGENDA ITEM: 6

**Prepared by** Penny Bicknell  
Programme Manager

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

**Attachments** 1. Better Off Funded Projects Status Report August 2025  
2. Reefton Campground Accommodation Status Report August 2025

**Public Excluded:** No

### BETTER OFF FUNDING AND REEFTON CAMPGROUND 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 Better Off Funded projects for the month ended August 2025 (July 2025 financials) and for the Reefton Campground Accommodation project for the month ended August 2025 (July 2025 financials).

2. **EXECUTIVE SUMMARY**

Key points to note from each of the Programmes of Work for August/September 2025

3. **Better Off Funded Projects (3 projects remaining)** *see full report Attachment 1.*

- 3 Waters projects - 4 projects completed with the last project in progress which will be co-funded by BAU Capital works.
- Reefton Stormwater modelling project is progressing – due to be completed October
- Cultural Community Hub – Heritage Works continuing with further site assessment work in September and an initial concept design to be presented to the BCCH Project Group by early October. At this point the BoF element should be completed

4. **Reefton Campground Accommodation project** - *see full report - attachment 2.*
- Good progress due to fine weather
  - Minister Jones visited the site for an official opening on 12 September
  - Drawdown of funds from DWC completed
  - Site handover scheduled for week commencing 15 September 2025
  - With the financial position/loan repayments and invoicing required on the Licence to Occupy in the future, handover needs to include Finance team, Campground management and BDC operational staff with clear roles and responsibilities agreed.

5. **DRAFT RECOMMENDATION**

**That the Better Off Funding and Reefton Campground Project Status Report Summaries dated 17 September 2025 be received.**

## Project Status Report – Better Off Funding Projects overview – August 2025



### Programme/Project Details

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

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

State of Play	
Last Month (August)	Next Month (September)
<ul style="list-style-type: none"> <li>Submitted claims for 4 projects totalling \$368,358. These are awaiting approval by CIP</li> <li>3 Waters – <ul style="list-style-type: none"> <li>As Builts for both Inangahua projects finalised and approved with practical completion issued.</li> <li>Work on final repair resource consent applications ongoing and RFIs for Hughes Place</li> </ul> </li> <li>Reefton stormwater/wastewater modelling – DO provided a scope for the required survey to fill the data gaps required for the model</li> <li>Community Hub Feasibility Study/concept - Continued discussions re set up of Charitable Trust. Heritage works funding for the concept work is split between the BoF funding and the funding being managed Homebuilders from the Resilience Trust fund.</li> </ul>	<ul style="list-style-type: none"> <li>Submit further claims to CIP for claims balances.</li> <li>Continue Resource consent application. This remaining project is jointly funded with BAU funding from IS.</li> <li>WestReef have been requested to assist with the survey to collect the missing data. This is scheduled for completion by October.</li> <li>The Architect - Heritage Works Limited continues to develop the BCCH Concept Design, incorporating feedback and information gathered from the BCCH Project Group, Feasibility Study findings, AMK Structural Engineering, Studio Hutchinson, Landcult, Isthmus, BDC staff, DOC, and the PM, with design references based around the preferred site. The Architect plans to travel to Westport in mid/late September (date to be confirmed) for further site assessment work, to complete drone photography and present an initial concept design to BCCH Project Group</li> </ul>

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

Financials (31 July 2025)							
Budget and Expenditure Summary.							
July 2025 Financials							
Project	Budget	Actual Cost to date	Claims submitted July	Revenue to date	Forecast Cost to complete	To claim	
3 Waters	\$ 1,095,000	\$ 861,615	\$ 117,207	\$ 693,116	\$ 233,385	\$ 51,292	
Programme Management	\$ 165,000	\$ 165,000		\$ 165,000	\$ -	\$ -	
Reefton Wastewater modelling	\$ 150,000	\$ 48,642		\$ -	\$ 101,358	\$ 48,642	
Climate Change adaptation	\$ 250,000	\$ 250,000		\$ 250,000	\$ -	\$ -	
Master planning	\$ 250,000	\$ 250,000		\$ 250,000	\$ -	\$ -	
Community Hub Feas/concept	\$ 200,000	\$ 166,874		\$ 143,578	\$ 33,126	\$ 23,296	
Civil Defence	\$ 275,000	\$ 273,958		\$ 275,000	\$ 1,042	\$ -	
Airport Relocation options study	\$ 34,358	\$ 34,358		\$ 34,358	\$ -	\$ -	
Karamea Reserve Water	\$ 65,000	\$ 65,000		\$ 65,000	\$ -	\$ -	
Westport Critical Water	\$ 110,288	\$ 110,288		\$ 110,288	\$ -	\$ -	
Reefton Campground	\$ 300,000	\$ 300,000	\$ 158,129	\$ 141,871	\$ -	\$ -	
Ngakawau Swimming Pool	\$ 310,000	\$ 310,000		\$ 310,000	\$ -	\$ -	
Granity Fund raising centre	\$ 25,000	\$ 25,000		\$ 25,000	\$ -	\$ -	
Stormwater/Wastewater	\$ 135,000	\$ 134,922	\$ 77,380	\$ -	\$ -	\$ 57,542	
Bore water tests	\$ 50,000	\$ 50,000		\$ 50,000	\$ -	\$ -	
LWDW report	\$ 15,642	\$ 15,642	\$ 15,642	\$ -	\$ -	\$ -	
RW Stormwater concept	\$ 69,712	\$ 69,712		\$ 69,712	\$ -	\$ -	
Total	\$ 3,500,000	\$ 3,131,011	\$ 368,358	\$2,582,923	\$ 368,911	\$ 180,772	
Colour key:		Project completed	Awaiting approval	Draw down complete	(3 Waters retentions \$28.3k)		



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

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

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

## Communications

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

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

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

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

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

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

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

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

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

Media Release for completion of Granity Fundraising Centre – July

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

October – Media coverage from RAC meeting re funding hold.

November – Plan media release for Inangahua tender

December – media release for Inangahua contract

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

July – Reefton Campground Accommodation project update – Reefton Clarion and Fb update (28 July)





## Reefton Campground Accommodation Project

Reporting Month Ending:	<i>31/08/2025</i>
Project Sponsor:	<i>Paul Numan</i>
Business Owner:	<i>Anthony Blom</i>
Programme Manager:	<i>Penny Bicknell</i>
Project Manager:	<i>Rick Barry</i>
Last RAC Meeting:	<b><i>13 August 2025</i></b>
Next RAC Meeting:	<b><i>18 September 2025</i></b>



## R.A.G (Red, Amber, Green) Status

<b>Overall:</b>		<i>Overall project status is good. All contracts are in place.</i>
<b>Budget:</b>		<i>Project is within budget</i>
<b>Scope:</b>		<i>Design changes and consent amendments have been required for the factory build.</i>
<b>Resource:</b>		<i>After issues with contract negotiations, all resources are contracted for the project. The project manager has increased duties due to the additional contracting requirements.</i>
<b>Schedule:</b>		<i>Due to necessary factory build construction alterations and consent amendments, the ran two weeks behind in the factory, with delivery on site from 11 to 15 August. Aiming for a handover the week of 15 September.</i>
<b>Risks / Issues:</b>		<i>Biggest risk is onsite weather delays, which may impact the final completion date and budget. Stakeholders are updated regularly and currently on schedule</i>

## Decision log

Decision	Description	Outcome implications



## Project / Programme State of play

Last Month	Next Month
<ul style="list-style-type: none"> <li>• <b>South Peak Homes (SPH) Factory Build</b> <ul style="list-style-type: none"> <li>○ Final factory fit-out of all kitchen and bathroom fixtures and fittings.</li> <li>○ Completion of internal plumbing, electrical, gas and heat-pump connections, ready for onsite connections.</li> <li>○ Transport and delivery progressed 11 to 14 August</li> </ul> </li> <li>• <b>Onsite Civil</b> <ul style="list-style-type: none"> <li>○ WestReef completed 95% of Stage Two – 3 Waters mains connections by Friday 6 August 2025.</li> <li>○ Site access was cleared and prepared for the 100ton crane establishment and the transporters delivering the cabins.</li> <li>○ WRS Stage Two work was completed following the cabin deliveries and crane lifting work.</li> </ul> </li> <li>• <b>Onsite Building</b> <ul style="list-style-type: none"> <li>○ Cabins secured to foundations; roof, flashings, cladding, soffits, and vent installation</li> <li>○ Verandas, decking, lean-to roofs, steps, handrails, and perimeter baseboards built; exposed timbers painted.</li> <li>○ Accessible ramps and footpath formwork prepared; concrete pours booked for 3 September.</li> <li>○ Barebones landscaping advanced – edging, soil prep, feature rock/bark, lawn seeding; garden planting may follow later subject on budgeted.</li> <li>○ Additional excavator and retaining work underway at Broadway (north) boundary for safe levels.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Onsite Civil</b> <ul style="list-style-type: none"> <li>○ WestReef Stage 3 - Commence timber edging construction for the carparks and laneway</li> <li>○ Construct laneway surface and drainage channels, ready for 2-coat chipseal (to be chip-sealed in summer)</li> </ul> </li> <li>• <b>Onsite Building</b> <ul style="list-style-type: none"> <li>○ Final landscape works subject to remaining budget will be completed by Camp Management</li> <li>○ Site clean-up, temporary fencing, plant and equipment removal planned ahead of opening handover.</li> <li>○ Cabin furniture fit-out by Camp Management</li> <li>○ Minister Shane Jones opening scheduled 12 September</li> </ul> </li> <li>• <b>Project Closure</b> <ul style="list-style-type: none"> <li>○ Week of 15 – 19 September; handover and project closure</li> </ul> </li> <li>• <b>Compliance</b> <ul style="list-style-type: none"> <li>○ Remaining inspections and compliance documentation is anticipated to be completed by 12 September 2025</li> </ul> </li> </ul>



## Project / Programme Financials

Current Financial Year – FY26 At 31 July 2025		
Funds	Approved Budget (A)	Drawdown received
Better Off Fund	\$300,000	\$141,871
Federation Mining	\$350,000	\$350,000
DWC Loan	\$700,000	\$700,000
BDC Amenities Reserve	\$338,000	\$0
BDC IS BAU	\$43,102.30	\$ 43,102.30
<b>Totals</b>	<b>\$1,731,102.30</b>	<b>\$1,234,973.30</b>

Life to Date - Expenditure to 31 July 2025					
July 2025 - Reefton Campground Accommodation	Approved Budget (A)	Total Spend to Date (Actuals) (B)	Forecast cost to complete (C)	Forecast cost at completion (B+C = D)	Project Variance (A-D)
Planning	\$5,000	\$4,305	\$0	\$4,305	\$695
Tender/contract management	\$22,000	\$21,084	\$0	\$21,084	\$916
Design	\$50,000	\$40,906	\$1,625	\$42,531	\$7,469
Consents & Approvals	\$26,500	\$36,908	\$0	\$36,908	-\$10,408
Legal	\$20,000	\$34,888	\$0	\$34,888	-\$14,888
Project/Programme Management	\$80,000	\$90,859	\$23,911	\$114,770	-\$34,770
Construction – site prep/ 3 waters	\$262,806	\$171,962	\$82,715	\$254,677	\$8,128
Construction on site	\$318,500	\$212,000	\$106,500	\$318,500	\$0
Cabin construction off site	\$760,946	\$568,738	\$192,208	\$760,946	\$0
Other Contractors on site	\$101,460	\$41,100	\$67,483	\$108,583	-\$7,123
Insurance		\$5,258	\$818	\$6,076	-\$6,076
Contingency	\$83,890		\$27,833	\$27,833	
<b>Totals</b>	<b>\$1,731,102</b>	<b>\$1,228,009</b>	<b>\$503,092</b>	<b>\$1,731,102</b>	<b>-\$56,057</b>

**Final variations to be met out of contingency:**

- 50% of Inground fibre connection \$10,921.50. 50% to be met by Campground operations
- Other cost variations: \$16,961.50
  - Cost of EWP all terrain scissor lift due to site constraints and health & safety requirements
  - Relocation of 3 x external heat pump units due to position of electrical mains distribution infrastructure and accessible concrete ramps
  - Supply of materials and Labour for retaining wall on the north bank, garden and lawn areas, and excavator work (cost of Plants and planting to be met by Campground operations)



## Project / Programme High-Level Roadmap

Project Name	FY FY25				FY FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Reefton Campground Accommodation								





## Project / Programme Milestones

Milestone	Baseline Date	Actual Date	% Complete	Comment
Resource consent	22-Nov-24	31-Mar-25	100%	Completed and approved
Building consent process	24-Jan-25	31-Mar-25	80%	BC250011 approved. Factory build variations and BC amendments approved. Scheduling ongoing for building consent inspections and consent documents; to achieve CCC.
Tender (GETS)	13-Feb-25	31-Mar-25	100%	Completed and Contracts approved
Council and Stakeholder approvals	31-Mar-25	10-Apr-25	100%	Approvals complete
South Peak Homes (SPH) factory build	30-Apr-25	11-Aug-25	95%	Factory build completed. Minor remediation works onsite
WestReef Services Stage One – siteworks/earthworks	30-Apr-25	19-May-25	100%	Complete
WestReef Services Stage Two – 3 waters	30-Apr-25	08-Aug-25	100%	All stage two work completed
Onsite piling/foundations etc	04-Jun-25	25-Jun-25	100%	All driven piling and concrete foundation work is complete. AMK Engineers certification for piles and intertenancy concrete nib walls approved
Onsite inground pre-pipe drainage and plumbing trenching and install	19-Jun-25	25-Jul-25	100%	All prep-pipe work is completed.
Onsite decking, step, ramp and access footpath construction	19-Jun-25	06-Sep-25	80%	Deck, step and ramp construction 80% completed. Concrete pathways being poured 3 September.
Onsite construction of east boundary fence	28-Jul-25	15-Sep-25	0%	Supply and construction now scheduled last job



Cabin units transport, unloading and fixing to piles	11-Aug-25	15-Aug-25	100%	All cabin units are on site and fixed to piles
Install new power supply	04-Aug-25	22-Aug-25	95%	The mains cable and cable ducts are installed. Final power connections completed, awaiting Energy Certificate documentation
Drainage and plumbing underfloor installation and connections	18-Aug-25	22-Aug-25	95%	The underfloor plumbing and final connections completed baring hose taps, terminal vents and downpipes (waiting on perimeter baseboards)
Onsite – complete pile fixings, baseboards, verandas, decks, steps and ramps, pathways, hard landscaping	11-Aug-25	12-Sep-25	80%	Deck, step and ramp construction 80% completed. Concrete pathways being poured 3 September. Handrails are currently being fabricated with installation scheduled 8 to 11 September
Stage 3: Construct Access Lane and carparking	15-Aug-25	12-Sep-25	0%	Survey site and mark-out on 2 September. Timber edging construction commences 4 September with gravel surface finishing scheduled 8 to 11 September. Chip seal coating delayed until summer weather
Commissioning, Compliance certification and handover	15-Sep-25	19-Sep-25	0%	Three-week delay from original date



## Project / Programme Key Documents

Sharepoint link	Document	Expected submission date	Approval date	Comments
	Indicative Business Case	[Insert date]	[Insert date]	
	Detailed Business Case	14-Apr-25	16-Apr-25	
	Change Request(s)	[Insert date]	[Insert date]	[All change requests must be listed. Insert lines as needed.]
	Closure Report	[Insert date]	[Insert date]	

## Project / Programme Risks

Risk ID	Date last Reviewed	Short Risk Name	Source of Concern / Opportunity	Implications	Risk Owner	Rating	Trend	Treatments
01	27/06/25	Non-Compliance	Failure to meet building and/or resource consent conditions	Non-compliance with construction, causing illegal building  Loss of reputation for Stakeholders	Project Manager	Medium	No Change	Ensure early engagement with compliance authorities and regular audits to identify and resolve issues in a timely manner.
02	27/06/25	Timeline Overruns	Changes to construction	Not meeting Stakeholder	Project Manager	High	Increasing	Ensure early and continuous engagement with the Contractors,

			methodology, amendments to Consents, delays with resources, adverse weather, unanticipated event	and/or Investor expectations				Compliance authorities and Stakeholders. Identify and resolve or negotiate timeline issues
03	27/06/25	Cost Overruns	Shortfall in external funding or cost escalations beyond approved budget	Not completing the project work to code compliance, due to lack of budget	Project Manager  Project Working Group	Medium	No Change	Secure commitments from external funders early  Secure tender offers within the approved budget  Confirm with stakeholder the elements of project that are negotiable
04	27/06/25	Operational responsibilities	Ineffective coordination among stakeholders, leading to decision and responsibility uncertainties	Misunderstandings with decision-making responsibilities between the Project Manager, Project Team and Camp Management, leading to decision delays, duplications or unauthorised decisions.	Project Manager  Project Working Group	Medium	No Change	Regular stakeholder meetings, confirming and document roles and responsibilities

05	27/06/25	Stakeholder responsibilities	Community or stakeholder opposition, requiring consultation process	Decision delays, causing timeline and/or financial challenges	Project Manager Project Working Group Main Stakeholders	Medium	No Change	Proactive engagement through regular stakeholder meetings, Stakeholder and public consultation as necessary
06	27/06/25	Health and Safety responsibilities	Inadequate safety measures during construction activities,  Interaction with camp BAU  Managing unauthorised public interaction on the site	Injury to work personnel, camp staff or members of the public  Non-compliance	Project Manager Contractor Camp Manager	Medium	No Change	Implement robust Site-specific health and safety plans with Contractors and Subcontractors, including Tool Box meetings  PM to complete regular site inspections to ensure onsite compliance.
07	27/06/25	Environmental responsibilities	Negative environmental impact, due to poor Contractor environmental controls and/or infrastructure strain.	Non-compliance	Project Manager Contractor BDC IS	Low	No Change	Contractor to adopt proactive practices in compliance with Enviro Management Plan.  Upgrades to freight infrastructure



08	27/06/25	Legal and Governance responsibilities	Unclear responsibility or poorly managed contractual obligations	Contractual disputes	Project Manager Contract or Investors	Medium	No Change	Develop clear contracts and formalise ownership responsibilities.
		Project handover to BDC operations	Due to the financial obligations to repay loans, need clarity on BDC operational responsibilities and Camp Management responsibilities and ongoing reporting requirements	Risk of decision delays by BDC, cost disputes, and ongoing operational gaps without clarity of responsibilities and obligations	BDC business As Usual  Reefton Recreational Reserve Subcommittee  Finance Team	Medium	New	Confirm clear understanding of various financial and operational responsibilities

## Project / Programme Issues

Issue ID	Date Raised	Issue Description	Priority	Action Required	Issue Owner
01	27-Jun-25	South Peak Homes (SPH) factory design changes, consent compliance process	High	SPH to continue working with their sub-contractors to recover time, including	Project Manager



		timelines with intertenancy fire walls, plus a two-week delay in window joinery supply has pushed the cabin delivery from 21 July to the week of 11 to 15 August 2025.		<p>accelerating internal works for plastering, painting, final fit-out of kitchens, bathrooms and services</p> <p>Project Manager to work closely with SPH to monitor factory progress. Reefton onsite Builders - West Coast Building and Development (WCBBD) are completing some roofing work in the SHP factory to help reduce roofing work onsite. WCBBD and other onsite contractors are committed to actively identify and implement opportunities to pull back time once cabins are delivered and fixed to piles</p>	<p>South Peak Homes</p> <p>Onsite Contractors</p>
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## Project / Programme Dependencies

Ref #	Description	Urgency	Owner	Critical Date	Progress / Actions
01	The damaged sewer main is part of the essential infrastructure required to provide compliant wastewater drainage for the new cabin units. The location of the sewer main is the access lane to the new cabin site	H	<p>BDC Infrastructure Services</p> <p>Project Manager</p> <p>WestReef Services</p>	08-Aug-25	Completed



## Partnerships / Relationship Management

Partnership / Relationship	Notes
Development West Coast	Loan funding secured. Included in monthly stakeholder meeting. First draw down of \$500k due mid July 2025
Federation Mining/Endura	Final client and funding contributor. Included in monthly stakeholder meetings and kept up to date on potential delays to the project.
Reefton Campground Committee	Consulted in all decision making. Monthly report
Buller District Council	<p>Vested ownership responsibilities of the Reefton Campground, which is located on Recreational Reserve, managed in accordance with the provisions of the Reserves Act 1977</p> <p>Responsible for the ongoing management of the camp operations</p> <p>Responsible for local infrastructure: roads, footpaths, water supply, wastewater, stormwater, and waste services.</p> <p>Recipient of the DWC loan funding with responsibility for ensuring repayments of the loan.</p> <p>Additional loan funding through the Amenities Reserve Fund. BDC finance team to ensure repayments to the fund and appropriate interest payments.</p>

## Media and Communications

- Community consultation was completed as part of the Council approval process, with public submission opportunities and public updates communicated via the BDC Facebook page, the Westport News, and the Reefton Clarion.
- The BDC Community Engagement team has worked with the Project Manager to provided project milestone media releases and activity updates through the BDC Facebook page, Reefton Clarion, neighbourhood mail drops, and notices at the BDC Reefton Information Centre.
- The Westport News recently reported positively on project support from Federation Mining, Development West Coast (DWC), Buller District Council (BDC), and Central Government, following a stakeholder visit to the South Peak Homes factory, which includes the Buller Mayor and BDC Corporate Services Manager.
- Project update submitted to Reefton Clarion for 28 July 2025.
- Media release – Minister visit 12 September 2025





## Images (August 2025)



## **BULLER DISTRICT COUNCIL**

**DATE 17 SEPTEMBER 2025**

### **AGENDA ITEM: 7**

**Prepared by** Jess Curtis  
Capital Works Manager

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

**Attachments** 1. Attachment 1 – BDC Projects Control Group Report September 2025

### **BULLER DISTRICT COUNCIL PROJECTS CONTROL GROUP REPORT**

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1. **REPORT PURPOSE**

The attached Buller District Council Projects Control Group report provides a status update on key operational and capital projects for the Council's information. The report captures project health through budget, scope, resource, schedule, risks/issues and financial tracking for each project.

2. **EXECUTIVE SUMMARY**

The monthly projects report shows key operational and capital projects that are run by Council by capturing project health through budget, scope, resource, schedule, risks/issues and financial tracking for each project.

3. High risks, health and safety events including notifiable events and communications for the month are also included in the report. Risks are reviewed and adjusted monthly with high risks and mitigations identified in the June/July report from page 17/18, with the following risk added to the report:

- Reefton Swimming Pool - If the HVAC cost is higher than the available budget, then the full project scope may not be able to be completed, or by the October pool opening date.

4. Project summaries previously shown in Appendix 1 have been removed with the intention to be displayed on Council's website instead prior to December 2025.

5. Further projects for the wider organisation will be added as the year progresses with the report format changing to suit the wider organisation.

6. Carryovers in the capital variation report have been adjusted to reflect the proposed carryover as described in the 17 September 2025 RAC (Infrastructure only)

- Move to 2025 – 26 \$4,734,851

7. The report colour coding represents the following:

Colour	Description
	<u>Off track</u> <ul style="list-style-type: none"> <li>Budget – budget variation is forecasted to be 10% over budget, insufficient to deliver or external funding unconfirmed</li> <li>Scope – not well defined and/or highly likely that the approved scope cannot be delivered</li> <li>Resources – project is significantly under resourced and/or specific skills not in place</li> <li>Schedule – no clear visibility of deliverable dates and/or delays in completing deliverables for the delivery dates</li> <li>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.</li> </ul>
	<u>On track for now, aspects need resolution</u> <ul style="list-style-type: none"> <li>Budget – budget variation is forecasted to be 5-10% over budget with work underway to resolve</li> <li>Scope – not well defined with a scope change identified which may require additional budget/resources/time</li> <li>Resources – some variances exist and/or required skills</li> <li>Schedule – not enough visibility of deliverable dates, delays may impact final delivery dates</li> <li>Risk/Issues - some mitigation strategies are in place but with improvement needed. Risk status overall is worsening.</li> </ul>
	<u>On track</u> <ul style="list-style-type: none"> <li>Budget – project on track against approved budget</li> <li>Scope – well defined and on track for delivery</li> <li>Resources – required resources/capabilities are in place</li> <li>Schedule – clear deliverable dates with no delays to baseline delivery dates</li> <li>Risk/Issues - risks are fully assessed and managed</li> </ul>
	Baselines not yet set to measure report against.

8. **DRAFT RECOMMENDATION**

**That the report Buller District Council Projects Control Group report dated 17 September 2025 be received.**



## Buller District Council Projects report

<b>Reporting Month Ending:</b>	August 2025
<b>Financial Month Ending:</b>	July 2025
<b>This Control Group Meeting:</b>	15 August 2025
<b>Next Control Group Meeting:</b>	17 September 2025

### Purpose

This report provides an overview of key projects run by Buller District Council. Information on many of these projects can be found under [Key projects](#) on the Buller District Council website.

### Overall Capital Financials

The table below provides a rolled-up overview of the annual capital budgets, carryovers, and costs to date along with remaining expenditure for each portfolio within Infrastructure Services. The figures below represent the 25/26 capital programme budget, tracked against delivery. Figures in red show an overspend compared to budget.

Portfolio	25/26 Full Year budget	Carryovers from 24/25	25/26 Full Year Budget incl. 24/25 c/f	YTD July Budget	YTD July Cost	Variance July YTD	2025/26 YTD Variance July	Commentary
Local Roads	\$4,606,788	\$507,718	\$5,114,506	\$383,899	\$625,747	(\$241,848)	63.0%	Overall there is a \$36.1k overspend against budget. This is the result of the phasing of the budget
Special Purpose Roads	\$1,633,848	\$0	\$1,633,848	\$136,154	\$101,160	\$34,994	25.7%	
Transport & Urban Development	\$2,048,136	\$0	\$2,048,136	\$170,678	\$0	\$170,678	100.0%	
Sewerage Schemes	\$5,304,463	\$235,000	\$5,539,463	\$157,605	\$203,635	(\$46,030)	(29.2%)	
Water Supplies	\$3,444,512	\$3,060,479	\$6,504,991	\$41,067	\$591,433	(\$550,366)	(1340.2%)	July includes \$364k for the trunkmain (part of 23/24 c/f). Balance of the variance is the result of the timing of costs in relation to the phasing of the budget.
Stormwater Network	\$1,474,371	\$420,000	\$1,894,371	\$168,930	\$190,874	(\$21,944)	(13.0%)	variance is the result of the actual costs incurred in Jul, but planned for later in the year
Solid Waste	\$966,557	\$0	\$966,557	\$0	\$65	(\$65)	(100.0%)	
Community Facilities	\$1,371,722	\$511,654	\$1,883,376	\$58,418	\$539,426	(\$481,008)	(823.4%)	July costs include the Reefton Campground costs which were incurred in July, but the budget phasing was equal throughout the year
<b>Total</b>	<b>\$20,850,397</b>	<b>\$4,734,851</b>	<b>\$25,585,248</b>	<b>\$1,116,751</b>	<b>\$2,252,340</b>	<b>(\$1,135,589)</b>	<b>(101.7%)</b>	



## Infrastructure Accelerated Fund Programme Health Check

The Infrastructure Accelerated Fund programme looks to deliver infrastructure investment to catalyse the development of future new housing in Alma Road funded through Kāinga Ora. The stage 1 (design) budget of \$1,300,500 included \$1,100,000 from Crown Funding and \$200,500 of BDC funds. The stage 2 (construction budget) delivery plan has been approved, and procurement of a construction project manager is underway for confirmation in August.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Transport - Pedestrian Cycleway - 10253							\$132,047	\$110,320	\$0	\$110,320	\$21,727
Commentary	Design completed Safe System Audit commentary from NZTA for State Highway works received.										
Transport Road safety improvements - 10254							\$262,256	\$266,973	\$15,962	\$282,935	-\$20,679
Commentary	Design completed Safe System Audit commentary sought from NZTA for State Highway works.										
WWTP Upgrade - 10257							\$130,439	\$132,686	\$0	\$132,686	-\$2,247
Commentary	WWTP structural design and water supply design complete.										
WW Pressure Lines -10258							\$259,061	\$258,042	\$0	\$258,042	\$1,019
Commentary	Low pressure sewer design complete. Ownership of pumps on private property to be formalised.										

