



# **AGENDA**

Meeting of the  
**Buller District Council**

**Commencing at 3:00pm**  
**Wednesday 29 June 2022**

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

# Council

**Chairperson:** Mayor

**Membership:** The Mayor and all Councillors

**Meeting Frequency:** Monthly – or as required

**Quorum:** A majority of members (including vacancies)

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## Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Buller district.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

## Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
    - a) The power to set district rates.
    - b) The power to create, adopt and implement a bylaw.
    - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
    - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
    - e) The power to appoint a Chief Executive Officer.
    - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the Infrastructure Strategy.
    - g) The power to adopt a remuneration and employment policy for Chief Executive Officer.
    - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
    - i) The power to approve or amend the Council's Standing Orders.
    - j) The power to approve or amend the Code of Conduct for Elected Members.
    - k) The power to appoint and discharge members of committees.
    - l) The power to establish a joint committee with another local authority or other public body.
    - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
    - n) Health & Safety obligations and legislative requirements are met.
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2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
- a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
  - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
  - c) Adoption of governance level strategies, plans and policies which advance Council's vision and strategic goals.
  - d) Approval of the Triennial Agreement.
  - e) Approval of the local governance statement required under the Local Government Act 2002.
  - f) Approval of a proposal to the Remuneration Authority for the remuneration of Members.
  - g) Approval of any changes to the nature and delegations of the Committees.

# Common Delegations

The following delegations from Council are common to the Finance Audit and Risk Committee, Strategic Infrastructure Committee, and Community, Environment and Services Committee, within their respective areas of responsibility.

## General Principal

1. The work of these Committees will be in accordance with the priorities and work programme agreed by the Council.
2. These Committees have 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.

These Committees will:

## Strategy, plans and policy

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

## Bylaws

1. Develop and agree to the statement of proposal for new or amended bylaws for consultation
2. Recommend to Council new or amended bylaws for adoption.

## Consultation and engagement

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

## Submissions and legislation

1. Approve submissions to external bodies/organisations on legislation and proposals that impact governance policy or matters.
2. Monitor and oversee strategic projects and programmes.
3. Monitor Council's Assets Management Plans/Strategic Infrastructure Plan.



**Contracts**

1. 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.
  - 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.

**Other**

1. 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.
2. 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.
3. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
4. Monitor Audit recommendations and ensure completion.

# Buller District Council

Venue: Clocktower Chambers, Westport. Livestreamed on BDC YouTube Channel



29 June 2022 09:00 AM - 05:00 PM

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**BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

**AGENDA ITEM 1**

**Prepared by** Sharon Mason  
Chief Executive Officer

**APOLOGIES**

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**1. REPORT SUMMARY**

That Buller District Council 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 Buller District Council receives apologies from (insert councillor name) and accepts councillor (insert name) request for leave of absence.**

## BULLER DISTRICT COUNCIL

29 JUNE 2022

### AGENDA ITEM 2

**Prepared by** Sharon Mason  
Chief Executive Officer

#### MEMBERS INTEREST

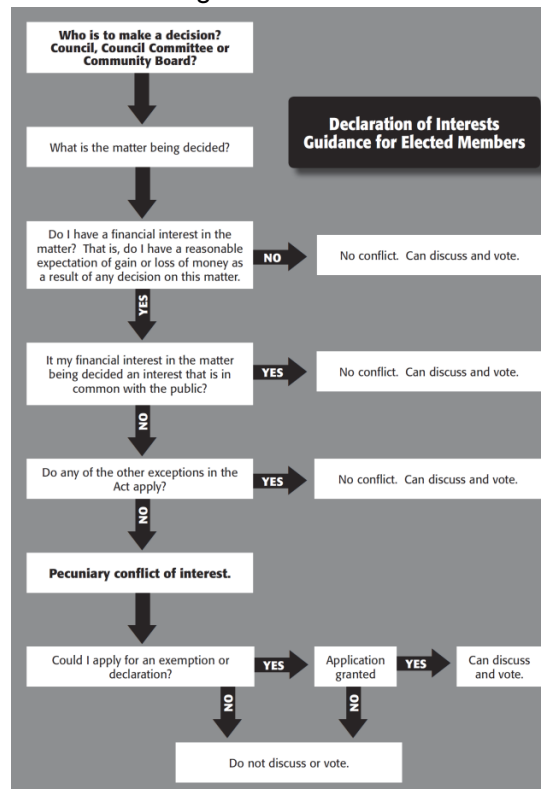
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

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

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

#### DRAFT RECOMMENDATION:

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



**BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

**AGENDA ITEM 3**

**Prepared by** Sharon Mason  
Chief Executive Officer

**CONFIRMATION OF MINUTES**

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**DRAFT recommendation that Council receive and confirm minutes from the meeting of 25 May 2022.**



**MEETING OF THE BULLER DISTRICT COUNCIL, HELD AT 3.00PM ON WEDNESDAY 25 MAY 2022 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.**

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

N Tauwhere (Iwi Representative)

**APOLOGIES:**

**IN ATTENDANCE:** R Fox (Group Manager Commercial and Corporate Services), K Trigg (Acting Group Manager Community Services), S Rudd (Group Manager Regulatory Services), M Williams (Manager Infrastructure Planning) G Barrell (Governance Secretary)

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

**PUBLIC FORUM:**

**Speaker 1: Peter Gibson from The Karamea Reserve Subcommittee**

Mr Gibson introduced himself and J Cole from The Karamea Reserve Subcommittee and spoke relating to Agenda item number nine.

Mr Gibson noted that, like council, he'd had no input up until this stage.

Currently there is a council bore which was put in place years ago. There had been a pump going through Karamea Area School. This is treated, filtered and uv'd to the school, the domain and the bowling club. He noted the system works well.

Now the new document details council's option to move the treatment plant off school grounds and on to the domain or on the road by the wharf. He noted the puzzling costs associated with this, namely the movement of plant costs and upgrade costs.

The recommendation is that *'the treatment plant be relocated to a site owned/controlled by Council'*, noting the word 'controlled' with council's reasoning being the ability to control the health and safety and security. Mr Gibson put the questions to school board and the Board responded that 'the treatment plant was securely and safely housed currently. All health and safety precautions taken into consideration. Locked and secure access is by caretaker living onsite'.

This addresses concerns of access, health and safety and security. Board sees no problems whatsoever. Mr Gibson and the Karamea Reserve Subcommittee are suggesting the existing system be retained as is until chlorination is required, and then installed in existing building on school grounds as already planned.

Initial total installation cost was \$120k. New suggestion is \$500k to provide school, bowling club and domain with chlorinated water. He asked that they please stand back

and speak again to ministry and decide together to cooperate and leave plant where it is and chlorinate.

This has been allowed for when the treatment plant was first installed and should cost maybe \$100k to fully chlorinate and be fully legal and compliant. The only advantage being off the school grounds being the plant is off the school grounds.

Operating costs are 'puzzling'. The paper stated that the total costs installed of \$55k rising to \$78k per annum to supply water to the school and the domain. He questioned how council would try to recover those costs from the school. He asked again that councillors have another look at the paper and consider options and costs. Please leave as is and upgrade in due course.

Cr P Rutherford noted he was unaware the school provided the supply for the school, their houses and the hall.

DM S Roche thanked for presentation and advised councillors will discuss later and bring an answer to Mr Gibson and Mr Cole.

Cr R Sampson requested to bring forward in agenda.

Cr D Hawes said he would like Mayor J Cleine to be present for this discussion.

DM S Roche advised the item will be addressed at normal part of agenda.

**Speaker 2: DM S Roche read letter addressed to CEO S Mason from Tom Murton, PM Karamea Area School BOT.**

Mr Murton wrote regarding the change of location for the treatment water plant. The Board sees no reason for relocation noting this is housed safely with all health and safety hazards taken into consideration.

The Ministry of Education, having invested heavily in upgrading the water supply is happy with the current arrangement and further costs will be unjustified.

DM S Roche stated this letter has been noted in Public Forum, will be addressed in agenda number nine and a response will be sent to Mr Murton.

P Gibson and J Coles left the meeting.



## MEETING DECLARED OPEN AT 3.15pm

### 1. APOLOGIES (Page 8)

#### Discussion:

DM S Roche noted she will chair the meeting until Mayor J Cleine arrives as he is currently hosting Minister Clark.

#### RESOLVED:

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

OR

That Buller District Council receives apologies from (insert councillor name) and accepts councillor (insert name) request for leave of absence.

Moved  
Qty  
CARRIED UNANIMOUSLY

### 2. MEMBERS INTEREST (Page 9)

#### Discussion:

Nil

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

DM S Roche /Cr M Montgomery  
10/10  
CARRIED UNANIMOUSLY

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

#### Discussion:

Cr J Howard noted in italics on page 15 – 76 Buller Road should be 76a Buller Road

**RESOLVED** that Council receive and confirm minutes from the Council meeting of 27 April 2022 noting the amendment above.

Cr G Weston/Cr P Rutherford  
10/10  
CARRIED UNANIMOUSLY

**4. COUNCIL ACTION POINT LIST (Page 27)**

**Discussion:**

Nil

**RESOLVED** that the Council receive the Action Point List for information

**Cr R Nahr/Cr D Hawes**

**10/10**

**CARRIED UNANIMOUSLY**

**5. BULLER DISTRICT ECONOMIC TRANSFORMATION (Page 29)**

**Discussion:**

S Mason spoke she felt it was worthy bringing this report forward to show Buller continues to move forward with momentum during challenging times of floods and covid.

Ms Mason stated she asked Mr Nick Brunsden (Senior Economist, Infometrics Ltd) to show from a 5-year strategic point of view and share a presentation at Council. This is a great news story the community should be proud of. Noting Mr Brunsden used the term "Transformation of Buller".

Nick Brunsden agreed 'Transformation' was his terms and feels this is very apparent.

Mr Brunsden gave an explanation of the report with a backstory showing statistics such as 41% increase in employment between 2002 and 2012. Mining quadrupled, construction doubled during this time. After Solid Energy and Holcim crisis, this reduced employment to just over 4000 in 2018.

Health enrolments were up 3.5% in the year to March 2020. In the past two years in particular, the GDP growth has outpaced the rest of the country, with the economy growing 6.3% per annum compared to the national of 1.9%. This reflects underlying resilience namely the primary sector still going under alert level 4.

Consumer spending is up by 9% per annum compared to 1% nationally. 46 territorial authorities were tracked for this measure and Buller ranked fourth highest in increases in consumer spending over the last two years.

Industry growth has increased notably in manufacturing, health, construction and wholesale trade.

Agriculture work has declined but seems to be the norm given the covid climate with the inability to get workers.

New dwellings consented rose from 7 per quarter in 2018 to 24 per quarter in 2022.

Tourist expenditure growth through covid period is remarkable. In 2018 there was \$13 million in expenditure and has risen to over \$40 million. Domestic spend

between 2020 and 2022, Buller has grown 48% which is the second highest increase in the group of 66.

In summary, Buller has come through some very tough times. Lost a major employer and a major industry. The economy is starting to grow very strongly in its new shape and form.

Cr P Rutherford asked in terms of GDP growth, it looks great on chart but how much is relating international spike into coke and coal prices?

Mr Brunsdon said the report wouldn't be going as in depth as would be looking at the broader coal market as opposed to specifics.

DM S Roche queried regarding 3.5% increase in health enrolments what does the equate to in population numbers

Mr Brunsdon replied in terms of number this was possibly around low hundreds.

DM S Roche outstanding report and very encouraging. As a district we should be very proud especially in the covid climate and with flooding in Westport etc.

Mr Brunsdon noted for context regarding population, Auckland's population declined last year.

S Mason thanked Mr Brunsdon.

**RESOLVED** that the Council note the contents of the report and the attached Infometrics report.

**Cr J Howard/Cr J Bougen**

**10/10**

**CARRIED UNANIMOUSLY**

DM S Roche welcomed Mayor J Cleine back. She proposed addressing the next agenda item, followed by a short break then Mr Cleine would take over as Chair.

**6. WESTPORT RATING DISTRICT JOINT COMMITTEE – DRAFT MINUTES 4 MAY 2022 (Page 41)**

**Discussion:**

Cr J Howard clarified these were the 'approved' minutes from April, not the draft minutes – *noted and amended*.

Cr P Rutherford advised it is hard to read minutes and get a feel for the discussion. Noting he was happy to answer questions.

DM S Roche encouraged members to tune in when meetings are on.

**RESOLVED** that the Council receive the report for information.

**DM S Roche/Cr R Nahr**

**11/11**

**CARRIED UNANIMOUSLY**

Brief break to allow Mayor J Cleine to move to Chair.

Mayor J Cleine apologised for absence noting he was meeting with Minister D Clark touring the flood damage with particular interest in hazard insurance bill and insurance in terms of climate adaptation (coastal retreat) etc and resilience for communications and electricity in major events.

**7. CHIEF EXECUTIVE REPORT (Page 53)**

**Discussion:**

S Mason advised regarding the relationship meetings with KiwiRail noting we have very strong relationship with them. During considerably challenging times they have worked hard to ensure rail tracks continue to be open and ensure transportation of coal etc continues to be transported.

KiwiRail have decided to upgrade and invest in Westport operational facility. They kindly agreed to Ms Mason sharing schematics showing multipurpose buildings also for other purposes other than just KiwiRail.

Will be going out to tender for the build towards the end of the year.

S Mason continued regarding the Groundswell report and noted that all the CEs from the territorial authorities have received the correspondence and it had also been circulated previously to councillors but felt it appropriate to put in her report to council.

Ms Mason has sought advice received from LGNZ in terms of dealing with the correspondence and noted she will be responding under the LGOIMA. There is no requirement for council to respond to Groundswell

Cr J Howard requested clarification for the last bullet point in item five. This is tabled for endorsement in the May agenda.

S Mason replied she had intended to bring submission here but will now be on 1 June 2022 after the AP hearings. This will be in a short Regulatory and Hearings meeting to review submission. Cr P Rutherford agreed to meeting taking place and submissions will be circulated in advance.

Mayor J Cleine noted regarding Groundwell. He agreed with a LGOIMA for questions one and two. Noting however the letter requests withdrawing funding from LGNZ, holding a referendum on 3 Water's policy and consider joining the Communities for Local Democracy Group. His personal view was that the community won't be well served by doing any of those three things. Queried what the other councillors' views were. Noting there was a financial commitment being asked of the group initially to join the group. Council's initial resolve was to not join at this time.

R Townrow joined the meeting.

Cr D Hawes sees no reason our position would have changed; maybe strengthened with our small, multiple rural water supplies. Questioned why does Three Waters need to happen? His personal view is that ownership is temporary. The systems were put in place by our great grandparents and believes there is strength in strength in numbers thus, no change in his position.

Cr J Howard agrees our position has not changed. Fully supports LGNZ for providing their advice and knowledge regarding a number of these issues. She believes these conversations need to be had and worked through.

Cr P Rutherford feels very strongly regarding this and agrees in the LGOIMA response. He hopes there will not be a vote regarding those points. He is strongly in favour of council working within Three Waters framework. Advantageous for our community to do so.

He stated that even if there is a change of government, it would be extremely unlikely there would be a change in Three Waters reform and believes this legislation will be passed under current government. He supports council working proactively in this space and finds it marginally offensive to receive letters from these type of organisations and suggests if they want to run council then they come and run for council in the elections.

Mayor Cleine asked if any Councillor wished to express any view to the contrary regarding Councils public position on Three waters or membership of LGNZ, none was forthcoming.

**RESOLVED** that the Council:

1. Note content of CEO Report.
2. Councillors Note the correspondence received from Groundswell NZ

**Cr D Hawes/Cr G Weston**

**11/11**

**CARRIED UNANIMOUSLY**

## **8. MAYOR'S REPORT (Page 84)**

### **Discussion:**

Mayor J Cleine gave overview of report. Noting steady progress with Mayors Taskforce for Jobs and they have reached out for additional \$50k in funds and awaiting confirmation of availability.

Mayoral Relief Fund - noted the committee is still running diligently well distributing funds weekly and there is still a reasonable balance available as people move back into their homes.

TTPP – as noted in report.

Mayor J Cleine noted the National members of parliament eager in endeavour to develop policy and is very good to meet with them and develop relationships.

Correspondence – noting the outgoing correspondence with a public forum reply to Mr Lightbown. This was written and sent last month but was omitted off the list. This was reporting the resolution from council re Waimangaroa water paper that was in last month's meeting

Sought guidance from council regarding the alcohol harm minimisation letter from Professor Casswell noting he will reply once discussed with council.

Cr P Rutherford noted regarding the Health Coalition Aotearoa, it was interesting reading. The proposed changes are not applicable to us however supports in principle what the amendments are trying to achieve. He asked Mayor J Cleine if appropriate for him to pass on to the Chair of the current licensing committee for any comment in requesting a comprehensive review of the Act etc.

Mayor J Cleine queried if this was more a regulatory matter.

S Mason suggested forwarding this issue to a Regulatory and Hearings Committee meeting.

Mayor J Cleine will seek advice from Chair of current licensing committee and seek input and then will come up with a reply.

Cr J Howard asked for clarification for the public regarding what acronyms stand for in the Resource Management Reform.

Mayor J Cleine outlined the following:

- TToP – Te Tai o Poutini plan
- NBEB - Natural Built Environments Build plan
- RSS - Regional Spatial Strategy

Mayor J Cleine noted these are acronyms around the legislation coming through to replace the RMA. He noted also that the recipient of the letter was the person who came up with the acronyms. So, they would have understood this letter as opposed to if he had been speaking to the Westport News.

R Townrow noted this was resolved to go forward in recent Regulatory meeting

Cr J Bougen noted there was no Committee Chairs report today and spoke regarding the Federation Mining meeting in Reefton. There are currently 47 employees as well as contractors. He questioned queried Mayor J Cleine's thoughts regarding housing noting this will be raised to 147 staff by end of year.

Mayor J Cleine replied he'd had a lot of thought in this to free up land noting there is currently a Property Rationalisation plan in Reefton to free up land. He felt it

was important to shine the light on the opportunity of Reefton housing and all effort should be made to encourage entrepreneurs or developers to embrace this opportunity.

S Mason apologised for omitting Chairs Update report from the agenda.

**RESOLVED** that the Council:

1. Receive the report for discussion and information.
2. Receive and note incoming and outgoing correspondence and Councillors provide direction for any responses or additions.

**DM S Roche/Cr R Nahr**

**11/11**

**CARRIED UNANIMOUSLY**

**9. KARAMEA DOMAIN CAMPING GROUND AND BOWLING CLUB WATER SUPPLY OPTIONS (Page 106)**

**Discussion:**

R Townrow spoke to this update following from May 2021 paper noting a lot has happened. We have done as directed. A lot of changes in drinking water reform currently so revisiting and retesting costings etc was required. Recommendation still stands.

Still final decision to be made. Technical information highlights any shifts or amendments and still recommendations as originally stated.

Ms Townrow noted there were questions regarding the need to relocate treatment plant from school to council owned ground. K Trigg has had further conversations with the Ministry of Education (MOE). Ms Townrow noted the letter read out at the public forum stating the Board of Trustees was happy for the treatment plant to stay on the school grounds. She went on to say that the Ministry stated very clearly that they wanted the plant to be removed from their property, noting the Ministry is the owner of the property and the Board is there to oversee its operation.

The Ministry's stance was originally, and still stands that they would like council to take over infrastructure. They have always been a willing partner and still willing to gift asset to council.

Health and safety and risk is forefront regarding the desire to see the plant relocated. Noting there is a high degree of risk with chemicals, machinery and equipment etc. Currently council doesn't have total control over this. School grounds meant this risk was too high around children. The Ministry made it very clear about having this removed.

If we were to take over control of the supply today, it would be compliant today as it stands. However, when the rules change, this will not be compliant.

Cr D Hawes sought clarification regarding chlorination and if it is not currently part of standard.

Mayor J Cleine confirmed changes will be coming. M Williams confirmed the new rules will come in around 1 July where new regulations will come in which means chlorination is required.

Cr D Hawes queried the three parties served by the water supply. R Townrow confirmed Karamea Area School, Karamea Recreation Reserve. On the Reserve are sited the Karamea Camping Ground and Karamea Bowling Club. Also the MOE (school houses)

Cr J Bougen asked if the MOE is aware the costs for this will go up with relocation? R Townrow replied yes, they are aware as are the other parties. Noting they are a ready and willing rate payer.

Cr G Weston queried that the BOT letter stated MOE was happy with current arrangement in public forum letter. K Trigg replied that she spoke with the MOE and were clear they disagreed with letter spoken in public forum. Noting also the Ministry would look to improve communications with the BOT.

Cr P Rutherford asked if council chose to not take over the current supply, disassociating themselves completely from the current treatment and supply, would they be considered a water supplier anyway by supplying to themselves?

M Williams replied no, so long as it is on the same piece of land. If on separate titles where they cross over crossing boundaries, then yes, they become a supplier.

Cr P Rutherford questioned confirming whether a farmer supplying water to a number of properties, if they would become a supplier?

M Williams confirmed that as long as they are in the same boundary title, then they won't be considered a water supplier.

DM S Roche queried if we don't take over, the risk would still remain with MOE. Why the cost would still be there if we knew in the future this would need to be moved. Why wasn't it done closer to the bore in the first place? Seems like a double lot of costs.

She understands there is extra risk with chlorination and the MOE can afford it however, what about the costs to the other parties in time.

R Townrow replied that the plan initially was to not be sited on school. A report in February 2021 notes this reached a point where MOE needed to decide and agreed to take steps required to get this started in the absence of Council deciding to take over.

If council does not take over and become supplier, MOE has no interest in being network supplier for any other party. This is not what their area of expertise. There are some differences in the type of network or water supplier that you are. Extra



measures would be required to become a network supplier. This would add to the risk element.

M Williams noted the key risk is upgrades moving forward regarding chlorination and gases coming off and not having secure enough environment. This leaves us open to risk around children. Engineers advise this is not a risk they would take.

R Townrow clarified last year this time, talking with the subcommittee around what the likely cost would be, the figure in the AP was 12 months ago. This \$15k was noted as being affordable at the time. They are currently looking to reduce costs.

Locating offsite would allow costs to be spread around and be more affordable.

Cr M Montgomery noted there is already 120k spent. There are no accurate figures, all estimates. Between \$55k and \$77k meaning from \$1,000 to \$1,500 per week to maintain this. It would be cheaper to give children bottled water. Ongoing costs are not sustainable over a period of time. We have potentially 120 people daily affected by this. She requested more accurate costings before AP.

Cr M Montgomery noted also regarding who is going to pay, is it going to be metered? M Williams stated the recommendation would be to meter but would have to go to council for agreement.

Mayor J Cleine stated this reflects potential monitoring and maintenance for the network under anticipated regime as opposed to current status quo where it is not being tested.

Cr J Bougen queried is this an arbitrary decision as to where this plant goes. Is it not an option to put it by the bore where the majority of people live rather than putting it down the other end and having to pipe water all the way back up?

M Williams replied yes this is our first option to have at Market Cross bore. The second option being having it at the Reserve.

Cr D Hawes noted it is difficult to process what being asked to do as the figures make no sense. Issues that it just doesn't add up.

M Williams responded that Stage 2 is about relocation and this is important for spillage of chemicals and storage. A concrete facilitated building required.

R Townrow clarified regarding the \$489k figure. This is total cost of delivery for all four stages. Stage 2 is estimated at \$221k. Stage 3 estimated at \$267,990.

Cr R Sampson noted this has taken two and a half years. The plant was put on school property because council never made a decision in time. There have been two consultants involved as well as legal advice. MOE stated in the end, we must move. We don't have water and we have a school, hence going to school \$120k complete.

Ms Sampson went further to say this plant was put in place bearing in mind that chlorination was to come which was just a matter of an add on, not a big one.

Ms Sampson stated the people who put the plant in and the consultants on that, stated their prices are significantly less than this proposal. The costs are so much bigger now, 12 months later an almost 100% increase. Will this be the same cost in another 12 months' time? Recommends the report should not be accepted.

If this does not go ahead, the school has license to occupy this bore meaning our own property doesn't have any water and we would have to put a bore down for our own treatment.

Report has stated \$50k for a transformer. These figures are so far out. This is distressing to see. She noted further that prices are going up yearly about 40%. She stated the subcommittee feels this report gives no confidence. We should get another report with more accurate detail. Ms Sampson agrees with Cr D Hawes that with all the changes in staff for various reasons, two and a half years later we still don't have a report that is suitable to make a decision on.

Mayor J Cleine this reports states the reality of becoming a network supplier.

Cr R Sampson added that she begged staff to work with people who have put the present system in that assures her the costs are over the top. They have offered to work with council and have a meeting noting this has not happened.

Cr D Hawes indicated it is incredibly disappointing to get to this point. We used to own a bore as a council, and we knew the implications if we went down this road. MOE was going to put in a treatment plant, but we didn't understand if this was going to be acceptable and the costs of taking this over. MOE built the treatment plant. He questioned where the communication was with MOE that this didn't meet our requirements, noting they have been let off the hook for \$360k.

M Williams replied regarding the costs. He spoke with another engineer and noted that these costs may go up or down slightly. Made sure they used best practice to ensure they did not have to do anything again for a period of time which would mean asking for more money. He noted going out to tender may reduce costs by asking previous contractor to apply.

Mayor J Cleine noted that these prices are worst case scenario.

Cr M Montgomery stated there is WestReef staff in Karamea able to do the work required. Where the bore currently is, is the pipe suitable for the future to have extensions to it? People who are close by could add to it.

M Williams answered it would take most residents from Market Cross down.

Cr R Nahr feels conversation required with school as it will be required for them to have correct facilities and maybe negotiate why we would have one and why would they have one.

M Williams and Ms Trigg spoke with MOE and noted through negotiations, their expectation was that if council would take over the system, then it would be moved off school grounds. To make the current treatment plant fit for purpose there is a lot more work involved to comply with new rules and regulations.

Mayor J Cleine questioned regarding recommendation three, the staged delivery of option two. Taking the view of timelines for Three Waters reform, he doesn't imagine we would be rushing to move this infrastructure within the first 6 months of taking on the supply, given the state of the rest of our supplies. Could it be a few years before full compliance is met?

R Townrow replied, the earliest Stage 2 would be this time next year as it would require an AP or LTP resolution.

Cr P Rutherford stated it was obviously clear that to do nothing would mean closing of campground and with the costs we are looking to impose on them. Karamea bowling stated there is no way they could afford \$15k annually. If the campground closed, there would be nothing left there.

Cr R Sampson clarified if the bowling club was going to be paying \$15k, they advised they would go on the tank and do their own treatment.

DM S Roche responded to R Townrow regarding the water rate breakdown. \$15,541 for reserve and \$31k for school. Can the campground afford \$15k? To impose this cost would cause the close of the campground.

K Trigg responded that she had spoken to the subcommittee. They were happy previously with sum but new report states otherwise, so she is happy to further discuss with them.

Cr J Bougen said he understood initially the plan was to increase supply network. This is now ludicrous. We are worrying about small things. Let's look positively, minimise costs and put system in and get it going.

DM S Roche noted a few years back, she had questioned Cr R Sampson what the response was from asking the Karamea community when asked if they wanted to go on reticulated supply. The answer was resoundingly no.

**RESOLVED** that Council note content of the CEO report.

1. Receives the report for information and
2. Endorses Option 2 – Limited Network Supply as the preferred water supply option for the Karamea Reserve and Karamea Area School, noting that the final decision on whether or not to proceed with this option will be made as part of the Annual Plan 2022/23.
3. Notes the potential for a staged delivery of Option 2, acknowledging that Council would become a network supplier upon taking over the scheme, and that the scheme would not comply with the currently proposed drinking water standards until Stage 3 has been completed.

**Mayor J Cleine/Cr J Bougen**  
**Howard abstained**

**2/9**

**Against: Cr G Weston, Cr R Sampson, Cr P Rutherford, N Tauwhare,  
DM S Roche, Cr R Nahr, Cr M Montgomery, Cr D Hawes**

**MOTION LOST**

DM S Roche noted the requirement to have further discussions with the MOE, the Domain Board regarding the costs they can sustain and firm costs around operational costs.

Cr J Howard questioned when we will have those reports as the deliberations are only a week away.

R Townrow we will try to get these reports in time and will do as much as humanely possible noting there are some constraints.

Cr G Weston questioned if this would pre-empt public forum or would he need to wait till then? Mayor J Cleine response will reflect councillors' conversation for response to public forum.

Cr P Rutherford asked if staff were able to consider ways to absorb costs of supplying water to our own reserve. If we were able to minimise the cost to them while still charging the school appropriate amount, we could proceed without hurting anyone.

Cr M Montgomery noted absorbing costs is nice, but the businesses need to absorb their own costs.

Cr P Rutherford noted there is a public good at the campground also, not just a campground.

**RESOLVED** that Council noted content of the CEO report.

1. Receive report for information and direct CE to provide further information on matters as discussed into the AP deliberations.

**Mayor J Cleine/Cr R Nahr**

**11/11**

**CARRIED UNANIMOUSLY**

**10. PROPERTY RATIONALISATION PROJECT (Page 117)**

**Discussion:**

K Trigg spoke to us having been approached by Kainga Ora. There are two plots of land they are interested in. Property Brokers would be the agent for the sale of this. Council felt it would be a good resolution to be able to do this and would address issue of lack of housing.

DM S Roche spoke regarding the report and will be voting against. She feels that going down the path of putting properties up for sale, there could be other people waiting with bated breath for them to come onto market to put in an offer. We should go to open market and any interested parties put in offer for the best price and save the cost of valuation of two properties. This also allows for transparency of the process.

Cr J Bougen agrees he will vote against because if doing this, then it should be done for every property. Currently there is a very negative view by valuers on properties. They are not seeing the true value of the land. He feels the only way to test this is to go to open market.

Suggested that the resolution be changed from:

**RESOLVED** that Council:

1. Instructs the Chief Executive Officer to engage a certified valuer to advise on the value of each of the following properties:
  - a) 153A Queen Street (Part Lot 1 DP 47, NL5A/331); and
  - b) 7 Webb Street - Lot 4 DP 3829, NL3A/827;
2. Notes that due to the legal status of the properties in 1. above advice has been sought to clarify any action required under legislation before these properties can be sold;
3. Instructs the Chief Executive Officer to continue to take any action required under legislation prior to sale, if necessary;
4. Authorises the Chief Executive Officer to negotiate directly with Kainga Ora on the sale of the properties identified in 1. above based on the valuations received;
5. Authorises the Chief Executive Officer to sign agreements for sale and purchase for the properties identified in 1. above if negotiations prove to be successful.

These resolutions were left on the table

**Moved  
Qty**

To the following new resolution:

**RESOLVED** that Council:

1. Receive report for information
2. Having considered the report, council directs that the sales process approved at the 30 March 2022 Council meeting be continued

**DM S Roche/Cr G Weston  
11/11  
CARRIED UNANIMOUSLY**

**11. PUNAKAIKI WATER SUPPLY – ACQUISITION OF LAND UPDATE  
(Page 122)  
Discussion:**

S Mason noted the landowners have recently filed an objection with the Environment Court. Landowners have decided to represent themselves. This provides challenges and Ms Mason felt it important to update councillors.

Currently, there has been \$180k spent over a seven-year period. This is a long-term issue dating back to 2015.

Recent correspondence show that we should be in Environment court by August, and we should have a resolution at that point.

Cr P Rutherford thanked Ms Mason for a very comprehensive report.

DM S Roche noted for clarity at the bottom of page 124, in the future, the land purchase given back to owners and even surrendered. Does land just go back to owner. There is no payment required

S Mason answered there is no long-term solution and that we are guided by Public Works Act which states you can use it for a specific purpose and if that specific purpose no longer exists, it is then offered back to original landowner.

**RESOLVED** that the Council note the contents of this report and attachments.

**Cr P Rutherford/Cr M Montgomery**

**11/11**

**CARRIED UNANIMOUSLY**

## **PUBLIC FORUM RESPONSE**

### **Discussion:**

DM S Roche replied there should be the same reply to both. Suggest resolutions will be put forward and will come back at the AP process.

Cr J Howard stated there needs to be clarification on the standing of the MOE in the letter.

Cr P Rutherford noted letter from BOT was a support mechanism and should be pointed out in response that it seems to be at odds to information received from MOE.

**12. PUBLIC EXCLUDED (Page 190)**  
**Discussion:**

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

Item	Minutes/Report	General Subject	Reason For Passing Resolution Section 7 LGOIMA 1987
12	Rod Fox	Westport Dredge and Port	Section (2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);  Section (2)(b)(ii) - Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

**Cr M Montgomery/DM S Roche**  
**11/11**

**CARRIED UNANIMOUSLY**



**BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

**AGENDA ITEM 4**

**Prepared by** Sharon Mason  
Chief Executive Officer

**COUNCIL ACTION POINT LIST**

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**1. REPORT SUMMARY**

A summary of council resolutions requiring actions.