<b>Water Supply - Watermain Ext - 10261</b>							\$64,550	\$69,028	\$0	\$69,028	-\$4,478
<b>Commentary</b>	Water main design complete.										
<b>Stormwater - 10259</b>							\$81,599	\$81,565	\$0	\$81,565	\$34
<b>Commentary</b>	Stormwater design complete.										
<b>Programme Management- 10252</b>							\$370,548	\$364,958	\$5,590	\$370,548	\$0
<b>Commentary</b>	Construction funding has now been secured and Delivery Plan variation signed in June 2025.										

	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast Cost to Complete	Variance	Commentary
<b>Overall Programme finances</b>	<b>\$1,300,500</b>	<b>\$1,283,572</b>	<b>\$21,552</b>	<b>\$1,305,124</b>	<b>-\$4,624</b>	Budgets to be updated reflecting the inclusion of the construction stage budgets.

## Community Facilities Portfolio health check

The key projects in the Community Facilities portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
<b>Mokihinui Campground Sewerage</b>							\$800,000	\$43,057	\$651,320	\$694,377	\$105,623
<b>Commentary</b>	<p>Design Report to consider revised user data. Tender evaluation paused. Revised layout drain field position and size to be taken to the community in August.</p> <p>Funding sources are \$400,000 BDC and \$400,000 of TIF funding.</p>										
<b>NBS theatre HVAC</b>							\$457,000	\$16,000	\$441,000	\$457,000	\$0
<b>Commentary</b>	<p>Building consent application underway, contract awarded and early work underway.</p> <p>Budget made up of \$372K BDC funds, \$85K from Buller Arts and Recreation Trust (BART) with BART payment confirmed.</p>										
<b>Carnegie Library</b>							\$547,157	\$121,310	\$425,847	\$547,157	\$0
<b>Commentary</b>	<p>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>Lotteries Grant application unsuccessful with feedback requested for learnings and future applications.</p>										
<b>Reefton swimming pool HVAC and upgrade</b>							\$600,000	\$257,273	\$390,000	\$647,273	-\$47,273
<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 with livening intended for 30<sup>th</sup> January 2025. New pool cover installed, external door relocated and repairs completed to pool water dosing system.</p>										



Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
	Contract and design specification negotiations ongoing. HVAC costs have been identified as higher than initially estimated with longer delivery timeframes forecasted. Project scope within the budget to be worked through with the Ingangahua Community Board in the September meeting.										

## Roading and Transport Portfolio Health Check

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

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
LR – Low Cost/Low Risk – Omau Road intersection upgrade							\$1,974,332	\$405,387	\$1,400,000	\$1,805,387	\$168,945
Commentary	Tender completed with preferred supplier identified.										
Toki Trail stage 2a							\$142,599	\$105,306	\$37,293	\$142,599	\$0
Commentary	Final construction completed. Project handover and closure to be started. Funded from a 22/23 carry-forward for district revitalisation work of \$158,004. \$9,480 of the carry-forward was spent on non-Toki Trail Stage 2A projects, leaving an available budget of \$142,599.										
24-27 Road resealing							\$4,329,000	\$911,213	\$3,417,787	\$4,329,000	\$0
Commentary	Contract award underway. Physical works are to be carried out over two periods (Dec 24 - Mar 25 and Nov 25 - Mar 26). Work for the 24/25 financial year completed.										
24-27 footpath renewals							\$471,843	\$0	\$471,843	\$471,843	\$0
Commentary	Procurement process underway										

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
LR – Speed Management Plan							\$245,000	\$172,771	\$0	\$172,771	\$72,229
Commentary	Council paper underway to show options available under the Ministry of Transport - Setting of Speed Limits Rules 2024										
Kelly's Creek Bridge replacement							\$250,000	\$2,456	\$245,000	\$247,456	\$2,544
Commentary	Options assessment for bridge replacement to be finalised with NZTA within the wider bridge programme budget.										
Little Wanganui Bridge deck replacement							\$870,000	\$3,731	\$865,000	\$868,731	\$1,269
Commentary	Design and procurement process underway.										
Blue Grey Bridge replacement							\$1,150,000	\$87,139	\$1,084,951	\$1,172,090	-\$22,090
Commentary	Resource consent application submitted and procurement process underway.										
Brown Grey Bridge replacement							\$1,250,000	\$89,591	\$1,181,917	\$1,271,508	-\$21,508
Commentary	Resource consent and procurement process underway.										
Karamea highway corner							\$1,520,000	\$19,946	\$1,500,054	\$1,520,000	\$0

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
widening 24-27											
Commentary	Procurement plan to deliver first three sites underway.										
Karamea highway drainage 24-27							\$1,900,000	\$9,860	\$1,890,140	\$1,900,000	\$0
Commentary	Work underway with the first two culvert crossing completed.										

## Waste Water Portfolio Health Check

The key projects in the Waste Water portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Riley Place pumpstation - 52052							\$250,000	\$2,522	\$247,478	\$250,000	\$0
Commentary	Options assessment and project manager proposals underway.										
Reefton WWTP upgrades							\$120,000	\$114,002	\$5,998	\$120,000	\$0
Commentary	Aerator trial completed and new aerator purchased, project closure underway.										
Westport Wastewater sludge treatment and disposal							\$200,000	\$0	\$200,000	\$200,000	\$0
Commentary	Free drop-off of green waste extended for another 6 months. Preferred storage facility design underway. The resource consent application is on hold until a preferred storage facility design is found.										
Packington Street electrical cabinet							\$250,000	\$0	\$250,000	\$250,000	\$0
Commentary	Preliminary design options review underway to confirm final scope.										

## Waste Water Improvement Programme Health Check

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

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Discharge resource consent application - 10235							\$455,000	\$346,929	\$110,000	\$456,929	-\$1,929
Commentary	Orowaiti AEE, public health risk assessment and technical peer review underway.										
Waste water model preparation – 10236							\$315,000	\$79,493	\$121,000	\$200,493	\$114,507
Commentary	Wastewater modelling and optioneering ongoing. Variation to complete Carters Beach modelling is underway.										
Stormwater model preparation - 10237							\$420,000	\$167,671	\$2,500	\$170,171	\$249,829
Commentary	Stormwater modelling and optioneering ongoing. Survey underway with results expected in early 2025 once survey is completed. Variance not expected at project completion as additional modelling work is likely to be required that is not shown yet as a committed cost.										
Waste water/storm water separation – 10238							\$800,000	\$404,645	\$295,165	\$699,810	\$100,190

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>	Construction work on going. Previous projects 52017 and 52024 costs to be combined with this project. Overflow tanks for Carters beach installed.										
<b>Waste water/storm water separation policy – 10239</b>							\$50,000	\$21,464	\$1,243	\$22,707	\$27,293
<b>Commentary</b>	Funding for delivery confirmed through the LTP.										

## Water Supplies Portfolio health check

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

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Westport water Sectorisation - 51008							\$380,000	\$100,742	\$279,258	\$380,000	\$0
Commentary	Flowmeters procured, delivery date to be confirmed.										
Westport Trunk Main Stage 1b - 10240							\$1,634,954	\$1,158,408	\$6,800	\$1,165,208	\$469,746
Commentary	Physical works completed. Easements to be finalised.										
Westport Trunk Main Stage 2 - 51080							\$3,092,985	\$849,187	\$1,210,978	\$2,060,165	\$1,032,820
Commentary	Work focused on Queen Street and progressed to constructed completion with key water shutdown at the Queen/Roebuck intersection having minor impacts to residents.										
Coates Street Mains Replacement - 51076							\$250,000	\$87,380	\$162,620	\$250,000	\$0
Commentary	Construction programme ongoing.										



Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Reefton backflow preventions – 51006							\$131,000	\$72,401	\$45,000	\$117,401	\$13,599
Commentary	Work completed for financial year, project to be reviewed for long term programme costings										
Westport backflow preventions – 51007							\$443,125	\$366,243	\$76,882	\$443,125	\$0
Commentary	Work completed for financial year, project to be reviewed for long term programme costings										
Walsh street Main replacement							\$108,755	\$46,934	\$61,821	\$108,755	\$0
Commentary	Construction programme ongoing.										
Wilsons lead road stock supply							\$126,213	\$59,877	\$66,336	\$126,213	\$0
Commentary	Testing of a new flowmeter suitable for stock supply and BDC's existing system.										

## Stormwater Portfolio health check

The key projects in the Stormwater portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Brougham Street Stormwater Upgrade – 53001							\$150,000	\$127,728	\$7,500	\$135,228	\$14,772
Commentary	Easement process underway.										
Southern Peel Street Stormwater Upgrade – 53011							\$300,000	\$44,824	\$207,150	\$251,974	\$ 48,026
Commentary	Construction completed for closure										
Cobden Street outfall repair - 53031							\$650,000	\$82,204	\$566,281	\$648,485	\$1,515
Commentary	Construction underway, long lead time backflow valve to be installed Q3 2025.										
Stormwater management improvements - 52061							\$150,000	\$104,511	\$45,489	\$150,000	\$0
Commentary	Application to Regional Infrastructure Fund for capital underway. Stormwater flow data received.										

## Waste Management Portfolio health check

The key projects in the Waste Management portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Current Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Construction and demolition waste recovery facility							\$949,999	\$170,145	\$779,854	\$949,999	\$0
Commentary	<p>Decisions are currently in progress with GDC and WDC to advance the final approval process with MfE for the release of funds.</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>										
Waste Services contract renewal							\$300,307	\$446,448	\$25,625	\$472,073	-\$171,766
Commentary	<p>Procurement plan approval underway, revised Request for Proposal underway for August release.</p> <p>Budget includes previous two consultations, statement of proposal elaboration, contract renewal, procurement plan, request for proposal, legal review, probity and audit advice, tender evaluation and moderation. Co-funding from GDC and WDC was \$34,664</p>										

## Return to Service Programme Health Check

The NZTA funded Return to Service roading work is a programme of works separated into 12 bundles of work identified either by work of a similar nature or geographic similarity. The majority of construction work has been completed and is in defects liability stage so the programme reporting has been consolidated onto one report. A large review on the programme scope was completed in December with the programme forecasting an overspend of \$708,862

	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Programme summary							\$13,492,234	\$13,935,361	\$265,735	\$14,200,766	-\$708,862
Commentary	All construction works completed with minor works left and defects liability periods underway.										

## High Risks and Issues

The following table outlines the most significant risks and issues facing Council projects and the mitigation measures in place to address them.

Project name	Risk/Issue Name	Description	Action/Mitigation
<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>Reefton Swimming Pool HVAC and upgrade</b>	Cost of the HVAC for completion of work	If the HVAC cost is higher than the available budget, then the full project scope may not be able to be completed, or by the October pool opening date.	Discussion around cost, scope and pool opening timeframes with the Ingagahua Community Board during the September meeting.
<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.
<b>Stormwater management improvements - 52061</b>	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.
<b>Stormwater management improvements - 52061</b>	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.
<b>Discharge resource consent application - 10235</b>	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.
<b>Waste water/stormwater</b>	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 BDC Communications and Engagement team on a communications plan linked to the consent process.

Project name	Risk/Issue Name	Description	Action/Mitigation
separation policy - 10239			
Westport Wastewater sludge treatment and disposal	Consent compliance	If the Council's consent application is not complete within the timeframes or issues with onerous conditions that are unable to be fulfilled, then the council may incur penalties and reputational damage for breaching conditions.	Site improvements for composting of sludge.

## Health, Safety and Environmental

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

Programme/project name	Events Reported	Notifiable Events	Audits Completed
Cobden Street outfall	1	0	8
Trunkmain stage 2	1	0	8

## Communications/Community and Stakeholder Engagement

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

Project Name	Description
Westport and Reefton transfer station upgrade	<a href="#">Westport and Reefton Transfer Station improvement projects completed   Buller District Council</a>

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 8**

**Prepared by:** Domonic Venz  
Harbourmaster

Steve Christieson  
Operations Manager/Dredge Master

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

**Attachments:** 1. Kawatiri Dredge Workshop Presentation  
2. Media release – Dredge Master

### **PORT AND DREDGE – OPERATIONS REPORT AUGUST 2025**

1. **REPORT PURPOSE**  
This report updates the Committee on operational matters relating to the Westport Port and the Kawatiri dredge prepared as at August 2025 and is provided for information only.
2. **EXECUTIVE SUMMARY**  
The Committee is provided with information that provides updates covering financial performance to August 2025 and non-financial matters relating to the Port and Westport Dredge Kawatiri.
3. **DISCUSSION**  
**General**  
The Westport Port is a strategically important asset which supports natural disaster and commercial resilience, enabling economic growth and prosperity.  
  
There are two separate parts of the Port operation that this report covers. They are the Commercial operation of the port and the Navigational safety of the Westport waters.
4. **COMMERCIAL**  
**Pilotage**  
The departure of Steve Christieson throws up a challenge to be worked through. This is due to him being approved to undertake annual peer reviews of our current contracted Pilot. This jeopardises our processes going forward and we are looking at options for when the annual review is due.
5. **Harbour Vessel Protector**  
Port staff completed a contract to undertake hydrographic surveying off the coast of Granity which added to the port revenue for the last financial year.

6. The vessel remains currently fit of purpose – noting a number of upgrades and replacements have been completed as part of budgeted repairs and maintenance reflective of a vessel of this age and condition.
7. **Harbour Movements**  
The Hoki season has been underway and most of the larger trawlers have headed down to work out of Greymouth given its access to the Hoki grounds in the Hokitika Trench.
8. Westport has had an increase in the winter Bluefin Tuna fleet and tonnage is well up this year for unloads into Westport. We have had a small increase of vessels moved from Greymouth by Talleys to now unload in Westport during the Hoki season.
9. **Regional Infrastructure Funding (RIF)**  
The four initiatives receiving funding support and a summary of the projects and total cost is provided in the table below.

No.	Project Description	Total Project Cost
1	<b>Expansion of Floating Pontoon Structure</b> Addition of 15 marina berths to the existing floating pontoon structure due to being at full capacity with a waitlist of up to nine commercial operators requiring berth space.	\$3.157 million
2	<b>Fisherman's Wharf Upgrade</b> Installation of new fenders / buffers on the 180 metre Fisherman's Wharf so smaller commercial vessels can access the facility. This is currently not possible given the current spacing of wharf piles which mean smaller vessels are at risk of being crushed beneath the wharf as the tide rises.	\$0.245 million
3	<b>Roll-on / Roll-off (RORO) Ramp Facility</b> Installation of a RORO facility to support response and recovery options for flat-bottomed barges and vessels to access and deliver bulk resources to and from the district in the event of a natural disaster i.e. Alpine Fault rupture (AF8), flood events.	\$1.155 million
4	<b>Ancillary Pump for Kawatiri Dredge</b> Installation of a new Bell 200 pump on the dredge to ensure the safe operating viability of Westport Harbour (and other commercial harbours the dredge currently services). The existing dredging capability is based on suction and grab equipment that operates beneath the vessel footprint meaning dredging is only possible in places that the dredge can navigate over leaving considerable 'blind' spots in harbours and channels.	\$0.315 million
<b>Total</b>		<b>\$4.872 million</b>

10. Both the Kanoa and DWC Suspensory loan agreements for the \$4.872m (funded Kanoa 66% and DWC 34%) were executed on 4 August 2025. Due to the delayed execution of the agreements, Kanoa and DWC authorised work to commence on dredging the fishing lagoon in preparation for the RORO work and for the Ancillary pump to be purchased prior to the execution of the agreements. The conditions precedents are now satisfied for both agreements



and BDC will be able to draw down funds as agreed in schedule 4 of the agreement.

11. Currently 12 days of dredging have been completed as part of the RORO project and the Ancillary pump has been purchased and installed on the dredge.
12. Project planning has now commenced on the programme of work which will be reported on at future Risk and Audit Committee meetings.

13. **NAVIGATIONAL SAFETY**

**Funding Applications**

Safer Boating

Late last year BDC received funding from Maritime New Zealand (MNZ) to employ a summer safer boating advisor for six weeks. This was completed on 7 February 2025.

14. This year we have re-engaged with other West Coast Councils to look at what best fits the coast and to line up with MNZ funding criteria for this upcoming year. An application was lodged with MNZ on 2 September with support from all three Council CE's which covers three areas.
  - a) Employing a local person to undertake summer safer boating engagement with boaters across the region.
  - b) Partnering with Tasman District Council to use their vessel on Lake Brunner for a set period to provide monitoring and safer boating messages.
  - c) Funding the BDC harbour vessel to undertake on water safer boating activities during the course of the summer at key times.

15. **Recreational Vessel Movements**

There was a marked increase in recreational vessel movements during July and August due to the good weather. Most boaters were wearing lifejackets and were keeping to 5 knots in the lagoon area. An increase in dinghy use was seen as fishers prepared for the whitebait season and again good to see high lifejacket use.

16. **Aids to Navigation**

A coastal navigation warning had been in place to warn mariners that the east tip head red flashing light was out. We had this unit replaced which is a self-contained solar system, but it failed after only 2 weeks. This was replaced by a different model which is working well. As discussed above we are hoping to get some additional funding to upgrade some of the aids to navigation.

17. The West Coast Regional Councils wave buoy drifted during poor weather and at time of writing they were in the process of arranging recovery.

18. **Regional Wide Navigational Safety**

Initial discussions have been had with Grey District Council around what the two West Coast ports look like going forward and how we can better work together in the navigational safety and commercial port spaces.

19. **DREDGE**  
**Dredge Activities**  
The presentation to Council on the Dredge workshop – facilitated by the Dredge Master/Operations Manager is attached as an appendix.
20. The Kawatiri dredge undertook 12 days of dredging during July in support of the RIF funded RORO development work in the Westport lagoon.
21. The Kawatiri left Westport for Whanganui on Thursday 14 August and arrived in port on Friday 15 August, working to a tight timeframe around the approaching whitebait season.
22. The crew spent the weekend preparing for mobilisation as they awaited final parts for the new Bell pump to clear Customs and arrive onsite.
23. Once the parts were received, the crew worked around the clock to weld and position the floating discharge line ready for deployment.
24. Unfortunately, building swell conditions and strong winds meant work plans had to be halted.
25. Whanganui Port's General Manager Geoff Evans supported this decision.
26. For Buller District Council, the time spent in Whanganui has been a valuable pilot exercise using the RIF-funded Bell pump and a number of valuable learnings will be taken forward for work both back in Westport and in other ports around New Zealand.
27. From a financial perspective the Port Whanganui dredging - income less costs to date results in a breakeven outcome for Council.
28. Council was earlier advised that Dredge Master Steve Christieson had resigned after seven years contracting to Buller District Council. The media release dated 8 September is **Attachment 1** - for information.

## 29. Financial Activities

### Dredge "Kawatiri" Financial Performance 2 months ending 31 August 2025

	Draft Actual 2025/2026 YTD	Budget 2025/2026 YTD	Full Year Budget 2025/2026	Total Actuals 2018 to Aug 2025
<b>Operating Income and Expenses</b>				
Income	778,274	714,834	4,289,004	12,881,319
less				
Salaries	190,863	0	0	1,309,158
Interest	23,128			129,939
Depreciation	0	756	4,536	92,674
Direct Costs	297,658	515,106	3,090,636	9,583,646
Dredge Slipping	12,942	0	0	2,986,904
Overheads	33,967	35,480	212,880	633,875
<b>Net Operating Surplus/(Deficit)</b>	<b>219,716</b>	<b>163,492</b>	<b>980,952</b>	<b>(1,854,877)</b>
<b>Capital &amp; Funding</b>				
Capital Expenditure	351,350	161,128	966,768	1,041,341
less depreciation funded in operating surplus	0	756	4,536	92,674
<b>Net capital to fund</b>	<b>351,350</b>	<b>160,372</b>	<b>962,232</b>	<b>948,667</b>
<b>Net Activity Surplus/(Deficit)</b>	<b>(131,634)</b>	<b>3,120</b>	<b>18,720</b>	<b>(2,803,544)</b>

30. The net activity deficit of \$131.6k is primarily due to capital expenditure, with the Bell Pump installation, which was completed in July.
31. Around \$528k worth of dredging work remains under the Kanoa and DWC agreements, likely to be completed within the next 6 months.
32. The delay in finalising the agreements has impacted timing, but the remaining work is expected to generate a margin of approximately \$160k. Despite this the dredge's operational performance is holding steady.

**Westport Port Financial Performance**  
**2 months ending 31 August 2025**

	Draft Actual 2025/2026 YTD	Budget 2025/2026 YTD	Full Year Budget 2025/2026	Total Actuals 2018 to Aug 2025
<b>Operating Income and Expenses</b>				
Income	73,861	749,942	4,499,652	1,412,415
General Rates	0	0	0	567,527
Salaries	43,740	41,002	246,012	1,292,812
Interest	8,176	8,176	49,056	362,529
Depreciation	5,578	5,578	33,468	526,328
Direct Costs	46,829	81,596	489,576	2,351,752
Overheads	17,935	18,562	111,372	426,576
<b>Net Operating Surplus/(Deficit)</b>	<b>(48,397)</b>	<b>595,028</b>	<b>3,570,168</b>	<b>(2,980,056)</b>
<b>Capital &amp; Funding</b>				
Capital Expenditure	0	541,706	3,250,236	1,445,553
less depreciation funded in operating surplus	5,578	5,578	33,468	526,328
less sale of asset (Bob Gower)	0	0	0	150,000
<b>Net capital to fund</b>	<b>(5,578)</b>	<b>536,128</b>	<b>3,216,768</b>	<b>769,225</b>
<b>Net Activity Surplus/(Deficit)</b>	<b>(42,819)</b>	<b>58,900</b>	<b>353,400</b>	<b>(3,749,281)</b>

33. The YTD net activity deficit of \$42,8k is primarily due to timing delays in the Kanoa and DWC funded project. Although the agreements were executed on 4 August 2025, associated revenue and capital expenditure are under budget as drawdowns have not yet commenced and project works are just only underway.
34. Direct costs are tracking below budget, reflecting improved operational efficiency. When adjusting for non-operation items such as interest of \$22k (8+14 included in direct cost) and group overhead allocations of \$17.9k, the ports baseline operations are approaching breakeven, indicating underlying sustainability despite the reported deficit.
35. While capital costs has affected the short-term financial position, the ongoing projects are expected to deliver positive returns.
36. **Port Assets and Strategic Considerations**  
 As part of the ongoing efforts to manage the Port's financial situation and address the reported deficit, it is important to consider the asset base of the Port, which amounts to \$7,028,500 as depicted in the table below. These assets are based on insurance and land values, and while not all are easily sellable due to their location or purpose, they represent significant value to the Port.
37. Given the current deficit and the impact of historical funding decisions, these assets provide the Port with options for addressing financial challenges. While debt remains a concern due to past decisions, the Port could potentially consider selling or relocating some of the assets to help bridge the gap in the

short term, especially non-core assets that are not central to the Port's operations.

38. The asset portfolio gives the Port some flexibility and could be part of a longer-term strategy to ensure financial stability and reduce the deficit. It is important to look at these assets not just as holdings, but as potential tools to help offset the deficit.

Assets	Value	Basis of value
Harbour Vessel	\$300,000.00	Insurance Value
Marina	\$2,500,000.00	Insurance Value
Harbour Master vehicle	\$16,000.00	Insurance Value
Harbour vehicle	\$8,000.00	Insurance Value
Wharves	\$90,000.00	Insurance Value
Harbour precinct land	\$850,000.00	Land Value
Harbour workshop	\$50,000.00	Replacement value
Primary Health land & Building	\$410,000.00	Capital Value
Pony Club land	\$1,085,000.00	Land Value
Land leased to Airport	\$89,000.00	Land Value
Land used as a reserve	\$635,000.00	Land Value
Tai Poutini Polytechnic land	\$710,000.00	Land Value
Land used by Talley's	\$170,000.00	Land Value
Wallabi Street	\$115,500.00	Land Value
<b>TOTAL</b>	<b><u>\$7,028,500.00</u></b>	

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

40. **DRAFT RECOMMENDATION**

**That the Port and Dredge – Operations Report August 2025 - dated 17 September 2025 be received.**



**BULLER**  
DISTRICT COUNCIL  
Te Kaunihera O Kawatiri

# **Dredge 'Kawatiri' Workshop**

**6 August 2025**



# Contents

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# Westport Dredge

## TSHD KAWATIRI

### Dredge Kawatiri Specifications

<b>MNZ Number</b>	MNZ 100258
<b>Year Built</b>	1979
<b>Call Sign</b>	ZM3363
<b>Hull Construction</b>	Steel
<b>Drive Type</b>	Twin-screw fixed prop
<b>Engine</b>	2 x Mirrlees Blackstone, 350 kW each
<b>Bow Thruster</b>	200 kW electric/hydraulic VP
<b>Length Overall</b>	55.15 m
<b>Beam</b>	12.00 m
<b>Drafts</b>	Fwd Aft
<b>Lightships</b>	+/- 1.8 m +/- 3.0 m
<b>Loaded (Max)</b>	+/- 4.1 m +/- 4.1 m
<b>Speed Lightships</b>	9.5 kts
<b>Speed Loaded</b>	7.5 kts

<b>Hopper Capacity</b>	600 m <sup>3</sup>
<b>Max Dredge Depth</b>	10.5 m
<b>Fuel Consumption (dredging/steaming - 24 hrs)</b>	2,500 L
<b>Fuel Capacity</b>	60,000 L
<b>Fresh Water Capacity</b>	17,000 L
<b>Shore Power</b>	65 amps, 3-phase
<b>Certificated areas of operation</b>	Enclosed Limits Inshore Limits Restricted Coastal
<b>Minimum Crew</b>	6 (as per MSCD)
<b>Maximum Pax</b>	0
<b>Maximum POB</b>	12
<b>Accommodation</b>	6 persons



## General Information

The Kawatiri's hull form is flat with no keel, the rudders and propellers are above the base line (and therefore sitting on the bottom) provided this is relatively flat and free of obstacles, posing no issues.

The vessel is capable of turning within a 60 m circle. Dumping is via eight bottom doors.

Hopper overflows are via port and starboard mid-hopper side scuttles and/or a weir forward in the hopper. If required, the weir can be lowered and excess water bled off in order to lessen the transit draft.

The hopper loading can be managed in order to trim the ship fore and aft.

The vessel is equipped with a 4-point mooring system, using forward anchors and anchor winches along with aft anchors, anchor winches and gantries.

Generally the Master and Chief Mate obtain local pilot exemptions, thereby enabling the vessel to operate independent of pilots.



## Trailer Suction Details

The deployed draghead is positioned amidships on the starboard side and this configuration allows dredging to within +/- 28 m of an obstruction, such as a 90-degree berth pocket wall.

The vessel is equipped with Hydropro dredge software. A contracted surveyor retained by BDC is used to configure survey data and infrastructure models supplied by the client.

Positioning is obtained via a V500 GPS antenna and where available, corrections and RTK positioning from a local correction station is used. This ensures precise horizontal positioning. If required, our surveyor can provide a base station.

Tide corrections are generally obtained via internet from the client or if required, our surveyor can provide a base station and internet connection.

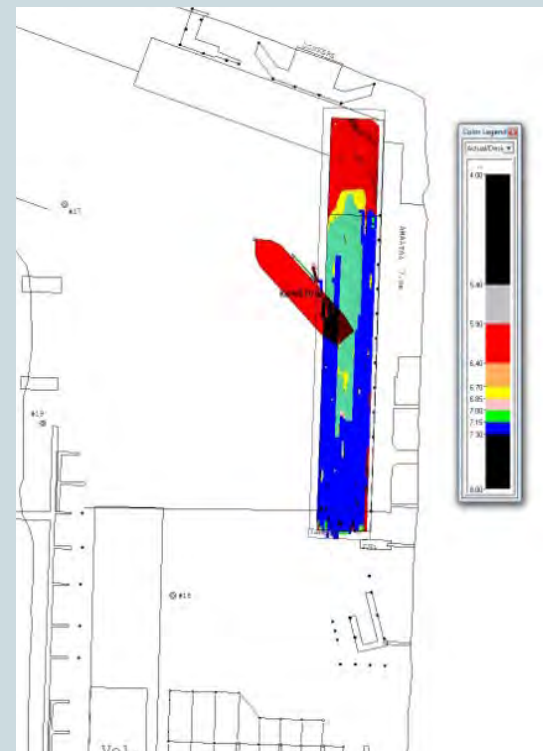
Draghead depth is determined using water pressure at the draghead, converted to digital depth.

Fore and aft drafts are determined using water pressure at fore and aft sounding tubes converted to analogue depth and displayed on bridge equipment.

The vessel's position and track are maintained by the Dredge Master whilst a Pipeman manages the draghead position and efficiency.

Minimum dredge depth is that which is required to float. Touching the bottom in calm waters whilst dredging poses no risk, provided there are no obstructions. This has enabled Kawatiri to complete dredging projects otherwise considered unachievable.

<b>Draghead width</b>	1550 mm
<b>Pipe Diameter</b>	500 mm
<b>Pipe Length</b>	12,900 mm
<b>Maximum Dredge Depth</b>	11,000 mm
<b>Impeller Diameter</b>	1050 mm
<b>Pump Capacity</b>	60 m <sup>3</sup> /min
<b>Loading Rate (shingle / sand)</b>	20 m <sup>3</sup> /min
<b>Jetwater Pressure</b>	6 bar



## Levelling Bar Details

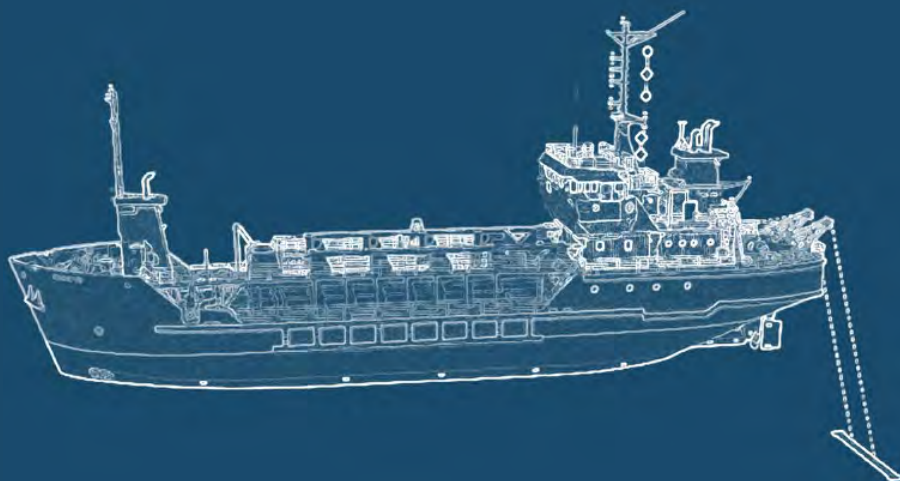
The levelling bar was developed for taking high spots off sand waves in Port Nelson's inner channel. Although not as effective it has provided reasonable results in mud.

The bar is 12 m in length and 2.5 T in weight.

The bar is suspended on winch wires from the aft gantries and height is controlled via paying in/out on the wires.

The bar is towed via wire cables through the panamas at the shoulders of the vessel.

Water depth must be a minimum of 4 m in order to deploy the bar safely as this puts the bar and towing wires below the rudders and propellers.







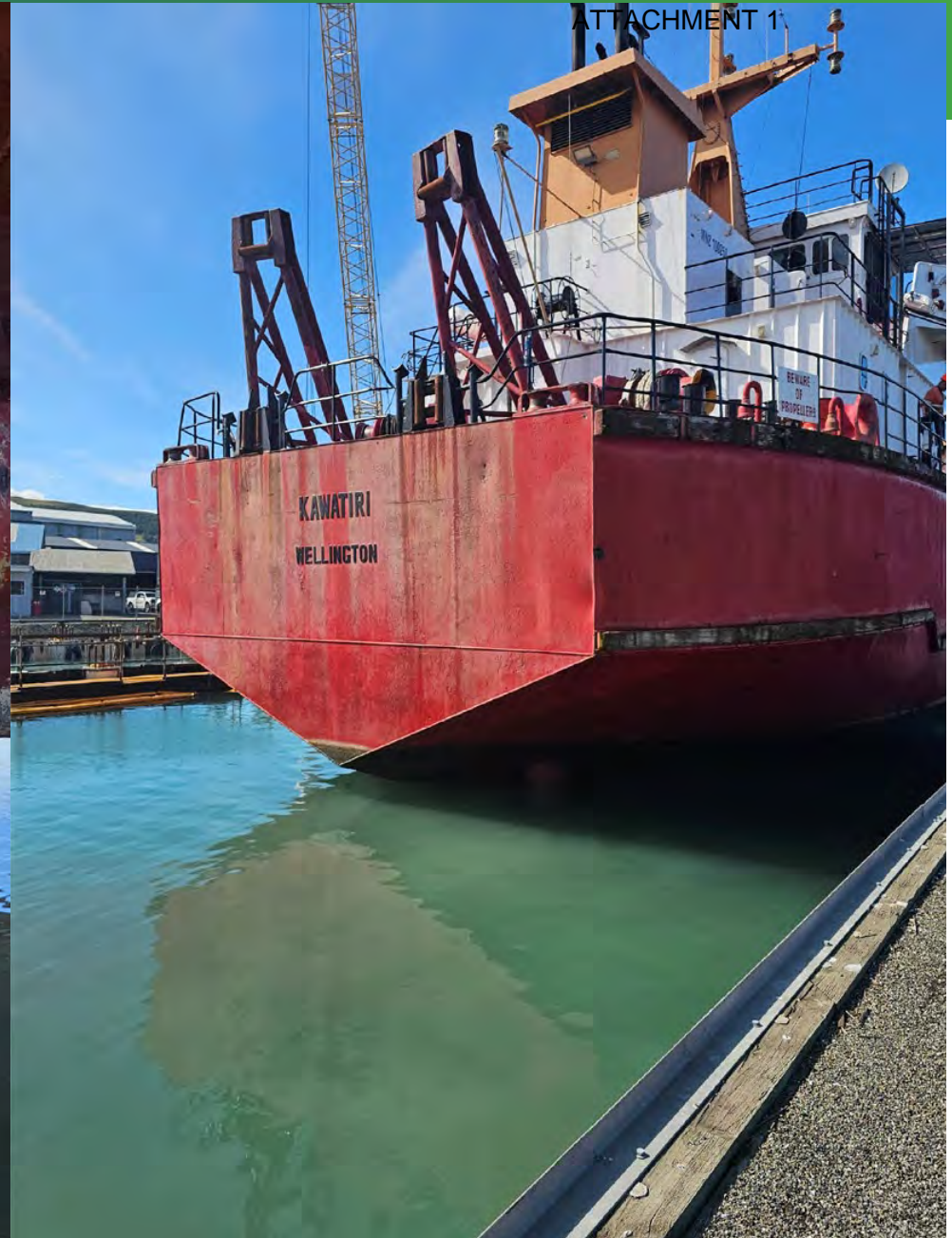
# ***Report:***

# **5-year survey**

**March - April 2025, Nelson**







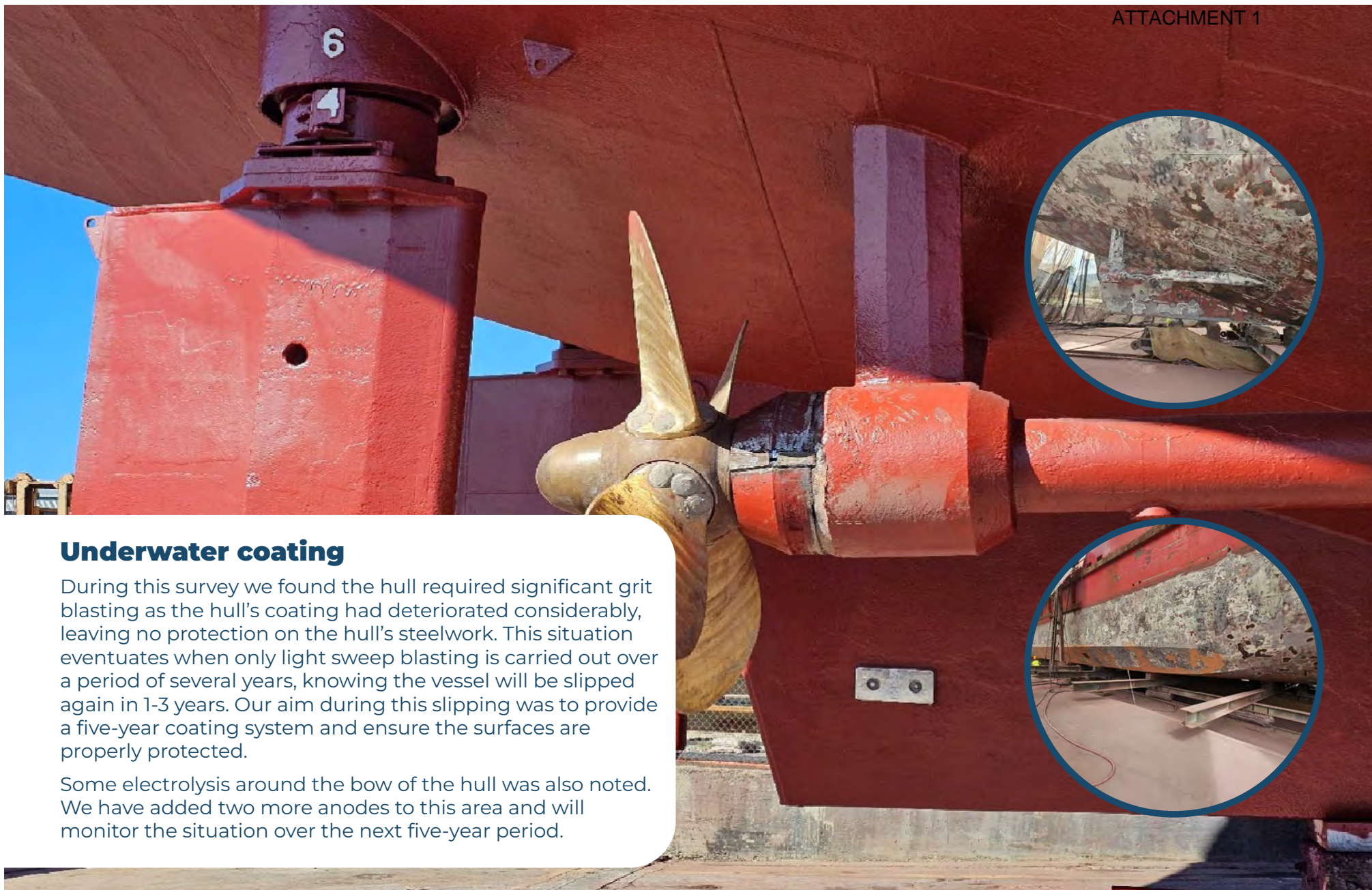
## Slipping - 28 February 2025

The slipping was routine, with no big surprises apart from the bent rudder stocks which would not have been picked up by the divers or the crew as they had no effect on the performance of the vessel.

Once the rudders were removed and inspected they were not considered to be an immediate concern. Interim repairs associated with the rudders were carried out, including seal replacement, and they were then reinstalled on the vessel.

We have approached a Naval Architect to provide a full repair method that will be acceptable to survey. We are attempting to avoid having the rudder stocks forged from a solid piece of steel, the reason being this damage has happened in the past and will likely happen again in the future. The associated insurance claim has been accepted by the insurance company and ultimately means that the vessel will be slipped again within the 5-year docking/survey cycle.





## Underwater coating

During this survey we found the hull required significant grit blasting as the hull's coating had deteriorated considerably, leaving no protection on the hull's steelwork. This situation eventuates when only light sweep blasting is carried out over a period of several years, knowing the vessel will be slipped again in 1-3 years. Our aim during this slipping was to provide a five-year coating system and ensure the surfaces are properly protected.

Some electrolysis around the bow of the hull was also noted. We have added two more anodes to this area and will monitor the situation over the next five-year period.

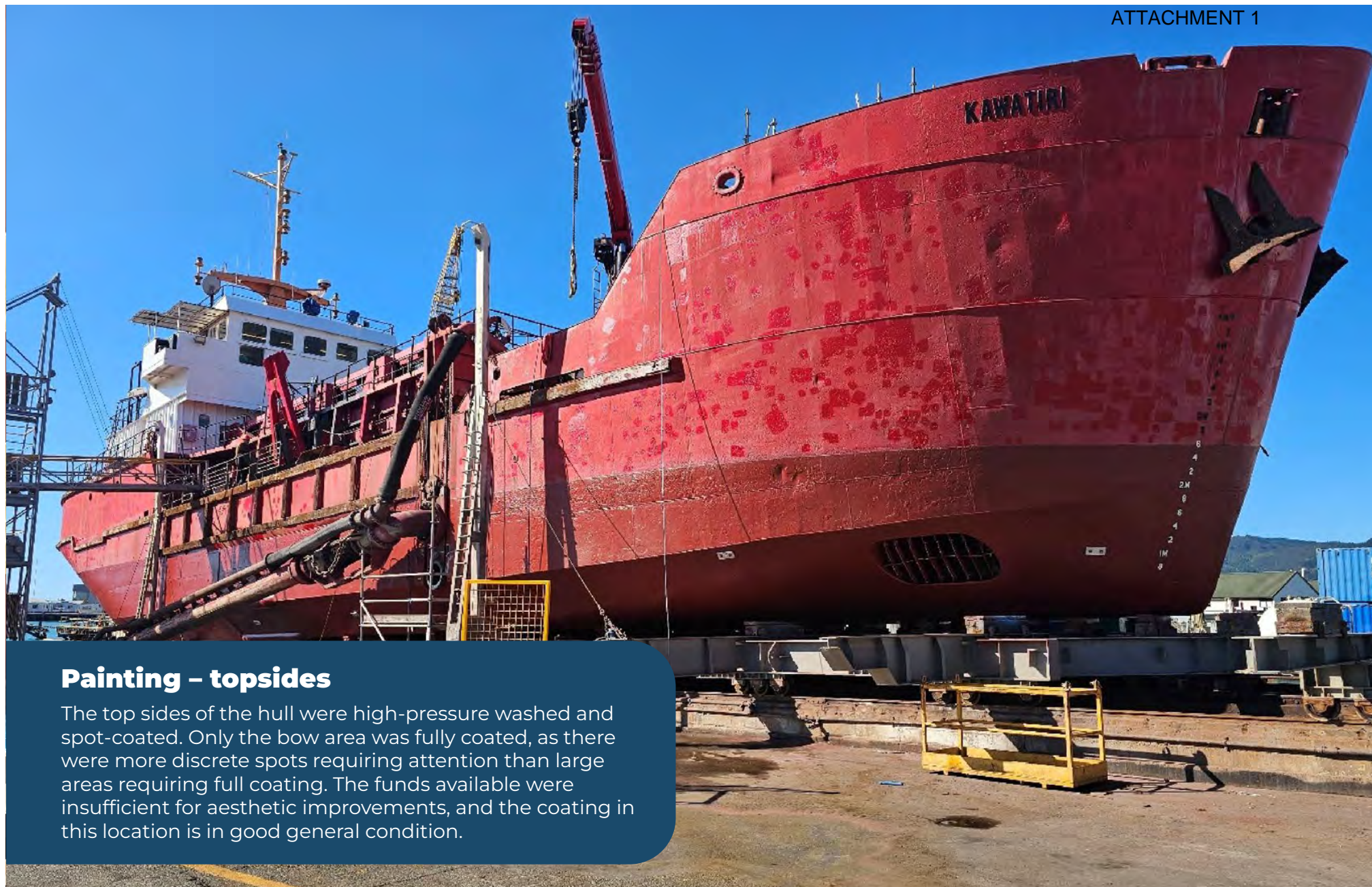








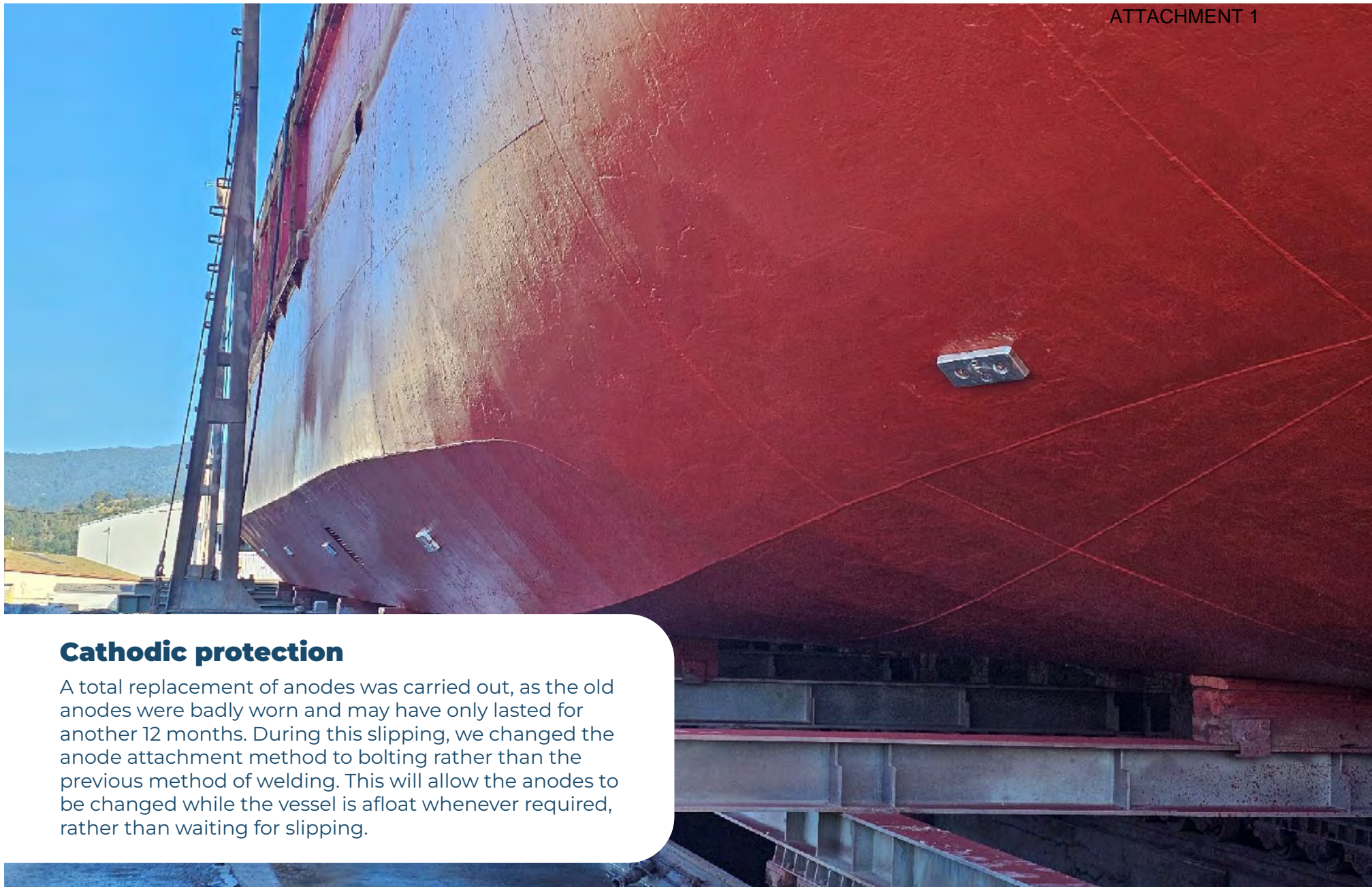




## Painting – topsides

The top sides of the hull were high-pressure washed and spot-coated. Only the bow area was fully coated, as there were more discrete spots requiring attention than large areas requiring full coating. The funds available were insufficient for aesthetic improvements, and the coating in this location is in good general condition.





## Cathodic protection

A total replacement of anodes was carried out, as the old anodes were badly worn and may have only lasted for another 12 months. During this slipping, we changed the anode attachment method to bolting rather than the previous method of welding. This will allow the anodes to be changed while the vessel is afloat whenever required, rather than waiting for slipping.



## Hopper doors

The damage which normally occurs around the hopper door seals when rocks jam in between the doors and the seals was not apparent this slipping, as the plates fitted last slipping remedied this problem. However, repairs were necessary around all the door recesses and hinge pin keepers. This wear and tear is part of dredging, and is a result of the dredging product eroding the steelwork when material is being dumped. Considering that this maintenance has not been carried out on a regular basis for some time, the condition was better than expected.

During the next 5-year survey, all the hopper door hinge bosses will need to be addressed, as they are in poor condition. Originally, the bosses were fitted with hardened bushes, however these have long since deteriorated but have done very well for 46 years.

Other areas within the hopper requiring urgent attention were repaired as necessary.

## Painting - decks, hoppers and tanks

The deck and hopper coaming is quite severely corroded. This needs to be addressed sooner than later; however, the remedial work can be carried out progressively. Thickness testing is to be carried out on all the decks and submitted to the surveyor. The aft starboard hopper deck and coaming around the draghead gantry was waterblasted and painted. Apart from the gantry being totally overhauled previously, the deck in that area was in a very poor state of repair. This area is now greatly improved.

The void tanks, namely the port buoyancy tank, which runs the length of the hopper, was water blasted and fully painted across the bottom and 200 mm up the sides, as this area was starting to deteriorate. This was also picked up by the surveyor, who included a condition of survey on the vessel until this was addressed. The central void along the length of the hopper was opened and found it was full of water. This was caused by a rock which had jammed between the door edge and the recess. The platework was very worn in that area, hence the reason for the fracture. A new section of plate was inserted, with an additional wear plate welded over the area. The void was water blasted out and cleaned, followed by spot priming of all the bare material.

The starboard buoyancy tank will need to be painted within the next two years as this area is in a similar state to the port buoyancy tanks.

Some areas in the pumproom are in very poor condition, especially in the after end of the space. This will need to be addressed promptly. Funds were not available to address this work during the recent survey period.









## Pipework – pump room

Good progress has been made to remove redundant pipework and systems, however there are more improvements to be made. Any pipework replacement that is not considered essential will be implemented in the future.





### Fuel tanks

Both the main fuel tanks were opened, cleaned and inspected, with new manhole lids fitted. This was necessary as the lids and the studs were in very poor condition. The transfer and overflow pipelines were also replaced due to heavy corrosion.

The overflow fuel tanks were opened, cleaned and inspected.



## Propeller and propeller shafts

With the propellers and propeller shafts removed from the vessel for survey, a full inspection was carried out. This included: propeller blade and hub removal, crack testing of shafts (both ends, including keyways and keys), crack testing of propeller blade bolts, bearings measured and condition reported, replacement of all shaft seals and liners, any necessary repairs to the propeller blades were carried out and the pitch was checked, stern tube oil was changed, followed by reassembly.

The new seal assembly arrived late and was sent with an incorrect inner liner component. To overcome this issue, it was necessary for us to reuse the old liners. The seals were set in a different position on the liner to prevent any leakage. This issue will be addressed when the correct seal assembly is supplied in due course.

The wear on the shaft bearings is well within accepted tolerances, considering they are the original white metal bearings installed in 1979.











## Rudders

Again, to comply with survey requirements the rudders were removed for full inspection.

Upon coming up the slipway it was noted that the starboard rudder stock was bent. Once both the rudders had been unbolted from the stock and the stocks removed from the vessel, the rudder stocks were set up in the lathe and checked. It was found that both the stocks were bent, with the starboard side rudder stock worse than the port side.