**2. DRAFT RECOMMENDATION**

**That Council receive the Action Point list for information.**

**Council Action Points 2022**

Item		Previous Action	Progress	Assigned	Completion Date
	ALL ACTION POINTS COMPLETED				JUNE 2022

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 5**

**Prepared by** - Lynn Brooks  
- Finance Manager

**Reviewed by** - Rod Fox  
- Commercial and Corporate Services Manager

#### **2022-2023 ANNUAL PLAN**

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**PLEASE NOTE:**

**Due to document sizings, the full Annual Plan and Minutes are available in:**

- **Diligent Resource Centre / Elected Members / Council Reports / 2022-2023 Annual Plan**

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

- 1.1. The purpose of this report is for the Council to adopt the Annual Plan 2022-2023 and associated documents (attached as schedule 1).
- 1.2. Council adopted the Annual Plan consultation document on 13 April 2022. Public consultation was open between 14 April and 17 May 2022. Seventy-six (76) written community submissions and five staff submissions were received.
- 1.3. Council considered the submissions received and made decisions and these changes have been incorporated into this Annual Plan 2022-2023 which staff are seeking the Council adopts at this meeting.
- 1.4. The resulting total rates increase in the Annual Plan 2022-2023 is 9.5% compared to the planned rates increase in year two of the LTP of 6.3% and in breach of the 2.2% limit in the Financial Strategy.
- 1.5. Resulting net debt is projected to be \$25.996 million on 30 June 2023 is in breach of the net debt limit of \$25 million set in the Financial Strategy.

- 1.6. Advice was sought and consideration given to whether the breaches triggered a Long Term Plan amendment and the conclusion was they did not given the variances are not considered significant enough and are able to be explained.

## **2. RECOMMENDATION/ DRAFT RESOLUTION**

**That Council:**

- 1. Receives the Annual Plan 2022-2023 adoption report; and**
- 2. Notes that the total rates revenue increase of 9.5% in the Annual Plan 2022-2023 is 3.2% higher than the same year of the 2021-2031 Long Term Plan, and in breach of the 2.2% limit set in the Financial Strategy; and**
- 3. Notes that the increase in the net debt in the Annual Plan 2022-2023 at \$25.996 million is in breach of the net debt limit set in the Financial Strategy; and**
- 4. Agrees both the total rates revenue increase and net debt limit breach have been explained and is not considered significant enough to warrant an LTP amendment; and**
- 5. Notes that staff have incorporated in the Annual Plan 2022-2023 (attached or under separate cover) the decisions made at the Annual Plan deliberations held on the 1-2 June 2022 following public consultation between 14 April and 17 May 2022; and**
- 6. Approves the list of proposed fees and charges to be included in the Buller District Council Annual Plan 2022-2023;**
- 7. In accordance with section 95 of the Local Government Act 2022, adopts the Buller District Council Annual Plan 2022-2023 29 June 2022 (attached); and**
- 8. Authorises the Chief Executive Officer to approve any minor editorial amendments to the Annual Plan 2022-2023, prior to being printed and made available online on the Council's website.**

## **3. ISSUES & DISCUSSION**

- 3.1** Under section 95 and section 95A of the Local Government Act 2002 (amended 2014), Council is required to adopt an Annual Plan using the special consultative procedure.

### **3.2 The purpose of the Annual Plan is to:**

- (a) contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and

- (b) identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
- (c) provide integrated decision making and co-ordination of the resources of the local authority; and
- (d) contribute to the accountability of the local authority to the community.

### **3.3 Material variances to year two of the LTP include:**

- higher than anticipated inflation, particularly in relation to contract rates and physical works relating to the three water assets and solid waste activities, and local government salary market rates; and
- higher net interest costs; and
- higher than anticipated insurance costs; and
- new infrastructure projects that were not included in year two of the LTP, offset by deferral of existing Council owned property upgrades; and
- a 25% reduction in contestable community grants

### **3.4 Submissions and deliberations:**

- Council received 76 written community submissions and five staff submissions. 16 submitters presented to 20 submissions at the hearing on 1 June 2022.
- The Council deliberated at meetings held 1 and 2 June 2022 and made several decisions about changes to the Annual Plan following the consultation.
- Decisions on community submissions resulting in changes to the Annual Plan:
  - to reinstate tourism and museum grants back to their previous level, compared to a 25% reduction in the Draft Annual Plan, and reducing the cut in community grants to 25% from the 50% reduction consulted on; and

- to introduce a 25% discount in dog registration fees for working dogs and to fund the shortfall in revenue from general rates; and
- to carry over \$30,000 prior year funding to Chasm Creek walkway access;
- **Decisions on staff submissions resulting in changes to the Annual Plan:**
  - to increase the salary inflation from 2.2% to 4.5%; and
  - to include a budget of \$50,000 for an external consultant to perform a rates review; and
  - to include an additional \$58,600 for Zone 1 refuse collection contractors fees; and
  - to set the Waimangaroa Water Supply rate at \$1,093.00 in line with the Draft Annual Plan. Noting the Annual Plan was also updated to reflect the latest costings and project timeframes supplied in the Council report 27 April 2022 for the preferred option.
  - Council reviewed the options of a water supply to the Karamea Campground, managed by the Karamea Reserve Sub-committee.

The option for the campground to self-supply their water was chosen and Council agreed to loan fund up to \$100,000 to the Karamea Campground for the purpose of establishing their own tank supply.

This also resulted in removing from the Annual Plan the proposed Karamea restricted water supply scheme and associated targeted rate contained in the consultation document key consultation topics.

- **A full list of the submissions and decisions is in the 1-2 June 2022 deliberation minutes contained in Diligent Resource Centre**

### **3.5 Impact of changes:**

- The resulting total rates increase in the Annual Plan 2022-2023 is 9.5% compared to the proposed 7.7% contained in the Draft Annual Plan, a 2.2% increase.

The rates increase limit set in Council's Financial Strategy based on the long-range local government cost index is 2.2%. The planned rates increase in year two of the LTP was 6.3% with explanations for the breach outlined in the LTP.

- Resulting net debt is projected to be \$25.996 million on 30 June 2023, in line with the \$25.801 million consulted on in the Draft Annual Plan.
- The net debt limit set in Council's Financial Strategy is \$25 million. In year two of the LTP net debt was forecast to be inside this limit at \$23.494 million.

The Annual Plan breach of the net debt limit is due the introduction of new planned core infrastructure projects partly offset by deferral of existing Council owned property upgrade projects.

- In preparing the Annual Plan, consideration was given to whether increasing the rates increase breach from year 2 of the LTP and newly breaching the net debt limit triggered an LTP amendment.

Based on guidance sought from Local Government New Zealand, staff concluded as the variances are not considered significant enough and are able to be explained they do not require Council to undertake an amendment.

### **3.6 The Annual Plan will be made available for public distribution when the document is adopted by Council, at the following locations:**

- Council Offices, Brougham Street, Westport
- Sue Thomson Casey Memorial Library, Palmerston Street, Westport
- Reefton Service Centre and Library, Broadway Reefton
- Karamea Information and Resource Centre, Bridge Street, Karamea
- Northern Buller Information and Resource Centre, Ngakawau

- Visitor Information Centre, Punakaiki
- Council's website

## **4. CONSIDERATIONS**

### **4.1. Strategic Impact**

The Annual Plan document is an integral part of the planning and delivery of Councils Strategic vision and obligations. The principal role of an Annual Plan is to allow for budgeted adjustments to Councils principal planning document the Long-Term Plan.

### **4.2. Significance Assessment**

The significance and engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant by nature.

### **4.3. Risk Analysis**

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

The annual plan process and adoption of the relevant documents is a statutory requirement of local authorities. Adoption of the final Annual Plan enables the legal process for setting rates and consequently operation of local authorities.

### **4.4. Policy / Legal Considerations**

The Local Government Act 2002 governs the activities of Buller District Council and sets out the requirement for consulting and adoption on the Annual Plan.

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 to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

### **4.5. Tangata Whenua Consultation Considerations**

The Annual Plan and Consultation document explicitly provide for consultation with Tangata whenua.



**4.6. Views of Those Affected**

Council's expenditure, issues and projects are consulted on with the community during the Annual Plan processes.

**4.7. Costs**

There are no extraordinary costs for the other than already budgeted for in production and consultation with respect to the process.

**4.8. Benefits**

The benefits of a robust long term plan process are better more efficient outcomes for Council and the community.

**4.9. Media / Publicity**

There are media and publicity opportunities with this report, once the Annual Plan is adopted.

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 6**

**Prepared by:** John Rodger  
Rates and Electoral Officer

Lynn Brooks  
Finance Manager

**Reviewed by:** Rod Fox  
Group Manager Commercial and Corporate Services

**Attachment 1:** Schedule 1

### **SETTING OF RATES FOR THE 2022-2023 FINANCIAL YEAR**

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

In addition to adopting the Annual Plan, Council must resolve to set and assess the rates described in the 2022-2023 (Rating) Funding Impact Statement.

This resolution must cover all of the rates, definitions and details included in the Funding Impact Statement. The Funding Impact Statement is included in the final and adopted Annual Plan.

Council must also resolve the due dates for rates and metered water, and how penalties will be applied to late payment.

This report provides for all of the legal requirements for setting the 2022-2023 rates.

#### **2 COUNCIL RESOLUTION**

**Council resolves the following:**

- (a) That the rates listed in the attached Schedule 1 (being those listed in the Funding Impact Statement of the 2022-2023 Annual Plan), as adopted at the Council meeting of 29 June 2022 are set under the Local Government (Rating) Act 2002 ("the Act") on rating units in the district for the financial year commencing 1 July 2022 and ending on 30 June 2023.**

**(b) That each of the rates for the financial year are set under the following sections of the Act:**

**1. General Rates**

**1.1 General (differential) Land Rate – Section 13**

**1.2 Uniform Annual General Charge – Section 15**

**2. Water Supply Rates**

**2.1 Targeted Water Supply Rate(s) – Section 16 & Schedule 3**

**2.2 Metered water rate – Section 19**

**3. Sewage Disposal Rates**

**3.1 Targeted Sewage Disposal Rate(s) – Section 16 & Schedule 3**

**4. Waste Management Rates**

**4.1 Targeted Waste Management Rate(s) – Section 16 & Schedule 3**

**(c) That all rates will be payable in 4 instalments with the due dates being:**

**1. Instalment 1 – 28 August 2022**

**2. Instalment 2 – 28 November 2022**

**3. Instalment 3 – 28 February 2023**

**4. Instalment 4 – 28 May 2023**

**(d) That rates for metered water will be payable by the 20th day of the month following the invoice date, sic:**

**1. July 2022 invoice – 20 August 2022**

**2. August 2022 invoice – 20 September 2022**

**3. September 2022 invoice – 20 October 2022**

4. **October 2022 invoice – 20 November 2022**
5. **November 2022 invoice – 20 December 2022**
6. **December 2022 invoice – 20 January 2023**
7. **January 2023 invoice – 20 February 2023**
8. **February 2023 invoice – 20 March 2023**
9. **March 2023 invoice – 20 April 2023**
10. **April 2023 invoice – 20 May 2023**
11. **May 2023 invoice – 20 June 2023**
12. **June 2023 invoice – 20 July 2023**

**(e) That all unpaid rates will incur penalties on the penalty dates being:**

1. **Instalment 1 – 29 August 2022**
2. **Instalment 2 – 29 November 2022**
3. **Instalment 3 – 29 February 2023**
5. **Instalment 4 – 29 May 2023**
6. **Any year's rates struck prior to 1 July 2022 – 1 September 2022**

**(f) That all unpaid balance of metered water rates will incur penalties on the penalty dates being:**

1. **July 2022 invoice – 21 August 2022**
2. **August 2022 invoice – 21 September 2022**
3. **September 2022 invoice – 21 October 2022**
4. **October 2022 invoice – 21 November 2022**
5. **November 2022 invoice – 21 December 2022**
6. **December 2022 invoice – 21 January 2023**

**7. January 2023 invoice – 21 February 2023**

**8. February 2023 invoice – 21 March 2023**

**9. March 2023 invoice – 21 April 2023**

**10. April 2023 invoice – 21 May 2023**

**11. May 2023 invoice – 21 June 2023**

**12. June 2023 invoice – 21 July 2023**

**(g) That Council apply the following penalties in terms of Sections 57 and 58 of the Act:**

- 1. On the penalty date a ten percent (10%) charge to be added to the balance of rates (excluding metered water rates) left owing of the instalment due on that date.**
- 2. A charge of five percent (5%) be added on 1 September 2022 to any balance owing from any year's rates struck prior to 1 July 2022.**
- 3. On the 21st day of each month, a charge of 10% to be added to any balance of the metered water rates owing from that total amount invoiced in the previous month (as set out in Section (D) above).**
- 4. That rates shall be payable at Council's main office, Brougham Street, Westport (open 8.30am-4.30pm, Monday to Friday), or the Service Centre at 66 Broadway, Reefton (open 8.30am-4.30pm), or by using on-line banking, or through direct credit, direct debit, or credit card.**

# Forecast funding impact statement

## 1. GENERAL RATES

General Rates includes both the general (differential) rate and a uniform annual general charge.

General Rates are used to fund or part fund Democracy, Economic Development, Community Services, Regulatory Services, Property, Roading, Solid Waste Management, Stormwater, Support Services and Airport activities.

### 1.1 General (Differential) Land Rate

The general rate is set and assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use, and the activities that are permitted, controlled or discretionary for the area in which the land is situated as per the District Plan.

The definition of the differential categories is set out in this Funding Impact Statement, under Part 5.

General Rates (inclusive of GST)

Table 1 – Differentials

General Rate differential categories	Percentage of General Rate	General Rate (cents per \$ land value)
Residential 101	0.996%	0.45516
Residential 102	0.173%	0.34289
Residential 103	0.676%	0.51246
Residential 104	0.849%	0.54448
Residential 105	0.374%	0.67955
Residential 106	19.643%	1.39196
Residential 107	1.505%	1.10742
Residential 108	1.179%	0.91613
Residential 109	0.645%	0.82594
Residential 110	0.519%	0.66236
Residential 111	0.225%	0.29386
Residential 112	0.582%	0.62386
Residential 113	0.410%	0.60626
Residential 114	1.087%	0.72092
Residential 115	2.680%	0.90712
Multi Residential 121	0.031%	1.50985
Multi Residential 122	0.008%	0.93897
Multi Residential 123	1.607%	2.95287
Multi Residential 124	0.065%	2.88860
Multi Residential 125	0.229%	1.77011
Multi Residential 126	0.133%	1.92864
Commercial 131	0.889%	2.46649
Commercial 132	0.222%	1.72661
Commercial 133	1.815%	4.17750
Commercial 134	10.406%	5.45859
Commercial 135	0.130%	3.68570
Commercial 136	0.317%	1.26705
Commercial 138	0.020%	0.23887
Commercial 139	1.241%	1.44614
Commercial 140	0.992%	2.41731
Rural 141	19.379%	0.36544

General Rate differential categories	Percentage of General Rate	General Rate (cents per \$ land value)
Rural 142	1.267%	0.35446
Rural 143	3.928%	0.27732
Rural Residential 151	4.432%	0.53542
Rural Residential 152	3.229%	0.50050
Rural Small Holding 161	1.590%	0.35701
Rural Small Holding 162	0.115%	0.29003
Rural Small Holding 163	0.221%	0.37062
Rural Small Holding 164	0.061%	0.15091
Industrial 172	10.156%	8.24956
Industrial 173	5.427%	3.06595
Industrial 174	0.543%	4.66181
	100.00%	

### 1.2 Uniform Annual General Charge (UAGC)

The Council will set and assess a uniform annual general charge (UAGC) as a fixed amount per rating unit.

The Uniform Annual General Charge will be \$500.00 (inclusive of GST) per rating unit.

#### Expected Yield (Collect)

The expected collect from the general (differential) rate is calculated to be \$8,363,703 (including GST), and the expected collect from the uniform annual general charge is calculated to be \$3,319,500 (including GST), a total of \$11,683,203.

## 2. WATER

Targeted water supply charges and rates are set for each connection within a rating unit, or any rating unit able to be connected within certain scheme areas.

A 'connection' is defined as a rating unit, or each separately used or inhabited portion (SUIP) of a rating unit, which is connected to the water supply in any scheme area, whether the connection is from the main supply line, or from any other line that is connected to the main supply.

The fixed targeted charge is also applied in some scheme areas based on the availability of the service, being rating units which are not connected but are able to be connected ('serviceable'). A rating unit is regarded as serviceable if the rating unit lies within 50 metres of the water reticulation system.

For the Westport, Reefton, Mokihinui, Ngakawau/Hector, and Waimangaroa water supplies, only connected properties are rated (there is no set rate or charge for serviceable properties).

\*For the Granity South community water supply, a contribution from the connected properties for the ongoing upkeep of the supply is made and the charge will appear on the rates assessment, but is not a "rate" in terms of the Rating Act.

Refer to the definition of the differential categories set out in Part 5 of this Funding Impact Statement.

Table 2 – Unit rates

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate (GST inclusive)
<b>Westport - Multi-residential only</b>			
	1-2	1.00	\$1,101.00
	3	1.70	\$1,871.70
	4	2.30	\$2,532.30
	5	2.80	\$3,082.80
	6	3.20	\$3,523.20
	7	3.60	\$3,963.60
	8	4.00	\$4,404.00
	9	4.40	\$4,844.40
	10	4.80	\$5,284.80
	11	5.20	\$5,725.20
	12	5.60	\$6,165.60
<b>Westport - all other rating sectors</b>			
	1	1.00	\$1,101.00
	2	1.70	\$1,871.70
	3	2.30	\$2,532.30
	4	2.80	\$3,082.80
	5	3.20	\$3,523.20
	6	3.60	\$3,963.60
	7	4.00	\$4,404.00
	8	4.40	\$4,844.40
	9	4.80	\$5,284.80
	10	5.20	\$5,725.20
	11	5.60	\$6,165.60
	12	6.00	\$6,606.00
<b>Reefton - Multi-residential only</b>			
	1-2	1.00	\$1,093.00
	3	1.70	\$1,858.10
	4	2.30	\$2,513.90
	5	2.80	\$3,060.40
	6	3.20	\$3,497.60
	7	3.60	\$3,934.80
	8	4.00	\$4,372.00
	9	4.40	\$4,809.20
	10	4.80	\$5,246.40
	11	5.20	\$5,683.60
	12	5.60	\$6,120.80
<b>Reefton - all other rating sectors</b>			
	1	1.00	\$1,093.00
	2	1.70	\$1,858.10
	3	2.30	\$2,513.90
	4	2.80	\$3,060.40
	5	3.20	\$3,497.60
	6	3.60	\$3,934.80
	7	4.00	\$4,372.00
	8	4.40	\$4,809.20
	9	4.80	\$5,246.40
Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate (GST inclusive)
	10	5.20	\$5,683.60
	11	5.60	\$6,120.80
	12	6.00	\$6,558.00
<b>Reefton - major users</b>			
1905006101	1+	2.00	\$2,186.00
1905026900	1+	2.00	\$2,186.00
1905044200	1+	2.00	\$2,186.00
1905044800	1+	2.00	\$2,186.00
1905050000	1+	2.00	\$2,186.00
1905050400	1+	2.00	\$2,186.00
1905051100	1+	2.00	\$2,186.00
1905051400	1+	2.00	\$2,186.00
1905047900	1+	4.00	\$4,372.00
1905049300	1+	4.00	\$4,372.00
1905050700	1+	4.00	\$4,372.00
1905036800	1+	40.00	\$43,720.00
<b>Mokihinui</b>			
Connected (excluding major users)	1	1.00	\$368.00
Major users*	1+	8.00	\$2,944.00
<b>Ngakawau / Hector</b>			
Connected (excluding major users)	1	1.00	\$357.00
<b>Ngakawau / Hector (major users)</b>			
1880002800	1+	3.00	\$1,071.00
1880006100	1+	20.00	\$7,140.00
<b>Waimangaroa</b>			
Connected (excluding major users)	1	1.00	\$1,093.00
<b>Waimangaroa (major users)</b>			
1880034200	1+	2.00	\$2,186.00
1883037500	1+	2.00	\$2,186.00
1883039602	1+	2.00	\$2,186.00
1883044300	1+	3.00	\$3,279.00
1883002000	1+	5.00	\$5,465.00
<b>Little Wanganui</b>			
Connected (excluding major users)	1	1.00	\$317.00
Serviceable	1	0.50	\$158.50
Major users*	1+	14.00	\$4,438.00
<b>Inangahua Junction</b>			
Connected (excluding major users)	1	1.00	\$995.00
Serviceable	1	0.50	\$497.50
Major users*	1+	3.00	\$2,985.00

Rate	Valuation Reference
Little Wanganui subdivision	1878035600
Mokihinui	1879001700
Inangahua Junction	1901009300

**\*For the Granity South Water Supply, the contribution from the connected properties is set at \$288.00 (incl GST) for the 2022-23 year.**

## 2.1 Metered Water Supplies

### 2.1.1 Cape Foulwind Rural Water Supply

A targeted rate is set to fund the Cape Foulwind Rural Water Supply. Each farm connection is charged for consumption at a rate of \$0.63 (inclusive of GST) per cubic metre (m<sup>3</sup>).

### 2.1.2 Westport Metered Water Supply

The Council sets two rates for Westport Metered Water Supply. A targeted rate is set for each connection to the Westport water supply through a meter. The rate is set as a fixed amount for each connection at \$1,101.00 (inclusive of GST). Note that consumers on the metered supply may opt to pay for more targeted rates than the number of connections to a property and be charged accordingly, with the annual allowance also being calculated accordingly.

Each metered supply is then charged at a rate of \$2.85 (inclusive of GST) per cubic metre (m<sup>3</sup>) for consumption over the allowance of 400m<sup>3</sup> for each targeted rate paid per annum.

### 2.1.3 Reefton Metered Water Supplies

Council is considering options to introduce metered water supply for extraordinary users.

## 2.2 Punakaiki Water Supply

A targeted rate is set for each rating unit that is connected to the Punakaiki water supply.

The rate is set on a differential basis, based on use of the rating unit. The rate for differential factor 1.0 is \$1,193.00 per connection (including GST).

**Table 2.2A – General description of differential categories and differential factor**

Differential category	Differential factor	Targeted Rate (GST inclusive)
(A) Section only	0.5	\$596.50
(B) Single residential dwelling	1.0	\$1,193.00
(C) Department of Conservation Depot	1.0	\$1,193.00
(D) Two residential dwellings or one residential dwelling and a lodge on one rating unit	2.0	\$2,386.00
(E) Motel complex of more than 4 units	2.0	\$2,386.00
(F) Hostel (backpackers)	4.0	\$4,772.00
(G) Tavern, motel complex, and dwelling	6.0	\$7,158.00
(H) Camping ground	11.0	\$13,123.00

**Table 2.2B – Categorisation of each property**

The following table lists the properties (by valuation reference) that fall within each of the above categories:

Category	Valuation reference(s)
A	1886017702, 1886029000, 1886029001, 1886029007, 1886029013, 1886029015, 1886029019, 1886029024, 1886029027, 1886029029, 1886029030
B	1886016900, 1886016901, 1886017000, 1886017100, 1886017101, 1886017200, 1886017201, 1886017300, 1886017400, 1886017500, 1886017700, 1886017701, 1886017800, 1886017900, 1886018000, 1886018400, 1886018500, 1886018600, 1886018700, 1886018900, 1886019200, 1886019201, 1886019400, 1886019500, 1886019600, 1886019700, 1886019800, 1886019900, 1886028700, 1886028900, 1886029002, 1886029003, 1886029004, 1886029006, 1886029008, 1886029009, 1886029010, 1886029012, 1886029014, 1886029017, 1886029018, 1886029020, 1886029025, 1886029026, 1886029031, 1886029033, 1886029034, 1886029035, 1886029036, 1886031601, 1886031602, 1886031604, 1886031607, 1886031609, 1886031610, 1886031611, 1886031614, 1886031615
C	1886018001
D	1886029021, 1886029023, 1886029028
E	1886019000
F	1886018100
G	1886031616
H	1886031200

Any future change to the use of any property within the Punakaiki water supply which results in a change to the use (as set out in Table 2.2A) will result in a change to the differential category the property is in, from the next rating year.

Council may require any user on the water supply to have a meter installed, if it deems it necessary to do so, in the interests of fairness within the supply area.



### Expected Yield (Collect)

The expected collect for each of the Water Supply areas (GST inclusive) is:

Water Supply Area	Collect
Little Wanganui Subdivision	\$24,631
Mokihinui	\$17,296
Ngakawau-Hector	\$62,118
Waimangaroa	\$151,297
Westport	\$3,070,359
Reefton	\$738,103
Punakaiki	\$111,546
Inangahua Junction	\$31,343
Cape Foulwind	\$85,000

### 3. Sewage Disposal

Targeted sewage disposal charges and rates are set for each connection within a rating unit, or any rating unit able to be connected within certain scheme areas, as follows.

The rates are set on the number of connections, with a differential applied for each rate based on the use of the rating unit.

A 'connection' is defined as a rating unit, or each separately used or inhabited portion (SUIP) of a rating unit, which is connected to the disposal line in any scheme area, whether the connection is to the main disposal line, or from any other line that is connected to the main disposal line.

A differential is also applied based on the availability of the service. The categories applied are rating units connected to the disposal system, and rating units within certain scheme areas which are not connected but are able to be connected ("serviceable"). A rating unit is regarded as serviceable if it is within 30 metres of the sewerage reticulation system.

For the Westport and Reefton, only connected properties are rated (there is no differential for serviceable properties) with the exception of those properties able to be connected to the Orowaiti sewerage upgrade to the Westport Scheme. Those properties (within that upgrade area) which are serviceable but not connected shall pay the full service charge(s) applicable to that scheme.

Refer to the definition of the differential categories set out in Part 5 of this Funding Impact Statement.

Table 3 – Unit rates

Sewage Disposal Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate (GST incl)
<b>Westport - Multi-residential only</b>			
	1-2	1.00	\$1,103.00
	3	1.70	\$1,875.10
	4	2.30	\$2,536.90
	5	2.80	\$3,088.40
	6	3.20	\$3,529.60
	7	3.60	\$3,970.80
	8	4.00	\$4,412.00
	9	4.40	\$4,853.20
	10	4.80	\$5,294.40
	11	5.20	\$5,735.60
	12	5.60	\$6,176.80

Sewage Disposal Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate (GST incl)
<b>Westport - all other rating sectors</b>			
	1	1.00	\$1,103.00
	2	1.70	\$1,875.10
	3	2.30	\$2,536.90
	4	2.80	\$3,088.40
	5	3.20	\$3,529.60
	6	3.60	\$3,970.80
	7	4.00	\$4,412.00
	8	4.40	\$4,853.20
	9	4.80	\$5,294.40
	10	5.20	\$5,735.60
	11	5.60	\$6,176.80
	12	6.00	\$6,618.00
<b>Reefton - Multi-residential only</b>			
	1-2	1.00	\$817.00
	3	1.70	\$1,388.90
	4	2.30	\$1,879.10
	5	2.80	\$2,287.60
	6	3.20	\$2,614.40
	7	3.60	\$2,941.20
	8	4.00	\$3,268.00
	9	4.40	\$3,594.80
	10	4.80	\$3,921.60
	11	5.20	\$4,248.40
	12	5.60	\$4,575.20
<b>Reefton - all other rating sectors</b>			
	1	1.00	\$817.00
	2	1.70	\$1,388.90
	3	2.30	\$1,879.10
	4	2.80	\$2,287.60
	5	3.20	\$2,614.40
	6	3.60	\$2,941.20
	7	4.00	\$3,268.00
	8	4.40	\$3,594.80
	9	4.80	\$3,921.60
	10	5.20	\$4,248.40
	11	5.60	\$4,575.20
	12	6.00	\$4,902.00
<b>Little Wanganui</b>			
Connected	1	1.00	\$886.00
Serviceable	1	0.50	\$443.00

### Expected Yield (Collect)

The expected collects for each of the sewerage scheme areas (GST inclusive) is:

Sewerage Scheme Area	Collect
Little Wanganui Subdivision	\$54,666
Westport	\$2,822,687
Reefton	\$474,677

## 4. WASTE MANAGEMENT

For the purposes of the cost of providing waste management (refuse and recycling) throughout the district, three zones have been established, each having its own level of service.

### The localities of these zones are:

Zone	Locality
1	All of the district except north of the Mokihinui River and east of Blacks Point to which the collection service is provided
2	North of the Mokihinui River (Karamea)
3	East of Blacks Point (Maruia)

### The levels of service for each are:

Zone	Locality
1	The provision of a collection service for bins and bags, plus the cost of the waste management disposal area(s) within the zone.
2	The cost of the waste management disposal area(s) within the zone.
3	The cost of the waste management disposal area(s) within the zone.

### 4.1 Waste Management - Zone 1

The cost of providing recycling and refuse collection is recovered from those properties that are on the service collection route, in the form of a targeted annual waste management rate of a fixed amount per set of two bins (one wheelie bin and one basket) delivered to those properties within the Zone 1 area.

Thus, any property that has been delivered more than one set of bins, is deemed to be receiving the service for each of those sets of bins, and shall be liable for the fixed amount for each set of bins delivered to the property.

The bins are used for the fortnightly recycling collection, while bags are available for purchase at various district outlets for the use of weekly refuse collection.

The annual targeted waste management rate for Zone 1 will be **\$171.00** per set of two bins (including GST).

### 4.2 Waste Management - Zone 2

The cost of providing a waste management landfill activity within the Zone 2 area is recovered from those rating units within the area.

The annual targeted waste management rate for Zone 2 will be **\$138.00** per rating unit (including GST).

### 4.3 Waste Management - Zone 3

The cost of providing a waste management landfill activity within the Zone 3 area is recovered from those rating units within the area.

The annual targeted waste management rate for Zone 3 will be **\$302.00** per rating unit (including GST).

### Expected Yield (Collect)

The expected collects for each of the solid waste areas (GST inclusive) are:

Solid Waste Area	Collect
Zone 1	\$873,468
Zone 2	\$81,558
Zone 3	\$35,938

### Lump sum contributions

The Council does not accept lump sum contributions in respect of any of the targeted rates.

## 5. DIFFERENTIAL CATEGORIES

Note that the first five digits of any valuation reference comprises the valuation roll in which the reference is found.

Also note that subject to the rights of objection to the rating information database set out in Section 29 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories applied to a rating unit.

### Residential Categories

Rating units, or parts of rating units, being less than 4,000 square metres in area, having no more than one residential dwelling, and being primarily used for, or able to be used for, residential living.

#### Residential 101

Includes residential rating units, or parts of rating units, within the valuation rolls numbered 18780 (but excluding the Little Wanganui Subdivision); 18800 (but excluding the township of Granity); 18820; 18830 (but excluding the townships of Waimangaroa and Conns Creek); 18840 (but excluding the settlement of Snodgrass, and those properties in the greater Westport area to the west of the Orowaiti River); 19000; 19010; 19040; 19080; and 19081.

#### Residential 102

Includes residential rating units, or parts of rating units, within the valuation roll numbered 18810, plus the settlement of Snodgrass.

#### Residential 103

Includes the residential rating units, or parts of rating units, within the valuation roll numbered 18790 (but excluding the township of Hector), plus the Little Wanganui Subdivision, and Conns Creek.

#### Residential 104

Includes the residential rating units, or parts of rating units, on the inland side of the State Highway 67 in the townships of Hector, Ngakawau, and Granity, plus the township of Waimangaroa.

#### Residential 105

Includes the residential rating units, or parts of rating units, on the seaward side of the State Highway 67 in the townships of Hector, Ngakawau, and Granity.

#### Residential 106

Includes the residential rating units, or parts of rating units, within the valuation rolls numbered 18840, 18950, 18960, and 18970 (but not including any properties to the east of the Orowaiti River or south of Stafford Street, and those properties on Orowaiti Road, Morgans Lane, Forbes, Coates, and Shelswell Streets, and selected properties at the northern end of Derby Street).

#### Residential 107

Includes the residential rating units, or parts of rating units, on Orowaiti Road, Morgans Lane, Forbes, Coates, and Shelswell Streets, and selected properties at the northern end of Derby Street and including Beach Drive.

#### Residential 108

Includes the residential rating units, or parts of rating units, within the township of Carters Beach (but excluding those properties located on Marine Parade).

### **Residential 109**

Includes the residential rating units, or parts of rating units, within the township of Carters Beach located on Marine Parade and in the Elley Drive subdivision.