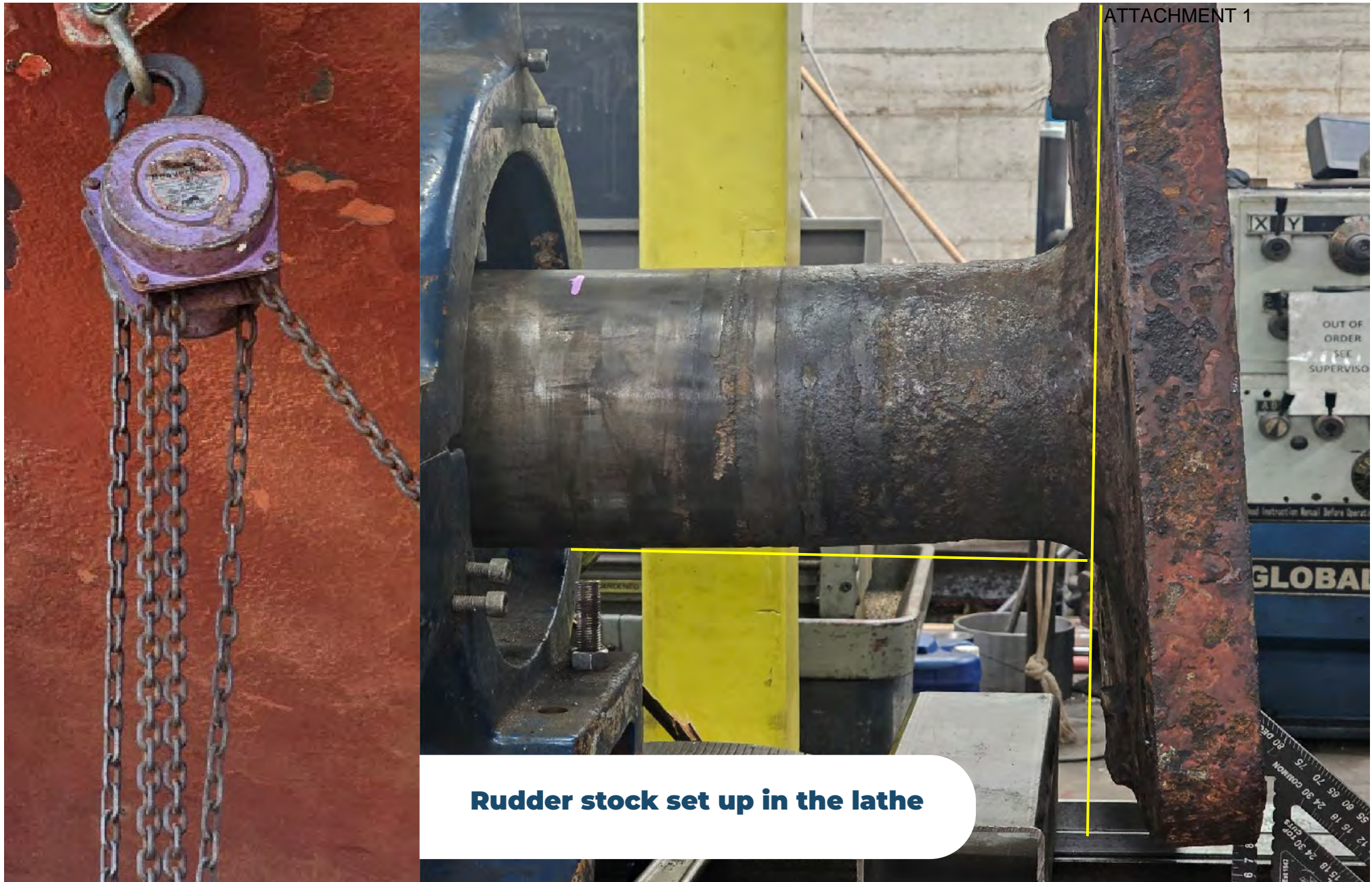
It was not possible to replace these items in the short term. We crack tested the affected areas and made the call to refit them until replacements can be manufactured. The surveyor agreed with this decision.

The rudder stocks were cleaned, all bolts were crack tested, all seals and gland packing replaced, and tubes cleaned out in readiness for refitting to the vessel. The spacer rings/clamps [known as jump rings] required some remedial repairs. The rudder blades were checked for any damage or leakage; these were found to be in good condition.

The rudder assemblies were refitted to the vessel, with grease injected into the seal areas rather than oil as the bends in the stocks are in the seal areas. The seals may not seal correctly in the interim, however by applying grease, the seal areas will stay lubricated.

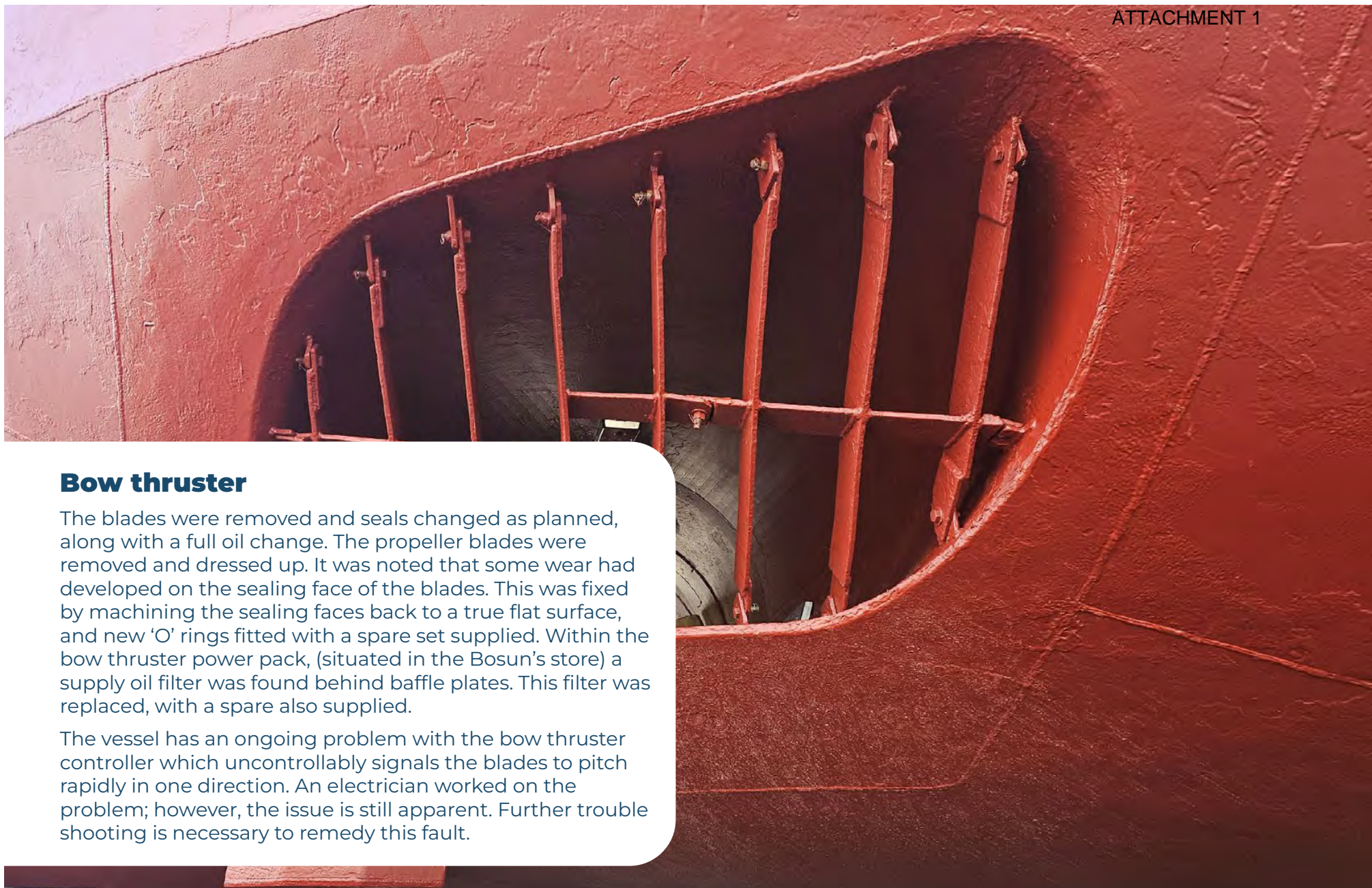
The bent stocks will be addressed in due course.





**Rudder stock set up in the lathe**





## Bow thruster

The blades were removed and seals changed as planned, along with a full oil change. The propeller blades were removed and dressed up. It was noted that some wear had developed on the sealing face of the blades. This was fixed by machining the sealing faces back to a true flat surface, and new 'O' rings fitted with a spare set supplied. Within the bow thruster power pack, (situated in the Bosun's store) a supply oil filter was found behind baffle plates. This filter was replaced, with a spare also supplied.

The vessel has an ongoing problem with the bow thruster controller which uncontrollably signals the blades to pitch rapidly in one direction. An electrician worked on the problem; however, the issue is still apparent. Further trouble shooting is necessary to remedy this fault.

## General survey requirements

With the overboard valves, sea inlet valves and water pumps off the engines requiring to be stripped for survey and serviced, we found numerous spindles and shafts in very poor states of repair. These items were unrepairable, and with no spares in stock, it was necessary to have new spindles manufactured to bring them back up to specification. This included new bearings (where applicable), gland packing, pump impellers re-machined and valves re-seated.

Other survey items included for maintenance were: all the tanks which cover: fuel (3) fuel overflow (2), waste oil (2), fresh water (1), buoyancy/void (4), ballast (1), lube oil (1), and bilge water (2). These tanks were all opened, cleaned and inspected.

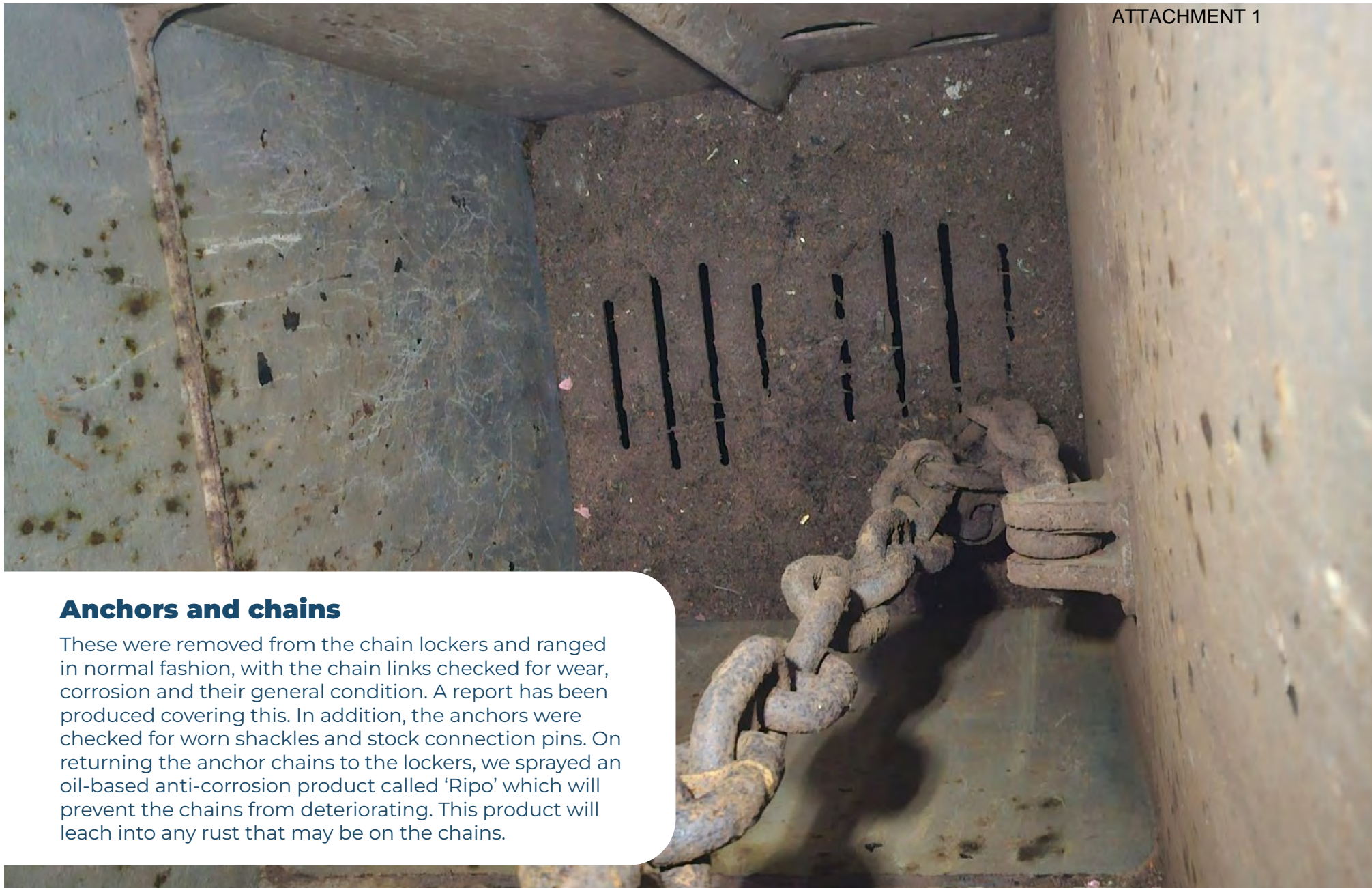
## Deck pipe work

Time has taken its toll on the deck pipework systems on the vessel, with fire lines and fuel lines urgently requiring replacement. This system must be always maintained. The replacement of five sections of fire line and six sections of fuel line were carried out. All were replaced due to severe corrosion causing leakage. All the valves associated with these intermediate lines were either serviced or replaced.

## Roller fairleads – bow

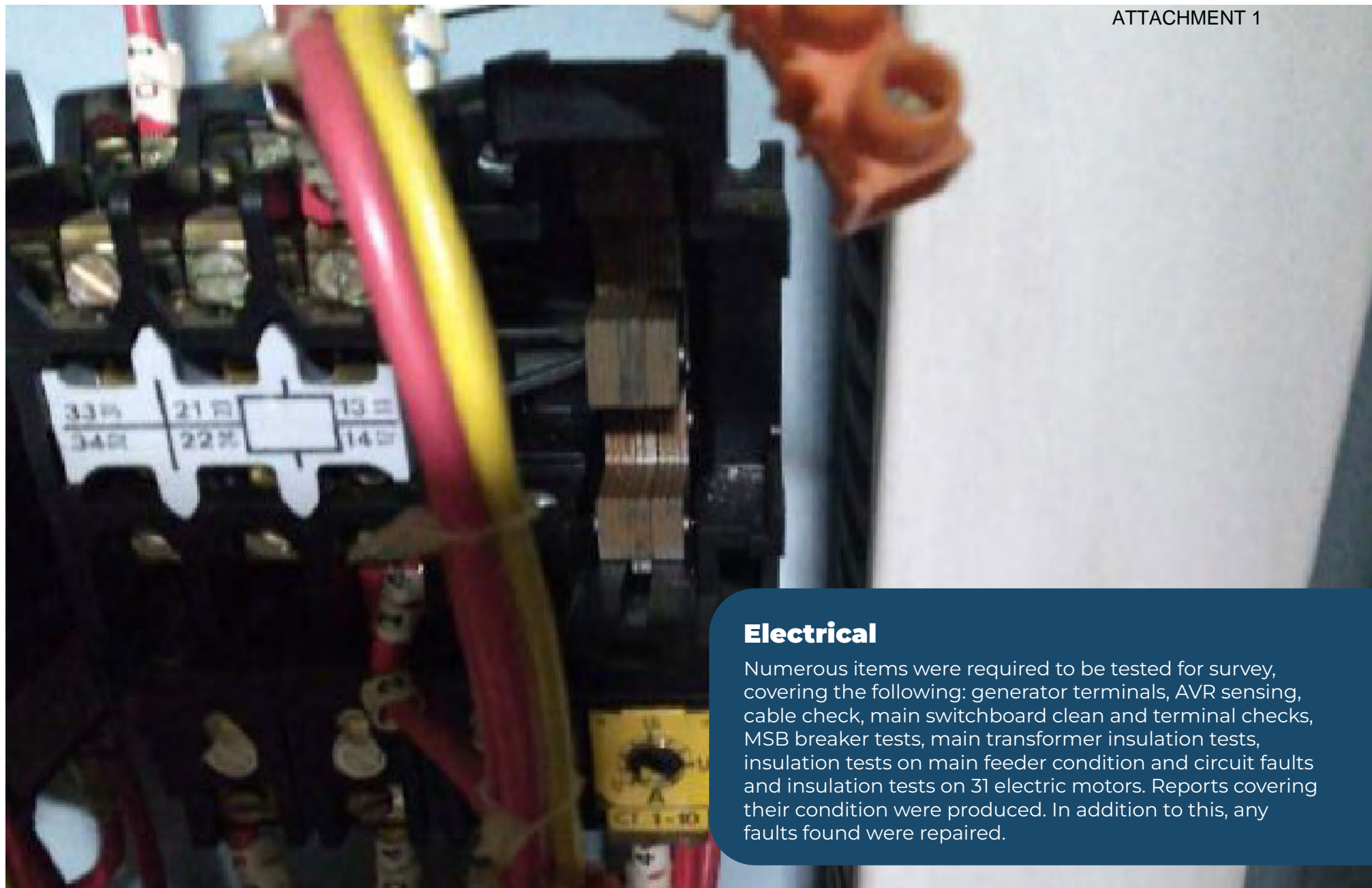
To protect the mooring lines from severe wear at the ship's side where they pass through the vessel's structure, it is critical to ensure that the roller fairleads are in good condition. These fairleads were cleaned, checked for condition and greased.





## **Anchors and chains**

These were removed from the chain lockers and ranged in normal fashion, with the chain links checked for wear, corrosion and their general condition. A report has been produced covering this. In addition, the anchors were checked for worn shackles and stock connection pins. On returning the anchor chains to the lockers, we sprayed an oil-based anti-corrosion product called 'Ripo' which will prevent the chains from deteriorating. This product will leach into any rust that may be on the chains.



## Electrical

Numerous items were required to be tested for survey, covering the following: generator terminals, AVR sensing, cable check, main switchboard clean and terminal checks, MSB breaker tests, main transformer insulation tests, insulation tests on main feeder condition and circuit faults and insulation tests on 31 electric motors. Reports covering their condition were produced. In addition to this, any faults found were repaired.



5-year survey

# Dredging Equipment





### Trunnion slide winch assembly

This winch assembly was in a very poor condition, and required urgent repairs. All the structures retaining the winch and associated components were replaced, which included the buffer stops and cable bitter end lugs. This was unfortunately not able to be fully painted; however, it will be addressed when the crew are back on board.



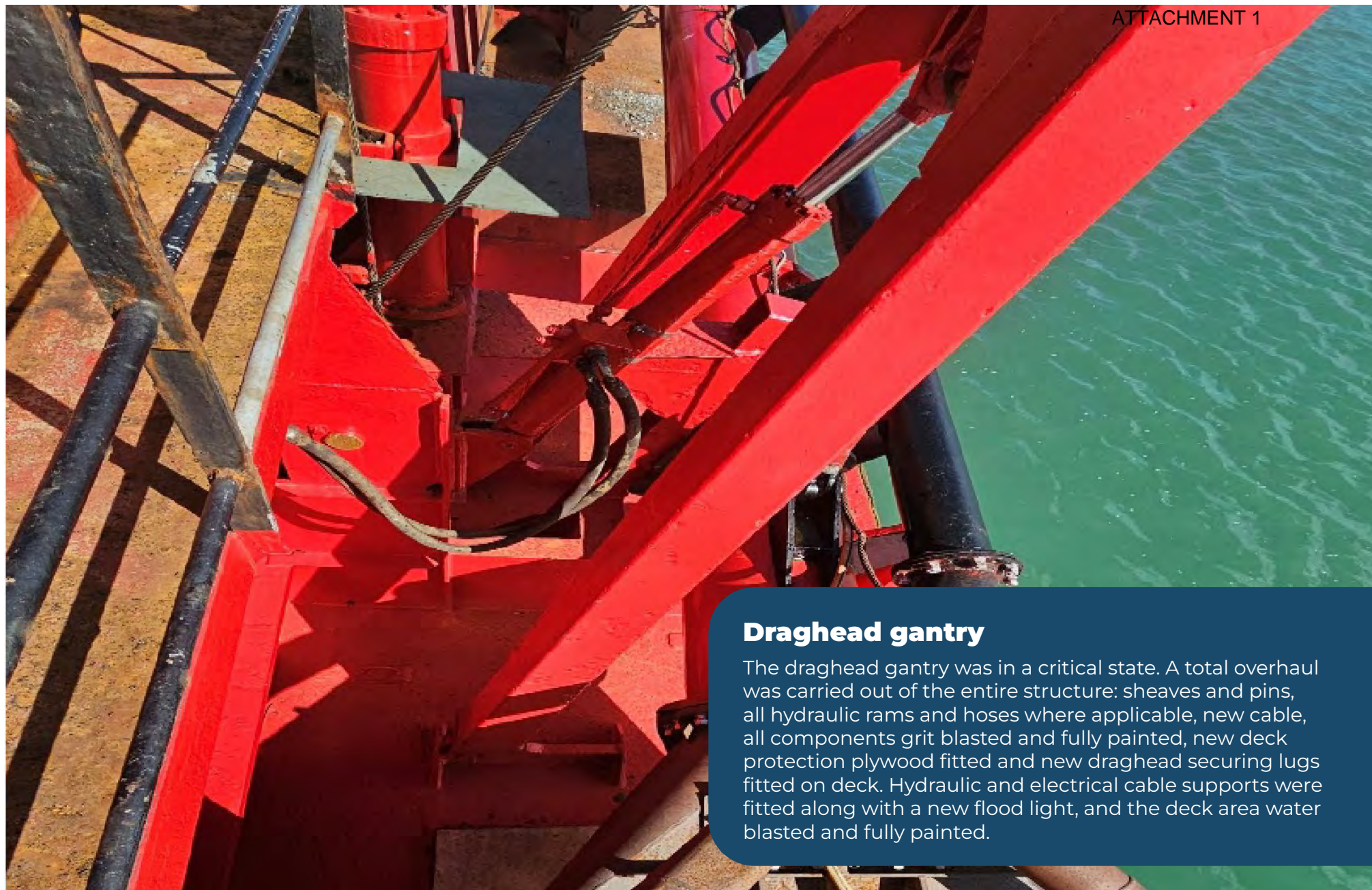
## Orifice liner

Where the dredging materials pass through the hull, the assembly was completely eroded away with full replacement necessary. This liner is pressed/cut/welded using special grade materials that resist harsh erosion from the dredging materials. This liner is expected to last for five years before the next replacement is due, however this will depend on the volume and type of dredging products encountered over that period.

Prior to early 2007, this liner was changed out annually, with the crew applying a hard-facing weldment by means of welding to the inner surfaces to counteract the severe erosion, but this process was not overly successful.

The sealing face on the outer hull, where the trunnion slide connects was also replaced with this special steel to provide a hard flat surface to mate up to.

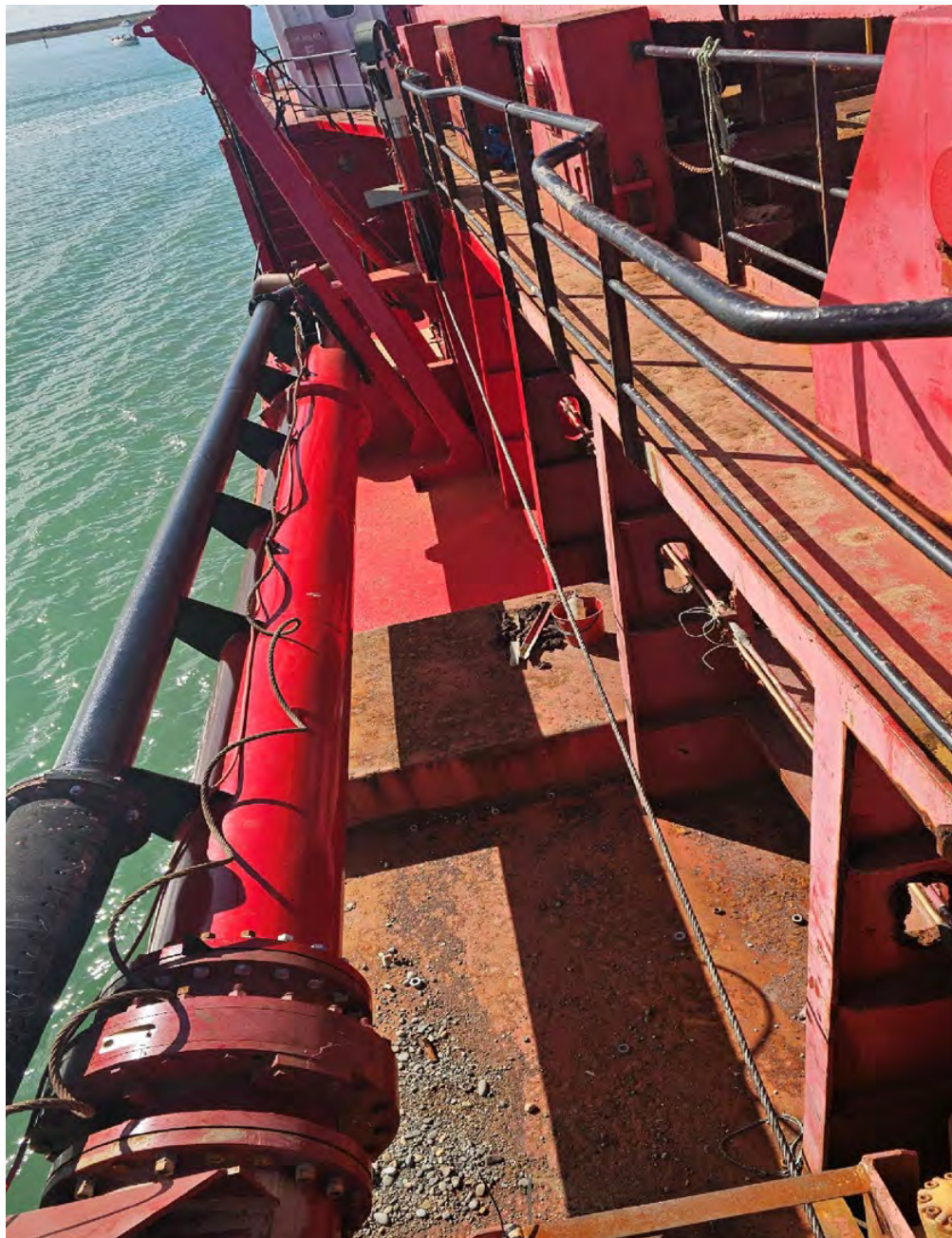




### **Draghead gantry**

The draghead gantry was in a critical state. A total overhaul was carried out of the entire structure: sheaves and pins, all hydraulic rams and hoses where applicable, new cable, all components grit blasted and fully painted, new deck protection plywood fitted and new draghead securing lugs fitted on deck. Hydraulic and electrical cable supports were fitted along with a new flood light, and the deck area water blasted and fully painted.





### **Main dredge suction line**

The jet water line and the main suction pipes were changed out. The new suction line, imported several months prior to survey was assembled into one section. The existing jet water line was reused, with new connecting support brackets welded along its length, along with a safety line and bubbler hose line. This was reassembled onboard with the draghead, after the painting was completed.

### **Main dredge pump discharge pipework**

The pipework directly above the main dredge pump was replaced as it was totally worn out. It has been repaired in the past with hard facing, however that had eroded away. These pipes were classed as unrepairable.

5-year survey

# Additional Vessel Improvements





## Main dredge pump engine and gear box change out

A decision was made some time ago to change out the ailing main dredge pump engine. With all the necessary equipment on hand, the original (Mirrlees Blackstone) engine and gear box was removed from the vessel, along with all the now-redundant services. The structure around and under the engine beds was high-pressure washed to degrease and clean the surfaces so work could proceed, altering the vessel structure to suit the new engine and gearbox configuration.

The gearbox was the first item to be fitted onto the structure and aligned to the main dredge pump shaft.

This was followed by the new engine (Cummins KT19-M) which was duly aligned with the gearbox and bolted to the modified structure with a compound called 'Chockfast Orange' under the feet of the engine to ensure that the engine is unable to move out of alignment.

From this point, the services were connected to the engine and gearbox, including fuel lines, the exhaust and electrical systems and cooling water systems.

In regard to the electrical systems, the engine alarms, starting system and throttle controls were set up along with the gearbox pressures and alarms, and some controls on the bridge used while dredging. A PLC control board with alarms was set up to monitor the systems and protect the equipment.





With respect to the cooling water systems, we added an additional sea strainer and heat exchangers into the system. This to prevent muddy/sandy water going through the engine and gearbox coolers, which would be very detrimental to the engine and gearbox.

Once all the services had been installed, we fitted new floor plates around the engine, providing a safe and secure surface to work on.

On start-up, everything functioned correctly, with only minor adjustments to the cooling system pump required.

We will however remount the engine controller board off the engine to avoid any vibration damage to the board, which is a minor adjustment.



## Forward Pump Room exhaust easing & mast

With the plan to operate the intended Bell dredging pump off the crane boom, working around the bow we found it necessary to make alterations to the forward mast and exhaust casing. There were several challenges to overcome to achieve this.

Firstly, the mast lights and its height configuration could not be changed, and secondly, the air inlet height needed to be a certain height above the waterline. Both requirements needed to be met to satisfy survey.

For the mast, we included a hinge arrangement which allows the mast to be lowered to the horizontal position while dredging, permitting the crane to pass over the mast in the lowered position. All other concerns were satisfied. While in the lowered position, the mast sits in a crutch/cradle and is fully supported. In the raised position, there are two pins, one is the hinge, and the other locks it in the raised position. In addition to this, we have fitted three stay wires to take any whip out of the mast while in heavy weather.

With approximately three metres of height removed from the pump room exhaust casing, we reconfigured the exhaust systems, lowered the pump room air-out ventilation and achieved the same result as original set up. With the air-in, we fitted an additional storm shutter at the entrance to prevent any water entering the intake. The original fire shutter is down by the inlet fans with its own emergency shut off.

Electrically, the area was rewired to suit the forward mast arrangement, along with floodlights fitted to assist with any evening work that may be required.

With the structural work completed, painting commenced, providing additional protection from corrosion.





5-year survey

# New look completed



























**BULLER**  
DISTRICT COUNCIL  
Te Kaunihera O Kawatiri

DREDGE KAWATIRI  
BDC PRESENTATION INFO PACK

Prepared by Buller District Council's  
Communication and Engagement team  
July 2025 on behalf of Westport Harbour



**WESTPORT**  
**HARBOUR**



## Media Release

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**8 September 2025**

**Dredge Master Steve Christieson resigns after seven years of dedicated service**

Buller District Council announced today the resignation of Dredge Master Steve Christieson, who has led the operation of the dredge Kawatiri for over seven years.

During his time, Steve has played a key role in restoring the Kawatiri to a well-maintained, fully crewed vessel, ensuring her seaworthiness and positioning her firmly for future assignments. His extensive knowledge, unwavering advocacy, and passion for the dredge industry have led him to promote the Kawatiri's capabilities to ports across New Zealand.

Paul Numan, Group Manager Corporate Services, acknowledged Steve's contribution.

"Steve has left a legacy that we can build upon. His vision for how the Kawatiri fits into New Zealand's dredging landscape, combined with his steadfast commitment to vessel safety and crew welfare, has been invaluable. We are grateful for his support and expert advice, and we wish him all the very best for the future".

Steve has played an important role in supporting the crew and maintaining the vessel to a high standard. His leadership has ensured the Kawatiri remains safe, seaworthy, and well-positioned for future work.

Council confirms that dredging in the Westport basin, funded through the RIF programme, will continue as planned with the existing crew. Steve has also kindly offered to assist with this work as needed, ensuring continuity for the project.

The council will keep the community informed as work advances and plans for the Kawatiri develop.

**-ENDS-**

**For further information please contact:**

Community Engagement Team  
Buller District Council  
[Media.Enquiries@bdc.govt.nz](mailto:Media.Enquiries@bdc.govt.nz)

**Disclaimer**

The information in this media release was correct at time of publication. Changes in circumstances after the time of publication may impact on the accuracy of the information.



## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 9**

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

**Reviewed by** Simon Pickford  
Chief Executive Officer

**Appendix** 1. Strategic Risk Register – September 2025

**Public Excluded:** No

### **STRATEGIC RISK MANAGEMENT REPORT**

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1. **REPORT PURPOSE**

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

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

3. **EXECUTIVE SUMMARY**

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

4. **DISCUSSION**

5. **BACKGROUND**

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

6. **ISSUES AND DISCUSSION:**

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

7. The objectives of the strategic risks review are:

- To review and confirm the status of current risks identified.
- To identify any new or emerging risks that pose a legitimate threat to the achievement of Council's strategic objectives.
- To review residual risk reassessments and ownership.

- To ensure Council's strategic risks, together with related controls, are well documented to enable effective risk oversight by Council management staff, and the Risk and Audit Committee.

#### 8. **Updates to the Strategic Risk Register**

Following the feedback from Councillors at the June meeting - we now provide information on changes to the **Residual Risk** score since we last reported to Council. Details of the changes are outlined in the table below.

ID	RISK	IMPACT DESCRIPTION	RESIDUAL RISK	CHANGE	PREVIOUS SCORE	NEW SCORE
5	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. Inadequately sized stormwater system does not have capacity for high intensity rainfall events will lead to widespread surface flooding throughout Westport.	Moderate	Now Significant	7	10
8	Failure/ inability to fund and implement master planning outcomes	IF Council is unable 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	Significant	Now Moderate	10	7
9	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	Moderate	Now Low	7	2

13	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	Moderate	Now Low	7	3
23	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	Moderate	Now Low	4	3

9. As part of the monthly review the following new risks have been identified.

ID	RISK	RESIDUAL RISK	SCORE
29	Loss of Critical Paper Documentation (Property Files etc)	Low	2
30	RMA Fast Track processes - impact on BDC resources	Significant	10
31	TTPP and Appeals - no resources & budget allocation towards appeals & mediation	Moderate	8
32	LIMs and Hazard Management - poor or missing hazard data	Low	2
33	Transactions not covered under delegated authority	Moderate	4
34	Public Health Emergency caused by Untreated or Contaminated Water Supplies	Significant	13
35	Water Services compromised (Drought/Landslide/Earthquake/Electricity/Network or Treatment Plant Failure)	Significant	14

10. **Attachment 1** is the updated Strategic Risk Register following a review of the strategic risks as at September 2025.



11. This provides a summary of each risk assessed requiring continuing mitigation actions, showing an assessment of both inherent and residual risk and includes two further columns *Actions taken* and *Reviewed date*.
12. The table below is an extract from the Strategic Risk Register and notes there are 30 risks under action with a Residual Risk Assessment of Significant, Moderate and Low Risk. The following table provides a summary analysis of the **Residual Risk Assessment** for the 30 risks after an assessment of likelihood and impact.

Residual Risk Assessment	Number of Risks
Extreme Risk	0
Significant Risk	11
Moderate Risk	9
Low Risk	10
<b>Total</b>	<b>30</b>
Residual Risk	
Likelihood: Almost Certain (5)	0
Likelihood: Likely (4)	2
Likelihood: Possible (3)	17
Likelihood: Unlikely (2)	8
Likelihood: Rare (1)	3
<b>Total</b>	<b>30</b>
Residual Risk Assessment	
Impact: Catastrophic (5)	3
Impact: Major (4)	8
Impact: Moderate (3)	13
Impact: Minor (2)	6
Impact: Insignificant (1)	0
<b>Total</b>	<b>30</b>

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					

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

14. **DRAFT RECOMMENDATION**

**That the Strategic Risk Management Report to September 2025 dated 17 September 2025 be received.**

ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk	Controls	Mitigation strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual Risk	Owner	Action plan	Actions taken	Reviewed
35	Water Services compromised (Drought/Landslide/Earthquake/Electricity/Network or Treatment Plant Failure)	Assets and infrastructure	Health and Safety	3	5	IF there is a failure in our water services networks THEN communities could lack access to reticulated drinking water or wastewater services for an extended period of time that may create a public health risk.	15	Significant	Asset Management Plans to identify critical and at risk assets. Plant Maintenance schedules. Backup generators either on-site or relocatable for some critical components.	Emergency Water Plan (developed for Civil Defence Response). Earthquake shutoff Valves fitted to Reefton and Westport Trunk mains. Communications Plans developed for scenarios. Permanent generators installed for all critical plant	1	3	5	14	Significant	GM Infrastructure Services	Continue to invest in resilient infrastructure (replace frangible pipes, protect critical assets where possible) Investigate alternative water sources in lower risk locations	Asset renewal programmes target higher risk and critical infrastructure for replacement/protection/relocation Alternative water supply for Westport being studied Note: risk around consent compliance and over-extraction for Westport has been identified. Plan being commissioned to address Westport future water as well as immediate consent compliance.	2/09/2025
6	Major flooding of other Bulter settlements	Natural disaster	Financial / Economic	3	5	IF adequate flood mitigation planning and or protection works are not designed and undertaken around Bulter settlements, THEN a catastrophic flood, resulting from increased high intensity storm events and/or coastal inundation, may occur leading to potential loss of life and considerable financial loss and infrastructure damage.  Inadequate stormwater capacity for high intensity rainfall.	15	Significant	Some river stop banking in place Some coastal protection work in place WCRC flood warning (telemetry) systems in place Property tags around flood levels and consideration in issuing of building consents Additional CD resource appointed and improved planning in place TTPP hazard mapping and identification undertaken and on-going Reefton Stormwater model being produced.	Stormwater improvement plan to be developed for Reefton post stormwater model production.	2	3	5	13	Significant	GM Infrastructure Services	Reefton wastewater/stormwater separation and construction of SW network/soakage.	Reefton SW/WW sepeeration plan underway	2/09/2025
34	Public Health Emergency caused by Untreated or Contaminated Water Supplies	Assets and infrastructure	Health and Safety	3	5	IF Water safety is compromised THEN there is a risk of fatalities or severe illness outbreaks caused by untreated or contaminated water supplies.	15	Significant	Comply with water regulator recommendations. Ongoing testing and monitoring of water quality. Automated detection and plant shutdowns.	Mandatory boil notices on untreated supplies. Letters sent to new purchasers of properties on untreated supplies advising boil water notices. Backflow prevention programme targeting high risk connections as the priority.	2	3	5	13	Significant	GM Infrastructure Services	For untreated supplies: seeking approval from Water Regulator to allow home treatment of raw water as a compliant mitigation.  For treated supplied: maintain backflow prevention programme to progressively remove risk.	LWDW Water Service Delivery Plan to be submitted 3-Sep-25.  All treated supplies have a water safety plan that is reviewed and submitted annually to Taumata Arowai.	2/09/2025



ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk	Mitigation strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual Risk	Owner	Action plan	Actions taken	Reviewed
2	Central Government three-waters reform	Assets and infrastructure	Reputational / Political / Stakeholder Engagement	4	5	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	20	Extreme	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  Active engagement with other councils to form a financially sustainable entity are well developed.	Active engagement with other authorities to understand the potential of the creation of a Regional CCO. There has been steps taken with other districts and conversations taking place The Department of Internal affairs are fully aware of are situation and will continue to be updated on the situation. Taumata Arowai fully understand any potential issues we are currently experiencing and conversations are ongoing	2	3	4	10	Significant	CEO Office	LWDW meeting timeframes and expectations. Deliver the water services delivery plans (WSDP) by the 3rd September 2025. If this is not delivered there could be ministerial implications.  May 2025 - Consultation is currently underway and closes mid June. The Council will make a decision in Mid July as to how we deliver water services in the future.  July 2025 - Council approved to create a Multi Council WSCCO with the two West Coast Councils. The other Council's have also agreed to this approach and the next steps will be to finalise the work on the Water Services Delivery plan which needs to be delivered to the secretary of local government by the 3 September 2025.  August 2025 - WSDP to be adopted at Council on 30 August 2025 and nearly finished.  30 August 2025 - Grey DC, Westland DC and Bulter DC have all approved the Water Services Delivery Plan for the next 10 years. We will now move into the implementation stage for the Water CCO. This will be prior to the DIA reviewing the plan with the results due early 2026.	2/09/2025
4	Climate change and flooding impacts on Council assets and infrastructure (other than Airport)	Natural disaster	Financial / Economic	3	5	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	15	Significant	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)	Working with partner agencies for risk mitigation, e.g WCRC and NZTA.  Hazard mapping	2	4	3	10	Significant	GM Infrastructure Services	Modelling ongoing for multiple climate and sea level scenarios to inform asset management strategies  Modelling of climate impacts underway	2/09/2025
5	Major flooding of Westport township	Natural disaster	Financial / Economic	3	5	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.  Inadequately sized stormwater system does not have capacity for high intensity rainfall events will lead to widespread surface flooding throughout Westport.	15	Significant	Some river stop banking in place (residual risk remains) WCRC flood warning (telemetry) systems Property tags around flood levels and consideration in issuing of building consents Resilient Westport Package established with government funding (physical works are a multiyear project and yet to take effect) Stormwater improvements to lessen backflow and inundation Additional CD resource appointed Stormwater model being produced. Asset Management Plans RIF application for stormwater improvements	Get funding from RIF to complete required works.  Significantly increased stormwater renewals for Westport.	2	3	4	10	Significant	GM Infrastructure Services	Resilient Westport. Annual Plan stormwater renewals. Stormwater modelling. Floodwal stormwater outfall construction - funding an issue  Working alongside WCRC on floodwall works SW outfalls being modelled and designed for floodwalls Funding for outfalls still not confirmed, with alternate options being considered.	2/09/2025

ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk Controls	Mitigation Strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual Risk	Owner	Action plan	Actions taken	Reviewed
7	Financial loss from depreciating assets and unrealised opportunities at Westport Port	Assets and infrastructure	Financial / Economic	3	5	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	15	Significant Lease and business arrangements in place to enable business and enterprise Out of port dredging contractual activity underway Regular financial reporting to monitor progress. Port infrastructure upgrades delivered and on-going Harbourmaster and Dredge Operations Manager oversight	Quarterly RAC reports provided on Dredge and Port financials. Port fees and charges adjusted to reflect user pays and future dredge contracts secured to ensure ongoing financial viability.	2	3	4	10	Significant	GM Corporate Services	Securing future port and dredging revenue contracts. Investigating minimizing expenditure and maximizing revenue opportunities	January 2025 - meet with other NZ Ports on potential dredging contracts both maintenance and bell pump  February 2025 - Update Council including revised LTP financials  May 2025 - Westport Port initiatives - finalising RIF loan documentation for \$4.8M including dredging revenue and purchase of bell pump.  May 2025 - Finalising contractual negotiations with NZ Ports  July - RIF funded dredging in Westport basin underway. 12 days completed  August - 2025 dredging contract with Port Whanganui with successful trail of RIF funded Bell Pump	29/08/2025
10	Heavy reliance on rates income with a low and aging population base	Council financial vulnerability	Reputational / Political / Stakeholder Engagement	4	3	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	12	Significant Commercial & Corporate portfolio established. Active exploration of Port and other commercial opportunities. Strengthened partnership with Iwi, RIF and DWC. Ongoing advocacy and regional collaboration. Budget/service level reviews as part of LTP	Future Dredge contracts thru letters of intent secured. LTP financials updated to reflect ongoing financial viability. Butler District Council successful in securing \$4.8M of Regional Infrastructure funding for Port Infrastructure. On 28 May 2025 Council approved the supporting suspensory loan agreements for \$4.8M. July/August 2025 - RIF funded dredging in Westport basin underway and successful trial of RIF funded Bell Pump at Port Whanganui.	2	3	4	10	Significant	GM Corporate Services	Actively working with NZ Ports to secure future dredging revenue contracts. Actively seeking future revenue opportunities for the Port.	Quarterly updates to Risk and Audit committee on status of dredge contracts - commercial in confidence	29/08/2025
12	Natural hazard and unforeseen event impacts on public safety	Natural disaster	Health and Safety	3	5	IF effective Civil Defence processes are not in place, THEN emergency response could be compromised, resulting in avoidable serious injury to, or loss of life of, a member or members of the public	15	Significant Emergency Management Officer employed by WCRC (and based in Butler) 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	Emergency Management Officer employed by WCRC (and based in Butler) 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 EOC resourced and operative as required Early warnings via key agencies to ensure pre-planning can occur	2	3	4	10	Significant	GM Regulatory	Support the Training Plan as supplied by WCRC to ensure EOC can be manned effectively Oversee the operational plan from CDEM to ensure progress of actions Evacuation processes are developed and documented Early warning mechanisms are in place to provide quality intelligence	Continued training of BDC staff and other stakeholders Community awareness increased through the support of CDEM staff Additional assets and resources supplied to support communities to be prepared for an event Westport Evacuation plan developed and awaiting sign off Improved intelligence gathering via WCRC river monitoring upgrades	3/09/2025
22	Costs associated with Special Purpose Road (SPR) to Karamea	Assets and infrastructure	Reputational / Political / Stakeholder Engagement	3	4	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	12	Significant Funding agreement in place that secures 100% contribution by NZTA until 2027 Substantial improvements to highway (improving resilience)	Continued advocacy and representation to NZTA and Central Government on the importance on retaining 100% funding.	2	3	4	10	Significant	GM Infrastructure Services	Continued advocacy and representation to NZTA in regular forums	Conversation with NZTA representatives. No commitment other than a recommendation that BDC commence political advocacy	2/09/2025
30	RMA Fast Track processes - impact on BDC resources	Council systems	Legal / Regulatory	4	3	Additional resource may be required based on the size and complexity of any new Fast Track proposals and outcomes	12	Significant Contractor assigned as back up for resource requirements		2	4	3	10	Significant	GM Regulatory		Contractor assigned as back up for resource requirements	2/09/2025

ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk Controls	Mitigation Strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual Risk	Owner	Action plan	Actions taken	Reviewed
31	TTPP and Appeals - no resources & budget allocation towards appeals & mediation	Regulatory processes	Legal / Regulatory	4	3	Dependent on the outcomes of the TTPP decisions there is a high possibility of legal challenge which will require BDC to allocate resource and budget to make a case	12	Significant No controls in place - would require council to submit an unbudgeted allocation		1	3	3	8	Moderate	GM Regulatory		Awaiting the outcomes of the TTPP RMA Commissioner reviews and TTPP Joint Committee decisions.	2/09/2025
8	Failure/inability to fund and implement master planning outcomes	Assets and infrastructure	Financial / Economic	3	5	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	15	Significant Community engagement started and on-going On-going conversations between Master Planning proponents and district stakeholders/developers Advocacy between BDC and Central Government	Ensure all avenues for external funding are explored. Continue discussions with key partners and stakeholders to progress conversations that do not require significant investment. Ensure the TTPP is supportive of the natural hazard risk profile and the objectives are well articulated to the general public. Lobby government agencies for additional support Reach out to banks/insurance to pitch the master plan outcomes Raise the profile with the Climate Change Commission and MoE Natural Hazards group	2	3	3	7	Moderate	GM Regulatory	Provide seed funding to maintain momentum until external funding becomes available. Work on business case to provide business case opportunities Lobby government about the case for change and to progress Stage 3 of the plan. Contract key individuals within the insurance and banking industries to seek support for the project Develop an MOU with PAMU in regards to the land required for the master plan Raise the profile of the master plan by entering into the LGNZ Awards Make an application to the Infrastructure Priority Projects for NZ Develop concept model for an SPV	LGNZ Award application was successful and the project won the Super Idea category. Climate Change Commission has selected Westport Master-plan as the case study for the government for 2025 MOU has been developed with PAMU Insurance and Banking industry has been contracted and a number of meetings have occurred Funding application made to BRANZ to develop SPV model	3/09/2025
17	Failure to adopt the 22/23 Annual Report (containing audited financial statements) in a timely manner	Governance and process	Reputational / Political / Stakeholder Engagement	4	3	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	12	Significant Working with OAG and EY and have retained external independent advocate/advice Permanent GM Corporate Services in place Process improvements being implemented as part of KPMG process audit	Ongoing provision of information to EY to finalise outstanding matters relating to draft audit opinion.	2	3	3	7	Moderate	GM Corporate Services	Supporting information provided to Auditor regarding draft audit opinion in December 2024. Infrastructure revaluation data for 22/23 required rework - completed April 2025. Subject to Audit confirmation - planned adoption by 30 June 2025.  Auditor has completed the audit work for the 22/23 annual report and submitted audit opinion to the Office of the Auditor General.  We are now starting work on the 23/24 and 24/25 annual reports with a result due by December 2025	Continue working to ensure completion of the statutory obligations. EY will be here in October to carry out their audits.	2/09/2025

ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk Controls	Mitigation strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual Risk	Owner	Action plan	Actions taken	Reviewed
18	Business success of Butler Holdings Ltd	Assets and infrastructure	Financial / Economic	3	4	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	12	Significant Rigorous director appointment process to get the right focus and skillset. Regular review of strategic direction (input via SOI process) and financial performance. Regular two way updates, reporting and communication. IS workflow improvements between BDC and WestReef	Draft SOI for BHL to be provided to RAC for consideration at April meeting.	2	3	3	7	Moderate	GM Corporate Services	Subject to approval at April RAC - Council will consider draft SOI and actions at April Council meeting.  Regular monthly relationship meetings BHL/BDC	May 2025 - Council approved the draft SOI in the April RAC meeting, this had updated objectives which we feel are more aligned to the expectations. The final SOI will be with Council in June 25.  June 2025 - BHL/BDC Governance Meeting and Relationship meeting  July 2025 - Final SOI for YE 30 June 2026 adopted by Council at 25 June meeting. SOI indicates that overall trading conditions remain tight. Relationship meeting BHL/BDC  August 2025 - BDC/BHL monthly Relationship meetings.	29/08/2025
20	Business and industry activity in the district	District economic vulnerability and fragility	Financial / Economic	3	4	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	12	Significant Strengthened partnerships with external funders. Presence of a regional ED strategy. Briefing to incoming Ministers (BIM). Ongoing advocacy. Infrastructure investment and upgrades. Resilient Westport programme underway.		2	3	3	7	Moderate	CEO Office	CE's ongoing input as a member of the Te Whanaketanga Steering Group. As part of the post-PMO audit, Action Plan of business process improvements to provide assurance to central government funders to rebuilt trust and confidence in BDC. Successful RIF application resulting in \$3.2M of funding. The funds provided will be used for infrastructure upgrades at Westport Port which will enhance resilience and stimulate economic growth. This is the first of a two stage upgrade programme, stage one involving:  • the expansion of floating pontoon structure, • upgrades to the Fisherman's Wharf, • installation of a Roll-on / Roll-off (RORO) Ramp Facility' and • installation of an Ancillary pump for Kawatiri Dredge.	CE regularly attending Te Whanaketanga Steering Group meetings. CE reporting post-PMO audit Action Plan to each RAC. CE and senior staff regularly meeting with key local industries including Federation Mining, Stevenson and WMS.	
14	Major earthquake impacts on employees and public health and safety	Natural disaster	Health and Safety	3	5	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	15	Significant On-going assessment of key Council buildings undertaken Earthquake strengthening of key Council buildings where necessary Evacuation procedures	Replace or strengthen high risk occupied buildings to 67% NBS or IL4.	3	3	3	6	Moderate	GM Infrastructure Services	Proposed replacement of EOC and Brougham House in 2025-34 LTP. Westport Library and Reefton Service Centre not included and remain high risk.	Consultant commissioned to determine and evaluate options	2/09/2025
16	Inability to fund and maintain key tourism infrastructure	Assets and infrastructure	Reputational / Political / Stakeholder Engagement	4	3	IF Council cannot financially maintain key tourism infrastructure, THEN then the visitor experience will be compromised leading to demand drop off and reputational impact	12	Significant Close working relationship with other key agencies and community to identify opportunities. Focus on temporary based infrastructure i.e. portable units	Weekly audits of key strategic sites to ensure compliance to regulations and bylaws	2	3	2	4	Moderate	GM Regulatory	Any future infrastructure requirements will be assess as part of councils budgeting processes. If future external funding is made available council will evaluate the future demands and make an assessment on any additional infrastructure needs.	Resources are deployed to monitor Freedom Camping sites during the visitor season. There is no funding to current support community representatives to monitor remote sites. Rubbish collect and Toilets have been removed to reduce any operational costs.	2/09/2025



ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk Controls	Mitigation strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual Risk	Owner	Action plan	Actions taken	Reviewed
19	Willingness and capacity of candidates to stand for Council	Governance	Operations and Service Delivery	2	4	IF external pressures, demands, risk exposure, and/or unfair criticism are not balanced or addressed, THEN there is a risk that the willingness to stand for Council erodes, compromising effective governance	8	Moderate Pre-election engagement and communications Greater focus on communication with community around what Council does	Comprehensive communication plan has been developed to encourage candidates to stand. Pre-election report is being created to provide an overview of council performance. Six hours of bookable, candidate briefing sessions in July have been arranged for the CEO and a councillor (not standing for re-election) to provide one-on-one information to prospective candidates.	2	2	3	4	Moderate	CEO Office	Pre-election planning underway with tasks identified and allocated between Elections NZ and BDC.	Pre-election report published on BDC website. Candidate briefing sessions offered and utilised. Information for candidates fully promoted on BDC website - the "Back yourself. Run for Council" campaign. BDC Candidate Handbook and LGNZ Candidate Handbook published.	
33	Transactions not covered under delegated authority	Financial Delegations Policy	Financial / Economic	3	3	Decisions on assigning council to commitments e.g. contracts, committee decisions or approving Purchase Orders outside their delegated authority	9	Significant Financial Delegations Policy Terms of References Role Delegations		2	2	3	4	Moderate	GM Corporate Services	Organisation wide review of delegations	Organisation wide review of delegations underway supported by the Senior Policy Adviser	29/08/2025
13	IT Systems and Data Security	Council systems	Financial / Economic;#Information Management / Technology;#Operations and Service Delivery	3	4	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	12	Significant IT security systems in place and active testing and monitoring; Server back-ups; Training modules for staff and Councillors; IT staff employed; On-going upgrades and maintenance of systems; IT Policies have been updated and acknowledged by staff members	Robust firewalls and antivirus software in place. Backup as a service hosted on Cloud environment. Multi factor authentication set up for all users and phishing training for staff. Infrastructure and system upgrades. Implementing DMARC - Strengthening Email Security.	3	3	2	3	Low	GM Corporate Services	Revised IT Disaster Recovery and Business Continuity Plan. Upgrading Server hardware and Firewall. Implementing DMARC/DKIM for Strengthening Email Security. Updated IT policies.	Revised IT Disaster Recovery and Business Continuity Plan developed. Updated IT policies have been issued. Mobile Device and Computer Security Policies formulated and presented to SLT	26/08/2025
21	Leaching from historic waste sites	Assets and infrastructure	Environmental	2	3	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	6	Moderate Known sites monitored/managed Containment/protection measures implemented (i.e. Hector, Reefton)	Budget to purchase and remediate Birchfield landfill in 2025-34 LTP.  Ongoing monitoring and compliance with WCRC resource consents.	3	2	3	3	Low	GM Infrastructure Services	Funding application to MFE for contaminated sites remediation fund to be completed.	Ongoing monitoring of sites	2/09/2025
24	BCA accreditation	Regulatory processes	Operations and Service Delivery	2	4	IF Council fails to retain its BCA accreditation, THEN it will not be able to process building consents or inspect building sites leading to loss of service delivery	8	Moderate Internal officer undertakes pre-audit audit that generates corrective actions. History and experience of existing staff in audit requirements	Appointment of a QA Officer role to oversee internal audit processes Building Control Manager provides Strategic review to address any audit outcomes Group Manager overview of Strategic actions to confirm closeout	3	2	3	3	Low	GM Regulatory	Continue to monitor corrective actions from IANZ Audit Ensure Audit resource available to oversee activity Validate Strategic Plan on an annual basis	Permanent Quality coordinator role established. Fortnightly track of IANZ audit requirements. Shared Service arrangements being established with other West Coast councils.	2/09/2025
9	Failure to implement process improvements from the KPMG PMO Audit Report	Process and systems	Reputational / Political / Stakeholder Engagement	4	4	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	16	Extreme Action plan developed based on audit recommendations and progress reported to RAC On-going work with funding partners and stakeholders to rebuild trust and confidence	Comprehensive Action Plan in place with actions reported on by CEO. New Procurement Policy developed adopted by Council. Development of two manuals for contractor procurement and management. Training for staff implemented. New Policies and Procedures implemented and rolled out to staff. Regular EPO training sessions provided to staff. An audit of the creditors and payroll areas has been undertaken by PWC with outcomes reported to RAC. Remaining Action Points are responsibility of RAC to monitor.	2	2	2	2	Low	CEO Office	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).	The last major action taken has been the implementation of the two professional services Supplier Panels. On the Action Plan, 14 of the 18 of the items now complete. The remaining four are ongoing monitoring items assigned to RAC.	29/08/2025

ID	Risk	Potential strategic matter	Category	Likelihood	Impact	Impact description	Score	Inherent risk Controls	Mitigation Strategies	Effectiveness	Likelihood 2	Impact 2	Score 2	Residual Risk	Owner	Action plan	Actions taken	Reviewed
23	Failure to recruit key roles	Human resources	Human Resources;#Operations and Service Delivery	3	4	IF Council does not develop an effective recruitment strategy, THEN key managerial or technical roles may not be filled resulting in significant operational disruption and/or stress to existing staff	12	Significant HR Manager in place Permanent CE recruited and full membership on SLT Availability to contract in short term cover for key roles	Key recruitments have been successfully undertaken utilising a variety of methods including external recruitment agencies to ensure a high calibre of candidates. HRIS systems in place to streamline and improve recruitment, selection and retention of staff.	2	2	2	2	Low	CEO Office	Ongoing development of staff to encourage internal applicants Continued focus on rebuilding trust and confidence in BDC to enhance reputation. Enhance employer branding efforts to position the organisation as an employer of choice. Continue proactive workforce planning to identify upcoming critical roles and succession needs early. Review and optimise job descriptions and person specifications to attract a wider candidate pool. Focus on Tier 2 and 3 roles - particularly those with contracted staff.	Permanent SLT now in place Other key, Tier 3 roles have been successfully appointed to replace contract staff.	2/09/2025
29	Loss of Critical Paper Documentation (Property Files etc)		Information Management / Technology	2	5	If we lost a significant portion of critical current & historical paper documentation (property files, old drawings/maps etc) we may not have any record of building works etc that would be recorded for LIMS and other regulatory processes	10	Significant Files are stored in purpose built facility that has all the integrated controls in place to mitigate damage and deterioration.	Information Strategy	2	2	2	2	Low	GM Regulatory	Budget converting critical paper documentation into electronic files through an Annual Plan budgeting process	Contract in place to manage paper files currently - completed Additional archiving of other documents underway	2/09/2025
32	LIMS and Hazard Management - poor or missing hazard data		Information Management / Technology	3	2	We are only reporting on current information. A lot of hazard mapping is still required for future state and the WCRC is tasked with this responsibility (with our support)	6	Moderate WCRC natural hazard database is used as the source of truth for the most up to date information available.	Working alongside the WCRC to deploy their proposed Natural Hazards and Climate Adaptation plans	2	2	2	2	Low	GM Regulatory	The WCRC have instigated further works to make out missing data in the Natural Hazards space. They are recruiting a second Natural Hazards specialist to join their team.	Workshop with WCRC to determine work program to mitigate missing NH data to be planned	2/09/2025
3	River inundation of Westport Airport	Natural disaster	Operations and Service Delivery	4	5	IF the airport is not protected against Bulter River inundation, THEN facilities damage may occur leading to loss of function and ability to offer air services	20	Extreme Flood protection installed around generator shed	The flood protection around generator shed is complete. The fuel facility will utilise portable flood protection barriers / bunds installed by emergency management, in a Red rain warning weather event	3	1	4	1	Low	GM Community Services	The controls are likely to eliminate or minimise the occurrence	Aug 2025, discussions ongoing regarding final placement of any flood mitigations being put into place from WCRC.	
11	Coastal erosion and sea inundation of Westport Airport runway	Natural disaster	Operations and Service Delivery	4	5	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	20	Extreme Debris exclusion fence constructed (February 2019) to prevent incursion of debris onto runway strip and runway Rockwall constructed	Rockwall is surveyed each year to ensure integrity remains. It is also checked post any significant weather warnings / events.	3	1	4	1	Low	GM Community Services	Ongoing surveys to monitor the integrity of the wall and ensure any action identified is recorded and undertaken.		
28	Customers receiving confidential information in digitised property files	Breach of privacy	Information Management / Technology;#Legal / Regulatory;#Reputational / Political / Stakeholder Engagement;#Operations and Service Delivery	5	3	IF a customer receives confidential information in the property file they have requested, THEN the Council will be in breach of the Privacy Act 2020 and may suffer reputational damage and a loss of trust in its ability to safeguard information.	15	Significant All digitised property files must be reviewed before they are sent out. If there is confidential information, that information must be removed and saved separately with CONFIDENTIAL included in the file name.		3	1	3	0	Low	GM Regulatory	Update and implement the process for digitised property files. Apologise to the customer who complained about confidential information being included in the property file they requested, remove the confidential information from the file and send them the revised version, and offer to supply a LIM of the property free of charge.	29/07/2025 Customer Services team member raised the issue with Manager Information Management (MIM). 30/07/2025 MIM informed Manager Customer Experience and Group Manager Community Services and advised them how to deal with it. 2/09/2025 Coordinator Customer Services advised MIM that all property files are now checked before they are sent out externally. The customer was sent a new copy of the property file with the confidential information removed but was not offered a free LIM as the were satisfied with the above.	2/09/2025

**RISK AND AUDIT COMMITTEE  
17 SEPTEMBER 2025**

**AGENDA ITEM: 10**

<b>Prepared by</b>	Glen Pellew Financial Accountant
<b>Reviewed by</b>	Kaaren Phipps Manager Finance  Paul Numan Group Manager Corporate Services
<b>Attachments</b>	1. Westport Airport Authority Draft Full Year Report to 30 June 2025

**WESTPORT AIRPORT AUTHORITY – DRAFT FULL YEAR REPORT TO 30 JUNE 2025**

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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) draft financial statements for the 12-month period ended 30 June 2025 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 \$167,387 was unfavorable to the budget of \$206,013 and is unfavourable to the actual revenue in the prior financial year of \$196,452. This is a result of the change in scheduled airlines from Sounds Air to Originair during the year. The new contract with Originair and the revised schedule has contributed to a reduced Revenue.
5. **Expenditure:**  
Total actual operating expenditure (\$540,138) was favourable to the budget of (\$602,335) overall and favourable to last year's operating expenditure of (\$542,958)
6. The reduction in actual expenditure compared to budget can be attributed to reduced Airport Maintenance (\$24,032) a reduction in Depreciation for the Year by (\$5,001) and Administration Costs of (\$17,970).

7. **Operating Surplus (Deficit):**  
The total operating surplus (deficit) after interest expense was (\$415,266) compared to the budget of (\$396,322). The deficit is split as part of the Joint Venture Agreement between Buller District Council and the Ministry of Transport. The BDC portion of the loss is (\$207,633) compared to the budget of (\$198,161)
8. **Capital Expenditure:**  
Capital expenditure for the year of (\$17,418) was less than budgeted spend of (\$116,076.)
9. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
10. **DRAFT RECOMMENDATION**  
**That the Westport Airport Authority – Draft Full Year Report To 30 June 2025 be received.**



# WESTPORT AIRPORT AUTHORITY

## FINANCIAL STATEMENTS

For the year ended  
30 June 2025



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WESTPORT AIRPORT AUTHORITY  
Entity Information  
For the year ended 30 June 2025

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Legal name

Westport Airport Authority (the Authority).

Type of entity and legal basis

The Authority was established by a Joint Venture Agreement entered into by the Crown and the Buller District Council pursuant to section 5 of the Airport Authorities Act 1966. The Authority is controlled by Buller District Council and is a Council Controlled Organisation (CCO) as defined by section 6(1) of the Local Government Act 2002.

The **Authority's** purpose or mission

The **Authority's** primary business activity is the operation of an airport. An airport is considered a crucial aspect of regional infrastructure servicing the Buller district.

The structure of the **Authority's** operations, including governance arrangements

The Authority comprises of a Chief Executive Officer who runs the day-to-day operations of the airport including compliance with Civil Aviation regulation. This is supported by staff who assist the day-to-day operations and maintenance of the airport. All staff are appointed by Buller District Council who also oversees the governance of the Authority through Council.

Main sources of the **Authority's** cash and resources

Landing fees and lease income are the primary sources of funding for the Authority.

WESTPORT AIRPORT AUTHORITY  
Statement of Accounting Policies  
For the year ended 30 June 2025

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## BASIS OF PREPARATION

The financial statements presented here are for the Westport Airport Authority. The Airport Authority is a public benefit entity for financial reporting purposes under PBE IPSAS.

The financial statements have been prepared in accordance with generally accepted accounting practice NZ GAAP, the Local Government Act 2002 and the Joint Venture Agreement. The financial statements comply with PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) This standard has been applied on the basis that the Authority does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Reliance is placed on the fact that the Authority will continue to receive financial, operational and administrative support from the Buller District Council sufficient to maintain its services. The attention of readers is drawn to note 9.

The financial statements have been prepared on the basis of historical cost. All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are presented in New Zealand dollars and are stated at whole dollar amounts. The functional currency of the Westport Airport Authority is New Zealand Dollars.

The financial statements are prepared on the assumption that the Authority will continue to operate in the foreseeable future.

## ACCOUNTING POLICIES

### Property, Plant and Equipment

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

### Depreciation

Depreciation of fixed assets, other than land, has been provided on a straight-line basis at rates calculated to allocate the cost of the assets over their estimated useful lives. The depreciation rates applied are:

Buildings	2.5% -5.0%
Runway - Basecourse	1.30%
- Seal	2.0% - 7.7%
Runway Lighting	10.0% - 20.0%
Fuel Facility	8.0%
Other Assets	1.0%-15.0%
Seawall	0.0%



#### Goods and Services Tax

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

#### Income Tax

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

#### Cash and Bank Accounts

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

#### Trade and Other Receivables

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

#### Buller District Council Current Account

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

#### Creditors and Other Payables

Creditors and other payables are measured at the amount owed.

#### Revenue and Expenditure

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

#### Significant Management Estimates and Assumptions

There are no significant management assumptions or estimates for the period.

#### Changes in Accounting Policies

There have been no changes in accounting policies applied or adopted during the period. (2024 Nil).

WESTPORT AIRPORT AUTHORITY  
Statement of Financial Position  
As at 30 June 2025

	Note	2025 \$	2024 \$
<b>Current Assets</b>			
Accounts receivable and accruals	3	74,938	39,246
Prepayments		2,727	4,344
<b>Total Current Assets</b>		<b>77,665</b>	<b>43,590</b>
<b>Non-Current Assets</b>			
Property, plant & equipment	5	5,607,564	5,678,787
<b>Total Assets</b>		<b>5,685,229</b>	<b>5,722,377</b>
<b>Current Liabilities</b>			
Accounts payable and accruals		76,063	71,211
Revenue in advance		-	0
Buller District Council – current account	9	622,132	266,283
<b>Total Current Liabilities</b>		<b>698,195</b>	<b>337,494</b>
<b>Net Assets</b>		<b>4,987,034</b>	<b>5,384,883</b>
<b>Equity</b>			
Equity: Ministry of Transport	7	2,161,650	2,161,650
Less: Share of accumulated losses		(834,183)	(626,550)
		1,327,467	1,535,100
Equity: Buller District Council	7	4,532,534	4,515,117
Less: Share of accumulated losses		(872,967)	(665,334)
		3,659,567	3,849,783
Equity: Ministry of Transport & Buller District Council		6,694,184	6,676,767
Less: Total accumulated losses		(1,707,150)	(1,291,884)
<b>Total Equity</b>		<b>4,987,034</b>	<b>5,384,883</b>

Authorised for issue on behalf of the Westport Airport Authority on XX XXXXXXXX 2025 by:

Simon Pickford  
CHIEF EXECUTIVE

Jamie Cleine  
CHAIRPERSON

*The accompanying Notes are an integral part of and are to be read  
in conjunction with these statements.*

WESTPORT AIRPORT AUTHORITY  
Statement of Financial Performance  
For the year ended 30 June 2025

Jun-24		Jun-25	Unaudited Budget Jun-25
\$		\$	\$
	<b>Revenue</b>		
42,003	Landing fees & Other Dues	40,614	43,287
112,449	Terminal Rental & Other Income	84,773	120,726
42,000	Farming Lease	42,000	42,000
-	Flood Recovery Income	-	-
196,452	<b>Total Revenue</b>	167,387	206,013
	<b>Less: Expenditure</b>		
26,740	Airport Maintenance	48,198	72,230
333,495	Administration	333,188	351,158
20,666	Audit Fees	20,666	22,531
92,993	Depreciation	88,640	93,641
13,422	Rates and Insurance	5,833	15,685
-	Legal Fees	6,630	2,112
12,241	Power and Telephone	12,013	11,804
43,401	General Expenses	24,970	33,174
542,958	<b>Total Expenditure</b>	540,138	602,335
(346,506)	<b>Operating Surplus (Deficit)</b>	(372,751)	(396,322)
	<b>Less:</b>		
47,615	Interest Expense	42,515	-
-	Loss on Disposal of Asset	-	
	<b>Plus:</b>		
	Depreciation Recovery		
(394,121)	<b>Net Surplus/(Deficit) Before Tax</b>	(415,266)	(396,322)
-	- Less Tax Expense		
(394,121)	<b>Net Surplus (Deficit) after Tax</b>	(415,266)	(396,322)
	Attributable to:		
197,061	Profit / (Loss) Buller District Council	(207,633)	(198,161)
197,061	Profit/ (Loss) Ministry of Transport	(207,633)	(198,161)
394,121		(415,266)	(396,322)

The accompanying Notes are an integral part of and are to be read in conjunction with these statements.

WESTPORT AIRPORT AUTHORITY  
Statement of Changes in Equity  
For the year ended 30 June 2025

		\$	\$
<b>Equity at Start of the Year</b>		<b>5,384,883</b>	<b>5,382,951</b>
Total Comprehensive Revenue and Expense		(415,266)	(394,122)
Contributions from Buller District Council	9	17,417	199,936
Contributions from the Crown	9	-	196,118
<b>Equity at End of the Year</b>		<b>4,987,034</b>	<b>5,384,883</b>

CONTRIBUTIONS BY THE JOINT VENTURE PARTNERS

Equity Account as at 30 June 2025	Ministry of Transport \$	Buller District Council \$	Total \$
Land		2,159,000	2,159,000
Contributions for assets purchased to 30 June 2025	1,528,356	1,570,776	3,099,132
Contributions for accumulated losses to 30 June 2025	633,295	802,759	1,436,054
Total before share of accumulated losses or surplus	2,161,651	4,532,535	6,694,186

Equity Account as at 30 June 2024	Ministry of Transport \$	Buller District Council \$	Total \$
Land		2,159,000	2,159,000
Contributions for assets purchased to 30 June 2024	1,528,356	1,553,359	3,081,715
Contributions for accumulated losses to 30 June 2024	633,295	802,759	1,436,054
Total before share of accumulated losses or surplus	2,161,651	4,515,118	6,676,769

EQUITY APPROPRIATION ACCOUNT			
	2025 \$	2024 \$	
Opening Balance (Accumulated Losses)	(1,283,662)	(897,762)	
Total Comprehensive Revenue and Expenses	(415,266)	(385,900)	
<b>Closing Balance (Accumulated Losses)</b>	<b>(1,698,928)</b>	<b>(1,283,662)</b>	

The accompanying Notes are an integral part of and are to be read  
in conjunction with these statements.



WESTPORT AIRPORT AUTHORITY  
Statement of Cash Flows  
For the year ended 30 June 2025

		<b>12 Months</b>	<b>12Months</b>
		<b>Jun-25</b>	<b>Jun-24</b>
		<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Landing Fees & Airport Dues		10,983	30,883
Rental, Service Charges & Other Income		84,773	112,449
Farming Lease		40,594	42,000
		<b>136,350</b>	<b>185,332</b>
Cash was applied to:			
Payments to Suppliers and Employees		<b>(485,482)</b>	<b>(488,435)</b>
Interest Paid		0	0
Net GST		(6,717)	(1,740)
		<b>(492,199)</b>	<b>(490,175)</b>
<b>Net Cash Flows from Operating Activities</b>		<b>(355,849)</b>	<b>(304,843)</b>
<b>Cash Flows from Investing Activities</b>			
Cash was provided from:			
Sale of Assets		-	-
Cash was applied to:			
Purchase of fixed assets		-	(61,182)
<b>Net Cash Flow from Investing Activities</b>		<b>-</b>	<b>(61,182)</b>
<b>Cash Flows from Financing Activities</b>			
Cash was provided from:			
Buller District Council			-
Contributions from Joint Venture Partners		-	<b>396,054</b>
Cash was provided by:			
Buller District Council Current Account		355,849	(30,031)
<b>Net Cash Flows from Financing Activities</b>		<b>355,849</b>	<b>366,023</b>
<b>Net Increase in Cash and cash equivalents</b>		<b>-</b>	<b>-</b>
Add Cash and cash equivalents at Start of Year		-	-
<b>Cash and cash equivalents End of Year</b>	<b>1</b>	<b>-</b>	<b>-</b>

The accompanying Notes are an integral part of and are to be read in conjunction with these statements.

WESTPORT AIRPORT AUTHORITY  
Notes to the Financial Statements  
For the year ended 30 June 2025

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1. Cash

Buller District Council provides administrative services to the Authority. The Airport does not run a bank account and all Airport income and expenses are paid through the Buller District Council general bank account.

2. Taxation

	2025 \$	2024 \$
Net Surplus (Deficit) before Tax		(394,122)
Tax at 28%		(110,354)
Temporary Differences not recognised		(12,451)
Tax Losses not recognized		137,462
Tax Expense	-	-

Unrecognised tax losses of \$xxx(2024: \$3,337,784) with a tax effect of \$xxx (2024: \$934,581) are available to carry forward.

3. Accounts Receivable and Accruals

Accounts receivable and accruals are disclosed net of any provision for impairment. There was no impairment recognized in 2025 (2024: Nil).

4 Support by Buller District Council

The operation of the Authority is undertaken by the Buller District Council, which is also responsible for the financing of those operations.

Buller District Council has included in its Annual Plan provision to support the Westport Airport Authority for the next twelve months to enable the Authority to maintain its current level of operation. This support includes all financial, operational and administrative support services. Administrative support includes employment of operational staff and internal charges for administration of the Authority.

	2025 \$	2024 \$
Employment related costs	214,974	228,860
Buller District Council - internal charges	117,692	104,124
Total Administration Expenses	332,666	332,984

## 5. Property, Plant and Equipment

Property, Plant and Equipment - 2025								
	Cost 1 July 2024	Accumulated Depreciation 1 July 2024	Additions	Disposals & Transfers	Depreciation 30 June 2025	Accumulated Depreciation 30 June 2025	Cost 30 June 2025	Carrying Amount 30 June 2025
Land & Improvements	4,646,246	166	-	-	-	166	4,646,246	4,646,080
Runway	387,977	113,421	-	-	15,505	128,926	387,977	259,051
Runway Lighting	728,704	553,018	-	-	18,944	571,962	728,704	156,742
Terminal Building	542,554	227,194	-	-	13,564	240,758	542,554	301,796
Toilet Block	15,538	9,913	-	-	777	10,690	15,538	4,848
Furniture & Fittings	26,375	15,542	-	-	1,421	16,963	26,375	9,412
Other Assets	409,054	199,491	17,416	-	37,589	237,080	409,080	189,392
Fuel Facility	288,195	288,195	-	-	-	288,195	288,195	-
Carpark	41,994	910	-	-	840	1,749	41,994	40,245
Capital WIP	-	-	-	-	-	-	-	-
	7,086,637	1,407,850	17,416	-	88,640	1,496,489	7,104,053	5,607,564

Property, Plant and Equipment - 2024								
	Cost 1 July 2023	Accumulated Depreciation 1 July 2023	Additions	Disposals & Transfers	Depreciation 30 June 2024	Accumulated Depreciation 30 June 2024	Cost 30 June 2024	Carrying Amount 30 June 2024
Land & Improvements	4,619,353	-	26,893	-	166	166	4,646,246	4,646,080
Runway	387,977	89,787	-	-	15,505	113,421	387,977	274,556
Runway Lighting	701,637	532,722	27,068	-	20,297	553,018	728,704	175,687
Terminal Building	542,554	213,631	-	-	13,564	227,194	542,554	315,360
Toilet Block	13,995	9,214	1,543	-	700	9,913	15,538	5,625
Furniture & Fittings	26,375	14,028	-	-	1,541	15,542	26,375	10,833
Other Assets	405,290	169,127	3,763	-	40,407	199,491	409,054	209,562
Fuel Facility	288,195	288,195	-	-	-	288,195	288,195	-
Carpark	41,994	70	-	-	840	910	41,994	41,084
Capital WIP	-	-	-	-	-	-	-	-
	7,027,370	1,316,774	59,267	0	92,993	1,407,850	7,086,637	5,678,787

## 6. Post Balance Date Events

There were no post balance date events subsequent to June 2025.

## 7. Equity

The Airport Authority capital is equity. Equity is represented by net assets.

The Statement of Intent requires the Airport Authority to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently. The **Authority's** equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

**The objective of managing the Airport Authority's equity is to ensure it effectively achieves its objectives and purpose, while remaining a going concern.**

## 8. Shareholders Statement of Intent

The 2024-2025 Draft Statement of Intent was required to be delivered by the Authority to shareholders under Part 2 of Schedule 8 of the Local Government Act 2002 by 1 March 2024. The Draft Statement of Intent was delivered to shareholders on xx XXXXX 2024.

## 9. Related Party Transactions

The Westport Airport Authority is a joint venture between the Crown and Buller District Council, with each holding a 50% interest. During the period the following related party transactions occurred between the Airport Authority and Buller District:

	Note	2025 \$	2024 \$
Services Provided by Buller District Council	4	332,984	332,984
Interest Charges		42,515	47,615
Rates charges		-	957
Current Account balance owed by/(owed to) Buller District Council		(622,132)	(266,283)

WestReef Services Limited is a Council Controlled Organisation of Buller District Council. During the period the following related party transactions occurred between the Airport Authority and WestReef Services Limited:

	2025 \$	2024 \$
Services Provided by WestReef Services Limited	-	-
Balance owed to WestReef Services Limited	-	-

There were equity contributions totaling \$ 0 in 2024 by the joint venture partners. (2024: \$196,118).



## 10. Commitments, Contingent Assets and Contingent Liabilities

The Authority had no contingent assets as at 30 June 2024 (2023: Nil). The Authority had no contingent liabilities in 2024. (2023: Nil).

## 11. Audit

Audit fees include \$20,666 for Ernst & Young to complete the 2024 annual audit. (2024: \$20,666).

	2024	2024
	5	\$
Ernst & Young	20,666	20,666

## 12. 2024 Year: Delay in completion of the audited Annual Report

The Westport Airport Authority, as a Council Controlled Organisation, was required to complete its 2023/24 Annual Report within three months after the end of the financial year (i.e. by 30 September 2024).

This timeframe was not met because the 2024 audit has not commenced.

WESTPORT AIRPORT AUTHORITY  
Statement of Service Performance  
For the year ended 30 June 2025

The Westport Airport Authority operates an Airport at Westport. It is involved in the provision, maintenance, upgrading and enhancement of services and facilities to accommodate the landing of aircraft and the efficient and safe facilitation of passengers and cargo through the Airport, having regard to the regulatory requirements of the Civil Aviation Authority of New Zealand.

The principal objective of the Authority is to:

- Operate as close as possible to a commercial business in a cost effective and efficient manner;
- Maintain the **airport's** assets; and
- Enter into any commercial undertakings at the airport that will complement the Airport operation and that are considered desirable.