### **Residential 110**

Includes the residential rating units, or parts of rating units, within the valuation roll numbered 18850 (but excluding the townships of Carters Beach, Omapu, and Tauranga Bay and valuation reference 1885022301).

### **Residential 111**

Includes the residential rating units, or parts of rating units, within the valuation roll numbered 18860 (but excluding the townships of Charleston and Punakaiki and the Ross Subdivision).

### **Residential 112**

Includes the residential rating units, or parts of rating units, within the townships of Omapu and Tauranga Bay, plus valuation reference 1885022301.

### **Residential 113**

Includes the residential rating units, or parts of rating units, within the township of Charleston.

### **Residential 114**

Includes the residential rating units, or parts of rating units, within the township of Punakaiki and the Ross Subdivision.

### **Residential 115**

Includes the residential rating units, or parts of rating units, within the valuation roll numbered 19050.

### **Multi Residential**

Rating units that have more than the one dwelling, excluding farm properties and communal residences. Where practicable, Council may have the rating unit divided into each of its separate uses, so each division can be assessed for rates in a different differential category.

### **Multi Residential 121**

Includes those rating units under valuation references 1878011803, 1878018300BB, and 1908009900.

### **Multi Residential 122**

Includes the rating unit under valuation reference 1878037247.

### **Multi Residential 123**

Includes the multi-residential rating units within the valuation rolls numbered 18840; 18950; 18960; and 18970.

### **Multi Residential 124**

Includes those rating units within the valuation roll numbered 18860.

### **Multi Residential 125**

Includes those multi-residential rating units within the valuation roll numbered 18850.

### **Multi Residential 126**

Includes those multi-residential rating units within the valuation roll numbered 19050.

### **Commercial**

Rating units, or portions of rating units, used primarily for, or able to be used in terms of the District Plan for, carrying out a commercial or trading enterprise, including retail and/or wholesale, community, personal, business and repair services, offices, hotels, motels, camps and air transport.

### **Commercial 131**

Includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18780; 18820; 19000; 19010; 19040; 19080; and 19081; and that rating unit under valuation reference 1884018701.

### **Commercial 132**

Includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18810; and 18830.

### **Commercial 133**

Includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18840 (excluding 1884018701); 18960; and 18970.

### **Commercial 134**

Includes commercial rating units, or parts of rating units, within the valuation roll numbered 18950.

### **Commercial 135**

Includes the rating unit under valuation references 1885002400BB and 1885022400.

### **Commercial 136**

Includes commercial rating units, or parts of rating units, within the valuation roll numbered 18850 (excluding 1885002400BB and 1885022400).

### **Commercial 138**

Includes commercial rating units within the valuation roll 18860, north of the Fox River.

### **Commercial 139**

Includes commercial rating units within the valuation roll 18860, south of the Fox River.

### **Commercial 140**

Includes commercial rating units, or parts of rating units, within the valuation roll numbered 19050.

### **Rural**

Properties being 10 hectare or greater, used exclusively or principally for agricultural, horticultural, and/or pastoral purposes, including forestry, or vacant land that is able to be used for such purposes in terms of the District Plan.

### **Rural 141**

Includes rural rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

### **Rural 142**

Includes rural rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

### **Rural 143**

Includes rural rating units, or parts of rating units, within the valuation rolls numbered 18850; and 18860.

### **Rural Residential:**

Properties being greater than 4,000 square metres but less than 4 hectare, primarily used for the purpose of residential living.

### **Rural Residential 151**

Includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

### Rural Residential 152

Includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18850; and 18860.

### Rural Small Holding:

Properties being greater than 4 hectare but less than 10 hectare, used exclusively or principally for agricultural, horticultural and/or pastoral purposes, including forestry.

### Rural Small Holding 161

Includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18850; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

### Rural Small Holding 162

Includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

### Rural Small Holding 163

Includes rural small holding rating units, or parts of rating units, within the valuation roll numbered 18860 (but excluding those units within the valuation reference ranges 1886003000 to 1886003600 and 1886023800 to 1886027700).

### Rural Small Holding 164

Includes rural small holding rating units, or parts of rating units, within the valuation reference ranges of 1886003000 to 1886003600 and 1886023800 to 1886027700.

### Industrial Coal

Properties used primarily in the extraction, storage, and/or distribution of coal.

### Industrial 172

includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Coal above.

### Industrial Other

Properties used primarily in the following, as well as all associated land and buildings related to:

- storage sites (except those associated with the three other industrial categories); or
- transport (road, rail, sea), excepting those properties defined as Industrial Harbour; or
- utility services (communications, electricity, gas, water, sanitation); or
- the manufacture of food, drink, and tobacco; or
- the processing of textiles, leather, and fur; or
- the processing of timber products, including manufacturing and storage sites (ie sawmills and timber yards, wooden articles of manufacture such as furniture); or
- all other types of mining, not included in the sectors defined as Industrial Coal; or
- engineering, metalwork appliances, and machinery works; or
- chemicals, plastics, rubber, and paper manufacture; or
- other manufacturing industries not defined above; or
- depots and yards of contractors, central and local government; or
- demolition, and fumigation and pest control firms; or
- vacant land designated for the primary purpose of industrial use

### Industrial 173

Includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Other above.

### Industrial harbour

Properties used for harbour and associated activities.

### Industrial 174

Includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Harbour above.

## SUIP (SEPARATELY USED OR INHABITED PART) OF A RATING UNIT - DEFINITION

### A separately used or inhabited part of a rating unit includes:

- Any part or parts of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement; or
- Any part or parts of a rating unit that is/are used or occupied by the ratepayer for more than one single use.

### Examples of separately used or inhabited parts of a rating unit include:

- A residential property that contains two or more separately occupiable units, flats or houses, each of which is separately inhabited or is capable of separate habitation.
- A commercial, or other non-residential property containing separate residential accommodation in addition to its commercial, farming or other primary use.
- A commercial premise that contains separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business.
- An office block which contains several sets of offices, each of which is used by a different business or which is capable of operation as separate businesses.

### Council recognises that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. These specific instances are:

- Where a business, farm, orchard, vineyard or horticultural operation contains accommodation on a rent-free basis for the owner, staff or share-milkers associated with the enterprise's productive operation.
- Where a residential property contains not more than one additional separately inhabited part, or where members of the owners family inhabit the separate part on a rent-free basis.
- Where an orchard, vineyard or horticultural operation contains a stall for the sale of goods produced solely by the operation.

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 7**

**Prepared by:** Julia Gear  
Trainee Financial Accountant

Lynn Brooks  
Finance Manager

**Reviewed by:** Rod Fox  
General Manager Commercial and Corporate Services

#### **FINANCIAL PERFORMANCE – TEN MONTHS TO 30 APRIL 2022**

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

This report provides the Committee with an update on the financial performance for the ten months ending 30 April 2022.

The year to date reported surplus is \$9.46m compared to a budget of \$2.90m for the period to April 2022. The reason for this variance is due to additional grant income and flood recovery income, as well as variations to the planned operations for the year.

To help explain the variances this report is presented in three sections including “business as usual”, “additional grants”, and “flood event” sections which report against the year one Long-Term Plan budget.

A major contributor affecting the predicted end of year results (a surplus of \$4.08m against budget \$0.07m) is the harbour activity. Expenditure is much less than budgeted for slipping costs due to the timing of port projects.

The year to date business-as-usual result is an operating surplus of \$1.83m against a budgeted surplus of \$2.60m, a negative variance of \$0.77m. The main reason for the difference is the change to the roading programme with both the Little Wanganui bridge no longer funded by Waka Kotahi (\$1.8m) and approximately \$1.8m of other works programmed for next year to maximise efficiencies, also taking into account weather related delays.

The additional grant income and expenditure gives a surplus of \$4.72m because a portion of the grants relate to capital expenditure.

The flood event result to date is an overall surplus of \$2.91m. Further Mayoral Relief Fund donations have been received from the government in response to the February severe weather events and roading-related funding has been claimed.

## **2. RECOMMENDATION**

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

### 3. OPERATIONAL FINANCIAL PERFORMANCE

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

	Actual YTD	Budget YTD	YTD Variance		Projected Full Year	Budget Full Year	Projected Variance Full Year
Operational Income	25,132,270	28,211,237	(3,078,967)	■	28,175,639	31,659,243	(3,483,604)
Operational Expenditure	23,298,019	25,602,884	2,304,865	●	29,277,933	32,134,812	2,856,879
TOTAL OPERATIONAL VARIANCE			(774,102)	■			(626,725)
Additional Grant Income	8,852,658	300,000	8,552,658	●	10,163,306	550,000	9,613,306
Additional Grant Expenditure	4,130,776	0	(4,130,776)	■	4,599,994	0	(4,599,994)
TOTAL ADDITIONAL GRANT VARIANCE			4,421,882	●			5,013,311
Flood Event Income	9,884,690	0	9,884,690	●	11,234,446	0	11,234,446
Flood Event Expenditure	6,974,283	0	(6,974,283)	■	11,614,630	0	(11,614,630)
TOTAL FLOOD EVENT VARIANCE			2,910,407	●			(380,184)
TOTAL PROFIT / (LOSS)			6,558,187	●			4,006,402
Net Profit / (loss)	9,466,540	2,908,353	6,558,187	●	4,080,833	74,431	4,006,402

### **3.1 Operational Performance Report – Summary of Results to April 2022**

#### **Operating Income**

Overall, operating income is lower than budgeted.

Regulatory income is higher than expected due to increased building activity, and investment income and rates penalties are higher than budgeted. Sponsorship income from Development West Coast has continued longer than expected.

In the harbour activity there was an anticipation of external revenue of \$1m to meet the slipping needs of the dredge. However, this will not occur in this financial year because of the timing of the port projects.

Income is under budget for Amenities and Reserves due to a shortfall in fees for Orowaiti Cemetery, Punakaiki Campground and leasehold land income.

\$1.8m of budgeted roading works has been programmed for the next financial year and the corresponding funding from Waka Kotahi will be claimed then.

#### **Operating Expenditure**

Overall, operational expenditure is lower than budgeted.

With the increase in building activity and income, there is a corresponding increase in Regulatory costs.

There have been savings in Amenities and Reserves, particularly in repairs & maintenance and contractor payments, and Wastewater expenditure is lower than budgeted.

Westport Harbour expenditure is lower than budget due to dredge slipping costs not incurred.

The report also shows higher than budgeted expenditure on water supply and this is expected to remain over budget by an estimated \$75k.

Income and expenditure are mainly on budget for other activities.

#### **Additional Grant Income and Expenditure**

To date, Council has received \$8.85m unbudgeted income from the Provincial Growth Fund and other government schemes. A portion of this funding is for operational expenses and a portion will relate to capital expenditure. It should be noted that some of the grant income will be recognised as income in advance as at financial year end.



**Flood Event Income and Expenditure**

To date, Council has received \$9.88m in government assistance and donations relating to the July 2021 flood event and the February 2022 severe weather events.

At this stage it is known an estimated \$0.4m of operational costs relating to the initial flood response will not be reimbursed. As with other grant revenue, a portion of this relates to operational expenditure and a portion will relate to capital expenditure. Further, a component at year-end will be recorded as income in advance.

**BULLER DISTRICT COUNCIL**  
**Financial Report for the Period Ending 30 April 2022**

Prepared by: Julia Gear  
Reviewed by: Lynn Brooks

	Actual	Year to Date Budget	YTD Variance	Status	Full Year Prediction	Annual Budget (LTP year 1)	Variance Full Year Prediction	Explanation of Variances of \$50,000 or greater
<b>Operational Income</b>								
Community Services	678,314	289,527	388,787	●	881,762	581,762	300,000	Unbudgeted sponsorship from Development West Coast
Westport Harbour	1,580,232	1,732,535	(152,303)	■	1,707,232	2,267,232	(560,000)	Lease income \$60k less than budgeted. Gravel removal income \$435k greater than budgeted, sundry income related to dredge slipping \$1m not received this year due to timing of port projects. Lesser income is offset by savings in expenditure
Democracy	0	0	0	▲	0	0	0	
ED, Tourism & Museum	0	4,170	(4,170)	▲	5,000	5,000	0	
Water Supply	3,275,954	3,300,206	(24,252)	▲	3,368,644	3,368,644	0	
Airport	149,882	181,574	(31,692)	▲	211,704	211,704	0	
Amenities & Reserves	606,749	705,430	(98,681)	■	1,233,738	1,302,573	(68,835)	Fees from Orowaiti Cemetery and Punakaiki Camp Ground lower than budgeted. Prior leasee's debt for brewery site unlikely to be recovered. Pensioner housing income less than budget due to flood displacement. Leasehold land income less than budget due to freeholdings. Shortfall in income offset by savings in expenditure
Roading & Urban Development	2,712,292	6,467,664	(3,755,372)	■	4,188,681	7,979,733	(3,791,052)	Little Wanganui bridge (\$1.8m capex) not funded by Waka Kotahi, and approx. \$1.8M (mixture of capex and opex) roading works reprogrammed for next year.
Regulatory	1,293,264	808,655	484,609	●	1,551,793	984,193	567,600	Higher than budgeted Resource and Building consent revenue
Solid Waste	882,231	857,814	24,417	▲	881,399	881,399	0	
Support Services	74,781	62,745	12,036	▲	74,864	74,864	0	
Council - General Rates & Investments	11,167,065	11,078,877	88,188	●	11,343,161	11,274,478	68,683	Interest on investment income higher than budget. Full year prediction adjusted. Budget timing for subvention payment.
Wastewater	2,711,506	2,717,940	(6,434)	▲	2,722,741	2,722,741	0	
Stormwater	0	4,100	(4,100)	▲	4,920	4,920	0	
<b>Total Operational Income</b>	<b>25,132,270</b>	<b>28,211,237</b>	<b>(3,078,967)</b>	<b>■</b>	<b>28,175,639</b>	<b>31,659,243</b>	<b>(3,483,604)</b>	
<b>Operational Expenditure</b>								
Community Services	2,565,660	2,554,784	(10,876)	▲	3,138,102	3,052,785	(85,317)	Full year prediction adjusted for external interest expense. \$70k R&M not spent on NBS theatre
Westport Harbour	1,799,064	3,462,515	(1,663,451)	●	2,123,000	4,664,506	(2,541,506)	Only \$50k spent of dredge slipping budget (\$2.2m) due to timing of port projects. Not expected to spend remainder this year
Democracy	455,040	469,948	(14,908)	▲	570,060	570,060	0	
ED, Tourism & Museum	418,424	396,837	(21,587)	▲	452,324	452,324	0	
Water Supply	2,236,062	2,168,829	(67,233)	■	2,738,524	2,663,524	(75,000)	Expected to remain over budget at year end due to higher than budgeted operating costs
Airport	297,163	327,724	(30,561)	▲	381,932	381,932	0	
Amenities & Reserves	2,045,443	2,516,934	(471,491)	●	3,292,556	3,340,454	(47,898)	Savings across a number of activities mainly in R&M and contractor payments. Approved additional expenditure for Hector & Reefton toilet maintenance (\$12,102) included, however permanent savings of approx. \$60k
Roading & Urban Development	5,012,529	5,493,117	(480,588)	●	5,617,751	6,532,243	(914,492)	Approx. \$900k maintenance work programmed for next year. No change to operational budget for Little Wanganui bridge as this is capital expenditure
PSBU (income and expenditure netted off)	60,393	60,393	0	▲	57,900	57,900	0	
Regulatory	1,821,282	1,392,451	(428,831)	▲	2,185,198	1,698,498	(486,700)	Additional costs due to higher than expected demand
Solid Waste	834,487	864,472	(29,985)	▲	1,045,192	1,045,192	0	
Support Services	3,826,547	3,794,870	(31,677)	▲	5,114,339	5,114,339	0	
Wastewater	1,552,239	1,711,491	(159,252)	●	2,063,546	2,063,546	0	Variance mainly due to Westport Sewerage under budget
Stormwater	373,687	388,519	(14,832)	▲	497,509	497,509	0	
<b>Total Operational Expenditure</b>	<b>23,298,019</b>	<b>25,602,884</b>	<b>(2,304,865)</b>	<b>●</b>	<b>29,277,933</b>	<b>32,134,812</b>	<b>(2,856,879)</b>	
<b>OPERATIONAL PROFIT / (LOSS)</b>	<b>1,834,251</b>	<b>2,608,353</b>	<b>(774,102)</b>	<b>■</b>	<b>(1,102,294)</b>	<b>(475,569)</b>	<b>(626,725)</b>	
<b>Additional Grants - Income</b>								
Community Services	664,000	50,000	614,000	●	750,000	50,000	700,000	Mayors Taskforce for Jobs, Restoring Flora project, Reefton Economic Development Officer
Westport Harbour	3,967,001	0	3,967,001	●	3,967,001	0	3,967,001	PGF Funding for Port Precinct and Developments
Commercial and Corporate Services	604,354	250,000	354,354	●	700,000	500,000	200,000	Whitebait Farm Administration Grant, budget for shares
Water Supply	1,512,456	0	1,512,456	●	2,641,457	0	2,641,457	Three Waters Mains Projects Punakaiki and Westport
Amenities & Reserves	1,990,152	0	1,990,152	●	1,990,152	0	1,990,152	Westport Waterfront Redevelopments, Halls & Memorials & TIF funding for Reefton Toilets & Westport Town Pathways
Solid Waste	114,696	0	114,696	●	114,696	0	114,696	Hector Landfill final claim
<b>Total Additional Grants Income</b>	<b>8,852,658</b>	<b>300,000</b>	<b>8,552,658</b>	<b>●</b>	<b>10,163,306</b>	<b>\$50,000</b>	<b>9,613,306</b>	
<b>Additional Grants - Expenditure (excludes Capital Expenditure)</b>								
Community Services	457,137	0	(457,137)	■	700,000	0	(700,000)	Mayors Taskforce for Jobs, Restoring Flora project, Reefton Economic Development Officer
Westport Harbour	3,439,365	0	(3,439,365)	■	3,639,365	0	(3,639,365)	PGF Funding for Port Precinct and Developments
Commercial and Corporate Services	86,562	0	(86,562)	■	86,562	0	(86,562)	Whitebait Farm Administration
Water Supply	0	0	0	▲	0	0	0	Three Waters Mains Projects are capital expenditure therefore not in operational report
Amenities & Reserves	147,712	0	(147,712)	■	174,067	0	(174,067)	Balance of Halls and War Memorial MBIE project & PGF coastal planting
<b>Total Additional Grants Expenditure</b>	<b>4,130,776</b>	<b>0</b>	<b>(4,130,776)</b>	<b>■</b>	<b>4,599,994</b>	<b>0</b>	<b>(4,599,994)</b>	
<b>ADDITIONAL GRANTS PROFIT / (LOSS)</b>	<b>4,721,882</b>	<b>300,000</b>	<b>4,421,882</b>	<b>●</b>	<b>5,563,311</b>	<b>\$50,000</b>	<b>\$,013,311</b>	
<b>Flood Event - Income</b>								
Mayoral Relief Fund - Donations	1,010,341	0	1,010,341	●	1,010,341	0	1,010,341	Government Funding and Community Donations. Full year prediction based on donations to date only
Flood Response Support	1,361,028	0	1,361,028	●	1,524,604	0	1,524,604	Initial Government Funding for Response. Full year prediction based on expenditure to date less \$380k that is now understood will not be covered by funding
Flood Recovery Support	7,513,321	0	7,513,321	●	8,699,501	0	8,699,501	Government Funding for the Recovery Phase. Full year prediction includes income to date plus known NZTA funding
<b>Total Unbudgeted Flood Event Income</b>	<b>9,884,690</b>	<b>0</b>	<b>9,884,690</b>	<b>●</b>	<b>11,234,446</b>	<b>0</b>	<b>11,234,446</b>	
<b>Flood Event - Expenditure</b>								
Mayoral Relief Fund - Grants made	651,073	0	(651,073)	■	1,010,341	0	(1,010,341)	Payment of Mayoral Relief Fund. Full year prediction based on donations to date
Flood Response	1,904,789	0	(1,904,789)	■	1,904,789	0	(1,904,789)	Costs related to initial response. Full year prediction based on expenditure to date only.
Flood Recovery	4,418,421	0	(4,418,421)	■	8,699,501	0	(8,699,501)	Costs related to recovery phase. Full year prediction includes income to date plus known NZTA funding. It is yet to be determined how much relates to capex, therefore the end of year result may be different
<b>Total Unbudgeted Flood Event Expenditure</b>	<b>6,974,283</b>	<b>0</b>	<b>(6,974,283)</b>	<b>■</b>	<b>11,614,630</b>	<b>0</b>	<b>(11,614,630)</b>	
<b>FLOOD EVENT PROFIT / (LOSS)</b>	<b>2,910,407</b>	<b>0</b>	<b>2,910,407</b>	<b>●</b>	<b>(380,184)</b>	<b>0</b>	<b>(380,184)</b>	
<b>TOTAL PROFIT / (LOSS)</b>	<b>9,466,540</b>	<b>2,908,353</b>	<b>6,558,187</b>	<b>●</b>	<b>4,080,833</b>	<b>74,431</b>	<b>4,006,402</b>	

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

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 8**

**Prepared By:** Julia Gear  
Trainee Financial Accountant

Lynn Brooks  
Manager Finance

**Reviewed By:** Rod Fox  
General Manager Commercial & Corporate Services

**Attachments:**

- 1. BHL Statement of Intent 2023**
- 2. BRL Statement of Intent 2023**
- 3. WestReef Services Ltd Statement of Intent 2023**
- 4. Westport Airport Statement of Intent 2023**

### **FINAL STATEMENTS OF INTENT - COUNCIL CONTROLLED ORGANISATIONS**

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

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

The Council has four CCOs that are required to provide Statements of Intent:

- Westport Airport Authority
- Buller Holdings Ltd
- Buller Recreation Ltd
- WestReef Services Ltd

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

**That the Council receives the Final Statements of Intent for the year ending 30 June 2023.**

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

Schedule 8 of the Local Government Act 2002 states that the purpose of a Statement of Intent is to:

- State publicly the activities and intentions of a Council-Controlled Organisation for the year and the objectives to which those activities will contribute; and
- Provide an opportunity for the shareholders to influence the direction of the organisation; and
- Provide a basis for the accountability of the Directors to their shareholders for the performance of the organisation.

The draft Statement of Intent must be delivered to its shareholders for approval each year. The final Statement of Intent must be delivered to Council before 30 June each year.

Council has the power to pass a resolution requiring a modification to the Statement of Intent however it should consult with the entity concerned before this occurs.

The Statements of Intent link the CCO's activities into Council's 2022/2023 annual planning processes and provide opportunities for Council to review the goals and negotiate key performance targets.

The scope, objectives and performance targets of Council's CCOs summarised in the 2022-2023 Annual Plan are based on the content of the Statements of Intent.

Our community has the opportunity to review and provide feedback on this information as part of the Annual Plan consultation process.

Failure to follow the statutory process for reviewing and approving Council's CCOs Statements of Intent risks a breach of the legislation. It may also create misunderstanding between Council and its subsidiaries about the performance levels and other targets expected for the year.

The Local Government Act (2002) prescribes the content, processes and timelines required to adopt draft and final Statements of Intent.



# **BULLER HOLDINGS LIMITED**

## **STATEMENT OF INTENT**

**FOR THE YEAR ENDED 30 JUNE 2023**

## **1. Preamble**

Buller Holdings Limited ("Company") was set up in September 2007 as a Council controlled trading organisation with WestReef Services Limited as its only subsidiary. Buller Recreation Limited (trading as the Pulse Energy Centre) was purchased from the Buller District Council ("Council") in 2009 and Westport Harbour Limited in 2010. Westport Harbour Ltd was wound up as a company on or prior to 30<sup>th</sup> June 2018 by Council resolution. The Buller District Council is the sole shareholder of Buller Holdings Limited.

The Company's continued purpose is to provide a commercial focus in the governance and management of Council's commercial assets, allowing for maximum returns on behalf of the ratepayers and benefits to the wider community.

Section 6 (1) of the Local Government Act 2002 ("Act"), provides that any company in which equity securities carrying 50% or more of the voting rights are held by one or more local authority is to be known as a council-controlled organisation. In addition, any council-controlled organisation that operates a trading undertaking for the purposes of making a profit is considered a council-controlled trading organisation.

Buller Holdings Limited ("Company") is a council-controlled trading organisation for the purposes of the Act and is therefore required to have a Statement of Intent (SOI) that complies with clause 9 of Schedule 8.

The SOI is prepared in terms of the Act and clause 22.1 of the Constitution of Buller Holdings Limited and sets out the activities and intentions of the Company for the year ending 30th June 2023.

The Company will update the SOI annually and deliver a draft to shareholders before 1st March each year and a completed SOI by 30th June each year.

## **2. Objective**

### **Introduction**

The strategic direction of the Company is guided by the vision, values, and strategic objectives. These provide the framework for the Company to establish make plans and investment decisions. The following is an overview of these key planning components.

### **Vision**

Buller Holdings Limited will provide a commercial focus in the governance and management of Buller District Council's commercial assets, allowing for maximum returns on behalf of ratepayers and benefits to the wider community. The Group will remain cognisant of assisting the shareholder with fulfilling cultural requirements as part of its 'Four Wellbeings'.

### **Objectives**

The principal objective of Buller Holdings Limited is to operate as a successful business while working for the benefit of shareholders. In pursuing this objective, the Company is guided by the following key principles.

#### **(a) Financial Performance**

The Company is committed to operating the group as a successful business and achieving a competitive commercial rate of return on the investment while working for the benefit of the shareholders. It will be striving to minimise operating costs and manage the assets and liabilities in a prudent way. The definition of return on investment the company is broader than just the financial returns, and considers the social, economic and environmental needs of the community.

**(b) Service**

The Company recognises that the needs of its major customers are paramount and is committed to meeting those business needs. It also recognises the need to develop its customer base to ensure sustainability of the business in the future.

**(c) Employee Relations**

The Company values its employees and will recruit and retain employees with the skills necessary to run the business and will provide opportunities for staff training and development. It will ensure that employees are fairly treated and provided with good and safe working conditions.

The Company, together with its employees, will create a culture that recognises the importance of being competitive, the value of delivering a high quality of customer service and the mutual benefit of continued employment. This will involve effective leadership and communication.

**(d) Safety and Environment**

The Company has a zero tolerance to safety and environmental incidents. The company undertakes to comply with all Health and Safety legislation requirements.

**(e) Marketing**

The Company and each of its subsidiaries has developed a marketing plan with objectives, costs, timeline and KPI's to retain and obtain increased external and non-council profitable business.



### **3. Nature and Scope of Activities**

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

#### **(a) WestReef Services Limited**

The nature and scope of WestReef Services Limited activities will be predominantly to provide contracting services for physical works in the Buller Region and the West Coast of the South Island. Its activities will include maintenance and construction services for:

- Roads and bridges
- Response to Road and Civil Defence emergencies
- Parks and reserves (including associated facilities)
- Utility services (water and sewerage reticulation, wastewater treatment, storm water collection)
- Solid and Liquid Waste Collection and Disposal
- Vehicle workshop repairs
- Transfer stations
- Recovery parks
- Roadside vegetation control
- Property maintenance
- Refuse collection
- Environmental & Back Country Projects

#### **(b) Buller Recreation Limited**

Buller Recreation Limited owns and operates the Pulse Energy Recreation Centre that was formally opened on 18th April 2009, and provides a range of leisure services to the district as summarised below:

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

- Outdoor turf sports
- Corporate, trade and social events

#### **4. Corporate Governance**

The Board of Directors of Buller Holdings Limited is responsible for the corporate governance of the Company. The term “corporate governance” encompasses the direction and control of the business by the Directors, and the accountability of Directors to shareholders and other stakeholders for the performance of the Company and compliance by the Company with laws, standards and agreed protocols as specified between Buller Holdings Limited and Buller District Council.

##### **Role of the Board**

The Board is responsible for the proper direction and control of the Company on behalf of the shareholders. The principal objective of the Company is to operate a successful business.

The functions of the Board include:

- Ensuring that the Company goals are clearly established, updated annually and that strategies are in place for achieving the goals.
- Establishing policies for strengthening and enhancing the performance of the Company and group.
- Monitoring the performance of management relative to the established goals and plans, having delegated day-to-day management of the company to the Chief Executive.
- Appointing and annually assessing the performance of the Chief Executive
- Ensuring that the Company’s financial position is fully protected to allow it to meet all debts and obligations as they fall due.
- Ensuring that the Company and group’s financial statements are fairly presented and conform to law.

- Ensuring that the group adheres to high standards of ethics and corporate behaviour.
- Ensuring that the group has appropriate risk management and regulatory compliance policies in place.
- Approving and implementing the Business Plan and Statement of Intent of the Company, and
- Reviewing and approving the Company's capital investments and distributions

### **Board operations and membership**

The composition of the Board is determined in accordance with the following principles:

- The Board comprises up to 6 directors.
- Directors are appointed by the Buller District Council.
- The Board meets regularly, and schedules additional meetings as required.
- Directors receive formal Board papers for consideration and all necessary information to enable participation in an informed discussion of all agenda items.

The Company constitution sets out policies and procedures on the operation of the Board including the appointment and removal of Directors.

The Board supports the concept of separation of governance and management of the businesses. The role of the Chairman is to lead the Board to ensure that it carries out its governance role effectively, and to provide leadership and direction to the Chief Executive of the business on behalf of the Board. The Board will evaluate its own performance annually.

## **5. Ratio of Shareholders Funds to Total Assets**

The ratio will be maintained at a minimum of 60% (net of any proposed dividend). Total assets are defined as the sum of all current and non-current assets of the Company including goodwill.

## **6. Distribution Policy**

It is the Company's intention to maximise distributions after meeting the financial needs of the company including future operations and capital expenditure. Directors should aim to deliver a minimum distribution as agreed in this Statement and as forecasted in the Statement of Intent.

## **7. Accounting Policies**

Buller Holdings Limited will adopt and adhere to accounting policies that are consistent with those of the Buller District Council and comply with appropriate accounting practices and in accordance with the Companies Act 1993, the Financial Reporting Act 2013, NZ Equivalents to International Financial Reporting Standards, and any other applicable laws and standards.

## **8. Information to be Reported**

The following information will be available to shareholders based on an annual balance date of 30<sup>th</sup> June.

### **Statement of Intent**

The Directors shall deliver to the shareholders a draft Statement of Intent by 1<sup>st</sup> March for comment by the shareholder. The Directors shall deliver to the shareholder a completed Statement of Intent by 30<sup>th</sup> June.

### **Quarterly Reports**

The Directors shall deliver to the shareholders by 16th November, 23rd February and 16th May an un-audited report containing the following information as a minimum in respect to the quarter under review.

- a. A revenue statement disclosing actual and budgeted revenue and expenditure with comparative figures for the previous equivalent period.
- b. A statement of financial position at the end of the half year.
- c. A statement of cashflows at the end of the half year.
- d. Key performance indicators.
- e. A commentary on the results for the quarter together with a report on the outlook for the remainder of the year with reference to any significant factors that are likely to influence the company's performance, including an estimate of the financial result for the full year. A commentary on progress towards meeting proposed distributions to shareholders should be included.

### **Annual Report**

The Directors shall deliver to the shareholders by 30th September an annual report and audited financial statements in respect to the financial year containing the following information as a minimum.

- a. A Directors report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to a dividend.
- b. A revenue statement disclosing revenue and expenditure with comparative figures for the previous year.
- c. A statement of financial position at the end of the year.

- d. A statement of cashflows.
- e. An auditor's report on the above statements and the measurement of performance in relation to key performance targets.

## 9. Group Performance Targets

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

Objective	Key Performance Measure	Budget Targets		
		2023	2024	2025
Health & Safety	Medical Treatment Injury	Nil	Nil	Nil
	Serious harm accidents	Nil	Nil	Nil
	Lost Time Injury Target	Nil	Nil	Nil
Operational	The board of directors will meet with the BDC, CCTO Committee on a formal basis: (per/year)	3 times per year	3 times per year	3 times per year
	The Buller Holdings Ltd Chief Executive will provide a formal and or informal report to Council as requested.	As requested	As requested	As requested
	The Chief Executive of Buller Holdings Ltd will meet with the Chief Executive of Buller District Council when requested.	As requested	As requested	As requested
Financial Parent (\$000)	Revenue	\$588	\$601	\$614
	Expenditure	\$583	\$596	\$609
	Net Operating Surplus	\$5	\$5	\$5
	Ratio of Shareholders Funds to Total Assets	60%	60%	60%
Financial Group (\$000)	Group Revenue	\$15,493	\$15,815	\$16,144
	Group Expenditure	\$14,957	\$15,286	\$15,622
	Group Operating Surplus	\$536	\$529	\$522
	Provision for capex	\$1.298m	\$1.298m	\$937
	Forecasted distribution to Shareholders	\$1.3m	\$1.3m	\$1.3m

## **Financial Performance**

The financial performance of the Group will be an aggregation of the results from the businesses that make up the structure including administration costs of the parent company. This aggregation will include surpluses after tax less any losses incurred.

## **Subsidiary Performance Measures and Targets**

The performance objectives, measures and targets for each subsidiary are attached to this Statement of Intent. Formal reports by the Company to the shareholder will include the outcomes against each measure for each subsidiary company.

## **10. Value of Shareholders Investment**

The value of the Shareholders' investment will be not less than the carrying value of the investment in the Council's financial statements.

## **11. New Investments**

The Company's ability to subscribe for, purchase or otherwise acquire shares in any company or other organisation, or enter into a major transaction is governed by the provisions in the Company's constitution, standards and agreed protocols as specified in the Charter between the Company and Council.

The Company will consult with the shareholders with regard to purchasing a business or subscribing for shares in any company or other organisation where that investment is more than 25% of shareholders' funds as at the previous balance date. Where the investment is more than 50% of shareholders' funds, shareholder approval will be required.

Any significant decision of Buller Holdings Limited and/or their subsidiaries affecting land or water, will result in consideration of the relationship of Maori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga before it makes a decision that may significantly affect land or water. This is under s 60A Local Government Act 2002 Amendment Act 2019.

## **12. Role in the Buller District Council Group and Regional Economy**

### **(a) Commercial Relationship**

Buller Holdings Limited acknowledges that there may be commercial opportunities within, or in partnership with other group entities that can be developed to benefit the company, BHL and the Buller region.

### **(b) Growth of the Regional Economy**

Buller Holdings Limited acknowledges that it has a role to play in promoting the growth of the Buller region by contributing to regional initiatives as a good corporate citizen.

### **(c) Customer Service Principles**

As part of the Buller District Council Group, Buller Holdings Limited has adopted the Council's Customer Service Principles and Action policies.





# **BULLER RECREATION LIMITED**

## **STATEMENT OF INTENT**

**FOR THE YEAR ENDED 30 JUNE 2023**

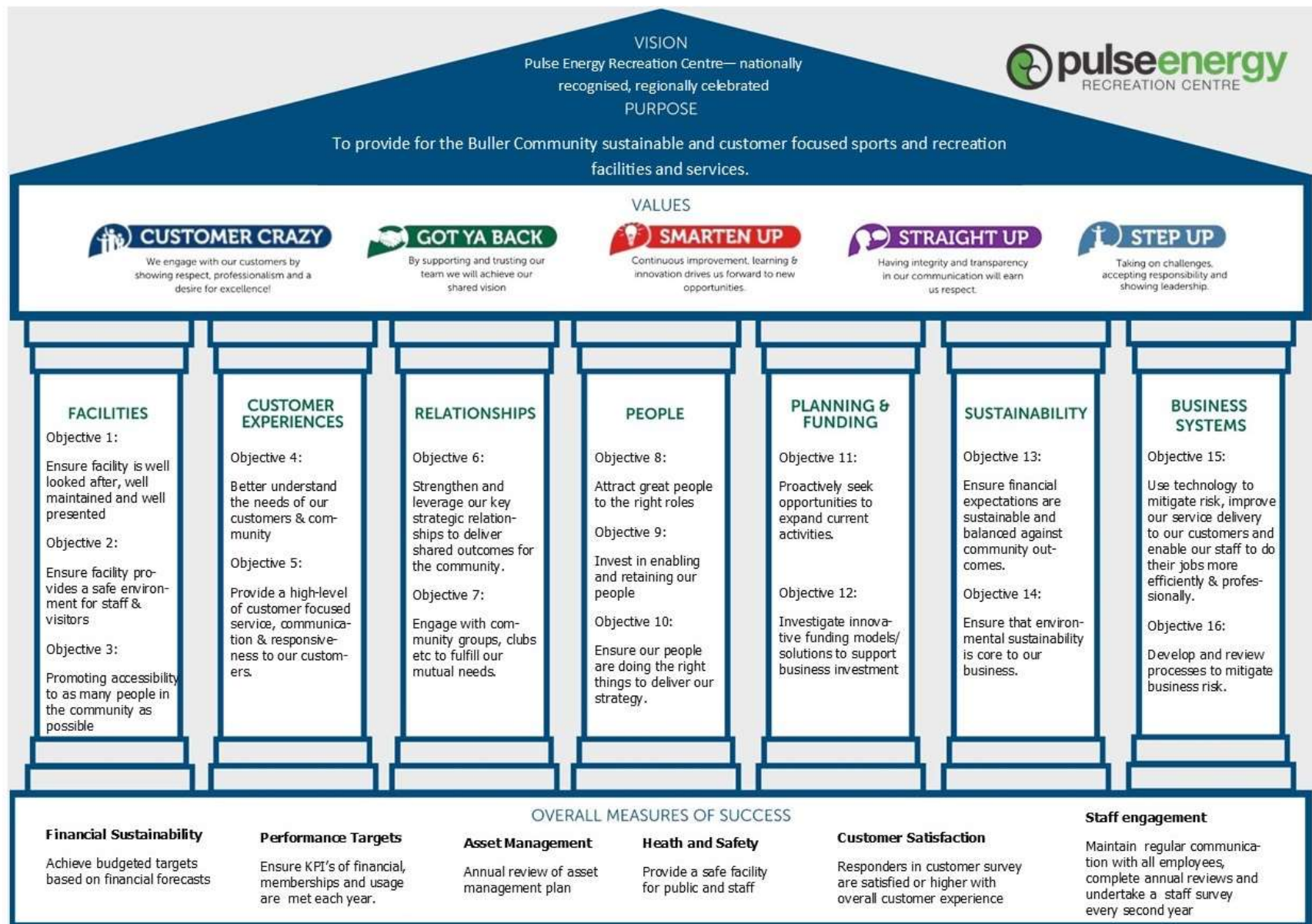
## **1. Preamble**

Buller Recreation Limited ("Company") is a fully owned subsidiary of Buller Holdings Limited (BHL) and was established to purchase the Pulse Energy Recreation Centre from the Buller District Council (Council), and to fulfil a service contract with Council for the provision of recreation services to the Buller community.

Buller Recreation Limited continues to enhance the quality of life for the community with high quality recreation facilities, services, and experiences. The Company is committed to identifying, developing, and implementing opportunities for increasing external revenue to minimise the relative burden on ratepayers.

Section 6 (1) of the Local Government Act 2002 ("Act"), provides that any company in which equity securities carrying 50% or more of the voting rights are held by one or more local authority is to be known as a council controlled organisation. In addition, any council-controlled organisation that operates a trading undertaking for the purposes of making a profit is considered a council-controlled trading organisation. The Company is a council-controlled trading organisation for the purposes of the Act and is therefore required to have a Statement of Intent (SOI) that complies with clause 9 of Schedule 8.

This SOI, prepared in terms of the Act and clause 22.1 of the Constitution of Buller Recreation Limited sets out the activities and intentions of the Company for the year ending 30th June 2023. The Company will update its SOI annually and deliver a draft to shareholders before 1st March each year and a completed SOI by 30th June each year.



## **2. Objective**

### **Introduction**

The strategic direction of the Company is guided by the vision, values, and strategic objectives. These provide the framework for the Company to make plans and investment decisions. The following is an overview of these key planning components.

### **Vision**

To provide for the Buller community, sustainable and customer-focused sport and recreation facilities and services.

### **Objectives**

The principal objective of Buller Recreation Limited is to operate as a successful business. In pursuing this objective, the company is guided by the following key principles.

#### **a) Financial Performance**

The Company is committed to operating as a successful business in accordance with a Service Level Agreement with Council. The definition of a successful business is broader than financial returns. It also considers the social, economic and environmental needs of the community.

#### **(b) Service**

The Company recognises that the needs of its major customers are paramount and is committed to meeting these needs. It also recognises the need to develop its customer base to ensure sustainability of the business in the future.

**(c) Employee Relations**

The Company values its employees and will recruit and retain employees with the skills necessary to run the business and will provide opportunities for staff training and development.

It will ensure that employees are fairly treated and provided with good and safe working conditions.

The Company, together with its employees, will create a culture that recognises the importance of being competitive, the value of delivering high quality customer service and the mutual benefit of continued employment. This will involve effective leadership and communication.

**(d) Safety and Environment**

The Company has a zero tolerance to safety and environmental incidents. The company undertakes to meet all legislative health and safety requirements.

### **3. Nature and Scope of Activities**

Buller Recreation Limited core business is to provide accessible sport, recreation and event services and facilities to residents and visitors to the Buller district of New Zealand. The main asset under Company management is the Pulse Energy Recreation Centre, which is an impressive community asset. This comprises an aquatic centre, a fitness centre, including a group fitness room, a two court Stadium, a water turf, and squash court.

The Company employs over 30 full time, fixed term, part-time, and casual staff and as part of the Buller Holdings group is a significant employer in the Buller District.

We welcomed 62,805 users to our facility in the 2020/21 financial year (a 6.4% increase from the previous year). The centre was closed for three weeks in 2021 due to the Covid-19 regulations that have affected recreational facilities. BRL has performed very well managing the Covid-19 pandemic. We continue to be vigilant and promote a safe environment while being fiscally responsible. We will continue to work hard to welcome both members of our community and visitors to our facilities during the 2022/2023 year.

The Company also run the Reefton Swimming Pool that provides supervised swimming and valuable swimming tuition for Reefton community. Substantial building upgrades were completed in March 2021 and it will continue to be a valuable community asset.

#### **Aquatic Facilities**

This is an aquatic centre, recognised locally as providing a variety of recreational & leisure, competition, aquatic education, exercise, health & wellbeing activities using our 25m Lap Pool, Hydrotherapy and Leisure/Toddlers pools. The configuration of the lap pool also accommodates regional aquatic events with the

venue home to Westport's Amateur Swimming Club. By promoting quality Learn To Swim lessons, we give children the confidence required when in water.

## **Fitness Centre**

With an extensive range of modern gym equipment, a wide range of group fitness classes and with the help of our qualified fitness trainers' users can tackle their fitness goals head on. Integration of the purchase of 24hr Fitness in 2020 has been very successful and we now provide an exceptional fitness facility to provide the Buller community with a quality experience.

## **Sports and Events**

### **Indoor Stadium**

The Indoor Stadium feature a sprung wooden floor and can be split into two courts to allow two different activities to take place at the same time. The two-court stadium is also available for larger events such as conferences, trade shows, award ceremonies, reunions, and other corporate and social events with kitchen facilities on site.

### **Hockey Turf**

The artificial water turf features a London Blue Poligras Olympia turf installed on the new Insitu Shockpad and has proven to be a valuable resource for many Buller sporting Codes. Sports played on the turf to date have included, Hockey, Soccer, Cricket and Ultimate Frisbee. The facility is the home of Buller Hockey and are very pleased to be able to offer a world class facility to both our community and visiting representative teams.

### **Squash Court**

Our modern squash court features a sprung wooden floor and glass back.

## **4. Corporate Governance**

The Board of Directors of Buller Recreation Limited is responsible for the corporate governance of the Company. The term “corporate governance” encompasses the direction and control of the business by the Directors, and the accountability of Directors to shareholders and other stakeholders for the performance of the Company and compliance by the Company with laws, standards and agreed protocols as specified between Buller Holdings Limited and Buller District Council.

### **Role of the Board**

The Board is responsible for the proper direction and control of the Company on behalf of the shareholders. The principal objective of the Company is to operate a successful business.

The functions of the Board include:

- Ensuring that the Company goals are clearly established, updated annually and that strategies are in place for achieving the goals.
- Establishing policies for strengthening and enhancing the performance of the Company.
- Monitoring the performance of the management relative to the established goals and plans, having delegated day-to-day management of the company to the manager.
- Annually receive a report on the assessment of the general manager’s performance.
- Ensuring that the Company’s financial position is fully protected so as to allow it to meet all debts and obligations as they fall due.
- Ensuring that the Company and group’s financial statements are fairly presented and conform to law.
- Ensuring that the Company adheres to high standards of ethics and corporate behaviour.



- Ensuring that the Company has appropriate risk management and regulatory compliance policies in place.
- Approving and implementing the Business Plan and Statement of Intent of the company, and
- Reviewing and approving the Company's capital investments and distributions

### **Board operations and membership**

The composition of the Board is determined in accordance with the following principles:

- The Board comprises up to 6 directors.
- The Board meets regularly, and schedules additional meetings as required.
- Directors receive formal Board papers for consideration and all necessary information to enable participation in an informed discussion of all agenda items.

The Company constitution sets out policies and procedures on the operation of the Board including the appointment and removal of Directors.

The Board supports the concept of separation of governance and management of the businesses. The role of the Chairman is to lead the Board to ensure that it carries out its governance role effectively, and to provide leadership and direction to the general manager of the business on behalf of the Board.

The Board will annually evaluate its own performance.

## **5. Ratio of Shareholders Funds to Total Assets**

The ratio will be maintained at a minimum of 60% (net of any proposed dividend). Total assets are defined as the sum of all current and non-current assets of the company including goodwill.

## **6. Distribution Policy**

It is the company's intention to maximise distributions to Buller Holdings Limited after meeting the financial needs of the company including future operations and capital expenditure.

## **7. Accounting Policies**

Buller Recreation Limited will adopt and adhere to accounting policies that are consistent with those of the Buller District Council and comply with appropriate accounting practices and in accordance with the Companies Act 1993, the Financial Reporting Act 2013, NZ Equivalents to International Financial Reporting Standards, and any other applicable laws and standards.

## **8. Information to be Reported**

The following information will be available to shareholders based on an annual balance date of 30<sup>th</sup> June.

### **Statement of Intent**

The Directors shall deliver to the shareholders a draft Statement of Intent by 1<sup>st</sup> March for comment by the shareholder. The Directors shall deliver to the shareholder a completed Statement of Intent by 30<sup>th</sup> June.

### **Consolidated Quarterly Reports**

The Directors shall deliver to the shareholders by 16th November, 23rd February and 16th May an un-audited report containing the following information as a minimum in respect to the quarter under review for the Buller Holdings Group.

- a. A revenue statement disclosing actual and budgeted revenue and expenditure with comparative figures for the previous equivalent period.
- b. A statement of financial position at the end of the half year.
- c. A statement of cashflows at the end of the half year.
- d. Key performance indicators.

- e. A commentary on the results for the quarter together with a report on the outlook for the remainder of the year with reference to any significant factors that are likely to influence the company's performance, including an estimate of the financial result for the full year.

### **Consolidated Annual Report**

The Directors shall deliver to the shareholders by 30th September a consolidated annual report and audited financial statements in respect the Buller Holdings Group to the financial year containing the following information as a minimum.

- a. A Directors report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to a dividend.
- b. A revenue statement disclosing revenue and expenditure with comparative figures for the previous year.
- c. A statement of financial position at the end of the year.
- d. A statement of cashflows.
- e. An auditor's report on the above statements and the measurement of performance in relation to key performance targets.

## 9. Performance Targets

The performance of Buller Recreation Limited will be measured against the following targets:

Performance Measure	Key Performance Indicator	Targets		
		2023	2024	2025
Fitness membership	Average membership over 12-month period.	700	700	700
	Average retention rate over 12-month period	>75%	>75%	>75%
Aquatic centre usage	Average visits per month over 12 months	3,750	4,000	4,000
	Achieve number of students over 4 swimming terms	140	150	150
Safety	MTI	Nil	Nil	Nil
	Serious Harm Accidents	Nil	Nil	Nil
	LTI	Nil	Nil	Nil
Work Environment	Maintain regular communication with all employees through weekly emailed updates and meetings with all staff every 4 months.	Achieved	Achieved	Achieved
	Review the succession plan for key positions and identify training needs and actions for the next 12 months	Achieved	Achieved	Achieved
	Complete annual review process with all staff	Achieved	Achieved	Achieved
	Undertake staff satisfaction survey every second year	Nil	Survey completed	Nil
	Undertake client satisfaction survey every second year.	Survey completed	Nil	Survey completed
Asset Management	Review of the Asset Management Plan annually	Achieved	Achieved	Achieved
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieved	Achieved	Achieved
Financial Forecasts (\$000)	Revenue	\$659	\$673	\$688
	BDC Service level fee	\$851	\$851	\$851
	Expenditure	\$2,297	\$2,348	\$2,399
	Net operating surplus (deficit)	\$(787)	\$(824)	\$(860)
	Provision for capex	\$183	\$156	\$123
	Ratio of Shareholders Funds to Total Assets	60%	60%	60%

## **10. Value of Shareholders Investment**

The Directors estimate of the company value is not less than shareholders' funds.

## **11. New Investments**

The Company's ability to subscribe for, purchase or otherwise acquire shares in any company or other organisation, or enter into a major transaction is governed by the provisions in the Company's constitution, standards and agreed protocols as specified in the Charter between the Company and Council.

The Company will consult with the shareholders with regard to purchasing a business or subscribing for shares in any company or other organisation where that investment is more than 25% of shareholders' funds as at the previous balance date. Where the investment is more than 50% of shareholders' funds, shareholder and Council approval will be required.

Any significant decision of Buller Recreation Limited affecting land or water will result in consideration of the relationship of Maori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga before it makes a decision that may significantly affect land or water. This is under s 60A Local Government Act 2002 Amendment Act 2019.

## **12. Role in the Buller District Council Group and Regional Economy**

### **(a) Commercial Relationship**

Buller Recreation Limited acknowledges, as a wholly owned subsidiary of BHL, that there may be commercial opportunities within, or in partnership with other group entities that can be developed to benefit the company, BHL and the Buller region.

(b) Growth of the Regional Economy

Buller Recreation Limited acknowledges that it has a role to play in promoting the growth of the Buller region by contributing to regional initiatives as a good corporate citizen.

(c) Customer Service Principles

Buller Recreation Limited has adopted customer service principles that ensure all customers are given the service that they expect and are entitled to.



# **WESTREEF SERVICES LIMITED**

**DRAFT STATEMENT OF INTENT  
FOR THE YEAR ENDED 30 JUNE 2023**

## **1. Preamble**

WestReef Services Limited ("Company") was established in 1996, and in 2007 became a fully owned subsidiary of Buller Holdings Limited. The Company is the largest civil and maintenance company in the Buller District and is the Buller District Council's most utilised contractor.

The Company continues to maintain its long and successful record of operation in providing services throughout the district and broader West Coast area. The company is entirely customer focussed with a financial objective of achieving a competitive rate of return on investment. The Company has a particular focus on Health and Safety and upholds the highest Health and Safety standards including both ISO 45001 and TSQ1 accreditation. The Company strives to ensure the wellbeing and safety for all staff both at and away from work.

WestReef Services Limited continues to enhance the quality of life for the community with quality maintenance outputs and operation of Council's infrastructure. The Company is committed to identifying, developing, and implementing opportunities for increasing external revenue to continue to provide benefit and dividends to the Buller ratepayers. The major internal projects carrying into 2023 are completion of the depot relocation and development, and replacement of the IT system.

Section 6 (1) of the Local Government Act 2002 ("Act"), provides that any company in which equity securities carrying 50% or more of the voting rights are held by one or more local authority is to be known as a council controlled organisation. In addition, any council-controlled organisation that operates a trading undertaking for the purposes of making a profit is considered a council-controlled trading organisation.

WestReef Services Limited ("Company") is a council-controlled trading organisation for the purposes of the Act and is therefore required to have a Statement of Intent (SOI) that complies with clause 9 of Schedule 8.



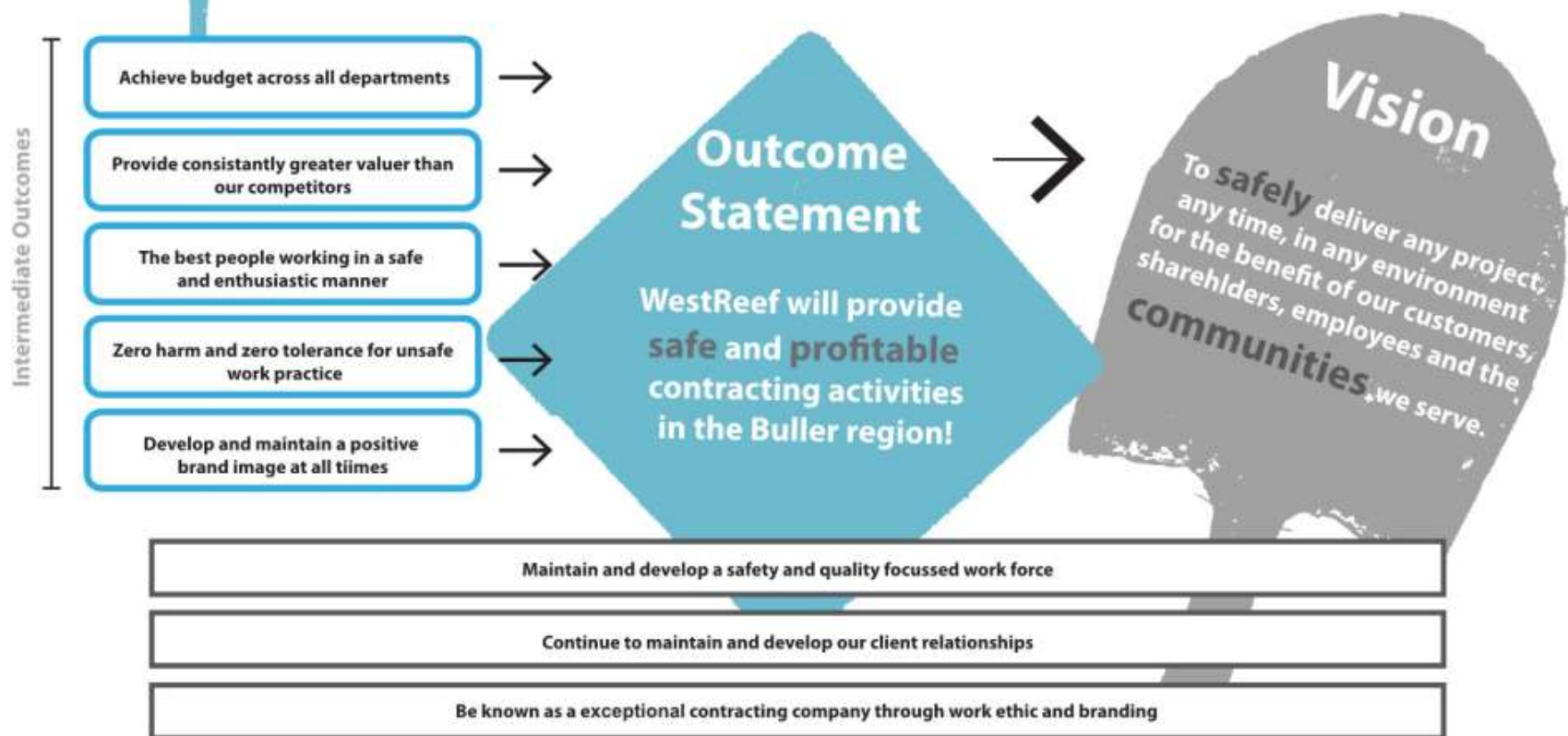
This SOI, prepared in terms of the Act and clause 22.1 of the Constitution of WestReef Services Limited sets out the activities and intentions of the Company for the year ending 30th June 2023.

The Company will update its SOI annually and deliver a draft to shareholders before 1st March each year and a completed SOI by 30th June each year.





# GO WESTREEF SERVICES OUTCOMES GUIDE



## **2. Objective**

### **Introduction**

The strategic direction of the Company is guided by the vision, values, and strategic objectives. These provide the framework for the Company to establish, make plans and investment decisions. The following is an overview of these key planning components.

### **Vision**

The vision of the Company is to be a sustainable and profitable business being operated by an empowered team who take pride in meeting the needs of staff, owners, suppliers, and the community.

### **Objectives**

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

#### **a) Financial Performance**

The company is committed to operating as a successful business and achieving a competitive commercial rate of return on the investment in the businesses. It will be striving to minimise operating costs and manage the assets and liabilities in a prudent way. The definition of return on investment for the company is broader than financial returns. It also considers the social, economic and environmental needs of the community.

#### **(b) Service**

The company recognises that the needs of its major customers are paramount and is committed to meeting those business needs. It also recognises the need to develop its customer base to ensure sustainability of the business in the future.

### **(c) Employee Relations**

The company values its employees and will recruit and retain employees with the skills necessary to run the business and will provide opportunities for staff training and development.

It will ensure that employees are fairly treated and provided with good and safe working conditions.

The company, together with its employees, will create a culture that recognises the importance of being competitive, the value of delivering a high quality of customer service and the mutual benefit of continued employment. This will involve effective leadership and communication.

### **(d) Safety and Environment**

The company has a zero tolerance to safety and environmental incidents. The company agrees to comply with all health and safety legislation and Council health and safety standards and policies as they relate to Contractors.

## **3. Nature and Scope of Activities**

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

Its activities will include maintenance and civil construction services for:

- Roads and bridges
- Response to Road and Civil Defence emergencies
- Parks and reserves (including associated facilities)
- Utility services (water and sewerage reticulation, wastewater treatment, storm water collection)
- Solid and liquid waste collection and disposal
- Vehicle workshop repairs and maintenance
- Transfer stations
- Recovery parks

- Roadside vegetation control
- Property maintenance
- Refuse collection
- Environmental & backcountry projects

The Directors will consider opportunities from time to time regarding other types of activities or expanding the geographic region of delivery to other regions of the South Island.

WestReef's core business is to provide civil construction and maintenance services to the Buller District Council as well as external clients throughout the West Coast of New Zealand.

WestReef employs 90 full time, fixed term, part-time, and casual staff and as part of the Buller Holdings group is a significant employer in the Buller District.

WestReef currently holds the Buller District Council Roding contract for a three-year period (plus extensions) which commenced on 1st October 2020. As part of completing this process, the Company have worked hard to ensure that we can continue to provide excellent outcome for this contract, Buller ratepayers and other users of the network.

The Three Waters area of WestReef continues to provide high quality reticulation services throughout the district. We also assist Council in researching upgrades to various district supplies.

A key area of the company that has seen significant growth and success in recent years is the Environmental Projects department. They have completed various high-profile trails notably including the Old Ghost Road and the Paparoa Track and first stage of the Kawatiri Coastal Trail (Westport to Carters Beach). The success of the first stage of the Kawatiri Trail project has led to additional work on other sections of the trail. In addition, work completed for Department of Conservation on projects such as the famous

Routeburn Track in Fiordland National Park has led to additional out of district work for that entity.

WestReef is proud to be able to support the Buller community, and this support is provided to various organisations in a number of ways. The community benefited from over \$20,000 of either sponsorships, donations or in-kind assistance in the financial year ended 30 June 2021. This includes the annual WestReef scholarship that provides assistance to a Buller student to pursue tertiary education in the civil engineering and/or construction industries. Donations and sponsorships are granted to community groups throughout Buller. Recipients include sports clubs, local event organisers, and not for profit educational organisations. WestReef also assist community groups with technical items such as traffic management plans to enable community events to take place. These include, Returned Service Association events, the annual Whitebait Festival, and Buller Gorge Marathon to name a few.

#### **4. Corporate Governance**

The Board of Directors of WestReef Services Limited is responsible for the corporate governance of the Company. The term “corporate governance” encompasses the direction and control of the business by the Directors, and the accountability of Directors to shareholders and other stakeholders for the performance of the Company and compliance by the Company with laws, standards and agreed protocols as specified between Buller Holdings Limited and Buller District Council.

##### **Role of the Board**

The Board is responsible for the proper direction and control of the Company on behalf of the shareholders. The principal objective of the Company is to operate a successful business.

The functions of the Board include:

- Ensuring that the Company goals are clearly established, updated annually and that strategies are in place for achieving the goals.
- Establishing policies for strengthening and enhancing the performance of the Company.
- Monitoring the performance of management relative to the established goals and plans, having delegated day-to-day management of the company to the Manager.
- Annually receive a report on the assessment of the general manager's performance.
- Ensuring that the Company's financial position is fully protected so as to allow it to meet all debts and obligations as they fall due.
- Ensuring that the Company and group's financial statements are fairly presented and conform to law.
- Ensuring that the Company adheres to high standards of ethics and corporate behaviour.
- Ensuring that the Company has appropriate risk management and regulatory compliance policies in place.
- Approving and implementing the Business Plan and Statement of Intent of the company, and
- Reviewing and approving the Company's capital investments and distributions

### **Board operations and membership**

The composition of the Board is determined in accordance with the following principles:

- The Board comprises up to 6 directors.
- The Board meets regularly, and schedules additional meetings as required.
- Directors receive formal Board papers for consideration and all necessary information to enable participation in an informed discussion of all agenda items.



The Company constitution sets out policies and procedures on the operation of the Board including the appointment and removal of Directors.

The Board supports the concept of separation of governance and management of the businesses. The role of the Chairman is to lead the Board to ensure that it carries out its governance role effectively, and to provide leadership and direction to the general manager of the business on behalf of the Board.

The Board will annually evaluate its own performance.

## **5. Ratio of Shareholders Funds to Total Assets**

The ratio will be maintained at a minimum of 60% (net of any proposed dividend). Total assets are defined as the sum of all current and non-current assets of the company including goodwill.

## **6. Distribution Policy**

It is the company's intention to maximise distributions to Buller Holdings Limited after meeting the financial needs of the company including future operations and capital expenditure.

## **7. Accounting Policies**

WestReef Services Limited will adopt and adhere to accounting policies that are consistent with those of the Buller District Council and comply with appropriate accounting practices and in accordance with the Companies Act 1993, the Financial Reporting Act 2013, NZ Equivalents to International Financial Reporting Standards, and any other applicable laws and standards.

## **8. Information to be Reported**

The following information will be available to shareholders based on an annual balance date of 30<sup>th</sup> June.

### **Statement of Intent**

The Directors shall deliver to the shareholders a draft Statement of Intent by 1<sup>st</sup> March for comment by the shareholder. The Directors shall deliver to the shareholder a completed Statement of Intent by 30<sup>th</sup> June.

### **Consolidated Quarterly Reports**

The Directors shall deliver to the shareholders by 16<sup>th</sup> November, 23<sup>rd</sup> February and 16<sup>th</sup> May an un-audited report containing the following information as a minimum in respect to the quarter under review for the Buller Holdings Group.

- a. A revenue statement disclosing actual and budgeted revenue and expenditure with comparative figures for the previous equivalent period.
- b. A statement of financial position at the end of the half year.
- c. A statement of cashflows at the end of the half year.
- d. Key performance indicators.
- e. A commentary on the results for the quarter together with a report on the outlook for the remainder of the year with reference to any significant factors that are likely to have an effect on the company's performance, including an estimate of the financial result for the full year.

**Consolidated Annual Report**

The Directors shall deliver to the shareholders by 30th September a consolidated annual report and audited financial statements in respect the Buller Holdings Group to the financial year containing the following information as a minimum

- a. A Directors report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to a dividend.
- b. A revenue statement disclosing revenue and expenditure with comparative figures for the previous year.
- c. A statement of financial position at the end of the year.
- d. A statement of cashflows.
- e. An auditor's report on the above statements and the measurement of performance in relation to key performance targets.

## 9. Performance Targets

The performance of WestReef Services Limited will be measured against the following targets:

OBJECTIVE	KEY PERFORMANCE INDICATOR	TARGETS		
		2023	2024	2025
Health & Safety	Medical Treatment Injuries	Nil	Nil	Nil
	Serious Harm Accidents	Nil	Nil	Nil
	Lost Time Injury Target	Nil	Nil	Nil
	ISO 45001 Accreditation	Maintain accreditation	Maintain accreditation	Maintain accreditation
Operational	Employee Satisfaction – Staff turnover excluding retirement, redundancy, and internal transfers.	Within the range of +/- 5% of the national benchmark	Within the range of +/- 5% of the national benchmark	Within the range of +/- 5% of the national benchmark
	Client Satisfaction – Min 12 meetings per year	12	12	12
	Renewal of TQS1 certification	Achieved	Achieved	Achieved
Employee Development & Satisfaction	Undertake staff satisfaction survey (every 2nd year)	Survey completed	Nil	Survey completed
	Weekly department staff meetings	Achieved	Achieved	Achieved
Financial (\$000)	Revenue	\$13,395	\$13,690	\$13,991
	Expenditure	\$12,076	\$12,342	\$12,613
	Net Operating Surplus	\$1,319	\$1,348	\$1,378
	Provision for Capex	\$1.115m	\$1.142m	\$814
	Competitively Procured Revenue	45%	45%	45%
	Ratio of Shareholders Funds to Total Assets	60%	60%	60%
Environmental	Number of enforcement notices	Nil	Nil	Nil

<b>Community</b>	Support Minimum 25 community activities	25	25	25
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## **10. Value of Shareholders Investment**

The Directors estimate of the company value is not less than shareholders' funds.