The **Authority's** performance in comparison to its performance targets agreed in the 2023- 2024 Westport Airport Authority Statement of Intent is outlined as follows:

PERFORMANCE COMMENTARY

Operating Revenue for the Westport Airport Authority was \$38,626 lower than budgeted. This was due to Sounds Air ceasing services during the year. Originair replaced Sounds Air but changed the flight schedule to adapt to align with passenger demand and signed a renegotiated contract.

Operating Expenditure was \$ 62,197 lower than budgeted. All expenditure was lower than budget. The largest variances were in Maintenance costs (\$ 24,032) and Administration of (\$17,970.)

The Capital Budget allowed for \$16,200 of capital expenditure as set out below. This budget was for fencing and for signs. The actual capital expenditure was for \$17,416 and included a container and motorised sweeper and small signage.

	2025		2024	
	Actual Performance	Performance Targets (as per SOI)	Actual Performance	Performance Targets (as per SOI)
Operating Revenue	167,387	206,013	196,453	203,269
Operating Expenditure	540,138	602,335	542,960	522,251
Net Profit (Loss)	(372,751)	(396,322)	(346,507)	(346,507)
Capital Expenditure:				
Signs	-	-	-	-
Website	-	-	-	-
Furniture and Fittings	-	-	-	-
Other Plant	-	-	-	-
Land/Bunding Improvements	-	-	26,893	26,255
Aerodrome Beacon	-	-	27,008	39,305
Other Assets	17,416	16,200	7,224	50,506
Fencing	-	-	-	-
Carpark	-	-	-	-
Capital Revenue:	-	-	-	-
Grants and Subsidies	-	-	-	-
Ratio Performance:				
Total Equity/total Assets (excluding liabilities)	88%	97%	95%	99%

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

### **AGENDA ITEM: 11**

**Prepared by:** Glen Pellew  
Financial Accountant

**Reviewed by:** Kaaren Phipps  
Manager Finance

Paul Numan  
Group Manager Corporate Services

#### **INVESTMENTS AND BORROWINGS REPORT AS AT 31 AUGUST 2025**

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1. **REPORT PURPOSE**

The purpose of this report is to provide the Risk and Audit Committee with an update on Council investments and borrowing and is provided for information.

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

3. **EXECUTIVE SUMMARY**

This report summarises Council's cash investments and borrowings for the month of August 2025, and compliance with Council treasury management policy.

4. **DISCUSSION**

5. **BACKGROUND**

The last reported period for Council's cash investments and borrowings was for the month of February 2025.

6. **CURRENT ISSUES**

Council is limited to \$20 million of borrowings from the Local Government Funding Agency (LGFA). The LGFA places a \$20m limit on borrowing by councils that are non-guarantors to the LGFA funding vehicle. As part of the adoption of the 2025-2034 Long-Term Plan Council approved becoming a guarantor of the LGFA.

7. All local authorities can borrow from the LGFA, but different benefits apply depending on the level of participation. Council has been a borrowing local authority since 2015 and will join as a guaranteeing local authority. The benefit of becoming a guarantor is reduced interest rates – noting the margins that the LGFA provide are lower than the Commercial Banks which results in this saving

8. Staff are currently working with our auditors on the finalisation of the Council's Annual Report and audit opinion for the year ended 30 June 2023 as well as the accounts for the year ended 30 June 2024, as both lenders require a copy of the annual reports to complete their renewal processes.

9. **INVESTMENTS AND BORROWINGS REPORT**

10. **Term Investments**

Total term investments are recorded at \$3.3m as at 31 August 2025.

Bank or Society	Interest Rate	Start Date	Maturity Date	Balance as at 31 August 2025
ANZ	3.85%	22/07/2025	20/04/2026	1,129,015.89
ANZ	4.52%	8/10/2024	8/10/2025	1,199,821.00
BNZ	4.35%	27/02/2025	25/10/2025	1,000,000.00
<b>TOTAL Term Deposits</b>				<b>3,328,836.89</b>



11. The Treasury Management Policy of Council is that all term deposits are held with New Zealand Registered banks with no more than \$10 million with any one institution. The terms and maturity dates of investments are spread to minimise the Council's exposure to interest rate fluctuations while still aiming to optimise interest earned.
12. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base. Currently there are no funds at Building Societies.
13. In addition to term investments, the Council also has a loan to BHL of \$1.5m and LGFA borrower notes of \$250k.



Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000.00	29/05/2026	3.776%
LGFA Borrower Note	LGFA	125,000.00	31/03/2027	3.776%

14. **Interest Revenue**

Interest revenue to the end of June 2025 is \$743,164.

15. **Borrowings and Net Debt Position**

Total borrowings of \$38.7m are \$2.67M lower than the previous reporting period in February 2025. This is a result of BDC reducing their Call Advance Loan by \$ 3.4M by using excess funds generated from rates and grants.

16. Net debt (borrowings less term investments and call account balance) at \$35.3m.

17. The loan from Development West Coast was taken out to assist in the building of the Reefton cabins. Income will be generated from the lease of these cabins.

	This Month 31-Aug-25	Last month 31-Jul-25	Year End 30-Jun-25	Last Report 28-Feb-25	Last Year 30-Jun-24
<b>External Debt</b>					
Westpac Loan Facility	\$17,963,860	\$18,723,860	\$21,418,860	\$21,338,860	\$14,243,860
Development West Coast	\$704,715	\$501,455	\$0	\$0	\$0
LGFA Loan Facility	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
<b>Total borrowings</b>	<b>\$38,668,575</b>	<b>\$39,225,315</b>	<b>\$41,418,860</b>	<b>\$41,338,860</b>	<b>\$34,243,860</b>
Less: Term deposits (including call account)	\$3,328,837	\$3,328,837	\$3,328,837	\$10,389,681	\$14,607,472
<b>Net debt</b>	<b>\$35,339,738</b>	<b>\$35,896,478</b>	<b>\$38,090,023</b>	<b>\$30,949,179</b>	<b>\$19,636,388</b>

18. Council currently holds \$56m of committed funding lines, \$20m with LGFA and \$36m with Westpac. Since the previous report, the Multi Option Credit Line/Wholesale Advance Facility (MOCL) with Westpac was increased to help Council meet its forecasted debt requirements as we finalised outstanding NZTA roading claims. Council's current committed funding lines at \$38.67m represent 67% of this forecast debt. The LTP limits as at June 2025 are \$57m – with forecasted debt to be at 47m at the end of June 2026.

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

20. **DRAFT RECOMMENDATION**

**That the Investments and Borrowings report as at 31 August 2025 dated 17 September 2025 be received.**

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 12**

**Prepared by** Glen Pellew  
Financial Accountant

**Reviewed by** Kaaren Phipps  
Manager Finance

Paul Numan  
Group Manager Corporate Services

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

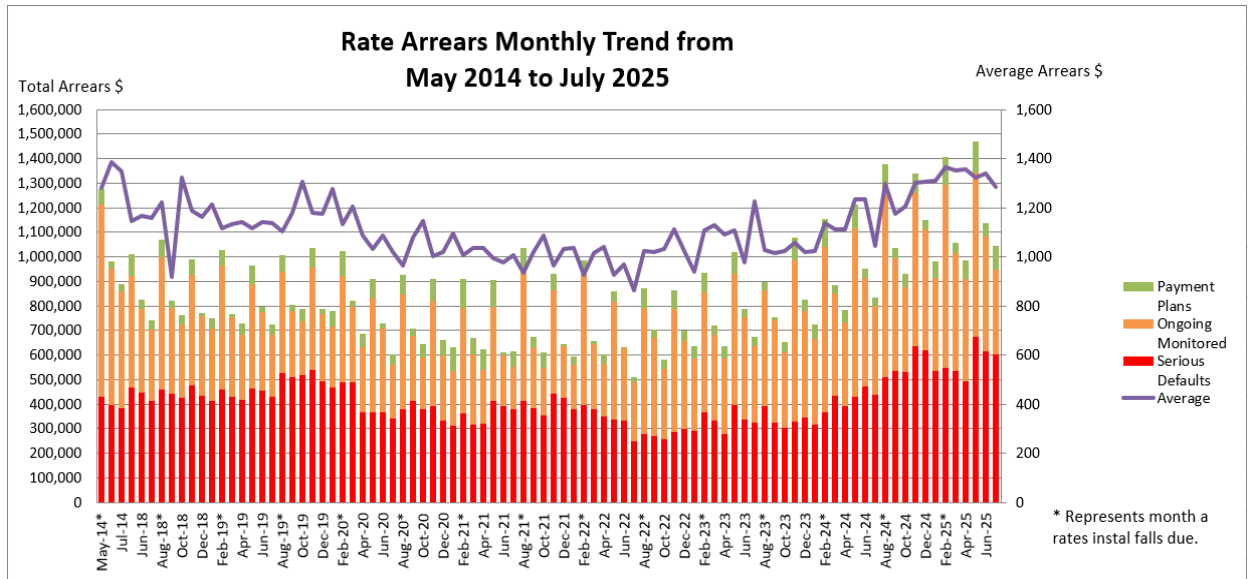
**Public Excluded:** No

### **DEBT MANAGEMENT REPORT AS AT 31 JULY 2025**

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1. **REPORT PURPOSE**  
The purpose of this report is to provide the Risk and Audit Committee (RAC) with an update on Council debt management and is provided for information.
2. Please note that no decision is required in relation to this information.
3. **EXECUTIVE SUMMARY**  
This report presents and classifies the outstanding balances of rates, debtors and sundry debtors as at 31 July 2025.
4. **ISSUES AND DISCUSSION**  
This report is presented to provide information on debt trends for Council and provides a high-level overview of the debt owed to Buller District Council.
5. **Rates**  
Council's rates debtors arrears in July ran counter to the trend in arrears for the past 18 months and have fallen by \$0.36m. Total rate arrears stand at \$1.05m excluding abandoned land.

6. Ratepayers on payment plans has decreased slightly to 813 from 1,031 in February 2025. There are indications of a persistent increase in the amount of arrears with common feedback on ratepayers struggling in the current economic environment.



7. Council staff use debt management software to assist with the process of collecting, monitoring and managing debt. Early intervention is applied to help keep the rate arrears from escalating and when ratepayers miss one or two instalments,
8. Council staff try to assist these ratepayers with signing up to a payment plan. When all attempts from the Council are unsuccessful, these ratepayers become categorised as serious defaults. Ratepayers in the serious defaults category are managed in one of two ways:
  - a) Mortgage lenders are contacted where there is a mortgage on the rate-payers property; or
  - b) Debt collectors are contacted where there is no mortgage on the rate-payers property.
9. Where consent is received from the ratepayer, Council works alongside the ratepayer and their bank (if relevant). Council staff provide relevant information to ratepayers on support services that could assist them with independent advice for paying their debt. Information in relation to the rates rebate scheme is also passed on – noting this information is also available on Council's website.
10. A programme of rates outstanding on disposal of abandoned land is being progressed.

11. **Interest/Penalties Charged on Outstanding Debtors Accounts**  
For interest to be collectable the terms of trade must be signed up to prior to customers placing orders with Council. However, rates accounts when unpaid as per the conditions of the rating act, are charged 10% penalties for non-payment.
12. **Sundry Debtors**  
Sundry Debtors arears balances to date confirms an increase of \$35k since the last report. This increase is as a result of outstanding payments due for invoices issued to the Ministry of Transport (Westport Airport Authority contribution for 2024) and Kainga Ora (IAF Wastewater Funding) during the period.
13. The standard considerations have been thoroughly evaluated, and there are no additional comments at this time.
14. **DRAFT RECOMMENDATION**  
  
**That the Debt Management Report as at 31 July 2025 dated 17 September 2025 be received.**


















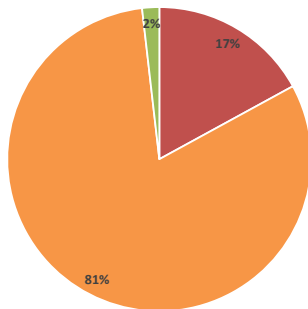
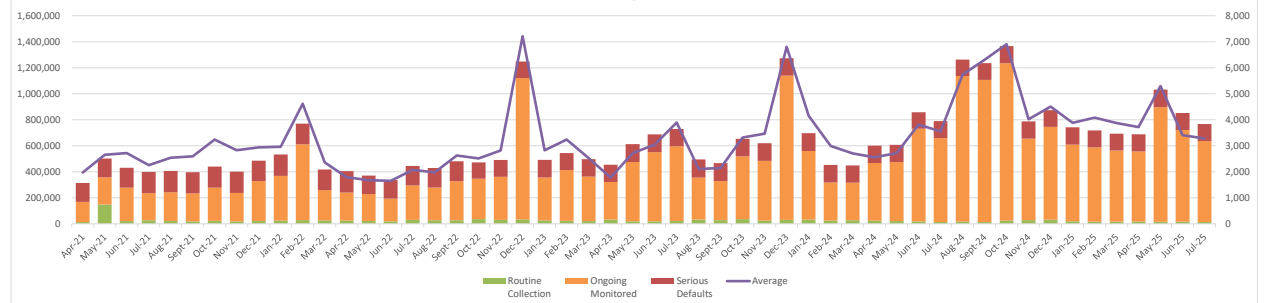
## Sundry Debtors - Debt Recovery Report

Report cutoff date

Ageing cycle - current due

31 July 2025  
31 July 2025














Status Flag	Debtor Type	Age of Debt 31 July 2025		Age of Debt 30 April 2025		Variance 25 vs Jan 25 Apr		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	19	130,779	18	132,593	1	(1,814)	13	2	4	✓			✓	✓	Rents invoiced 6 monthly in advance. Long standing arrears receiving increased collection measures and purchase discount option.
	Orowaiti Connection	1	3,375	1	3,375	0	0	0	1	0				✓		Long standing arrears collected when property transfers.
	Libraries	0	0	0	0	0	0	0	0	0						Small amounts monitored.
	Water	35	38,359	21	39,955	14	(1,596)	32	2	1	✓			✓		Payment plans promoted for those with long standing debt.
	Resource Management	15	50,389	10	38,245	5	12,144	9	4	2	✓	✓		✓		Long standing arrears receiving increased collection measures.
	Rentals	32	57,861	29	62,065	3	(4,204)	28	2	2		✓		✓		\$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	47	22,885	16	6,498	31	16,387	46	1	0						Timing of Annual Licences billing.
	Sundry	48	425,812	44	364,409	4	61,403	39	1	8			✓			Instalment arrangements entered into for those with long standing debt.
	Westport Harbour	18	23,973	21	24,532	(3)	(559)	15	3	0						Annual payment plans in place. Rents, Berthage etc
	Trade Waste	6	8,348	7	8,487	(1)	(139)	4	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	7	4,326	9	6,648	(2)	(2,321)	7	0	0						Where overdue, this represents inspections not yet completed due to timing of building process.
	Swimming Pools	1	90	1	90	0	0	1	0	0						
	Cemetery	2	569	3	816	(1)	(247)	2	0	0						
	LIMs	2	600	4	1,200	(2)	(600)	2	0	0						
	<b>Totals</b>	<b>234</b>	<b>767,407</b>	<b>185</b>	<b>688,953</b>	<b>49</b>	<b>78,453</b>	<b>199</b>	<b>18</b>	<b>17</b>						

Internal Debt Recovery  
(debit balances due)Debtor Arrears  
Monthly Trend

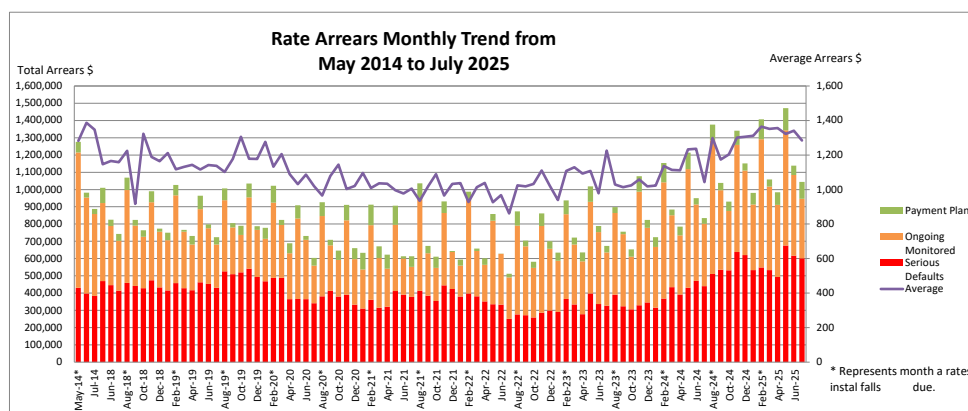
## Rates Accounts - Debt Recovery Report

Report cutoff date 31 July 2025  
 Last rates installment due date 28 May 2025  
 Next rates installment due date 28 August 2025

## 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	
	Placed with External Debt Collection	12	128,645		128,645	10%				J			Arrears placed with Credit Recovery Agency. Refer to the analysis below.
	No current mailing address	0	0		0	0%		J					Tracing addresses through bank deposits & social media undertaken.
	Approach Mortgagee	2	11,849		11,849	1%							Ratepayers with mortgages are pursued for payment under the Rating Act provisions.
	Awaiting Decision	36	207,018		207,018	16%	✓		✓				More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
	Missed more than two instalments	87	253,343		253,343	19%					J		Reviewing for possibility of Mortgagee Action.
	Under Action - Short Term Monitored	7	16,236		16,236	1%	J				J		Reviewed systematically with each ratepayer.
	Payments Insufficient	41	52,934		52,934	4%				J	J		Reviewed systematically. Work through options to increase payments/resolve debt.
	Long Term Monitored	27	80,001		80,001	6%	J						Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/Feb), more frequently if in decline.
	No Payments - Property on Market	9	13,020		13,020	1%	J						Annual Review.
	Missed February & May 2025 instalments	57	85,280		85,280	6%					J		Letters sent - monitoring.
	Missed one instalment only	265	98,165		98,165	7%					J		Letters sent - monitoring.
	Payment plans	270	98,165		98,165	7%				J			Reviewed annually and updated as required.
	Abandoned Land Tender Project	41	274,186		274,186	21%						J	Report to June 2019 Council Meeting.
	<b>Totals</b>	<b>854</b>	<b>1,318,842</b>	<b>0</b>	<b>1,318,842</b>	<b>100%</b>							

Internal Debt Recovery			
	Red	600,855	45.6%
	Orange	345,636	26.2%
	Green	98,165	7.4%
	Abandoned land	274,186	20.8%
		<b>1,318,842</b>	<b>100.0%</b>



## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 13**

**Prepared by** Sonja Firby  
Finance Business Partner

**Reviewed by** Kaaren Phipps  
Finance Manager

Paul Numan  
Group Manager Corporate services

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

### **BULLER DISTRICT COUNCIL MULTI-YEAR PROJECTS FUNDING REPORT**

1. **REPORT SUMMARY**

Council budgets for annual operating and capital expenditure are prepared and approved during the Annual Plan or Long-Term Plan process each year.

2. At the end of each financial year capital budgets planned for scheduled projects may not be spent in full as forecast.
3. Some capital projects may be re-budgeted in the following year Annual Plan or Long-Term Plan if they are not started by the end of the financial year.
4. Capital works which are underway at balance date but not yet completed require the budget to be carried over to subsequent years.
5. This report provides Council with details of the business-as-usual Capital Budgets required to be carried over from the 2024-2025 Financial Year (or earlier) to the 2025-2026 year (or later).

6. **DRAFT RECOMMENDATION**

**That Risk and Audit Committee recommend to Council, that the carryover budget of \$5,063,874 from the 2024-25 year be added to future Capital budgets as follows to be approved (as per Attachment 1):**

<b>Move to 2025 – 26</b>	<b>\$4,923,874</b>
<b>Move to 2026 – 27</b>	<b>\$ 70,000</b>
<b>Move to 2027 – 28</b>	<b>\$ 70,000</b>

7. **ISSUES & DISCUSSION**

At the Risk and Audit meeting on 18 June the committee approved the carryover budget of \$8,679,533 from the 2023-24 year to be added to future Capital budgets as follows:

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

8. The schedule attached to this report (marked as Attachment 1) sets out the capital budgets required to be carried over from the 2024-2025 year which are required to complete the Council projects that are underway.
9. The Capital budget required to be carried over is the unspent portion of a prior year budget which is still required to be spent in order to complete a capital project.
10. If a project is not started at year end, a budget carryover is not permitted for the following year. Instead, the budget required would need to be re-budgeted in the 2025-2026 year or a later financial year.
11. Net remaining budgets from prior years may be required to be transferred to the next financial year due to:
  - Capacity constraints. When unexpected events occur projects must be re-prioritised and the resources available to continue with planned capital programs are reduced; or
  - External factors beyond the control of management (such as Covid-19 or a flooding event, etc.); or
  - Engagement with other parties extends project planning and decision-making stages (such as shared services with other West Coast Councils); or
  - Projects contingent on strategic review or reconfiguration of the initial concept extend the project timeline.
12. **The more significant projects to be carried over are:**
13. Completion of NZTA approved work schedule - \$507,718 after subsidy.
14. Stormwater projects - \$520,000  
Ongoing work to reduce backlog in renewals. Includes 5 Brougham St, Thomas Ck outlet, South Peel St and Cobden St outfall.
15. Reefton Wastewater Treatment Plant – Cabinet and Controller - \$160,000  
Reefton Crampton St and ongoing active works - \$20,000 in each respective years into 26/27 and 27/28.
16. Little Wanganui – Rockwall works - \$75,000



17. Westport Water Mains Renewals - \$441,000  
Multiple renewal project, larger ones are Coates Street, Bentham St and West Disraeli.
18. Westport Water sectorization project - \$250,000
19. Westport Assessments, Strategies & Modelling - \$202,310
20. Westport Water Trunk Main – Renewal - \$1,844,833
21. Reefton Water Backflow Prevention - \$100,000  
Reefton Water WTP Renewals - \$100,000
22. Reefton Swimming pool upgrade - \$137,767 – remaining budget for unfinished work

23. **CONSIDERATIONS**

24. **Strategic Impact**

The delivery of Capital Projects is important to meet the expectations of our community and complete the commitments made in our Long-Term Plans and Annual Plans.

25. Carrying over budgets to subsequent financial years enables the work on capital projects to continue seamlessly across balance dates for all departments of council.

26. **Significance Assessment**

The Significance and Engagement Policy sets out the criteria and framework for a matter or a transaction to be deemed significant. The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine whether a proposal or decision is significant, requiring the Council to make judgements about the likely impact of that proposal or decision on:

- a. The district;
  - b. The persons who are likely to be particularly affected by, or interested in, the proposal or decision;
  - c. The financial impact of the proposal or decision on the Council's overall resources; and
  - d. The capacity of the Council to perform its role and carry out its activities, now and in the future.
27. The content included in this report has been consulted on with the community through prior Long-Term Plan and Annual Plan processes.
  28. The capital projects detailed in the carryover schedule have been included in

previous Long Term or Annual Plan processes including public consultation. Some projects including the Punakaiki Community Building and Reefton Swimming Pool have included targeted consultation with the affected communities.

29. **Risk Analysis**

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

30. Capital projects are perceived to have some greater than usual potential to place Council at risk as the costs involved can be significant, or the project may have greater technical and legal issues. This risk is mitigated by engaging suitably qualified staff to monitor and regularly report on the projects, therefore acting on any issues that arise early on, and to ensure the project progress is well understood by staff and governance.

31. Approving the capital budget carryovers extends project timelines to enable projects to be completed. Alternatively, capital projects would need to be re-budgeted during the next annual plan, creating a twelve-month delay before work could recommence or continue.

32. **Policy / Legal Considerations**

The Local Government Act 2002 governs the activities of Buller District Council and sets out the requirement for consulting on the annual plan and long-term plan to agree the budget and provision of services with the community.

33. This report assists with two key purposes of that Act (located at section 3) stating the purpose of the act is to promote the accountability of local authorities to their communities and provide for local authorities providing local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.

34. **Values**

The Buller District Council values are as follows: we care, integrity, one team, community driven and future focussed. This report aligns with those values as it presents information about the capital projects for our community.

35. **Tangata Whenua Consultation Considerations**

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

36. **Views of Those Affected**

Council's capital projects are consulted on with the community during Long Term and Annual Plan processes.

37. **Costs**

There are no extraordinary costs for the capital projects predicted at this stage of the financial year. The amounts which may need to be carried forward to the

next financial year are identified so they can be included in the next annual plan budget.

38. **Benefits**

Monitoring capital projects including the budget carryovers provides a snapshot of the position of Council, providing a decision-making tool and information for Councillors.

39. **Media / Publicity**

There are no media or publicity opportunities with this report.