## **11. New Investments**

The Company's ability to subscribe for, purchase or otherwise acquire shares in any company or other organisation, or enter into a major transaction is governed by the provisions in the Company's constitution, standards and agreed protocols as specified in the Charter between BHL and BDC.

The company will consult with the shareholders with regard to purchasing a business or subscribing for shares in any company or other organisation where that investment is more than 25% of shareholders' funds as at the previous balance date. Where the investment is more than 50% of shareholders' funds, shareholder and Council approval will be required.

Any significant decision of WestReef Services Limited affecting land or water will result in consideration of the relationship of Maori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga before it makes a decision that may significantly affect land or water. This is under s 60A Local Government Act 2002 Amendment Act 2019.

## **12. Role in the Buller District Council Group and Regional Economy**

### **(a) Commercial Relationship**

WestReef Services Limited acknowledges, as a wholly owned subsidiary of BHL, that there may be commercial opportunities within, or in partnership with other group entities that can be developed to benefit the company, BHL and the Buller region.

(b) Growth of the Regional Economy

WestReef Services Limited acknowledges that it has a role to play in promoting the growth of the Buller region by contributing to regional initiatives as a good corporate citizen.

(c) Customer Service Principles

As part of the Buller District Council Group, WestReef Services Limited has adopted the Council's Customer Service Principles and Action policies.

# **WESTPORT AIRPORT AUTHORITY**

**Statement of Intent  
For the year ended  
30 June 2023**

**WESTPORT AIRPORT AUTHORITY  
FINAL STATEMENT OF INTENT  
FOR THE YEAR ENDING 30 JUNE 2023**

**INTRODUCTION**

The Westport Airport Authority is a joint venture operation between the Buller District Council and the Ministry of Transport (on behalf of the Crown). Management and control of the Airport is vested in the Buller District Council.

This Statement of Intent sets out the intention and the objectives for the joint venture for the period 1 July 2022 to 30 June 2023 and the following financial year.

**OBJECTIVES**

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

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

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

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

**NATURE AND SCOPE OF THE ACTIVITIES TO BE UNDERTAKEN**

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

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

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

**ACCOUNTING POLICIES**

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



**Property, Plant and Equipment**

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

**Depreciation**

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

**Goods and Services Tax**

The financial statements are prepared exclusive of Goods and Services Tax except for accounts payable and receivable which are stated inclusive of GST.

The WAA is not registered for GST on their own account. GST is accounted for as a division of Buller District Council.

**Income Tax**

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

**Cash and Bank Accounts**

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

**Trade and Other Receivables**

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

**Buller District Council Current Account**

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

**Creditors and Other Payables**

Creditors and other payables are measured at the amount owed.

**Revenue and Expenditure**

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

## WESTPORT AIRPORT

	AP Budget	LTP Budget	LTP Budget
	2022/2023	2023/2024	2024/2025
<b>INCOME</b>			
Airport Dues/Landing Charges	34,000	49,939	50,888
Farmland Lease	42,000	42,000	42,000
Terminal and Sundry Income	15,300	15,606	15,903
Service Charge	65,500	109,242	111,318
Electricity Recovery	1,738	1,773	1,807
<b>Total Income</b>	<b>158,538</b>	<b>218,560</b>	<b>221,916</b>
<b>EXPENDITURE</b>			
Employment Costs	193,650	152,872	155,477
Power	9,180	9,364	9,542
Audit Fees	10,710	16,126	11,132
Shop Supplies	306	312	318
Depreciation	103,709	70,223	70,298
Consultants	5,100	5,202	5,301
Bank/ Eftpos Fees	500	412	420
Cleaning	1,000	2,081	2,120
General Expenses	10,000	14,570	14,847
Insurance	9,862	9,728	9,913
Legal Fees	2,000	1,040	2,120
WestReef Outwork	4,590	4,682	4,771
Publications/Subscriptions	3,500	2,601	2,650
Rates	910	440	448
Rents and Leases	3,060	3,121	3,181
Rep/Mtce and other Outwork	40,000	81,151	82,693
Training	10,196	6,242	10,597
Telephone	1,000	2,285	2,328
Share of Overheads	100,426	85,935	88,311
<b>Total Expenditure</b>	<b>509,699</b>	<b>468,387</b>	<b>476,467</b>
<b>Profit/(Loss)</b>	<b>-351,161</b>	<b>-249,827</b>	<b>-254,551</b>
<b>Capital Expenditure</b>			
Other Assets	127,544	52,020	15,903

## PERFORMANCE TARGETS

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

	<b>AP Budget 2022/2023</b>	<b>LTP Budget 2023/2024</b>	<b>LTP Budget 2024/2025</b>
Operating Revenue	158,538	218,560	221,916
Operating Expenditure	509,699	468,387	476,467
Net Profit (Loss)	(351,161)	(249,827)	(254,551)
Capital Expenditure	127,544	52,020	15,903

## RATIO OF SHAREHOLDER FUNDS TO TOTAL ASSETS

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

2022/23	2023/24	2024/25
99%	99%	99%

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

## PROFIT OR LOSS OWNERSHIP

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

## INFORMATION TO BE PROVIDED TO PARTNERS

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

The report will include:

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

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

## **ACQUISITION POLICY**

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

## **DISTRIBUTION POLICY**

The Westport Airport Authority has the ability should there be surplus funds available to distribute funds to each of the joint venture partners. This is unlikely due to the current level of accumulated profits (Accumulated Losses are \$382,224 as at 30 June 2021)

## **OTHER MATTERS AGREED BY PARTNERS**

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

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

## BULLER DISTRICT COUNCIL

29 JUNE 2022

### AGENDA ITEM 9

<b>Prepared by</b>	Sharon Mason Chief Executive Officer
	Rachel Townrow Deputy Chief Executive Officer
<b>Attachment 1</b>	<i>Kawatiri – Deep and Swift, Proposal to Hon Nanaia Mahuta, Minister of Local Government, Co-Investment in Westport's Resilience</i>

### PROPOSAL TO HON NANAIA MAHUTA - CO-INVESTMENT IN WESTPORT'S RESILIENCE

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#### 1. REPORT PURPOSE

The purpose is to table to Council *Kawatiri – Deep and Swift, Proposal to Hon Nanaia Mahuta, Minister of Local Government, Co-Investment in Westport's Resilience*, and to seek Council's endorsement for this proposal to be presented to Hon Nanaia Mahuta.

#### 2. REPORT SUMMARY

Hon Nanaia Mahuta, Minister of Local Government, has requested the Buller District and West Coast Regional Councils to present a proposal for co-investment in future flood resilience by June 2022.

This report presents the draft proposal to Council and seeks endorsement for it to be submitted to Hon Nanaia Mahuta, Minister of Local Government by 30 June 2022.

#### 3. DRAFT RECOMMENDATIONS

That the Council authorises Mayor Cleine to sign the document called *Kawatiri – Deep and Swift, Proposal to Hon Nanaia Mahuta, Minister of Local Government, Co-Investment in Westport's Resilience* on behalf of the Buller District Council.

## 4. BACKGROUND

On 17 February 2022 Hon Nanaia Mahuta wrote to the Buller District and West Coast Regional Councils offering support to the work the councils are doing to improve resilience to future flooding. The letter notes that “*Ministers have agreed that options should be developed in order that the Government can consider co-investment in flood protection as part of a set of solutions to enhance the flood resilience of the Buller district to future flood events*”.

The Minister requested that the councils present a proposal for co-investment in June 2022 that includes a broad set of options for future flood resilience.

The attached draft proposal, *Kawatiri – Deep and Swift, Proposal to Hon Nanaia Mahuta, Minister of Local Government, Co-Investment in Westport’s Resilience* (the Proposal), has been prepared on behalf of the Buller District and West Coast Regional Councils in response to this request.

As requested, the Proposal includes a broad set of options. It incorporates the flood protection scheme for Westport being worked on by the West Coast Regional Council, and a range of non-structural options aimed at improving Westport’s resilience to the flood hazard over the short, medium and long term.

## 5. CONSIDERATIONS

### 5.1 Strategic Alignment

The Proposal is well aligned with all five of the community outcomes contained in Council’s Long-Term Plan 2021-31 and would support their achievement.

Through previous consultation the community has told Council that climate change resilience and environmental sustainability should be prioritised.

These have been recognised as a key feature and challenge for Buller in the Long-Term Plan 2021-2031, and that Plan includes a commitment to addressing these issues. The Proposal is a step towards addressing this in relation to the Westport flood hazard.

Under the Local Government Act 2002, councils are responsible for improving the social, economic, environmental and cultural well-being of their communities. Seeking a path forward for a more resilient Westport in the short, medium and long term is consistent with this statutory responsibility.

## **5.2 Significance Assessment**

The decision being asked of Council in this report does not meet the threshold criteria for assessing significance under Council's Significance and Engagement Policy.

Given the anticipated high level of interest in the Proposal, engagement has been carried out and will continue to be.

For completeness it is noted that some of the individual projects contained in the Proposal may meet the criteria to be considered significant, or may have other statutory consultation processes that must be followed before the project can proceed.

Through this report, the decision being asked of Council is whether to endorse an indicative business case being put forward to the Minister as a proposal for co-investment on a range of potential projects.

Decisions on the progressing of these projects will be taken at a later date, and their significance, engagement and consultation requirements will be assessed at that time.

## **5.3 Tangata Whenua Considerations**

Te Rūnanga o Ngāti Waewae are also being asked to endorse the Proposal.

## **5.4 Risk Management Implications**

The Proposal presents a "multi-tool" approach for managing the flood risk to Westport in the short, medium and long term with a combination of physical defence structures and other measures to improve the town's resilience.

If the Proposal is not submitted to the Minister, this opportunity to seek co-investment in Westport's flood resilience will be lost.

## **5.5 Policy Framework Implications**

As discussed above, the Proposal is well aligned with Council's strategic policy framework in relation to climate change adaptation, community outcomes and the four well-beings.

The Proposal includes reference to the Te Tai o Poutini Plan, which will form part of Council's policy framework once the draft is notified.

## **5.6 Legal Implications**

No specific implications have been identified in relation to the decision being asked of Council in this report, namely, to authorise endorsement of an indicative business case proposal to be submitted to the Minister.

**5.7 Financial / Budget Implications**

Work to date related to the preparation of the Proposal has been completed from within existing budgets and workloads.

The Proposal includes reference to funding commitments Council has made in existing budgets, for example stormwater operating expenditure, and to the potential use of Council's "better off funding" as per the report on this meeting agenda.

**5.8 Media/Publicity**

It is anticipated that there will be significant community and media interest in the Proposal.

**5.9 Consultation Considerations**

As discussed above, no consultation requirements have been identified in relation to the decision being asked of Council in this report. Community engagement and communication has begun in relation to the Proposal, and this will continue over the coming month.



Kawatiri – Deep and Swift

**Proposal to Hon Nanaia Mahuta,  
Minister of Local Government**

# **Co-Investment in Westport's Resilience**



**FINAL DRAFT 23 JUNE 2022**



Photo courtesy of Westport.nz

# Foreword

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Tēnā koe Hon Minister Mahuta. Greetings from the West Coast.

We welcome this opportunity to submit this proposal to you and the Government.

We are very grateful to you for the invitation to develop a case for co-investment. We have been thrilled with the level of the Government's financial, moral, and political support following the July 2021 flood event. We want to formally thank you, on the record, for that.

As we have developed this proposal, we note the event has adversely impacted the economic and social wellbeing of the community. While there has been tremendous scientific, engineering, and economic analysis undertaken in support of this proposal, there are still psycho-social impacts on our community.

As you will see, we have put the people of Westport at the heart of our thinking. The analysis shows that livelihoods and possibly lives are at stake, and we really need your assistance.

We believe we can also help you. We know there are similar challenges to those being experienced in Westport across the motu, and we are willing to be the blueprint community that tries some new ways of doing things, recognising that this is an opportunity for us both.

One thing is abundantly clear – neither Local nor Central Government can act alone here. We need to be collaborative from now on, or the issues will never be resolved. We have worked hard to deepen the relationship between the West Coast Regional Council and the Buller District Council, and we are keen to do the same with the Government.

We have also found that Westport has catalysed some strategic thinking with MBIE, Kāinga Ora, Kānoa, NEMA and DIA. More operationally, Waka Kotahi has been engaged and engaging, and KiwiRail has been at the table. In general, we have found that agencies and Crown Research Institutes are collaborating extensively to deal with climate adaptation.

We are realistic about the challenges that lie ahead, but we think that this proposal meets those challenges head on and is one that others might emulate. We hope that you think so too. This is not a *hand out* but rather a *hand up* as we address the future together.

Nāku noa, nā

**Jamie Cleine**

Mayor  
Buller District Council

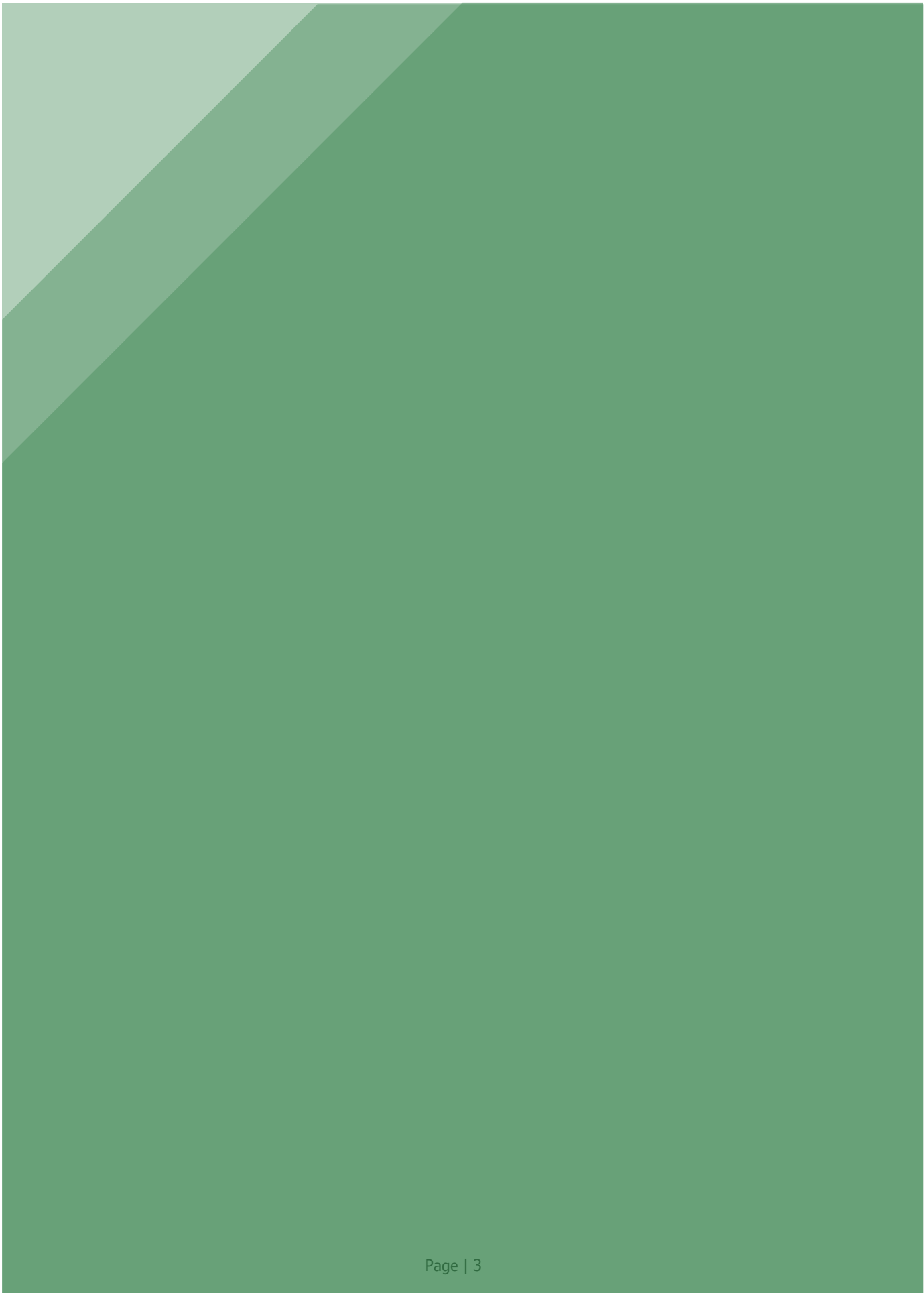
**Allan Birchfield**

Chair  
West Coast Regional Council

**Francois Tumahai**

Chair  
Te Rūnanga Ngāti Waewae

30<sup>th</sup> June 2022





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# Executive Summary

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When it boils down to it, there are two simple questions that remain unanswered when it comes to flooding and climate related change:

- Who's going to pay?
- Who gets to decide?

We have an abundance of reports and guidelines from scientists, engineers, academics, and policy advisors that provide input, but still these questions remain unanswered. Everyone seems to have an opinion on what needs to be done, but until now it has been very difficult to navigate actually getting these things done.

Westport is not well-heeled. The port area has not transformed into gentile real estate as has happened with other ports around the country. To use Government language, we are one of the most deprived communities in Aotearoa. We are the oldest population and have one of the lowest rates of disposable incomes in New Zealand. But we're here to stay – we're an established community with a rich history.

There are 4,600 people in Westport, and we need a hand. We realise that we are not the only ones faced with a similar prospect. We also realise that the cost of doing nothing is vastly more expensive than acting. The cost of last year's flood alone was double the total identified in this proposal.

So we welcomed Minister Mahuta's invitation for a co-investment proposal. This is potentially a circuit breaker, answering the two questions above and becoming a case study for others to emulate. Local Government cannot deal with this challenge on its own. Climate related flooding challenges our existing governance arrangements, funding mechanisms and statutory framework. It will therefore require close collaboration between Local Government, Central Government and Mana Whenua.

We are clear that the Westport community is at the centre of this process. Adaptation is not about flood protection structures and managed retreat – it is about people, families, their aspirations, and their legacy.

It is also about change. In developing this proposal, it became obvious to us that Westport cannot remain unchanged forever. Eventually the water will win – it is impossible to completely eliminate the risk of flooding in Westport. Equally, we realise we do not need to make all the decisions today. We can do some sensible things immediately and make sure the decisions we take today do not prevent future decision makers from making their own sensible decisions when the time comes.

## What we are seeking

Ultimately, we think that over time as Westport grows, this growth needs to occur in low hazard areas. This could occur over the next 50 years. Land could be purchased today to enable future decision makers to be able to speed up or slow down decisions, depending on which climate scenario eventuates.

In the meantime, there is still considerable flood risk for the citizens of Westport. We are proposing some modest work to armour the riverbanks of the Buller River, and to construct some embankments and walls that will reduce (but not eliminate) flood risk. This will buy us time. We also think it makes sense not to put more people in harm's way. We intend to put in place a regulatory framework that restricts development in flood zones – but we need your help here.

We are proposing a four-pronged PARA approach (Figure 1), with each component enabling practical steps. These components are not alternatives. They are an interdependent strategic packages of initiatives.

They do not all need to occur immediately. Many of these initiatives have already been canvassed with the people of Westport via the Westport 2100<sup>1</sup> and other work.

Figure 1: PARA Model - Westport's Resilience



Our cost profile is outlined in Table 1. But we do not see this as simply a cost. It might seem expensive, but it is vastly less expensive than doing nothing. Our analysis shows that this investment is likely to avoid \$400m of damage to Westport buildings alone. That does not account for economic losses, the human cost or the damage to our national reputation if we do nothing.

We have commissioned Infometrics to undertake economic analysis. It states:

*... the analysis in this report, ...clearly shows that (the) stopbank option recommended by the Technical Advisory Group...is highly cost effective... the case for pursuing (this option) ...could not be clearer.*

We see this as an investment in one of New Zealand's most longstanding communities, and we feel there could be massive co-benefits. Through relocation of growth, we could achieve positive housing outcomes by establishing more intensive, low energy homes that are connected to active transport, shops, parks and resilient infrastructure. We think that this investment will pay back substantially when AF8 eventuates, resulting in less trauma, social and economic loss for all of us. And our planners are already thinking that embankments might double as cycleways – properly designed, they can also enhance inanga breeding areas and help to secure an old landfill along the estuary.

We acknowledge this proposal will test the existing funding and regulatory frameworks, and it will antagonise some in the community who do not wish to change. However, it is also an opportunity to showcase how small townships might address the climate challenge. The leaders of Westport are prepared to be bold and pragmatic in presenting this proposal, and we are looking forward to you joining us on our journey

<sup>1</sup> The Westport 2100 Working Group was formed late in 2018. Its recommendations were forwarded to WCRC and BDC in September 2019. The purpose of the Group was to make recommendations about how best to enhance the resilience of the Westport community against the effects of fluvial flooding, coastal inundation, sea level rise, severe weather events, earthquake risk and the threats posed by Tsunami. The Group also discussed the Orowaiti overflow, gravel build-up, telemetry and warning systems, planning, and zoning and the robustness of critical infrastructure and transport routes.

Table 1 Cost Profile

The Ask			
Initiative	Total Cost	Our Ask of Government	Comments
<b>Protect</b>			
Westport ring-bank, plus Carters Beach	\$18,050,000	\$13,537,500	Year 1 (FY22/23) – planning and design Year 2-4 construction (75/25% split)
Organs Island reforestation	\$1,500,000	\$1,125,000	Years 2-17 – 3 x 5-year tranches
Immediate works on the Buller riverbank	\$3,300,000	\$3,300,000	Years 0-2
Operational expenditure Buller riverbank	\$3,000,000	\$3,000,000	Years 3 -10 <sup>2</sup>
Operational expenditure over ten years on Westport ring-bank and Carters Beach	\$3,300,000	\$2,600,000	Years 3 -10
Resource consents, owner agreement, Council project management, final design	\$1,000,000	\$750,000	Year 1
Contingency	\$1,000,000	\$750,000	
<b>Avoid</b>			
An Order in Council or other fast-tracking mechanism for TTPP resilience provisions			Minimal additional cost
Ability for BDC to align the Building Code with sensible flood resilience within the TTPP			Minimal additional cost
<b>Retreat/relocate</b>			
Invest in infrastructure at Alma Road			Live \$18m IAF application
Development plan at Alma Road to ensure positive community outcomes	\$250,000	\$250,000	
Feasibility study into strategic land purchase at Alma Road or other resilient sites	\$250,000	\$250,000	
Adaptation Relief Fund to provide assistance to owners in areas like Snodgrass	\$10,000,000	\$10,000,000	Evaluation criteria to be developed
<b>Accommodate</b>			
CDEM capability	\$500,000	\$500,000	Over two years
Sea level monitor / tide gauge and GNSS	\$250,000	\$250,000	Via GNS and NIWA
Stormwater	\$12,000,000	\$8,000,000	Opex @ 1-3%
<b>TOTAL</b>	<b>\$54,400,000</b>	<b>\$42,312,500</b>	

<sup>2</sup> Operational expenditure is phased in as assets come on-line.



# Context

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## The Big Picture

We have been following flood management developments around the world. There does not appear to be anywhere that is not affected by a changing climate. There are many, many places that have the same challenges as Westport.

According to Rockefeller's 100 Resilient Cities, average global flood-related losses will increase almost ten-fold to \$52 billion by 2050. 40% of urban populations will be living with water stress by 2050.



Danang has a very similar profile to Westport



Surat is adjacent to a river similar to the Buller

## Aotearoa

Of course, you don't need to go to New Orleans to see trends with flooding. Flooding is the number one likely natural hazard in Aotearoa. New Zealand now faces, on average, one major flood event every eight months.<sup>3</sup>

About 675,000 (or one in seven) people across New Zealand live in areas that are prone to flooding, which amounts to nearly \$100 billion worth of residential buildings that are at risk. The average annual cost of responding to flood events now exceeds \$50m.

There are countless examples in New Zealand of flood resilience done well, and many others done poorly. While it didn't make international headlines, the failure of planning and infrastructure at Edgecumbe was essentially the same thing that happened in New Orleans.



*“New Orleans highlighted how the most vulnerable people are at risk, and the folly of relying on insurance and ignoring nature.”*

<sup>3</sup> Page 7, Central Government Co-investment in Flood Protection Schemes', Te Uru Kahika, January 2022.

It is fortunate the recent floods in New Zealand have not yet resulted in a loss of life. It is only a matter of time before this changes<sup>4</sup>. None of us wants that liability and responsibility.

While the emergency response structure enables flood warning and getting people to safety, the current 'after event' focus does not minimise future economic, financial, or human risk.

We think it is time to make some bold decisions that involve planning and infrastructure tools that, along with traditional flood defences, better secure the long-term future of places like Westport. A re-think is required, and we are supporters of the greater use of a multi-tool approach to building community resilience against the effects of flooding. This involves a move away from the current focus on insurance, alongside responding to and then attempting to recover from events. What we need is investment in resilience tools that are the fence at the top of the cliff, rather than the ambulance at the bottom.

This challenges the way we are currently set up, it challenges vested interests, and it challenges our legal framework. We are alive to these challenges. But we are also alive to the possibilities it brings, and we are willing for Westport to be a case study as we work together through this change. We are more vulnerable than most. While there is legislative change in the wind, time is not on our side, and we need to act swiftly and decisively.

Palmerston North  
dodges a bullet in  
2004



Kawatiri 2021 –  
swift and deep



<sup>4</sup> Westport community leaders advised that over 30 lives have been lost within the Buller River over the last 50 years. The number lost as a direct consequence of flooding is not known. No matter what, the Buller River is known to be powerful and dangerous to life.



# About Westport Kawatiri

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## The Coast and Coasters

The West Coast Region is New Zealand's least populated region, accounting for 0.7 percent of the population, but 8.5% of the land mass with 23,000 square kilometres. We have about 1.4 ratepayers for every square kilometre of land. More than 85% of that land is owned by the Crown.

When former Prime Minister Sir Geoffrey Palmer said ...

*sometimes it does us a power of good to remind ourselves that we live on two volcanic rocks where two tectonic plates meet, in a somewhat lonely stretch of windswept ocean, just above the roaring forties. If you want drama you've come to the right place ...*

...he might well have been talking about the West Coast and its people. It is a wild place known for hard weather, and hard cases. Captain Cook called the headland *Foulwind* because the Endeavour was blown miles off course when he visited. The Māori name for Westport is *Kawatiri* – deep and swift.

Everyone knows that the Coast is a long, isolated region, hemmed in by the Southern Alps on one side and the angry Tasman Sea on the other. To survive and thrive on the West Coast you need something of a pioneer spirit. Māori and Pakeha came to the Buller in search of gold, coal, and pounamu. Extracting these treasures required hard work, persistence, a can-do attitude, directness, cunning and some might say, determination.

In more modern times, the same pioneer spirit has been required to flourish in fishing, dairy farming, mining, and cement manufacturing. Tourism pursuits such as mountain biking, surfing, tramping, and rafting are associated with the wet and wild reputation, and even the burgeoning arts community is of a specific coaster type.

That type is rugged but friendly, strong, and self-reliant. When you're isolated like us it teaches you the value of friendliness and hospitality, and of community resilience. We belong here - the proportion of people born overseas is 9%, compared with 27% nationally. There are 4,600 of us in Westport itself and 9,000 in the wider Buller District. Ahakoa he iti he pounamu - although we are small, we are of great value.

## Te Rūnanga Ngāti Waewae

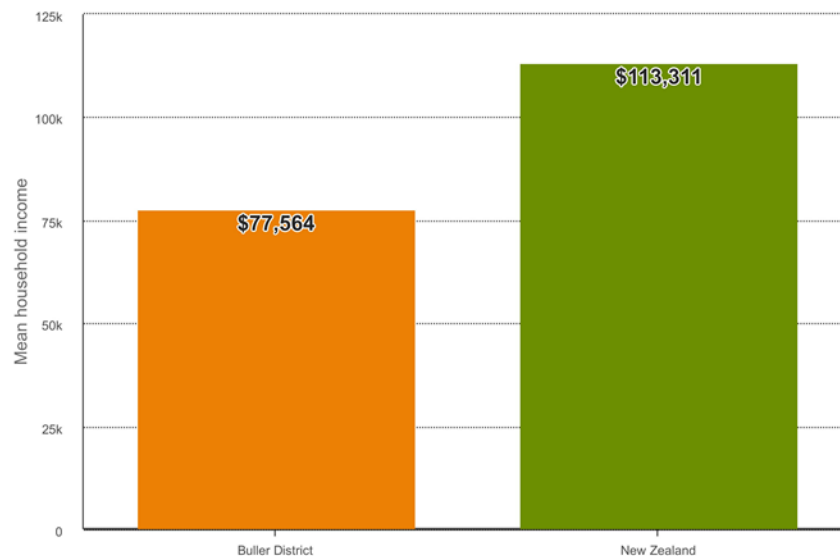
This project acknowledges the special status of Te Rūnanga Ngāti Waewae as tangata whenua and Treaty partners, and we have undertaken a collaborative approach to ensure Māori values and interests are protected and enhanced. From a Māori worldview, humanity is inseparable from the natural world. Land and its associated natural systems are connected to health through a variety of pathways, providing cultural, spiritual, social, and economic wellbeing. Māori environmental knowledge (mātauranga taiao) is characterised as a cumulative system of knowledge (mātauranga) and practice (tikanga) that has evolved through adaptive processes. Mātauranga and Te Ao Māori provide a unique source of expertise that can contribute to the management and mitigation of natural hazards in New Zealand.

Te Rūnanga o Ngāti Waewae is based at Arahura, a short distance from Hokitika on the West Coast. Te Rūnanga o Ngāti Waewae has assessed this proposal and has found no major roadblocks to any of the proposed options. Te Rūnanga o Ngāti Waewae wishes to remain part of the decision-making process going forward and has identified the need for consideration of Māori land blocks around Westport at the appropriate time.

## Our Economy

Like other provincial centres, the Buller population is older than for the rest of New Zealand, at 47 compared with 39. The population has been shrinking in the 15-64 age bracket, with a flow on effect to the younger age group. People generally earn less than elsewhere in New Zealand. The mean income is \$77,000 which is around 68% of the national mean at \$113,000 (Figure 2) .<sup>5</sup>

Figure 2 - Mean household income in Buller District compared to the rest of New Zealand<sup>6</sup>



Perhaps unsurprisingly then, Infometrics analysis indicates most of the economic trends have been negative with a decline in GDP of 4.2% pa over the decade. In other words – the district has not kept pace socio-economically with the rest of New Zealand.

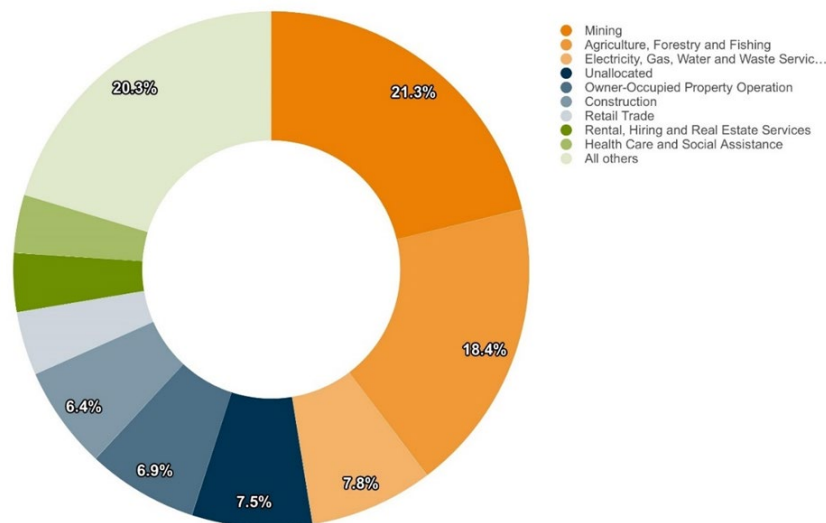
Currently most people work in the mining and agriculture industries, although the picture is distorted by the lack of tourists in 2020 and 2021<sup>7</sup> (Figure 3).

<sup>5</sup> Real Options Analysis of Strategies to Manage Risks to Westport from Climate Change, Infometrics June 2022.

<sup>6</sup> Infometrics Report: *Real Options Analysis of Strategies to Manage Risks to Westport from Climate Change*, June 2022.

<sup>7</sup> Also, tourism is not an identified industry in the national accounts (it is captured under 'other' in the pie chart displayed in Figure 3).

Figure 3 - Buller District Council – economy (Source: Infometrics)



The Buller District Council (BDC) submission on the draft National (climate change) Adaptation Plan drew upon data compiled by Local Government New Zealand to suggest:

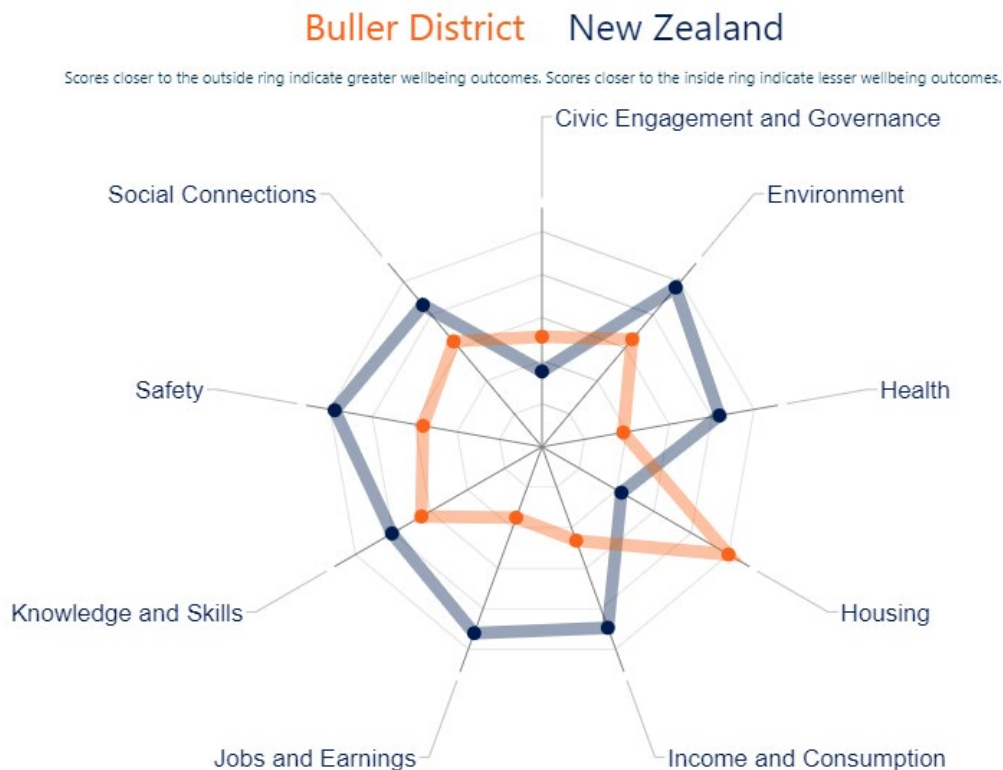
- The Buller District is the most deprived in the South Island with an overall deprivation index of 9 (where 10 is the most deprived).
- Urban Westport is ranked in the 92nd percentile for deprivation nationally.
- Buller district has the lowest household income level in New Zealand.

The Infometrics wellbeing framework shows how Buller performs on a range of measures relative to all New Zealand. In two areas - housing, and civic engagement and governance, Buller performs relatively well.<sup>8</sup> Despite a long-term trend of underperformance, Westport has an underlying economic viability. The Buller economy grew 15% in the year to March 2022, making it the second fastest growing territorial authority, although this was from a low base. Consumer spending was up 10% in the year to March 2022, running above the strong inflation rate of 6.9% in the same quarter.

Tourism expenditure has grown 9.8% over the past year, reflecting strong domestic visitor numbers that has offset the loss of international tourists. The Infometrics analysis suggests that tourism has both the existing economic mass and the potential to dominate economic growth in Westport and Buller over the next five years. Westport deserves investment in resilience building to help make this suggestion a reality.

<sup>8</sup> The housing measure is a combination of measures of home ownership, household crowding, housing affordability, and rental affordability. Civic engagement and governance are based on the turnout rates for local and general elections. The general picture, however, is of a region that has a lower level of wellbeing than the rest of New Zealand.

Figure 4 - Wellbeing framework (Source: Infometrics)



High commodity prices for the primary sector have also helped during the pandemic. The district dairy pay-out was forecast to grow by \$24m in the 2021/2022 season, to a total of \$150m.

Our housing market was strongly affected by the floods in 2020 and 2021, with house values falling 8.3% in the March 2022 quarter. But at the same time, new dwelling consents are up 94% in the year to March 2022, reflecting both the flood rebuild and renewed interest in the district that predates the flood. Non-residential consents have also been strong, growing 148% to reach \$35m over the 12 months to March 2022.

We know that Westport is attractive to investment in tourism and in other industries that need to be close to specific raw materials, our wild landscape and have access to a local labour force. Although coal mining is a sunset industry, bituminous coal for steel production is found only on the West Coast, while further gold mining and rare earth mining (elements essential to electric vehicles) are also possibilities for the future.

We note the Crown has more than \$1bn<sup>9</sup> in assets in Westport and will be a major beneficiary of resilience initiatives. The Crown does not pay rates.

Infometrics modelling indicates that tourism has both the existing economic mass and the potential to dominate economic growth in Westport and Buller in the medium term. We are positive about our economic future and have been actively working to improve both our economy and the wellbeing of our community.

<sup>9</sup> Page 32, Central Government Co-investment in Flood Protection Schemes, Te Uru Kahika, January 2022

## Welcome to Westport

In this proposal we will refer to some key areas of Westport (Figure 5):

- Carters Beach suburb (244 properties) includes wetlands, the airport, and a golf course. It already has rock revetment to help manage sea erosion around the airport.
- Westport urban (2,000 properties) is the main commercial and residential centre for the Buller District. It sits directly between the Buller River and the Orowaiti lagoon.
- Snodgrass Rd is a low-lying part of Westport that has been developed relatively recently, with a cluster of around 35 homes.
- Organs Island is not inhabited however it is a key piece of upstream reserve land that is owned by the Crown, but currently grazed by a local farmer.

This map contains the geographic scope of the project. While sea level rise is a factor and an input for modelling, it is out of direct scope for the project. There are resilience co-benefits from some of the investments (for liquefaction for example) but other than these co-benefits, other natural hazards are out of scope. They have, however, been considered in designing proposed flood risk mitigation structures.

*Figure 5 – Westport and surrounds*





# Flooding and Westport

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The Buller River is the most powerful in New Zealand, with peak flows estimated at 12,700m<sup>3</sup>/s in 1926<sup>10</sup>, which is almost double any other recorded in New Zealand.<sup>11</sup> As a comparison, the mean flow of the Buller River is 454 cubic metres per second. The Buller catchment is very large.<sup>12</sup> The river passes through a small flood plain to discharge through a very confined exit (Figure 6).<sup>13</sup>

*Figure 6 - The Buller River Catchment*



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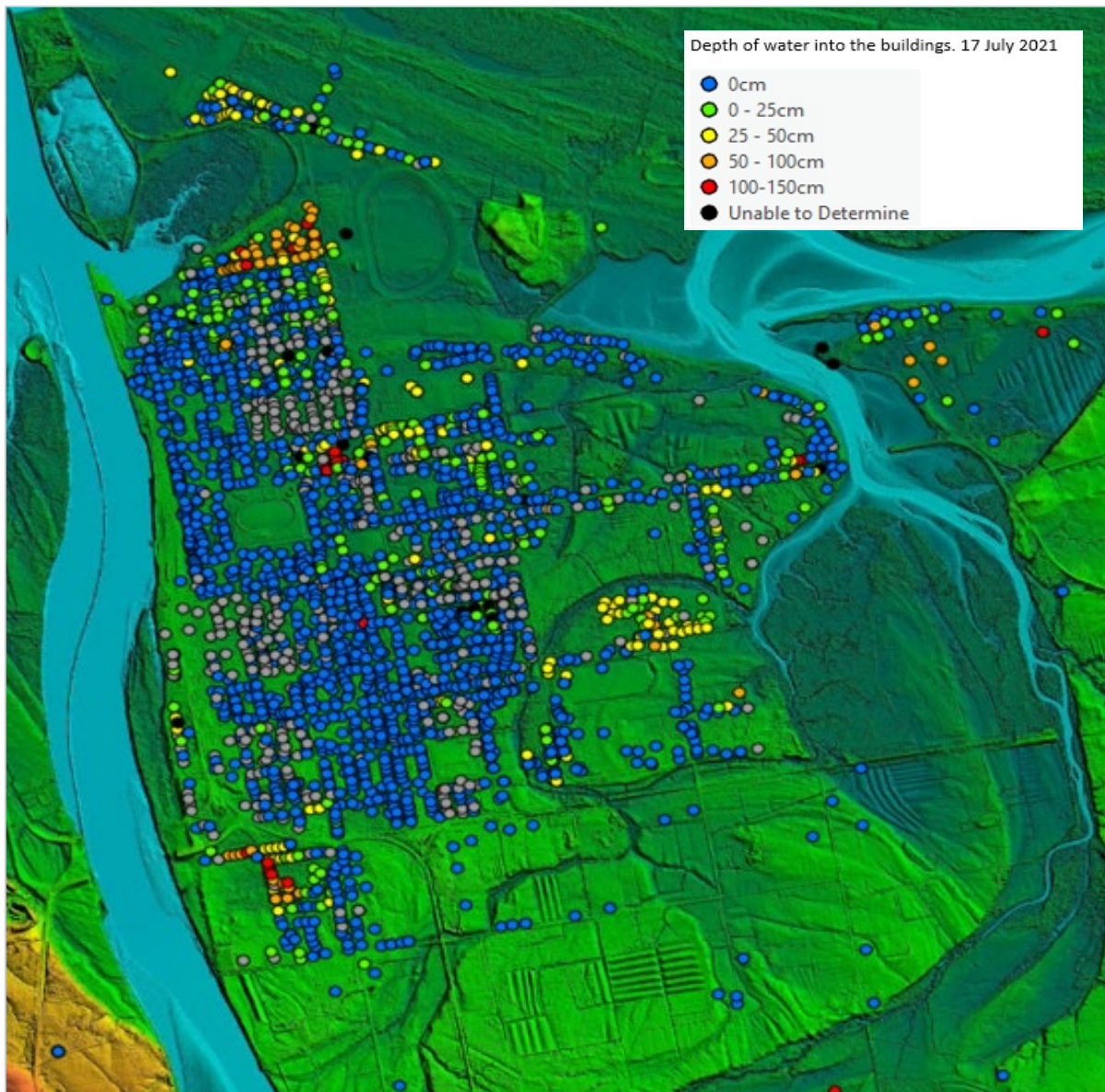
<sup>10</sup> Flood modelling of the Buller River, Westport, NIWA.

<sup>11</sup> Flood flows on the Buller River were the largest of any NZ river recorded in almost a century | Stuff.co.nz.

<sup>12</sup> The headwaters of the Buller River are located in the Tasman District. This means that management of flood warning has been via a partnership between NIWA, Tasman District Council and WCRC.

<sup>13</sup> We gratefully acknowledge the assistance of Matthew Gardner of Land River Sea Ltd and Gary Williams of G&E Williams Consulting who prepared most of the Figures used throughout this Business Case.

Figure 7 – Flood depths, Westport, July 2021



Flooding has occurred throughout Westport's history. Major destructive events were recorded in 1873, 1926, 1970, and Cyclone Fehi in 2018 caused further flooding. Tragically, the 1926 event washed away the town pub.

The town is also exposed to coastal flooding, and flood events are exacerbated by high tides surging up the Buller River and into the Orowaiti Lagoon. With sea levels expected to rise by at least 1m in the next century, impacts from this will be accentuated. Further to this, rising seas increase groundwater levels, exacerbating flooding for low lying coastal areas.

In July 2021 and February 2022, the district experienced further large flood events.

Heavy rainfall from 15 July 2021 to 18 July 2021 caused significant flooding with the Buller River having a peak flow of 8900 cubic metres per second (Figure 7). This is the largest gauged river flow ever recorded in New Zealand. The flow breached Westport's flood defences, with 826 properties and over 2,000 people requiring

evacuation. Three separate civil defence welfare centres were established to support displaced people in need of emergency accommodation.

A total of 563 houses were damaged (with 71 homes deemed unsafe for ongoing occupation) representing 23% of the town's housing stock. The Insurance Council of New Zealand puts the insurance claims for the West Coast flooding from July 2021 at \$88m to date (not all claims are settled).<sup>14</sup>

*Figure 8 - Flood waters at the Buller Bridge, July 2021*



While Westport was still in recovery mode, a second heavy rainfall event, from 1-4 February 2022, saw a further State of Local Emergency declared in the District, with people in at risk areas again evacuated. There was widespread local flooding with substantial damage in infrastructure and inundation of homes. On 9-10 February access to Westport was cut off, and water supply infrastructure was damaged.

The Government saw the plight of Westport people, and NEMA – supported by other agencies - was quick to provide response and recovery relief.

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<sup>14</sup> Cost of natural disasters – ICNZ, June 2022



## Climate Change and Westport

Changes to the intensity and frequency of climate change-induced flood events is the biggest natural hazard challenge New Zealanders face. Climate change will substantially increase the severity and frequency of the risk of flooding. This will cause higher levels of damage and more frequent damage to the land and assets located behind existing flood protection structures and to adjacent communities. There will be associated increases in social, cultural, and environmental costs.

Recent Westport flood events are a salient reminder of this. Climate change will also shift the area of geographical risk of floods and make new areas, not presently affected by such events, more susceptible to floods.

There are many uncertainties around climate change predictions for the Buller Catchment. It is generally accepted that peak rainfall intensities are likely to increase, and sea level will rise. The main effects of climate change on Westport are expected to be increased rainfall and runoff from the Buller River catchment, along with an increase in bed load volume due to more landslip materials entering the river.<sup>15</sup>

The viability of industry located at flood-prone locations and the potential for disruption to business is further affected by the increased risk to infrastructure such as road and rail bridges that service these premises. Westport is not alone in the challenges it faces. Significant Central and Local Government owned infrastructure is exposed to sea level rise<sup>16</sup>.

The recently released research published by NZ SeaRise<sup>17</sup> shows that, in many places throughout New Zealand, rising sea levels – due to climate change, will impact as soon as 2040, rather than 2060. This is because land subsidence (and in some instances – uplift) is now being factored into predictions. This means Local and Central Government's time to react is effectively being squeezed.

Climate change warms the air. Warm air carries more moisture (8% per degree). The Tasman Sea is also warming. As a result, we can expect more intense rainfall more often.<sup>18</sup> Increased rainfall will increase erosion, increase river flows, and potentially cause more gravel deposition. As a result, rivers are likely to widen. Research<sup>19</sup> suggests:

- There was 10% higher rainfall in the July 2021 event due to climate change than would have been the case without climate change.
- There may be 9-19% more rainfall by 2100.
- There may be a 11-25% increase in the 1% AEP<sup>20</sup> flood flow at Te Kuha by 2100.<sup>21</sup>

This does not mean that we can wait until 2100. We are living this here and now, and we are more vulnerable than most. Families are worried about their safety and their immediate futures. As decision makers, none of us will be forgiven if we fail to act swiftly and decisively. We realise that legislative change is in the wind, however time is not on our side, and we cannot wait. Even if the Government decides not to provide support, that must occur clearly and quickly so that we can get on with what is possible, without external support. The worst thing we can do is to do nothing.

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<sup>15</sup> Gravel bed load movements from the catchment will also increase due to more intense rainfall and greater flood flows. Natural deposition rates at the river mouth will increase due to the rise in average sea level.

<sup>16</sup> LGNZ submission on the draft National Adaptation Plan, June 2022.

<sup>17</sup> Te Tai Pari O Aotearoa, May 2022.

<sup>18</sup> Stone D.A., Rosier S.M., Bird L., Harrington L.J., Rana S., Stuart S., Dean S.M. (2022) The effect of experiment conditioning on estimates of human influence on extreme weather. *Weather and Climate Extremes* 36(September 2021):100427.

<sup>19</sup> <https://doi.org/10.1016/j.wace.2022.100427>.

<sup>20</sup> AEP is the probability of a flood event occurring in any one year.

<sup>21</sup> Zammit C. (2022) Climate change impact on peak discharge and bank-full flow duration at Te Kuha Stream: An analysis of Te Kuha streamflow gauging station under different warming scenarios and for different return periods and durations, NIWA Client Report 2022038CH.

## Other Natural Hazards

### Sea level rise

By the year 2090, the mean sea level and the coincidence of peak tides and large river flows is expected to increase. These effects all combine to imply that today's 0.01 AEP (annual event probability of 1:100 years) magnitude storm event will become much more frequent.

Westport survey and sea level rise measurement devices provide uncertain benchmark data about the rate of sea level rise. This is because of the influence of waves, their short record and the possibility of local subsidence affecting the Westport Harbour quayside. The main point we note is that sea levels are higher<sup>22</sup> now than they were at the time of the 1926 and 1970 floods<sup>23</sup>.

### Liquefaction

Liquefaction records<sup>24</sup> for the area show that during previous seismic events, large areas of Westport are vulnerable to liquefaction due to its location on the Buller River flood plain. This plain consists of loose, fine river sediments.

Liquefaction vulnerabilities present an acute risk given the Alpine Fault has a high probability (estimated at 30%) of rupturing in the next 50 years<sup>25</sup>. This rupture is expected to produce one of the largest (if not largest) earthquakes since European settlement in New Zealand. If this occurred, it would likely cause widespread damage.

The most vulnerable area is likely to be around the northern end of Westport near the Orowaiti Lagoon. This area experienced liquefaction during the 1968 earthquake<sup>26</sup>. We also note that liquefaction in Westport occurred during events previously considered too small to cause liquefaction (i.e., less than a Magnitude 6 earthquake). This means that during large seismic events (i.e., greater than a Magnitude 7 earthquake) liquefaction could potentially impact the entire town.<sup>27</sup>

### Coastal accretion

Port construction and the rock groynes constructed to protect the mouth of the Buller River have caused significant coastal gravel build-up to occur on either side of the river mouth. This build-up has prevented the Orowaiti River from exiting to the sea at its historic exit point (Figure 9).<sup>28</sup>

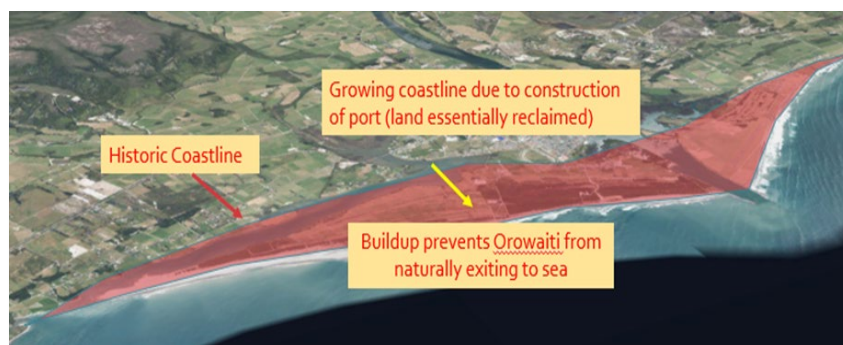


Figure 9 - Coastal Accretion

<sup>22</sup> Pers. Comm. Matthew Gardner, Land River Sea Consulting Ltd.

<sup>23</sup> We can see strong merit in placing a sea-level-rise measuring device off the coast at Westport. We address this suggestion later in our proposal.

<sup>24</sup> Liquefaction Records for Buller District to March 2011.pdf (wrcr.govt.nz).

<sup>25</sup> Alpine Fault / Major Faults in New Zealand / Earthquakes / Science Topics / Learning / Home - GNS Science.

<sup>26</sup> Liquefaction Records for Buller District to March 2011.pdf (wrcr.govt.nz).

<sup>27</sup> As will become apparent later in this report, the risk of liquefaction has been considered by the Technical Advisory Group (TAG) as part of the recommendations they have made about the design, composition, and alignment of the proposed embankment.

<sup>28</sup> Image sourced with thanks to Matthew Gardner Land River Sea Consultants.

# Strategic Alignment

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Our proposal aligns with several areas of Central and Local Government strategy.<sup>29</sup> We draw attention to these because they add context and evidence to demonstrate a clear alignment between our request and the existing policy settings.

## Alignment with Local Government Aspirations

Flood resilience investment aligns strongly with the strategic intentions of the BDC and WCRC, as well as national policies. We also have a strong desire to collaborate with Te Runanga o Ngāti Waewae throughout the process. This section demonstrates how investment into flood reliance aligns with our statutory obligations and the aspirations of our local community.

### BDC

BDC's proposed activities are documented in the 2021-31 Long-term Plan (LTP), a ten-year plan reviewed in partnership with the community every three years. The LTP 2021-2031 sets out the Council's goal as - *To promote the well-being of our local communities.*

In achieving Council's goal its mission is -

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

In preparation for the LTP, an Environmental Improvement and Prosperity Strategy was developed. It seeks to create community wellbeing through five domains – socio-economic prosperity, affordability, climate change preparedness, environmental sustainability, and district revitalisation. Opportunity exists to advance the five domains through recovery and resilience building, thereby assisting in the creation of a thriving community. The strategy is imbedded within and guides the LTP's outcomes, activities, planning and prioritisation.

Investment in natural hazard management is directly linked with the following community outcomes and associated goals, as outlined in the Council's LTP.

- Social – our communities are vibrant, healthy, safe, and inclusive.
- Affordability – our communities are supported by quality infrastructure, facilities and services that are efficient, fit for purpose, affordable and met our current and future needs.
- Environment – our distinctive environment and natural resources are healthy and valued.

### WCRC

In its 2021-2031 LTP, WCRC identifies the following community outcomes for the West Coast region, which are supported by various council activities:

- Economy - a thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.
  - Flood warning services and flood protection works help the economy by ensuring business confidence in investing in flood protected areas. Protection works also increase property values in affected areas.
- Environmental - the high quality and distinctive character of our environment is retained.

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<sup>29</sup> See Appendix three

- Safety - a region that is a safe place to live, with a strong community spirit and cohesion.
  - The Council's flood warning service and the flood protection works assist with community safety in areas protected by those services, during flood events.
  - Civil defence work is primarily concerned with community safety in a major emergency event.

## Flood Protection Schemes

There is a general view in Local Government that the current model for funding flood protection needs overhaul. To fund expensive flood mitigation works, most councils now top up funds, from targeted rates on property owners in areas of high flood risk. Some councils, such as Auckland Council, pay for flood protection entirely from general rates.

Council-run flood risk mitigation schemes do not benefit everyone equally, with property owners in less affluent communities like Westport being less likely to join voluntary funding schemes. We have many anecdotes of low-income ratepayers having to pay their rates at \$5 per pay because they simply cannot afford to pay more than that. The current model of funding flood risk mitigation is no longer sustainable.<sup>30</sup>

A report by Te Uru Kahika<sup>31 32</sup> outlines how regional councils are seeking Central Government co-investment in 'fit-for-the-future', risk-aligned, climate change resilient and environmentally sensitive flood protection schemes. This sought after outcome was viewed as a necessary response to the increased magnitude and frequency of climate-change-induced flood events - exactly what we are seeing here at Westport.

Councils are seeking a national shift in Central Government attention from disaster relief and rehabilitation towards necessary 'top-of-the-cliff' mitigation of flood risks. Te Uru Kahika argues this is achievable if Central Government was to agree to co-invest in flood protection schemes, such as that proposed for Westport.

The Te Uru Kahika report noted that flood protection schemes have been some of the best value public investments ever made in New Zealand. The report also noted that addressing contemporary New Zealand-wide challenges would require a step-change in both the volume and type of investment in flood risk management.

The report envisaged the greater use of a 'multi-tool'<sup>33</sup> approach to building community resilience against the effects of flooding is required. This included a reference to the need for more focus on the more effective use of improved planning tools - to define where and how development occurs.

For the past three decades, Crown-owned and related assets have received flood protection at a cost to regional and targeted local ratepayers, with little contribution from the Crown. These protected Crown assets include rail and road infrastructure, communication and electricity transmission infrastructure, some airports and education and health facilities.<sup>34</sup>

The cost of flood events may be counted not just in terms of the cost of replacing or restoring privately owned buildings and overcoming other property losses. There are also other tangible costs. These include the number of hours or days businesses cannot operate at full production and the cost of disruptions to the functionality of Crown assets.

<sup>30</sup> See draft 'Funding and Financing for flood protection – progress to date' (Local Government briefing, LG202100747, 17 June 2021).

<sup>31</sup> Te Uru Kahika is a collection of 16 regional and unitary authorities that have been working together on a wide range of matters. They are charged with managing land, air, and water resources, supporting biodiversity and biosecurity, providing for regional transport services, and building more resilient communities in the face of climate change and natural hazards.

<sup>32</sup> Central Government Co-investment in Flood Protection Schemes (January 2022).

<sup>33</sup> This is explained in more detail later in the proposal. A multi-tool approach is encompassed in the PARA framework. We also explain this framework later in our Business Case.

<sup>34</sup> Economist Julian Williams has estimated the capital value of Crown assets in Westport to be more than \$1 billion. This research is referenced in the regional council's substantive 2022 report.

In addition, flood costs have both an immediate and sometimes an on-going effect on people's lives. This includes the effect on the willingness and ability of the residents affected by flooding to continue to live and invest in areas subject to flooding. Westport knows this problem all too well.

To avoid a worst-case flood disruption scenario, the Te Uru Kahika report called for scaled-up Central Government and regional council investment in flood protection schemes.<sup>35</sup> The overriding reason offered for this co-investment was to create resilient communities and sustain economic enterprise. We strongly support this request and the rationale underpinning it.

The Te Uru Kahika report clearly noted that flood protection schemes are nationally important. They are viewed as underpinning the integrity of public and private assets and lifelines and provide resilience and security to communities and their investments. The report concludes that Central Government co-investment in flood protection schemes is vital because it:

- Is fiscally responsible and fair to make such investments.
- Reflects Treasury's Living Standards Frameworks.
- Is supportive of wellbeing and social inclusion and is likely to reflect equity / ability to pay considerations.<sup>36</sup>
- Is supportive of job creation, protective of previous regional economic development investments and contributes to the desire to lift the future productive potential of the regions.
- Contributes to the security of access routes (rail and road) and the communication infrastructure that is vital for commerce and community functionality.
- Reflects international obligations, as recognised by New Zealand signing the UN Sendai Risk Management Protocols.
- Directly protects significant crown assets such as hospitals, schools, infrastructure etc.
- Contributes to investment opportunity costs – that is, it provides investment with the confidence required to want to invest in the future of their area.
- Diminishes the risk of escalating insurance premiums, the reduction in the uptake of private insurance and the associated risk of insurance companies refusing to provide insurance cover in flood risk areas – leaving the Government as the 'bottom of the cliff ambulance.'
- Contributes to the environmental and water quality expectations of our communities and iwi / Māori partners.
- Provides for resilience and adaptation against the effects of climate change-induced 'above-design' storm events.

We see strong sense in all the above reasons for Central Government to consider co-investing in flood risk mitigation at Westport. There are 367 flood risk mitigation schemes throughout New Zealand. The Westport flood risk mitigation scheme should bring the number to 368.

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<sup>35</sup> Te Uru Kahika requested Central Government to contribute \$150m per annum to the \$200m currently committed by the regional sector.

<sup>36</sup> Equity and ability to pay considerations are likely to be one of the many important elements considered in designing the detail of a Central Government co-investment programme.



## Alignment with Government's Infrastructure Plan

The government's Thirty-Year Infrastructure Plan records the average annual costs of responding to flood events now exceeds \$50m. While necessary, the Plan notes – and we agree, this is sub-optimal expenditure compared to preventative investment. As such, it does not minimise future risk to the community or Central Government and Crown assets. This 'after event' focus means government bears an excessive unfunded future liability in its fiscal accounts.

The Plan also notes the severity of the consequences of not securing and enhancing the integrity and service levels of existing flood protection structures, and the community resilience role they play, increases every day. The fiscal consequences for government of not proactively investing at the top of the cliff are growing at a similar rate.

## Alignment with advice from the Productivity Commission

The Productivity Commission enquiry into Local Government funding and financing<sup>37</sup> selected flood protection schemes as an example of a function deserving of a 'stepped-up' co-investment-focused-arrangement between central and Local Government.

The terms of reference for the Productivity Commission's enquiry, as issued by the Ministers of Finance and Local Government, noted that:

- Local authority debt has grown steadily since 2006 to the point where some councils are now coming close to their covenanted debt limits.
- One of the major factors influencing local authority debt is the cost of adapting communities and infrastructure to mitigate risks and hazards associated with climate change.

The Commission favoured the 'benefit principle' as the primary basis for deciding who should pay for Local Government services. In this regard, the Commission noted – with more than passing interest to Westport that *'some local assets and their associated services could benefit... national interests. In these cases, the benefit principle points to shared funding with a contribution from Central Government'*.

In addition, the Commission identified four key areas where the existing funding model is insufficient to address cost pressures:

- Supplying enough infrastructure to support rapid urban growth.
- Adapting to climate change.
- Coping with the growth of tourism.
- The accumulation of responsibilities placed on Local Government by Central Government.

All four of these identified areas support the need for co-investment by Central Government in flood protection schemes, such as that proposed for Westport.

In addition, the Commission suggested the Government should more clearly specify the role that may be played by Waka Kotahi<sup>38</sup> in assisting those councils such as WCRC and BDC, who are facing significant threats to the viability of roads and bridges from climate change. We need these parties to join us as we seek to overcome the exacerbation of flood risks because of the narrowing of river channels by bridge structures and related embankments. The Orowaiti and Buller River bridges are cases in point.

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<sup>37</sup> Productivity Commission, Local Government Funding and Financing, 30 November 2019.

<sup>38</sup> Government may also provide aid to parties affected by flood events within the terms and conditions defined in the On-Farm Adverse Event Recovery Policy administered by the Ministry for Primary Industries.

## Alignment with RMA Reform

The need for a comprehensive approach to flood risk management is clearly encompassed in the reform of the RMA programme, and especially the Climate Adaptation Act. The Climate Adaptation Act is to be developed next year, but it will come too late for Westport. Even today, as we attempt to address resilience through our 'combined' District Plan, we cannot prevent development in flood zones. We are working on it, but we are finding that, right now, we cannot avoid more people and property being put in harm's way. We hope our frustrations can help to inform the Act.

We noted wryly that Westport is a case study referenced in the draft National Adaptation Plan (NAP). Frankly, Westport is the case example of the NAP in action. We welcome the opportunity provided by Central Government to test and refine emergent adaptation policy. In anticipation, we are now actively applying a more comprehensive approach to flood protection than in the past.

We think that our experience to date has given us a sound understanding of what constitutes good governance and decision making around climate adaptation decisions. Our Westport experience will also inform other themes currently under consultation in the draft National Adaptation Plan, such as the intersection with the insurance sector. Through necessity, we have found ourselves making the long anticipated hard calls on who pays for adaptation and who benefits in the absence of a policy framework, while also attempting not to create winners and losers (although to be honest this almost seems unavoidable). We have found that published guidelines are not of much practical use.

## Alignment with government's previous shovel-ready funding decisions

In 2021, regional councils received \$217m toward 55 shovel ready flood protection projects. These projects had a total cost of \$313m. Funding was provided at a 75% ratio for projects in those regions viewed as having comparatively high levels of deprivation.

This funding was part of Central Government's Covid recovery programme. A central / regional governance oversight arrangement is in place to provide governance to the delivery of the 55 projects. This is the 'IRG Kānoa Climate Resilience Flood Protection Programme.'<sup>39</sup>

There are many more projects needed throughout New Zealand of the type co-funded by the government in 2021. The proposed Westport flood protection scheme may well have been included in this programme but, at the time, it was not regarded as shovel ready. We are now shovel ready.

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<sup>39</sup> This governance arrangement is suited to application to the Westport flood protection scheme.

## Alignment with recent Cabinet policy decisions

The foundation for DIA's refreshed thinking about the funding models that may be applied to future flood protection investment was recorded in a July 2020 Cabinet paper *Improving Resilience to Flood Risk and Supporting Covid-19 Recovery*. This Cabinet paper noted:

- Current funding arrangements for flood protection infrastructure were established over 30 years ago and they are no longer considered sustainable or consistent with delivering outcomes in line with (the) proposed framework and principles.
- Subject to further work, Central Government's funding approach to building resilience should consider the benefit principle, fairness, and intergenerational wellbeing.
- Officials will work with Local Government to develop a revised funding model for flood protection, based on the proposed framework and principles, which would be implemented over the longer term.

The proposed principles<sup>40</sup> referenced in the Cabinet paper's appendix, state an intention to:

- Target action where national assets and national interests warrant Central Government intervention and funding.
- Intervene in projects where there is a significant economy of scale or time constraints, distributional concerns, to protect health and safety, and to protect kaitiakitanga.

We are strongly of the view that Cabinet's principles will be more than adequately satisfied by co-investment in a flood protection scheme at Westport.

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<sup>40</sup> As included in Appendix B of the July 2020 Cabinet paper.