## Attachment 1: Multi Year Projects

Business Unit	Kawatiri	GLID	Project	Total approved Budget 24/25	Carried forward from previous years	Total available Budget remaining	Required to be carried forward to 25/26	Required to be carried forward to 26/27	Required to be carried forward to 27/28	Comments
<b>Dredge Port</b>		15005509	Kawatiri Dredge work	802,729	-	37,811	37,811	-	-	
<b>Roading</b>		15025509		41,204	-	19,704	19,704			
		Various	Local Roads	4,292,215	-	2,123,191	2,030,873			Completion of NZTA approved work schedule
			Local Roads - NZTA Subsidy	(3,219,161)	-	(1,592,393)	(1,523,155)			Completion of NZTA approved work schedule
			Special Purpose Roads	3,065,489	-	776,221	909,833			Completion of NZTA approved work schedule
<b>Support Information Systems</b>			Special Purpose Roads - NZTA Subsidy	(3,065,489)	-	(776,221)	(909,833)			Completion of NZTA approved work schedule
		2.211E+09	Ticketing System	16,264	-	16,264	16,264			Awaiting quotes from providers
		2.211E+09	Aerial Photography	58,914	-	28,672	28,672			Ongoing project, but Invoice timing varies
		2.211E+09	Sharepoint Migration	5,423	101,711	19,352	19,352			Ongoing project, but Invoice timing varies
<b>Community Facilities</b>		2.211E+09	Systems - Server replacement	97,589	72,928	67,220	67,220			Server Software to buy once server is installed
Carnegie Library										
<b>Wastewater</b>	Reefton Wastewater	64095535	Fitout of Carnegie Library	4,908	495,199	369,144	373,887			Carried over as per discussion at council meeting to allow for local funding application to be made for local share
		7.132E+09	Treatment Plant	196,379	-	180,982	160,000			Cabinet and Controller plus level monitoring, sensors and sensor integration
		7.132E+09	Other Capital	466,245	-	118,587		20,000	20,000	78 Crampton and active works
Little Wanganui Wastewater		7.142E+09	Other Capital	108,280	-	108,040	75,000			Rockwall works
<b>Stormwater</b>		7.181E+09	This included 5 Brougham St 107k, Thomas Ck outlet 160k, South Peel St 300k and Cobden St outfall 280k combined	1,258,000	718,790	1,825,753	420,000	50,000	50,000	More projects comitted than funds available this financial year Carry forward \$400k hughes place, \$200k Cobden St (value for Cobden TBC depending on Weather- rapid work planned but weather dependent) both in progress
<b>Solid Waste Water</b>										
Westport Water		7.302E+09	Renewal projects Coates Street, Bentham St, West Disraili and	-	607,500	404,075	441,000			To finalise the projects in 25/26
		7.302E+09	Sectorization project to install street district monitoring flow m	277,783	157,909	372,336	250,000			To finalise the projects in 25/26
		7.302E+09	Assessments, Strategies & Modelling	571,274	-	374,133	202,310			To finalise the projects in 25/26
		7.302E+09	Trunkmain Renewal	3,092,984	-	3,426,666	1,844,833			To finalise the projects in 25/26
Reefton Water		7.312E+09	Backflow Prevention	117,380	-	81,545	100,000			To finalise the projects in 25/26
		7.312E+09	WTP Renewals	140,146	-	112,708	100,000			To finalise the projects in 25/26
Cape Foulwind Water		7.362E+09	Intake upgrade and flow meters	-	126,213	66,336	66,336			To finalise the projects in 25/26
Punakaiki Water		7.372E+09	New Water supply DWS	471,312	-	177,394	56,000			To finalise the projects in 25/26
<b>Community Facilities</b>										
Reefton Pool		83205536	Reefton Pool upgrade	-	388,995	137,767	137,767			To finalise the projects in October 25
				<b>6,882,881</b>	<b>2,669,245</b>	<b>7,886,974</b>	<b>4,923,874</b>	<b>70,000</b>	<b>70,000</b>	



## **BULLER DISTRICT COUNCIL**

**17 SEPTEMBER 2025**

### **AGENDA ITEM: 14**

**Prepared by** Simon Pickford  
Chief Executive Officer

**Attachments** Attachment 1 - Letter from NZTA 2 September 2025  
Attachment 2 - PMO Review Action Plan Update September 2025

### **PMO REVIEW: SUMMARY OF ACTIONS TAKEN IN RESPONSE TO THE KPMG PROJECT MANAGEMENT OFFICE REVIEW**

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1. **REPORT PURPOSE**

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

2. **EXECUTIVE SUMMARY**

This report provides an end of triennium summary of the actions taken by Council to address the issues identified following KPMG's review of the Project Management Office (PMO).

3. Key outcomes of the Action Plan implemented following the Process Improvements Opportunities from KPMG include the development and updating of Council's policies (including Whistleblower and Procurement policies), establishment of an internally led Capital Works Team, workshops with RAC on risk identification and an organisation-wide Project and Programme Management Framework

4. This report also provides an update on an amount NZTA has identified as overclaimed by the PMO and has requested be repaid.

5. **DISCUSSION**

6. **Timeline**

January 2021 – The PMO was established with the purpose of managing Capital Infrastructure projects following BDC's success obtaining contestable Central Government post-COVID funding.

7. July 2021 - First significant weather event.

8. August 2021 - Consultants engaged by the Department of Internal Affairs to provide quality assurance of BDC's financial situation and capability and an understanding as to their operating constraints as a result of the floods.

9. August 2021 - Buller Flood Recovery Team and Steering Group established.

10. December 2021 - Consultants engaged to assist BDC with implementing the recommendation from their review. Three further consultants engaged.
11. February 2022 - Second significant weather event.
12. August 2022 - Consultant engaged as Acting Manager PMO.
13. 2022-2023 - A number of senior staff, including the CEO, moved on from the organisation and roles were filled with interim staff.
14. October 2023 - Following several allegations of financial mismanagement by the PMO in 2022 and 2023, a review of the PMO function was completed in by Morrison Low.
15. November 2023 - KPMG retained to undertake a further review of the PMO and BDC's management of it.
16. April 2024 – KPMG's Project Management Office (PMO) Review final report (Report) completed.
17. 24 April 2024 - KPMG Report received by Council.
18. May – June 2024 - Process improvements opportunities identified and workshopped with RAC and Council.
19. August 2024 – finalised Process Improvements Opportunities document approved by RAC.
20. September – present day - Action Plan put in place to deliver recommended process improvements.
21. **Key Findings:**

The Report identified a number of concerns relating to the operations and oversight of the PMO between 2021 and 2023. The findings suggested that many of the issues stemmed from insufficient management oversight and a lack of key governance controls.

  - **Limited Scope of Prior Review**

In response to initial media reports, Council engaged a consultant to undertake a review of the PMO. However, the scope of this review was not appropriately aligned to address the specific allegations raised.
  - **Claims Outside Funding Parameters**

Evidence was found indicating that BDC submitted claims for costs associated with PMO management that did not fall within the guidelines set by external funding bodies.

- **Inadequate Response to Misconduct Allegations**

Allegations of misconduct were reported to former senior staff, but only limited action was taken. BDC did not have a Protected Disclosure Policy in place.

- **Weaknesses in Financial and Operational Oversight**

Senior staff did not adequately manage critical areas such as budgeting, consultant engagement, procurement, and conflict of interest processes.

- **Leadership Instability**

Oversight and accountability within the Council's Senior Leadership Team were further impacted by high turnover, including changes in the Chief Executive role.

- **Capital Expenditure and Risk Management**

The extraordinary storm events in 2021–2022 led to a significant increase in capital expenditure. While the original budget for 2020/21 was approximately \$6 million, actual annual spending between 2020 and 2023 ranged from \$12 million to \$14 million. This increase in expenditure and associated risk does not appear to have been adequately assessed by the Audit and Risk Committee or Councillors. Greater scrutiny—through enhanced controls or internal audit procedures—could have helped mitigate these risks.

22. **Process Improvement Opportunities**

The final phase of the PMO review involved the identification of any process improvement opportunities with Council. KPMG workshopped this with Council and the Chair of Risk and Audit on 15 May 2024.

23. Feedback from the RAC meeting held on 26 June 2024 was incorporated into a finalised version of the Process Improvements Opportunities document which was presented to the August RAC meeting.

24. A comprehensive action plan (Action Plan) was developed based on the Process Improvements Opportunities document and reported to subsequent RAC meetings. The Action Plan is a 'living document' and is regularly updated and amended as required.

25. The Action Plan was divided into four sections: Procurement / Finance Issues (nine items), Conflict of Interest (two items), Protected Disclosures (two items), and Management / Governance (five items).

26. The Action Plan has been shared with Department of Internal Affairs and New Zealand Transport Agency (NZTA).

27. **Action Plan**

The key pieces of work are summarised below.

28. New policies were developed/communicated in 2024 – the Protected Disclosure (Whistle-blower) Policy, a Sensitive Expenditure Policy, a Conflict of Interest Policy and a Confidentiality Policy. These policies are all in place and were circulated to all staff and widely communicated through CEO updates and staff meetings.
29. In July 2024, the PMO was disestablished and a Capital Works Team created, managed by a staff member. This team has been pivotal in driving many of the changes identified in the Action Plan.
30. Changes include a revised Procurement Policy which was reviewed and adopted by Council on 18 December 2024. The Policy was supported by two manuals for contractor procurement and management. These guidelines established clear, standardised processes to ensure Council acquires its goods and services in a transparent, fair, consistent, and accountable way.
31. In addition, internal processes to ensure invoices are appropriately reviewed, narrated and approved was developed. Electronic purchase orders (EPO) and appropriate invoice narration are now mandated before any payment. Online resources provide clear guidance and instructions to suppliers on EPOs, invoices and procurement. Comprehensive procurement training for staff and a supporting website for suppliers was also implemented.
32. In support of a more robust procurement approach for professional services such as project management and probity audit, two Professional Services Procurement Panels were established from 1 July 2025.
33. An organisation-wide Project and Programme Management Framework has also been introduced after being piloted within the Infrastructure Services team. The Framework provides the roles, responsibilities, templates, rules and framework for how the Council manages projects and programmes. This reduced risk, increases efficiency, and delivers better outcomes for our community.
34. An audit of the creditors and payroll areas has been undertaken by PWC. An Audit Programme is being developed for review by RAC in the next triennium.
35. The latest Action Plan is **Attachment 2**. It can be seen that the actions in the first three sections (Procurement / Finance Issues, Conflict of Interest and Protected Disclosures) are all marked as complete. The last section (Management / Governance) contains actions that largely require ongoing attention and monitoring to implement and are therefore mostly marked as such (with one exception). The discipline established through the regular reporting to RAC (and external funders – see below) assists with this.
36. **Funding Claims**  
The Report identified a concern regarding funding claims made by for BDC by the PMO. Specifically, it found evidence supporting allegations that BDC submitted



claims to external funders for costs associated with PMO management that did not meet the eligibility criteria set by those funders.

37. *National Emergency Management Agency*

The National Emergency Management Agency (NEMA) queried certain claims made by BDC (but not paid) which it deemed 'business as usual' operating cost rather than an eligible capital cost. These issues were resolved with NEMA, and no funds were required to be repaid.

38. *New Zealand Transport Agency*

The New Zealand Transport Agency undertook a review of BDC's funding submissions which, unlike the NEMA claims, had already been paid. NZTA has advised it was concerned that there had been overpayments as set out above. The uncertainty about the quantum of this repayment amount has been a major factor in delaying BDC's Annual Plans. NZTA began this work over a year ago and has only just confirmed its position.

39. The Action Plan arising from the KPMG audit is provided regularly to NZTA following RAC meetings. BDC staff worked closely with NZTA Investment Assurance (Technical) team to identify to review and confirm the effectiveness and operation of requirements and processes against the Action Plan. The relationship between NZTA and BDC is considered to be stable and improving (see below).

40. On 2 September 2025 NZTA confirmed the overclaimed amount of funding relating to PMO consultancy cost it requires to be repaid (**Attachment 1**). The amount is \$254,527.87 and NZTA requires repayment by 30 June 2027.

41. We consider the amount claimed by NZTA to be reasonable and am intending on advising NZTA that BDC accepts that amount as owing and wishes to work with it to put in place a repayment method and plan that is acceptable to both parties. We are in discussion with auditors EY regarding the appropriate accounting treatment of any amount repaid.

42. In its correspondence on this issue (Attachment 2), NZTA recorded there has been a noticeable improvement in the systems and processes to support embedding improved assurance and reporting within BDC, and significant progress was being made towards completing the Action Plan. NZTA also acknowledged BDC's on-going effort and implementation of an assurance framework, which would address areas of risk noted by KPMG.

43. In addition, over the past year, further rigour has been implemented for NZTA claims through its Transport Investment Online (TIO) portal. This requires comprehensive supporting information and evidence to be provided with claims and sign off by the CEO as part of the submission process. The system is working well.

44. **Conclusion**

The KPMG Report revealed failures of leadership, management and a lack of critical controls. It concluded that this absence of oversight contributed to the submission of claims for amounts that were not due to BDC and did not reflect the level of financial and reputational risk posed to Council.

45. While the Report found that some Council staff acted outside of established policy, there was no evidence of conduct that, in KPMG's view, would warrant referral to law enforcement or the Serious Fraud Office.

46. Despite the issues identified, it is noted the PMO successfully delivered the projects it was tasked with completing.

47. However, the reputational damage to Council and staff is arguably of greater significance, with longer term implications.

48. Additionally, BDC must now address the repayment of funds NZTA seeks. Creating an ongoing financial liability for BDC.

49. BDC has worked hard to address the issues raised in the Report and to rebuild trust and confidence in the Council. Through the Action Plan, critical issues have been addressed, and new key staff are in place who are accountable for managing the risks KPMG pinpointed as inadequately identified and managed. The organisation's leadership is stable and rebuilding. However, this work will be ongoing, and RAC will continue to play a pivotal role in ensuring appropriate governance oversight.

50. The learnings from the PMO Report will continue to inform future improvements in operational management and governance oversight and will ensure greater accountability and transparency moving forward.

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

52. **DRAFT RECOMMENDATION**

**That the report "PMO Review: Summary Of Actions Taken In Response To The KPMG Project Management Office Review" dated 17 September 2025 be received.**



2/09/2025

Simon Pickford  
Chief Executive Officer  
Buller District Council  
Po Box 21  
Westport 7866

Dear Simon,

I am writing to advise that NZ Transport Agency Waka Kotahi (NZTA) has now completed its analysis of past payments and current agreed funding requests.

We have identified that the overclaimed amount of \$254,527.87 related to the PMO consultancy costs will need to be repaid. We are happy to discuss a repayment plan over time for this amount to assist with Buller District Council's financial viability while they continue to invest in building internal resourcing and capability. NZTA requires full payment no later than 30th June 2027

Buller District Council's agreed emergency works budget was \$13,492,234 and a further \$762,527 was required to meet their requested programme of works. This would increase Buller funding to a new total of \$14,254,761. This price level adjustment request will not be supported by NZTA.

We have also investigated the issue with the emergency works claim re: 'return to service' where we identified work that had been overspec'd (or betterment). It was identified between \$500-\$600k of overspec'd work has been claimed. This will not be pursued for repayment by NZTA.

We have identified that two AMDS paybacks totaling \$56,719 are also due, these are:

AMDS 23/24 claim - RTZ overclaim 23/24 - Repayment - \$8,091 these have been paid

AMDS 23/24 claim - RTZ overclaim 23/24 – Repayment \$48,628

The AMDS repayments have been received and are now resolved.

NZTA acknowledges Buller District Council's continual efforts to meet the requirements of their agreed action plan and to continue to grow their internal resource and capability. We will be seeking regular updates on progress against the action plan, and this will also be the focus of the next round of procedural and technical audits.

Noho ora mai rā

A handwritten signature in blue ink, appearing to read 'Vanessa Delegat', with a long horizontal line extending to the right.

Vanessa Delegat

Manager of Audit and Assurance - Te Ama - Commercial and Corporate Email:  
[vanessa.delega@nzta.govt.nz](mailto:vanessa.delega@nzta.govt.nz)

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

### 1. Procurement / Finance Issues

Recommendation	Actions	Lead	Completion Date	Progress
1.a	<p>Consultants appointed without a clear understanding of approval process or budget provision</p> <p>Review Procurement Policy. New policy based on NZ Government Procurement guidance and include:</p> <ul style="list-style-type: none"> <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> <p>Development and rollout of procurement training to Tier Three staff. The first session was held in March and a further session is</p>



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

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

Panel A:

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

Panel B:

- Procurement advice
- Tender Evaluation
- Probity Audit

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

Procedure for monitoring of consultant invoices has been implemented.

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

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

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>Regular EPO training sessions will be run. Next sessions in May and then October.</p> <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> <p>An organisation-wide Project and Programme Management Framework has been piloted within the IS team since August 2024.</p> <p>The Framework provides the roles, responsibilities, templates, rules and framework for how the Council manages projects and programmes.</p> <p>The Framework provides the following benefits:</p> <ol style="list-style-type: none"> <li>1. Strategic Alignment and Benefit Realisation</li> <li>2. Enhanced Governance and Accountability</li> </ol>
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					<ul style="list-style-type: none"> <li>3. Risk Management and Resilience</li> <li>4. Performance Monitoring and Continuous Improvement</li> <li>5. Consistency and Repeatability</li> <li>6. Fiscal Responsibility and Value for Money</li> </ul>
1.e	Costs allocated to cost centres that do not align with the nature of the costs	Development of controls to ensure costs are appropriately allocated.	GM Corporate Services	Complete	Rules setting out where costs should be allocated have been reiterated to staff. Internal audit process will be implemented (1.f).
1.f.	Lack of Internal Audit function	Investigate options for an Internal Audit programme, as approved by the Risk and Audit Committee (RAC).	GM Corporate Services	Complete	<p>An audit of the creditors and payroll areas has been undertaken by PWC. Included on April RAC agenda.</p> <p>A set of management actions has been delivered which is being worked through.</p> <p>A review of Holidays Act compliance has been undertaken. An Audit programme is being developed for review by RAC.</p>
1.g	Individual had a financial delegation set up in the financial system that did not align to the Financial Delegations Policy	Review and check financial system delegations including a robust change management process	GM Corporate Services	Complete	<p>Review of financial delegation configuration in systems is complete.</p> <p>Staff training undertaken.</p>

1.h	Insufficient controls in the complex receipting process	<p>Development of controls to ensure reconciliation of all project related general ledger (GL) codes, including the complex receipting GL.</p> <p>Investigate the options for allowing invoices with multiple lines to be allocated within MAGIQ.</p> <p>Implement regular reporting of the “Monthly PMO Costs” general ledger account to the General Manager of Infrastructure Services.</p>	GM Corporate Services	Complete	<p>Invoices with multiple lines are now allocated within MAGIQ.</p> <p>Development of process for regular reporting underway.</p>
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	<p>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.</p> <p>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</p>



correct and compliant with NZTA agreements and funding requirements.

In September 2025, NZTA confirmed the overclaimed amount of funding relating to PMO consultancy cost (\$255k).

## 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>
<b>4. Management / Governance</b>					
4.a	Lack of oversight	Increase the maturity of identifying, measuring, evaluating, monitoring, reporting and controlling or mitigating critical risks to Council.	RAC	Ongoing	Regular council workshops (six monthly) to review and update the Strategic Risk Register. Workshops held 25 September and 23 October 2024.

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

## **RISK AND AUDIT COMMITTEE**

**17 SEPTEMBER 2025**

**AGENDA ITEM: 15**

**Prepared by** Simon Pickford  
Chief Executive Officer

**Public Excluded** No

**LGOIMA UPDATE: 1 April – 30 June 2025**

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1. **REPORT PURPOSE**

The purpose of this report is to provide the Risk and Audit Committee with a summary of the requests for Quarter 4, 2024/25 made to the Buller District Council under the Local Government Official Information and Meetings Act 1987 (LGOIMA) process.

2. **EXECUTIVE SUMMARY**

Buller District Council has a legal requirement to reply to requests for information made under the LGOIMA process within 20 working days.

3. For the period 1 April – 30 June 2025, Council has received 27 requests with 93% of requests for information being met within the 20-day statutory timeframe. Council has sought extensions to the timeframe on three of the 27 requests and have failed to meet the deadline provided on two occasions.

4. **DISCUSSION**

During the period 1 April – 30 June 2025 Council has received 27 requests for information under LGOIMA's. For the same period last year Council had received 44 requests for information. This represents a 39% decrease in requests.

5. The average (staff) time it has taken to respond to the requests is 3.2 hours, with the shortest being 15 minutes and the longest being 18 hours.

6. Staff have spent approximately 90 hours responding to requests.

7. **Breaches and Extensions**

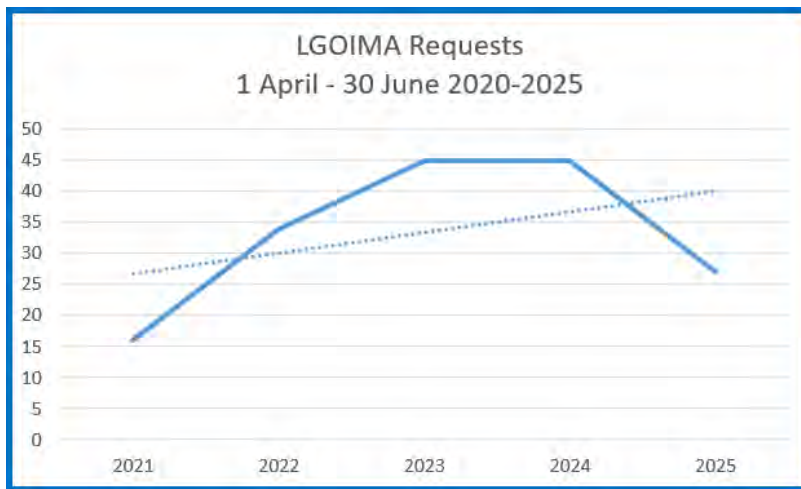
93% of LGOIMA requests were completed within the 20-working day timeframe. Of the 27 requests, five requests were advised of an extension, two lapsed due to requests for clarification not received and two breached the 20 statutory timeframe. The five extensions were due to significant financial elements or substantial collation with one request taking 18 hours of staff time to finalise.

8. **Breach to Maximum Timeframe**

Primary reasons for the two breaches were due to staff availability. In both cases responses were provided one day overdue.

9. LGOIMA requests from Quarter 4 in previous financial years:

- 1 April 2021 – 30 June 2021 16
- 1 April 2022 – 30 June 2022 23
- 1 April 2023– 30 June 2023 45
- 1 April 2024 – 30 June 2024 45
- 1 April 2025 – 30 June 2025 27



10. The graph shows that while requests for 2025 have dropped from 2023 and 2024, the overall trend since 2021 has been a steady increase. While the number of requests may have dropped in 2025\*, they are frequently time consuming and complex, often with financial elements.

\* 2024 requests 1 January – 9 September = 111  
2025 requests 1 January – 9 September = 92

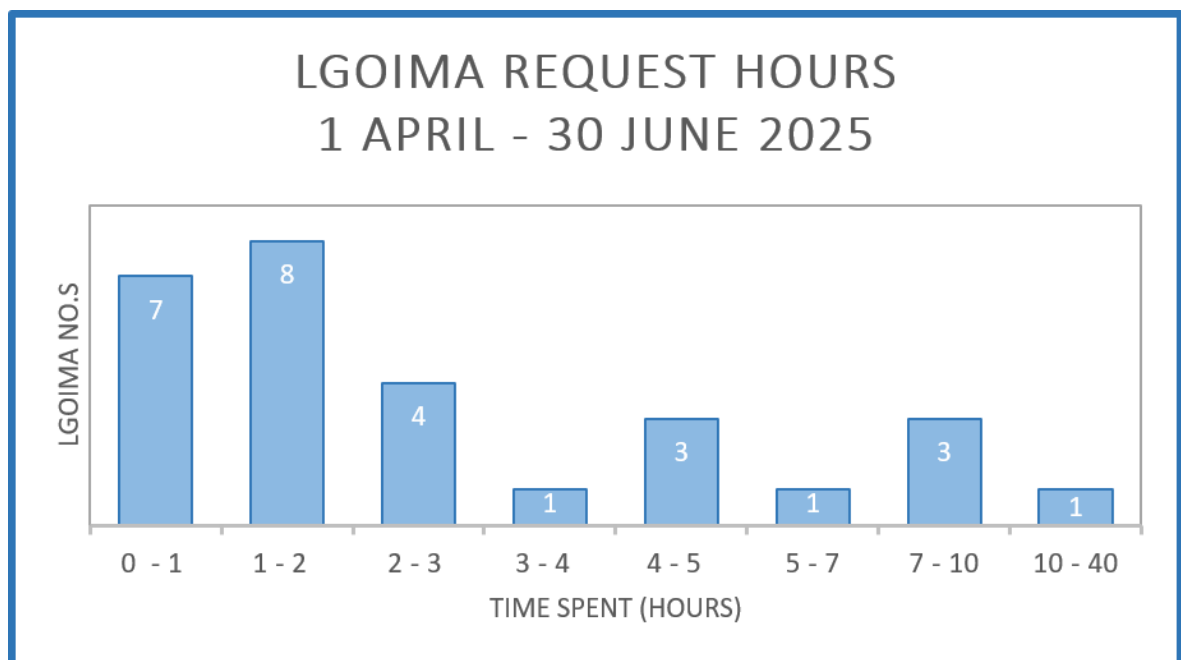
11. As mentioned in the previous LGOIMA report in April, when financial elements of requests do not follow how Buller District Council ledger structures are configured, this leads to a large increase in time to collate a suitable response

12. For the period of 1 April – 30 June, the top three requesters/request types made up 45% of the requests.

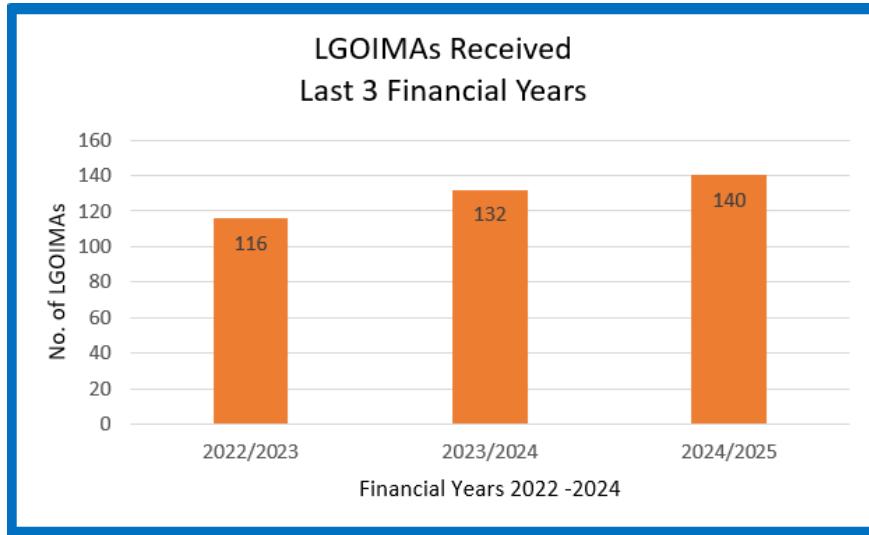
- Requester No. 1 15% 4.5 hrs
- Requester No. 2 15% 11.5 hrs
- Mining Requests 15% 27.25 hrs



13. There has been an increase in questions relating to mining activities mainly around fast track consents. One LGOIMA regarding mining activities recently took 18 hours of staff time to complete.
14. The LGOIMA team are continuing to request clarification/refinement of requests that are asking for large amounts of information.
15. Noting to date, Council have not charged for a LGOIMA request.
16. Staff have spent approximately 90 hours providing answers to requests, which includes 20 hours of senior management time. This equates to 2.25 weeks of staff time. See graph below:



17. The last three financial years show an upward trend in LGOIMA requests, as per the below graph.



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

19. **DRAFT RECOMMENDATION**

**That the LGOIMA Update dated 17 September 2025 be received.**

## RISK AND AUDIT COMMITTEE

17 SEPTEMBER 2025

AGENDA ITEM: 16

Prepared by Paul Numan  
Group Manager Corporate Services

### PUBLIC EXCLUDED REPORT

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1. **REPORT SUMMARY**

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

2. **DRAFT RECOMMENDATION**

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

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or  (s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.
PE 2	Mayor Jamie Cleine	Director recommendation and recruitment for Buller Holdings and subsidiaries	(s 7(2)(a)) - Protect the privacy of natural persons, including that of deceased natural persons;
PE 3	Paul Numan Group Manager Corporate Services	Payroll And Creditors Process Improvements Schedule	(s7(2)(a)) - protect the privacy of natural persons, including that of deceased natural persons
PE 4	Paul Numan – Group Manager Corporate Services	Update on the Kawatiri dredge.	(s7(2)(b)(ii)) - protect information where the making available of the information would: ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.