# Our Story So Far

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The Westport community will struggle to sustain another event, physically, psycho-socially, and financially. We are anxious and uncertain about the future, during a time of growth for the town. We are not in a position to invest heavily in flood resilience, and so we were very grateful to be invited to participate in a ground-breaking collaborative process that could see co-investment in Westport's long-term flood resilience. We welcome the opportunity to become a model for other small communities facing similar climate related challenges.

## Things for us to address

It was made clear to the Councils that in order to win Government support, several factors needed to be satisfactorily addressed:

- A Steering Group should oversee proposed resilience initiatives.
- An integrated package of initiatives outlining Council(s) involvement should be displayed.
- Value for money should be demonstrated.
- Robust costing processes need to be applied.
- A clear plan of action should be defined.
- Outline why current policy and funding levers are insufficient.
- Describe why Buller is an urgent and compelling case.
- Describe how the proposal supports government goals in climate adaptation, community resilience, and resource management reform.

We recognised early that good governance would be the key to producing a positive outcome. The Buller Recovery Steering Group formalised its Terms of Reference (see Appendix two) and put in place a recovery work programme (Figure 10) and risk register - overseen by regular Steering Group meetings, to provide assurance that tasks were on track.

## Better Business Case

The Steering Group was aware that Treasury's Better Business Case (BBC) framework is the accepted model for investment by Central Government. We have embraced the principles of this BBC framework, and we have attempted to address the challenge we face through a BBC lens.

An overview of the five BBC elements follows, together with a brief description of what we have done to satisfy these elements.

- **Strategic case:** the alignment of the need for change with wider national and sectoral priorities, goals, policy decisions and programmes, district equivalents of these matters, the scope of the project, the challenge to be addressed and the benefits sought – *we have addressed these matters in the previous 'strategic fit' section of our proposal.*
- **Economic case:** the critical success factors, process applied to move from a long list of options to a preferred set of options, the economics of preferred options and the cost / benefit of these options – *we have provided details about what a flood risk resilient Westport community may look like at various points throughout our proposal, we started with a long list of options and reduced this to a preferred short list and we have applied cost-benefit assessment to various intervention options.*
- **Management case:** the approach to be applied to deliver on the preferred set of options and the plan to allow for that delivery – *the last part of our proposal provides details about governance, management, timeline, and other things guiding the delivery of our proposal.*
- **Commercial case:** the procurement strategy and the ability of the market to meet needs – *we outline our proposed approach to procure the products and services we need in one of the latter sections of our proposal.*
- **Financial case:** a high-level assessment of the affordability of the short-listed options and possible funding sources – *we have already provided information about the socio-economic status of the*

*Westport community. Details about our proposed co-investment / cost sharing arrangements are summarised at the end of each part of our proposal.*

The conclusion part of our proposal provides a summary spreadsheet displaying how we have satisfied the above guidelines.<sup>41</sup>

## Critical success factors

Our proposal is underpinned by a set of strategic settings that the Steering Group agreed early in the preparation of our Business Case.<sup>42</sup> They include the project's Critical Success Factors. The settings also incorporate the following objectives, against which all options were assessed:

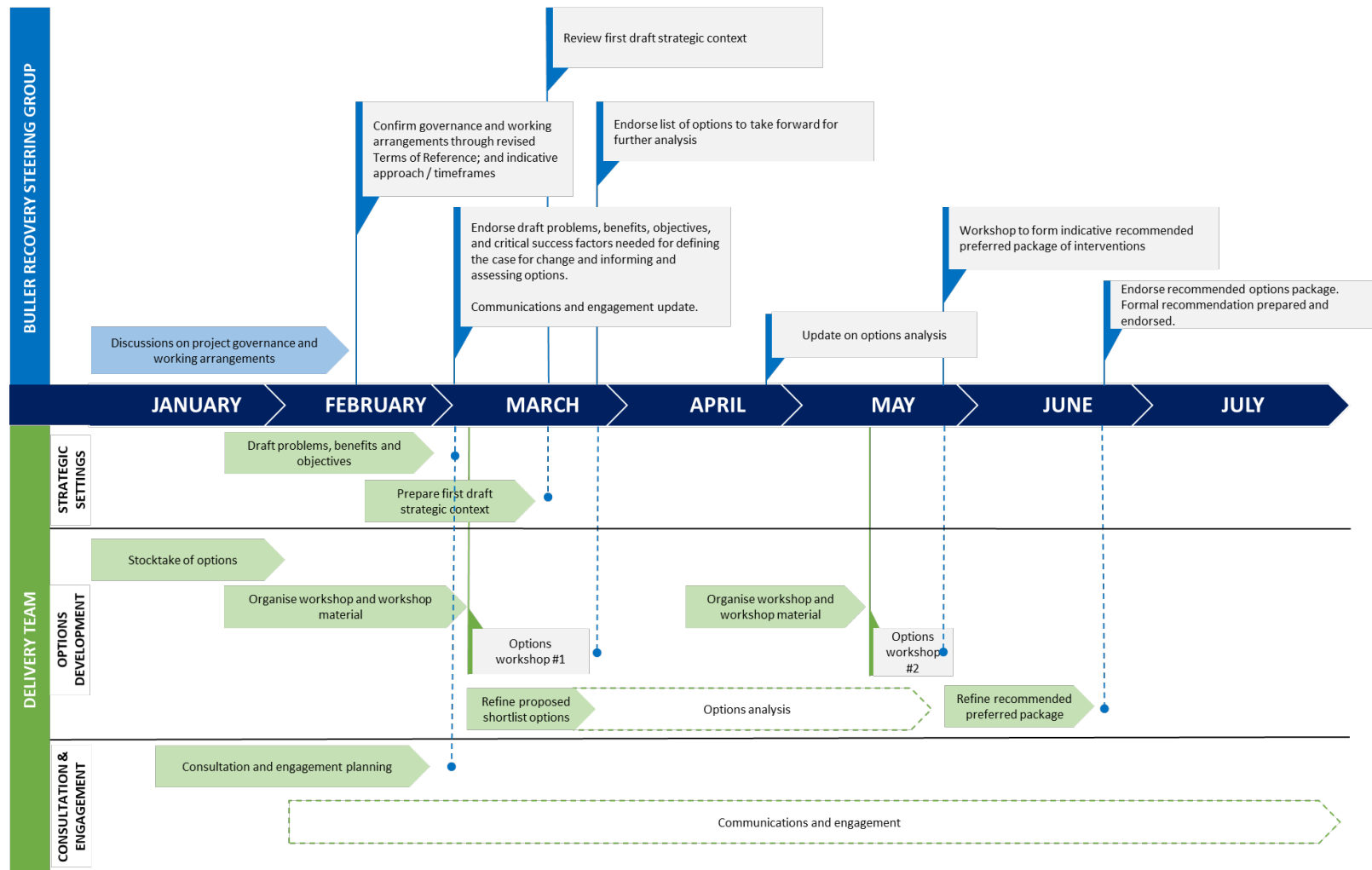
- Reduce the risk of flooding from severe weather events on the Westport community, recognising and providing for the likely impacts of climate change.
- Avoid increasing or transferring flood risk to other areas within the Buller catchment or wider region.
- Improve the ability of the Westport community to prepare for, continue functioning during and after, and recover quickly from flooding events.
- Minimise the long-term financial burden of flood mitigation and protection on the Buller community.

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<sup>41</sup> Appendix Four provides a summary of the page location within which we address each element of the BBC.

<sup>42</sup> We list these in the later 'protect' part of our proposal.

Figure 10 - Work programme

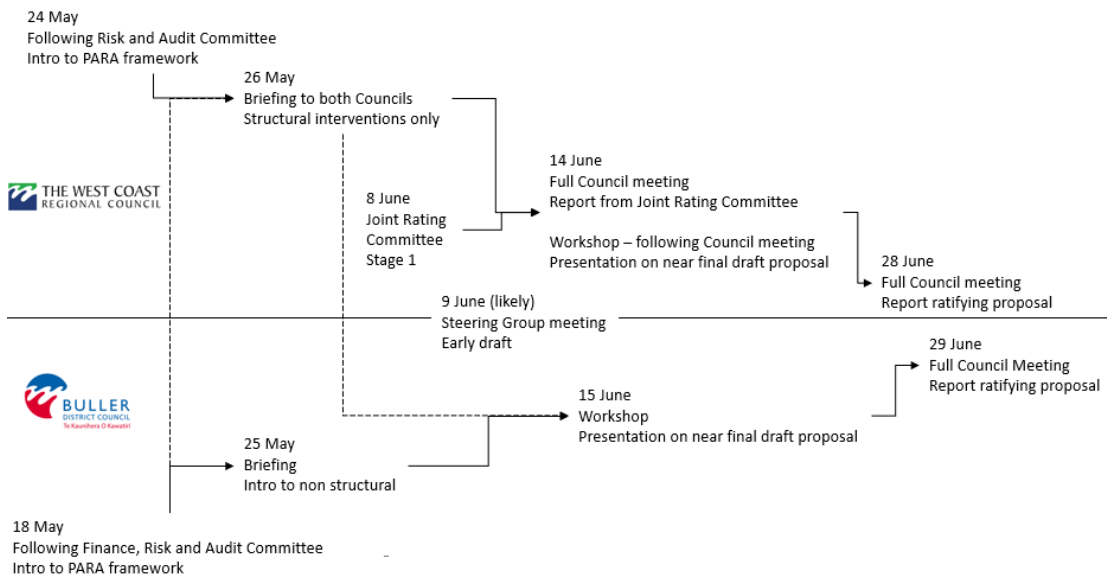


## Communication

One of the key challenges with central and local collaboration is the synchronisation of respective democratic processes. The team carefully designed the process below to ensure integration between the Steering Group, Councils and Ngāti Waewae, to give the best chance of success.

One of our key challenges has been the synchronisation of communication around this process. No decisions have yet been taken. No decisions can be taken until funding is approved or otherwise. Nevertheless, a level of detail is required in order to provide robust costing and to demonstrate value for money. There is naturally a high level of interest in this detail. We could not in good conscience undertake decision making around the proposal in secret. At any rate, we do not consider that there is any reason under the Local Government and Official Information and Meetings Act for us to withhold information about this proposal. We have all fully engaged in this process (Figure 11).

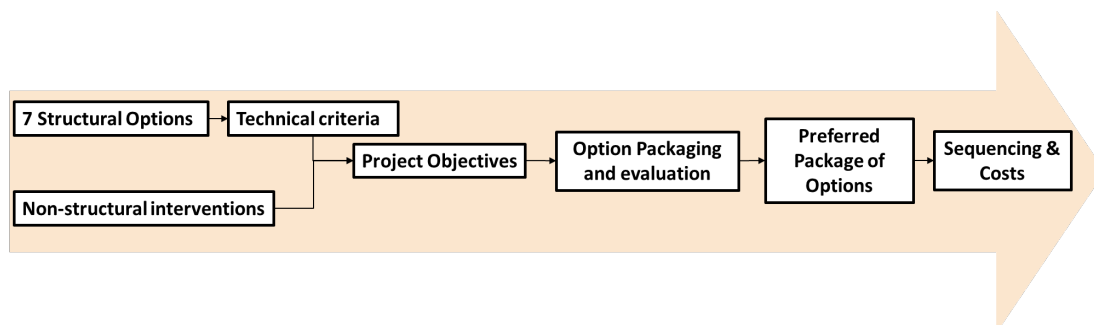
*Figure 11 - Local Government democratic process*



The engine room for developing the detail of our proposal is the process below. We co-opted the input of a wide range of stakeholders to develop a long list of interventions to grow Westport's flood resilience. Some of these were hard structures, others were non-structural interventions. We put these options through a series of technical and strategic evaluation criteria to distil the options down to the package presented in this proposal. This was a complex undertaking that did not sit comfortably within a traditional multi-criteria evaluation framework.

## Process Overview

Figure 12 - Process Overview



We knew we would need both rigour and integrity around this process. We allocated senior internal resources from both Councils, and we engaged experts to provide technical inputs. This included:

- Establishment of a Technical Advisory Group (TAG) of senior experts to provide guidance around the structural options. The work of the TAG drew on the Westport 2100<sup>43</sup> work previously completed, and other local knowledge.
- Enlistment of two TAG members, Gary Williams from G & E Williams Consultants and Matthew Gardner from Land River Sea Consulting Ltd<sup>44</sup>, to provide wider advice to decisions makers and, in the case of Matthew, to provide scientific advice to the wider public.
- Infometrics<sup>5</sup> provided high level economic analysis.
- WCRC and NIWA rainfall and river flow monitoring data.
- NIWA provided some detailed loss modelling using the RiskScape model.
- Poutini Environmental provided guidance around local Mana Whenua concerns and aspirations.
- Tonkin Taylor provided some technical advice and frameworks for the options evaluation.
- Government departments were very forthcoming with advice and assistance, in particular MBIE, DIA, NEMA and Waka Kotahi.
- Landmark Lile Ltd provided a report on the consent-ability of structural options.<sup>45</sup>
- A report was prepared by HenleyHutchings on the 'strategic fit' between the scheme options and national, regional, and local policy and contextual matters.<sup>46</sup>

## Planning Principles

We realised early on that there is no silver bullet for Westport. We have therefore been working hard on expectations to make sure key stakeholders and the wider public are aware of this. In addition, there are some obvious constraints, dependencies and tasks that need to be carried out. In this regard, we have used the following principles to guide expectations:

- *We cannot protect every single bit of Westport.* It is simply not feasible or affordable.
- *It is unlikely that we will be able to build our way out of this forever.* While it makes sense in the short term to build some embankments and structural defences, in the long term the reality is that we are unlikely to be able to afford or will want to do this forever – a range of adaptation options will be necessary.
- *We can't eliminate all the risk.* In agreeing on the structural solutions, we need to be very clear that embankments and other structural defences won't 'solve the problem'. Far from it – and no

<sup>43</sup> Among other things, the Westport 2100 Group recommended formation of the Westport Rating District Joint Committee and the development of the flood protection scheme detailed in the WCRC Long-Term Plan 2021-31.

<sup>44</sup> This modelling covered the effects of different flood frequency / magnitude scenarios and the flow management opportunities arising from more than seven different flood risk mitigation options. The modelling also considered the effects of a full range of future climate change scenarios.

<sup>45</sup> Advice was provided by Landmark Lile Limited, Resource Management Consultancy, Nelson.

<sup>46</sup> 'Strategic Fit' HenleyHutchings, June 2022



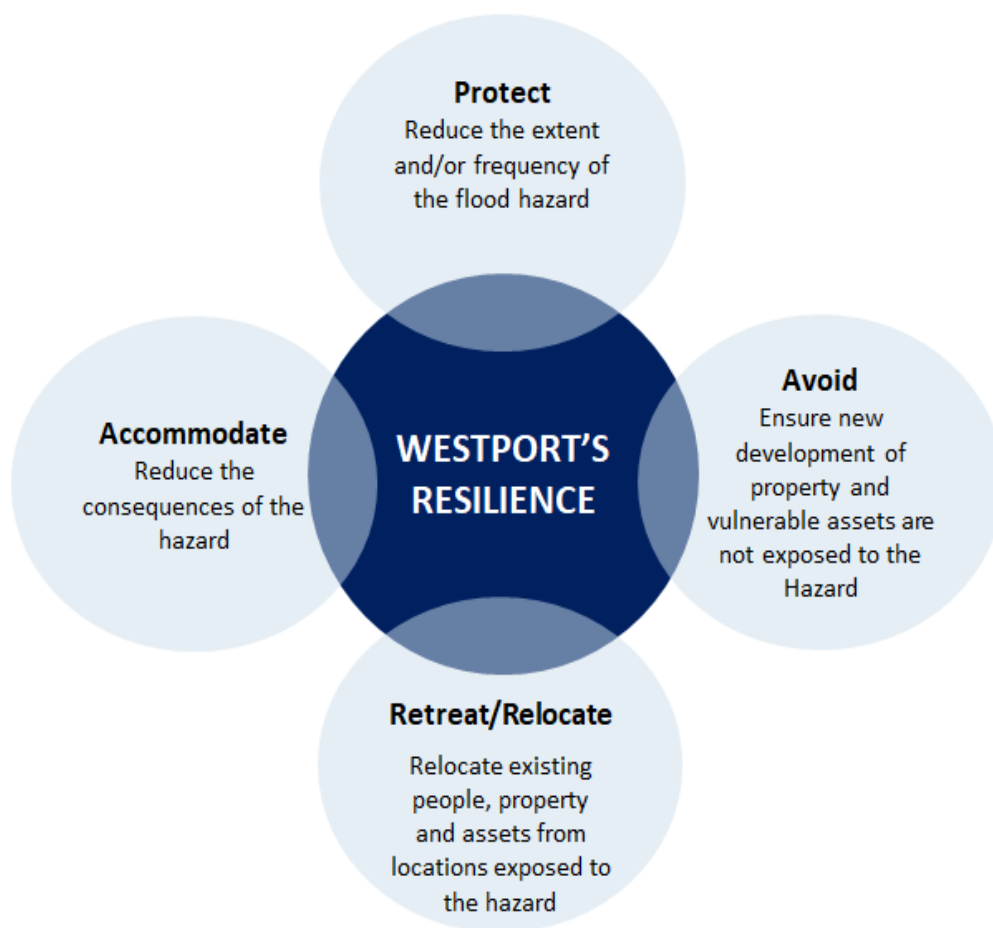
engineer will ever give a guarantee that the structures won't be overtopped – especially with more climate related weather events now certain.

- *We don't have to do everything tomorrow.* Proposed measures to avoid, retreat, and accommodate Westport flood risks will be delivered in an ordered sequence – some in the short term; some over the next 25-50 years.

# Our Proposal – The PARA Model

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We have embraced the PARA model for our proposal.



The model is adopted from overseas and has been utilised by both NEMA, DIA and the Ministry for the Environment. It is commonly used for managing sea level rise and flood risk to communities. The model appealed to us because:

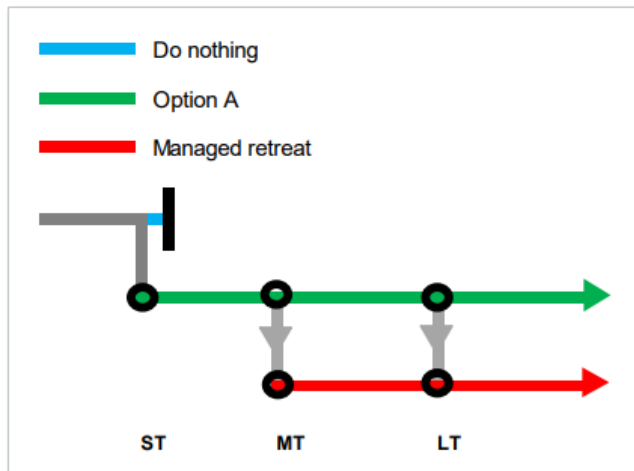
- This is a logical and robust way of categorising the complex range of tasks that are required to manage climate related issues. It broadly aligns with the four Rs of CDEM<sup>47</sup>. It reflects the application of what we see as a necessary 'multi-tool' approach.
- It shows how resilience is not the domain of a single organisation. One of the challenges with achieving true resilience is the need to integrate across organisational boundaries and to find compromise.
- There is a range of co-benefits available from investing in resilience. The model provides for this to be brought into relief.
- Not everything has to happen at the same time. Often there is a temptation to 'solve' the problem by making all the decisions today. In fact, there is a range of short (ST), medium (MT)

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<sup>47</sup> Reduction, Readiness, Response, Recovery.

and long-term (LT) options available (Figure 13). Some decisions can be deferred until further knowledge is available. Adaptive pathways should be applied. This is covered in more depth later in the proposal.

Figure 13 - Adaptive Pathways (Source: Infometrics)



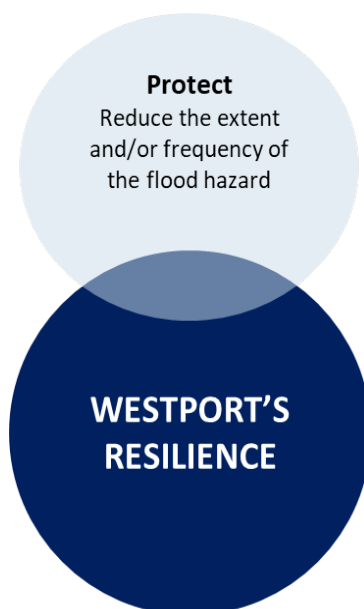
PARA highlights the interdependence between various decisions and helps decision makers to ensure an integrated package of initiatives is applied. It shows that decisions taken today must not prevent future decision makers from making their own sensible decisions. We have thought about our mokopuna and future generations as we have developed this proposal. Each facet of PARA, and its related flood resilience proposals, is described in detail in the following sections of our proposal.

# Protect

*Reduce the extent and/or frequency of the flood hazard*

# Protect

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## Approach

The focus of this part of our Business Case is on proposed Westport structural and nature-based flood risk mitigation measures.

The WCRC has investigated flood mitigation scheme options since the mid-2010s. The first significant step toward a solution took place in 2014. A Buller Working Group was formed as a joint working committee of BDC and WCRC. The Group consulted with the community and investigated a wide range of potential mitigation options. This included considering the options of clearing the Orowaiti overflow and dredging the Buller and Orowaiti Rivers. External experts provided advice to the Group.

In 2017, the Group put forward five flood risk mitigation options to the community. These options included the ring-bank options described in the WCRC 2021-31 Long Term Plan (LTP), as well as a cut to the sea at the Orowaiti River mouth.<sup>48</sup>

The next significant step was formation of the Westport 2100 Working Group (2018). The recommendations of this Group were forwarded to WCRC and BDC in September 2019. With this background work in mind, the draft 2021-31 WCRC Long-term Plan (LTP) included two choices for flood risk mitigation:

- Development of partial stopbanks and a flood wall scheme at an estimated cost of \$3.4m or;
- Development of an extensive stopbank and flood wall scheme at an estimated cost of \$10.2m.<sup>49</sup>

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<sup>48</sup>There was no clear pathway forward identified through this consultation.

<sup>49</sup> These were preliminary estimates based on limited pricing information, without contingency factored in. Construction price index and the inflation occurring since these costs were first estimated has caused these base costs to increase, along with more rigorous modelling and engineering analysis.

The majority (71%) of those who submitted on the draft LTP supported the \$10.2m choice.<sup>50</sup> This decision was subject to further investigation of adverse effects.

Following the floods in July 2021, the Minister and senior officials from DIA requested us to consider the following aspects of the structural (or protect) elements:

- Contributions that may be made by WCRC and BDC.
- Scale and nature of Central Government support.
- Robust costing processes.
- Effects of climate change.
- Value-for-money.
- Steps / stages for moving forward.

With these matters in mind, a Technical Advisory Group (TAG) was established by WCRC (December 2021). The role of the TAG was to satisfy the matters raised by the Minister / DIA and identify preferred flood risk mitigation structural and nature-based options.

Seven options (and permutations of these options) were considered by the TAG. The TAG also considered the influence of climate change scenarios on the options.

The work of the TAG was informed by the external advice identified under the *Process Overview* section of this report (p30). This advice was augmented by further detailed modelling carried out by Land River Sea Consulting Ltd<sup>51</sup>, and flood risk mitigation, design and costing advice provided by G & E Williams Consultants. This work was indispensable, and Matthew Gardner and Gary Williams are to be commended for the quality and integrity of the advice they have provided through this process.

The TAG was also influenced by the reports from NIWA and Infometrics which described the damage likely to be caused and the cost of avoiding that damage – as the basis for determining the likely benefit of proposed flood risk mitigation scheme options.

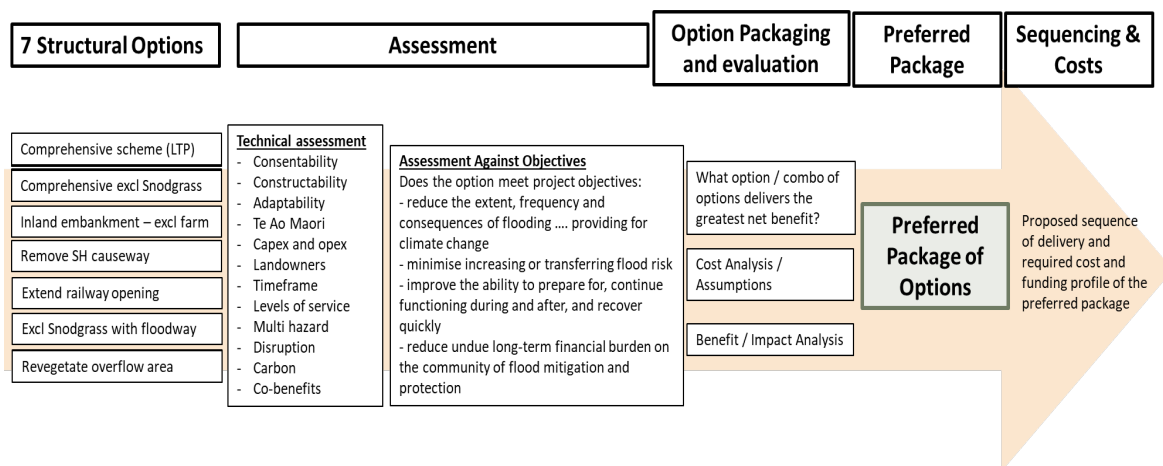
In order to meet its objective, the TAG followed the process outlined in Figure 14.

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<sup>50</sup> This percent is based on submissions from within the Westport Rating District.

<sup>51</sup> This modelling covered the effects of different flood frequency / magnitude scenarios and the flow management opportunities arising from more than seven different flood risk mitigation options. The modelling also considered the effects of a full range of future climate change scenarios.

Figure 14 - Process applied by the TAG



The TAG brought together the findings of all this work, together with other technical assessment criteria, as well as the objectives and critical success factors defined by the Steering Group. This enabled TAG to recommend a preferred package of structural and nature-based measures (as outlined shortly) to mitigate the effects of Westport flood risks. The TAG's recommendations were then considered by the Westport Rating District Joint Committee, the Buller Recovery Steering Group, WCRC and BDC.

## Options

The seven core structural options, and permutations of these options, were as below:

### OPTION 1 — Comprehensive scheme (as described in the WCRC 2021-31 LTP, \$10.2m scheme)

Extensive ring-bank<sup>52</sup>, including Carters Beach and the Snodgrass area.

### OPTION 2 — Comprehensive scheme – but excluding the Snodgrass area

Extensive ring-bank, including Carters Beach, but excluding the Snodgrass area.

### OPTION 3 — Inland Embankment - excluding southern farmland

Reduced area of ring-bank by excluding the southern area of farmland but including the Carters Beach and Snodgrass area.

<sup>52</sup> Ring-bank means the entire ring of protection around Westport. Embankment refers to an individual earthen component of the overall scheme. Walls refers to the proposed wood and earth structures (single and double) to be used mostly in the urban parts of Westport. Together all structural elements are referred to as the Westport Flood Risk Mitigation Scheme. NB we prefer to not use the term 'protect' because it creates a false sense of absolute security from flood risks.

#### **OPTION 3A – Further shortening the inland length of ring-bank around Westport**

Further limit to the length of the inland extent of the ring-bank around Westport so that it more closely abuts existing urban areas.

#### **OPTION 4 – Remove State Highway causeway**

Extensive ring-bank, including Carters Beach and Snodgrass area, with removal of the State Highway causeway, near the bridge crossing of the Orowaiti Estuary.

#### **OPTION 5 – Extend Railway opening**

Extensive ring-bank, including Carters Beach and Snodgrass area, with an extended opening (100 m) in the Railway embankment at Stephen Rd.

#### **OPTION 6 – Exclude Snodgrass with floodway**

Extensive ring-bank, including Carters Beach, excluding the Snodgrass area but including a Snodgrass floodway.

#### **OPTION 7 – Revegetate overflow area near Organs Island**

Extensive ring-bank, including Carters Beach and the Snodgrass area, with revegetation of the Organ's Island overflow area.



*Figure 15 – Temporary stopbank at Snodgrass Road*



## Modelling

The above options were modelled for the estimated 20, 50 and 100-year flood flows, based on the historical record of the height and extent of the effect of these flows. They were also modelled for the estimated flows and sea level changes expected for the climate change scenarios of RCP6 and RCP8.5. In addition, this modelling took account of the different flood risks posed by the Buller / Orowaiti rivers and the effects of embankment alignment and revegetation changes on the flood flow split (the 'hydraulic effect') between the Buller main channel and the Orowaiti overflow.

## Technical assessment

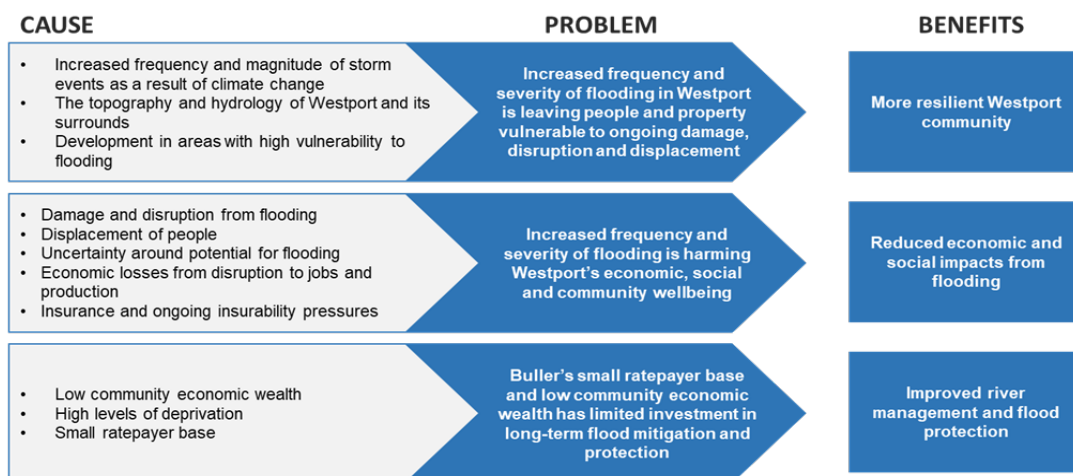
Each option was modelled extensively, and then tested against a set of technical assessment criteria.<sup>53</sup> This assessment was assisted by two site visits, numerous TAG meetings, and the consideration of the expert input reports. The core technical assessment criteria considered included:

- **Consent-ability:** Environmental effects and the ability to obtain resource consents.
- **Constructability:** Design practicality and suitability for site specific conditions.
- **Adaptability:** Capacity for adjustment to cater for future changes to climate-change-induced flood frequency or magnitude.
- **Te Ao Māori:** Compatibility with te mana o te wai and Māori world view.
- **Landownership:** Property status and likely landowner willingness to accommodate.
- **Timeframe:** Staging and total length of time for construction.
- **Levels of service:** Magnitude and frequency of flood flow / sea level rise able to be mitigated.
- **Multi-hazard:** Capacity to address non-flood hazards such as liquefaction and earthquakes etc.
- **Disruption:** Degree to which construction and operation may disrupt usual functioning of economy and community.
- **Co-benefits:** Ability to provide additional community, amenity, and ecological gains.

## Assessment Against Project Objectives

Following technical assessment, options were evaluated against the objectives of this proposal, the challenge to be resolved (Figure 16) and the critical success factors as determined by the Buller Recovery Steering Group:

Figure 16 - Challenge to be resolved (as defined by the Buller Recovery Steering Group)



<sup>53</sup> These technical assessment criteria were defined with the assistance of DIA.

The critical success factors that are essential for the successful delivery of this project include:

- **Strategic fit:** How well the option meets agreed objectives and service needs, how well the option aligns with WCRC and BDC strategies and plans and how well the proposals align with wider national and governmental objectives or directions.
- **Value for money:** How well the option maximises the return on investment (benefits over costs).
- **Capacity and capability to deliver:** How well the option matches the ability of agencies and service providers to deliver it and how well the option appeals to suppliers.
- **Affordability:** How well the option meets likely availability of funding and how well it matches other funding constraints.
- **Achievability:** How well the option is likely to be delivered in the current environment and how well the option matches the level of skills required for successful delivery.

## Service levels

We have agreed the Westport flood risk protection scheme should have a service level<sup>54</sup> expectation sufficient to protect Westport from flows arising from flood events occurring up to a 100-year ARI / RCP6<sup>55</sup> future climate scenario.

The costs and benefits of applying just a 1:100 level 'historic climate regime' level of service to the lower Orowaiti part of the scheme were carefully considered. Our early thinking saw the benefits of applying this level of service to this part of the ring-bank to be:

- Less dangerous nature of flooding from the Orowaiti river and estuary compared to the Buller River.
- Reduced cost compared to the complete 'ring-bank' RCP6 flood mitigation option.
- A general desire to not extend flood mitigation structures into the estuary, and thereby associated reduced environmental impacts and reduced consent-ability challenges.<sup>56</sup>
- Comparatively constrained footprint available for construction at this location.
- Increased impacts on local amenity values due to an average height increase of the stopbanks / walls by 0.6m adjacent to the estuary.
- Availability of the longer-term option of upgrading the proposed structure to a higher standard if that is desired.

The decision to support the RCP6 level of service across the full length of the ring-bank was a 'line call'. Despite the additional cost of construction (an extra \$1.5m), constructability challenges and despite the additional 0.6m+ height, the RCP6 *climate change aware* option is our preferred choice. In addition, a key benefit is the cost of avoided damages to Westport buildings. By applying the higher level of service at all locations, this will be close to \$400m compared to \$200m for the 1:100 historic regime level of protection.<sup>57</sup>

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<sup>54</sup> 'Service level' means the flood mitigation expectations to be provided by the embankment structures.

<sup>55</sup> 'ARI': Annual Return Interval. 'RCP' – Representative Concentration Pathway' with RCP6 representing one potential 'middle of the range of probability' future scenarios for climate change (NB this scenario is based on an expectation of greenhouse gas concentrations increasing for a time and then stabilising).

<sup>56</sup> Advice to this effect was provided to the TAG by Landmark Lile Limited, Resource Management Consultancy, Nelson.

<sup>57</sup> NIWA Riskscape report, May 2022.

## Preferred Option

In summary terms, our favoured Westport flood protection scheme is as follows:

1. Rock lining repair works for bank protection near O'Connor Home (two sections) and Organs Island.
2. A combination of concrete wall, single board walls and double earth filled walls, with the use of each being selected to best suit site specific circumstances.
3. Embankments and walls with alignment, heights, and other design parameters to reflect the results of modelling and hydrological effectiveness research carried out by Land River Sea Consulting Ltd, and design considerations put forward by G & E Williams Consultants.
4. Extension of the flood risk mitigation at Carters Beach to the east to include houses along Schadick Avenue and to provide additional flood risk resilience to additional houses and the critical lifeline utility services provided by the airport.<sup>58</sup>
5. Revegetation of a relic Buller River meander near Organs Island.

Details about our favoured Westport flood risk mitigation scheme follow.

## Westport Ring-Bank Options

We initially considered three 'ring-bank'<sup>59</sup> wall and embankment options<sup>60</sup> for the inland area surrounding the urban part of Westport. The first ring-bank alignment was that as notified as part of the WCRC LTP. This is the yellow line on Figure 17. The second was shorter than the LTP option but still extended inland to encompass rural land (Option A).<sup>61</sup> The third option was closer to existing urban development (Option B on Figure 17). Options A and B provided the same level of service and had roughly the same hydraulic / flow management benefits.<sup>62</sup>

We reviewed the option discussed in the LTP reasonably early on and found that it was comparatively more expensive, and it diverted significant additional flow volume down the Orowaiti in a 100-year ARI / RCP6 event and therefore adversely impacted downstream landowners. It also provided protection to a relatively large area of farming as opposed to the desired focus on areas of urban development. For these reasons we did not proceed with the LTP option, which we also note, had not previously been subject to rigorous engineering analysis.

Options A and B have pros and cons:

- **Cost differences** – Option B is \$1.5m cheaper than Option A because it is about 1.5km shorter. It therefore has higher cost-benefits.
- **The number of road, stream and drain crossings** – Option B reduces the number of stormwater and other 'interface' structures required at their junction with the proposed embankment. It will also reduce the net volume of rural-sourced stormwater to be managed within the embankment structure.
- **Managing the extent of urban intensification within the protected area** – Option B provides a reduced area within which urban intensification could be incentivised'.<sup>63</sup>
- **Rural residential** – Option B provides flood risk mitigation to 15 fewer dwellings and implement sheds and four fewer landowners than Option A.

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<sup>58</sup> The 244 properties at Carters Beach have a net capital value of about \$81m (information supplied by J. Bell WCRC). The Carters Beach flood mitigation structures are estimated to cost \$1.7m for the section immediately around the beach and \$2.25m for the length extending past the Westport Airport (information supplied by G & E Williams Consulting Ltd – both at RCP6). This information suggests the cost benefit of investment at this location is attractive.

<sup>59</sup> Ring-bank is a generic term used to describe the structure proposed for around the town of Westport.

<sup>60</sup> Both options will provide the same service level.

<sup>61</sup> This is referred to as option B in Figure 16.

<sup>62</sup> Not as much work was undertaken on the alignment and on the hydraulic characteristics of Option B compared to the other two options.

<sup>63</sup> Having a flood protection structure may create a possible 'misplaced sense of protection' from flood risks.



- **Affected landowners** - Option B may cause minor raised floodwater levels above floor levels for some upstream rural landowners.

While both options A and B are live, and require further analysis, in our view option B is marginally cheaper and better aligned with the overall intent of this proposal. It also aligns with the aspirations recorded in the following sections of our Business Case, where intensification within the ring embankment is discouraged. We therefore recommend proceeding with Option B.

Figure 17 - Showing LTP alignment, Option A and preferred Option B alignment

## BULLER RIVER — WESTPORT FLOODING

BUSINESS CASE

STRUCTURAL MEASURES



## Buller Riverbank erosion protection

The main risk of breach of the Westport and Carters Beach ring-banks would likely be lateral erosion of the riverbanks by floodwaters in the Buller River channel. While Carters is less at risk, as it is behind the large wetland and subject to less erosion pressure, managing the Buller River is, in the long-term, the most challenging flood risk task we face. Re-instating / strengthening this protection is the most critical / urgent part of Westport's flood risk mitigation at the moment.

We estimated the cost of bank protection work to fix the breaching and displacement of rock in the bank lining at Organs Island during the July 2021 flood event, to be \$1.7m. Bank erosion work at O'Connor Home will cost \$0.92m. A second stage of additional work at O'Connor Home will cost a further \$0.68m for a total of \$3.3m to bring the protection back to a pre-flood level.

The extent of the above-mentioned works is known – it is future bank protection repair works that are more uncertain. We know there may be other old bank rock protection works that are covered by vegetation. These could fail in future flood events. Protection at these sites will be required if the current Buller River alignment is to be maintained. If this protection does not occur there is a risk that lateral bank erosion would undermine the Westport ring-bank.

Importantly, a longer-term Buller Riverbank protection renewal programme is now required. The initial assessment of our experts is that this would cost at least \$300,000 per annum. For a ten-year period, this would be \$3.0m. Our request to Central Government is that all the costs of the next ten years of Buller Riverbank protection – including the \$3.3m of immediate works, be met by Central Government for a total of \$6.3m.<sup>64</sup>

## Revegetation of a relic Buller River meander near Organs Island

The area of land on the true right of the Buller River near Organs Island includes a 'relic' channel of the Buller River.<sup>65</sup> We propose this area be revegetated as a wide area of indigenous riparian forest.<sup>66</sup> This would be established over three phases of five years each (Figure 18). When revegetated, this area would provide flood protection by acting as a filter and moderator of flood overflows down the Orowaiti River.

An important river management benefit of this proposal is that, as this vegetation is established, the hard control of the Buller River rock lining could be relaxed. The river would be given more space to move in a natural way, prior to its entry into the sharp bend downstream at the valley-side bluff. This revegetation will also generate co-benefits for indigenous flora and fauna and carbon sequestration.

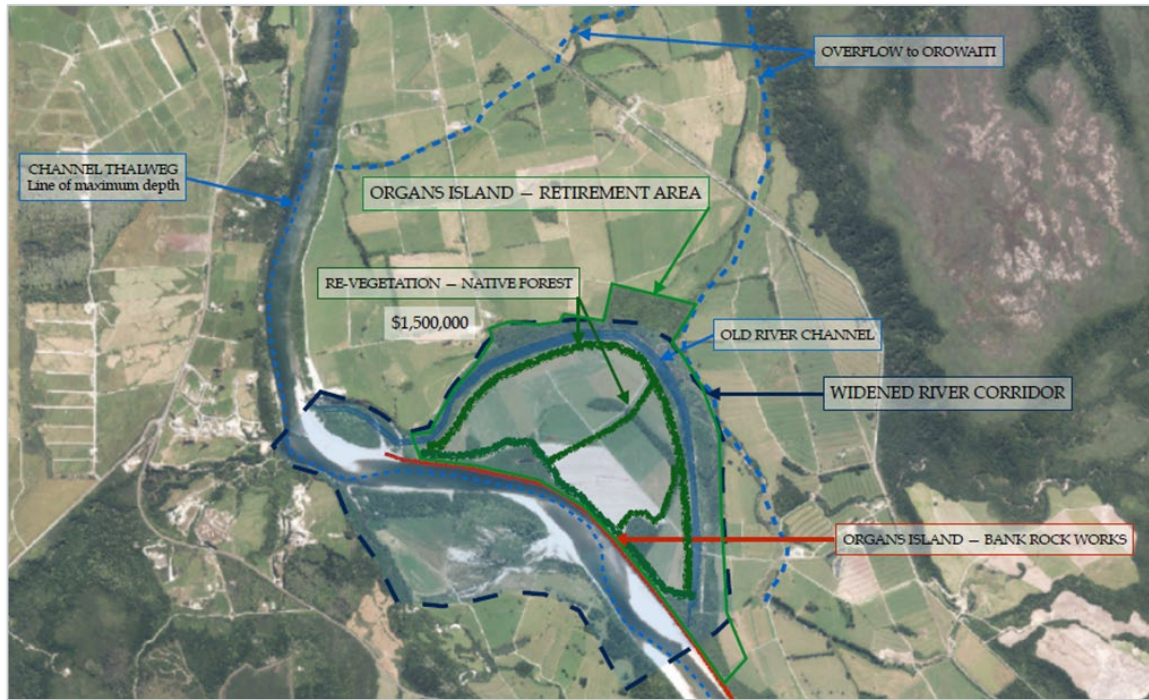
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<sup>64</sup> We address the cost of maintaining the Westport ring-bank and Carter's Beach embankment later in this report.

<sup>65</sup> This land is currently administered by LINZ and leased for grazing. The lease comes up for renewal in June 2022. WCRC is liaising with LINZ. This is a relic Buller River Meander area.

<sup>66</sup> See Figure 14 in the attachment prepared by G & E Williams Consulting Ltd.

Figure 18 - Revegetation at Organs Island



## Re-alignment of Abattoir Creek

The current alignment and grade of Abattoir Creek contributes to the unwanted re-direction of flood and storm water flows toward urban areas of Westport. We propose to re-grade the bed of Abattoir Creek to enable more flow to be diverted away from this 'at risk' area of urban development.

## Flood risk mitigation options not favoured

Details about the risk mitigation options not favoured by the TAG – and the reasons why these were not favoured, are provided in Appendix five. These not favoured options included:

- Dredging of the Buller River.
- Direct cut to the sea from the Orowaiti estuary.
- Flood risk mitigation structures at the Snodgrass peninsula.
- Excavating a causeway on the Snodgrass peninsula.
- Constructing culverts at the railway embankment at Stephen Road.
- Constructing culverts on the embankment adjacent to the Orowaiti State Highway Bridge

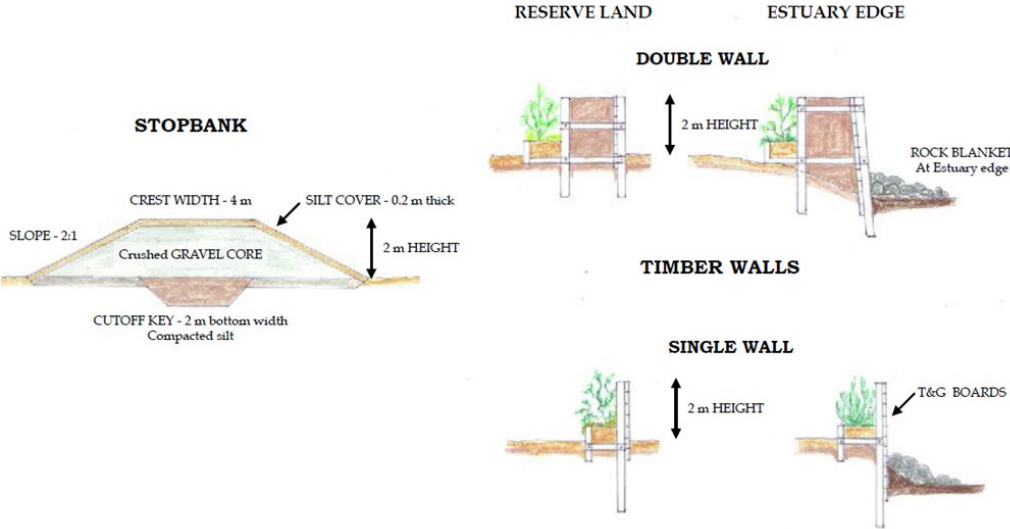
## Design, construction. and maintenance

We commissioned a report<sup>67</sup> covering general concept designs for the Westport flood risk mitigation embankment and wall construction. The sketches below (Figure 19) show the likely appearance and proposed location (Figure 20) of the concrete, single board-wall, and double earth-filled walls. Additional information about the constructability of the proposed scheme, its physical and carbon footprint,

<sup>67</sup> G & E Williams Consulting Ltd

maintenance, structural failure implications, and the adaptability of the proposed structures<sup>68</sup>, were also addressed in the report.

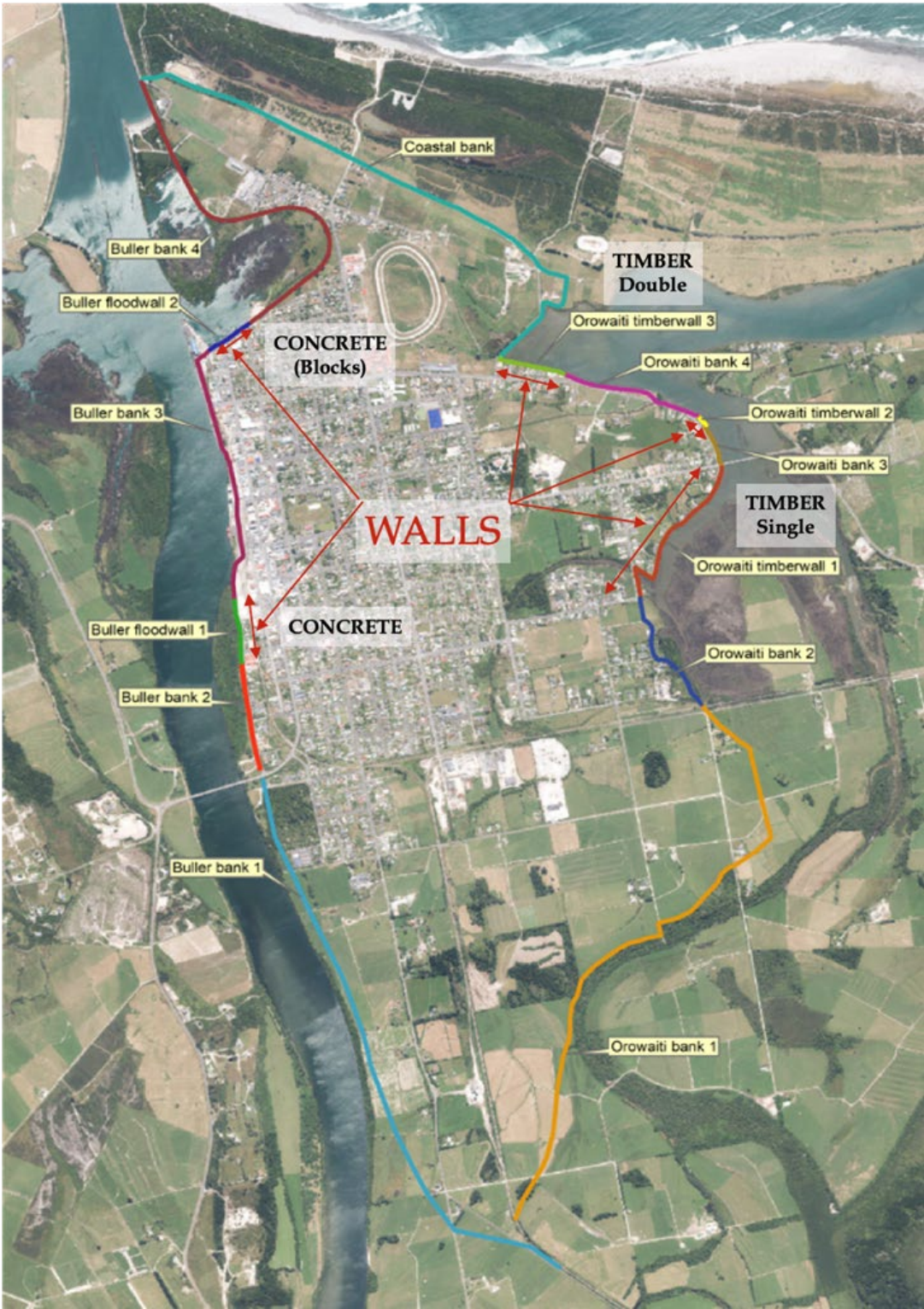
Figure 19 - Design of preferred embankment structures



<sup>68</sup> To accommodate more resilience against future climate change scenarios



Figure 20 - Location of different structural options (NB this alignment is for Option A)



## Resource consent, environment, and property

### Resource consents and environment effects

We sought advice from the TTPP office, the TAG and external experts<sup>69</sup> about resource consent and environmental matters. Key issues and potential mitigations identified within this advice included:

- Under the current Buller District Plan the scheme would be a permitted activity.
- Under the WCRC's Regional Land and Water Plan, earthworks and vegetation removal in the riparian area is a restricted discretionary activity. In other areas, earthworks are a controlled activity. With appropriate offsets and careful management, consent should be grantable.
- Under the Regional Coastal Plan, any activity falling within the Coastal Marine Area is a discretionary activity. In all but two small areas, the proposed embankment is likely to avoid the Coastal Marine Area. The toe of the proposed embankment provides an opportunity to plant reeds and other vegetation suited to extending the area available for inanga spawning.
- An area defined as a 'regionally significant wetland' is located near the proposed embankment at Carters Beach. Activities within 100 metres of this wetland are non-complying. Refined alignment of the embankment at this location will reduce the effect and risk of encroaching on this protected wetland.
- Several properties on the true left bank of the Buller River may be 'affected' by flood level increases because of the embankment. These 'effects' require consideration of the length and height of the Buller River embankment located on the true right of the Buller River, as a discretionary activity. The agreement of affected property owners at this location will need to be sought – with appropriate amelioration before works are undertaken.
- Some minor earthwork areas may have contaminated soil. Careful site management should be applied at these locations.

In summary, the advice provided to us on resource consent and environmental matters suggests that, with careful site management practices, additional design refinements and strong consultative processes, there is a low risk of our preferred proposal not receiving resource consent.

In addition to the above resource consent matters we note:

- Preliminary discussions have taken place with Waka Kotahi about the effects of the embankment on peak flood flows on State Highway bridges. As part of their future asset management planning, we have encouraged Waka Kotahi to give a higher priority to the works required to increase the clearance height at the Buller River State Highway bridge.
- Embankment design and construction between the Toki and State Highway bridges will need to be integrated with the design and construction of the proposed enhancements to the Westport cycleway. Similarly, further discussions will be required with Westport Harbour operators and users to ensure the embankment is well integrated into other proposals for this area.
- As noted elsewhere in this report, amenity considerations have been considered as part of the process of selecting the alignment, height, and construction (concrete, single wall, or double wall) of the proposed embankment. At some locations, it is intended to include viewing platforms and other measures to enhance appreciation of the Orowaiti Estuary and Buller River.
- Protection of the lifeline utility value of the airport is a consideration for the extension of the Carters embankment to the Buller River. There is a proposal at some stage to relocate the airport to higher ground. The airport is jointly owned by the BDC and the Ministry of Transport. When detailed planning occurs, we will be aligning the investment in the Carters embankment with the plans for the airport.

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<sup>69</sup> Landmark Lile Ltd



## Property

The total length of the proposed Westport flood risk mitigation embankment and walls (Option B) is approximately 18 km. Around 50% of this is on public / reserve land, 44% is on private property and 6% is on KiwiRail property (Figure 21).

Most of the private property length of the embankment traverses six farms. In addition, up to 12 lifestyle blocks may be affected. The relatively small remaining length of the embankment will affect 7 properties which are primarily used for residential purposes. A further 15-20 properties will have the embankment or walls on reserve land adjacent to their properties.

*Figure 21 - Location and ownership of affected properties*



We acknowledge the agreement of all parties affected by the proposed structures will be required before construction can commence. This agreement will need to be formally recorded for resource consent, asset management, occupation, and access purposes.

The consultation challenge we currently face, is that the flood risk mitigation scheme can only be viewed as a proposal. This status will prevail until such time as funding is secured. Westport flood risk mitigation options will then move from a scheme proposal to become a scheme project. An active consultation process will be undertaken with both directly and indirectly affected parties as soon as the project and its funding are confirmed.

The significance of the project is such that the special consultative procedures defined in the Local Government Act 2002 will be triggered. This requires formal processes to be applied by the WCRRC before

the project proper commences. In the shorter term, we intend to provide appropriate information to both the community and directly and indirectly affected property owners. This will include those located at Snodgrass, those located immediately inland of the Westport ring-bank and those affected parties located on the true left of the Buller River.

## Estimated costs

### Overview of scheme costs

Table 2 displays the cost of the various ring-bank scheme sections and the reafforestation proposal. Of importance, we note:

- The uncertainty currently troubling all capital works and supply chains in New Zealand, and for Local Government especially.
- Costs have been estimated on a contract schedule basis, with a preliminary estimate of unit costs and volumes, not as an engineer's estimate for tendering purposes.
- Costs include a percentage for engineering fees.
- Consent and other approval costs are not included.
- Costs for the Buller River rock works are based on a final design with a 10% contingencies allowance.

### Operational costs

Provision will need to be made for the cost of interest and maintenance of the flood risk mitigation structures. Excluding interest, these add between 1% to 3% per annum to the final cost of the structures.<sup>70</sup> Based on expert advice, we are recommending provision be made for \$350,000 per annum for the maintenance of the ring-banks at Westport and Carters Beach.<sup>71</sup>

Government co-investment to the tune of 75% is requested to assist Westport ratepayers to meet these costs. This would amount to \$262,500 pa. This is too big a cost burden for Westport ratepayers to meet given their deprivation status. We request Central Government provide for the first ten years of this expense (\$2.62m).<sup>72</sup>

### Process costs and contingency

Preliminary work has been undertaken to estimate the cost of community engagement, acquire resource consents, negotiate property agreements, and put in place WCRC and BDC project management. These costs may total \$1m. A further \$1m should be allowed as a contingency against unforeseen costs.

### Stormwater

The cost summary below includes \$0.5m for the cost of the use of flap-gates and improved culverts, to better control the interface between the proposed flood risk mitigation scheme and stormwater culverts and pipes.<sup>73</sup>

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<sup>70</sup> Less maintenance expenditure will be required early in the life of the proposed structures. More expenditure will be required as they age.

<sup>71</sup> As noted earlier in our report, an additional \$300,000 pa will be needed for operational expenditure to maintain Buller riverbank protection.

<sup>72</sup> We believe this is a preferable approach to waiting for the structures to deteriorate during a flood event and then claiming for 'recovery' expenses from NEMA at the current 60:40 rate.

<sup>73</sup> We provide additional information about other stormwater / groundwater concerns later in our report.

## Total cost of 'protect.'

The total cost of the 'protect' elements of flood risk mitigation is estimated to be approximately \$31m (Table 2).

Table 2 - Total cost of protection

SCHEME COMPONENTS	COST	CENTRAL GOVERNMENT CO-INVESTMENT
Westport ring-bank, Carters Beach, and Organs Island reforestation Option B (urban area inland alignment)	\$18,050,000	\$13,537,500
Organs Island reforestation (3 x five years @ \$500,000)	\$1,500,000	\$1,125,000
Immediate works on the Buller Riverbank	\$3,300,000	\$3,300,000
Operational expenditure over ten years on Buller Riverbank	\$3,000,000	\$3,000,000
Operational expenditure over ten years on Westport ring-bank and Carter's Beach	\$3,300,000	\$2,600,000
Resource consents, owner agreement, Council project management, final design etc.	\$1,000,000	\$750,000
Contingency	\$1,000,000	\$750,000
<b>Total cost @ Option B</b>	<b>\$31,150,000</b>	<b>\$25,062,500</b>

## Cost benefit

### NIWA Analysis

WCRC commissioned NIWA to apply the RiskScape model to analyse the direct damage of flooding effects on Westport arising from several climate change and flood magnitude scenarios.<sup>74</sup> NIWA's report concludes that under an ARI100 / RCP6 flooding scenario<sup>75</sup> approximately \$400m<sup>76</sup> of damages is estimated to occur to Westport buildings (the cost of the July 2021 flooding was estimated at \$88m). The work of NIWA thereby confirms significant cost benefits will arise from the investment of \$31m in the proposed Westport flood risk mitigation scheme.

Table 3 - Cost benefit

Model Scenario	Buildings: Sum of Building \$Loss (\$NZ)	Roads: Sum of Exposure Costs (\$NZ)	Rails: Sum of Exposure Costs (\$NZ)	Scenario Total (\$NZ)	Description of Flood Hazard Model Scenario
<b>Base_ARI100_RCP6 (status quo)</b>	404,927,949	\$77,426,220	113,254,863	<b>\$595,609,033</b>	Future Climate, 100-year ARI event (RCP6 2100) - no protection
<b>OpB_ARI100_RCP6 (preferred option)</b>	\$15,490,025	\$66,665,094	\$26,956,520	<b>\$109,111,640</b>	Future Climate, 100-year ARI event (RCP6 2100) assuming full

<sup>74</sup> 'Direct Damage Analysis for Scenario Flooding in Westport', NIWA, May 2022

<sup>75</sup> This is the scenario recommended and used by TAG to guide the design of its preferred flood risk mitigation scheme

<sup>76</sup> These damage curves are generic, and the damage estimates can be refined upon detailed design

## Infometrics Analysis

The work undertaken by NIWA was further confirmed in a report prepared for WCRC by Infometrics.<sup>77</sup> Infometrics applied a slightly different approach, but their results were similar to those generated by NIWA. With no flood risk mitigation structures, Infometrics calculate damages of \$264m if an ARI 100 flood was to occur in 2022. If an RCP6 climate change scenario is applied, then these damages would be \$488m by 2072 and \$596m in 100 years' time (Figure 22).

Figure 22 Residual loss with no flood risk mitigation protection

ARI	AEP	2022	2072	2122
		\$m	\$m	\$m
20	0.0488	50	74	84
50	0.0198	106	231	286
100	0.0010	264	488	596
200	0.0005	462	615	682

The Infometrics report concludes by stating...

*... (p4) the analysis in this report, although based on rather patchy data, clearly shows that (the) stopbank option recommended by the Technical Advisory Group...is highly cost effective...(p15)... the case for pursuing (this option)...could not be clearer.*

## Precedent

In the past, Central Government has applied a generous approach toward co-investing in flood risk mitigation at locations such as Westport:

- The 55 'Shovel Ready' flood risk mitigation projects funded<sup>78</sup> in 2021 by Central Government, as part of their Covid recovery programme, received a cost share of between 60% (for comparatively wealthy regions) and 75% (for less wealthy regions).
- The financial assistance rate (FAR) provided to BDC by Waka Kotahi for road projects is 72%.
- Prior to the early 1990s, the capital cost of substantial river management and flood protection schemes put in place by Catchment Boards was commonly supported at levels of 50% to 75% by Central Government.<sup>79 80 81</sup>
- The Te Uru Kahika<sup>82</sup> report calls for co-investment of up to 75% toward the cost of whole of catchment climate change adaptation approaches.

These precedents suggest there is more than adequate grounds for WCRC and BDC to seek a 25:75% co-investment with Central Government (75% from Central Government) to improve the resilience of the Westport community against flood risks. Normally, when the cost of mitigation or recovery exceeds the ability of a community to manage, Central Government provide assistance. Matata and Christchurch are examples of where this has occurred to varying degrees.

<sup>77</sup> 'Real Options Analysis of Strategies to Manage Risks to Westport from Climate Change', Infometrics, May 2022

<sup>78</sup> A total of \$217m of funding was provided toward 55 projects with a total cost of \$313m.

<sup>79</sup> The higher level was applied to less wealthy regions.

<sup>80</sup> The difficult financial period in the 1980's dealt a blow to this necessary investment.

<sup>81</sup> A review of documents from the time suggests this national support typically amounted to over \$114m per annum in today's dollars.

<sup>82</sup> Central Government Co-Investment in Flood Protection Schemes', Te Uru Kahika, January 2022

## Summary

Our favoured Westport flood risk mitigation scheme strongly satisfies the assessment criteria described previously. When all likely costs are factored in, the approximate cost of our preferred scheme is \$31m. Given the affordability challenge faced by Westport residents, the local ratepayer contribution towards this *protect* part of the challenge will be around \$6m

Table 4 - Satisfying the assessment criteria

ASSESSMENT CRITERIA	HOW THE SCHEME WILL SATISFY THE ASSESSMENT CRITERIA
<b>Reduce extent and frequency of flooding</b>	Flood risks associated with storms with a RCP6 / 1:100 magnitude and frequency will be strongly mitigated
<b>Reduce long term burden on the Westport community</b>	The anxiety and uncertainty currently felt by the residents of most of Westport toward flood risk will be significantly reduced. Furthermore, financial stress will be mitigated, relieving long term monetary concerns
<b>Sensitivity to Te Ao Māori</b>	Scheme reflects a balanced approach toward Te Ao Māori
<b>Integrated package</b>	‘Protect’ is a strong component but just one of the four PARA elements reflected in the multi-tool approach proposed for contributing to Westport’s resilience against flood risks. Nature-based solutions are an integrated part of the scheme
<b>Consider options</b>	Seven base options – with permutations and four climate change scenarios were considered
<b>Cost share / co-investment / affordability</b>	A 75% share from Central Government reflects the comparatively high level of deprivation experienced in the Westport community
<b>Robust costing process</b>	Well proven costing practices have been applied
<b>Value for money / cost benefit</b>	Two independent assessments have confirmed the overwhelming cost benefit of the proposal
<b>Staging / phases / timeframe for construction</b>	Works to protect the Buller Riverbank from further erosion are required immediately. Consultation, resource consent and project management matters for the ring-bank portion of the scheme will take 8-10 months. Construction will proceed in stages over a three-year period
<b>Providing for climate change</b>	Historic and RCP 4.5, 6.0 and 8.5 climate change scenarios have been applied to scheme option and cost assessment
<b>Providing for Westport’s hazard scape</b>	Coastal erosion / accretion, tectonic movement and liquefaction have been considered as part of scheme design
<b>Avoid transferring risk elsewhere</b>	Flood protection structures have not been supported at the Snodgrass area primarily because of the effect they would have on the increased height of flood water for a distance of up to 6kms.
<b>Consent-ability</b>	There is a high likelihood of all parts of the scheme receiving consent
<b>Environmental impacts</b>	Sensitive wetlands and the coastal marine area will be avoided in all but minor ways
<b>Constructability / capacity / capability / achievability</b>	Scheme design reflects the availability of local construction skills and materials. WCRC systems provide for reliable asset management
<b>Impacts on landowners</b>	Scheme design and community benefits are such that no out-of-the-ordinary problems are expected in securing landowner endorsement / consent

<b>Construction disruption</b>	Some disruption is expected but no more than would be usual for a construction project of this type
<b>Co-benefits</b>	Amenity and ecological benefits will accrue. Certainty about the future resilience of the Westport community and economy is a significant benefit

### The Ask

*In this section we are asking for...*

<b>COMPONENTS</b>	<b>COST</b>	<b>CENTRAL GOVERNMENT CO-INVESTMENT</b>
Structural and nature-based works	\$31m	\$25m



# Avoid

*Ensure new development of property and vulnerable assets are not exposed to the hazard*

# Avoid

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Westport cannot be fully protected. The proposed Westport flood risk mitigation scheme will not provide complete protection on its own. We are therefore keen that residents understand and continue to prepare for future vulnerabilities and risks. As mentioned earlier, New Orleans provides us with some salutary lessons (Figure 23). Before Hurricane Katrina in 2005, the presence of an embankment, pumping systems and the availability of federal insurance led to New Orleans households and businesses being constructed in flood prone areas. Inevitably lower income people were living in the low-elevation areas at the greater risk of flooding and subsidence. Citizens earned on average, 30% less than the US median household income.

Hurricane Katrina killed 1,200 people and cost around US\$106bn. It was acknowledged that in some parts of the city, embankments (levees) and walls were not tall enough to hold back the water; some floodgates did not close properly, and some structures collapsed entirely. Since then, the New Orleans flood-protection system was bolstered by expenditure of \$15bn in federal funds, but in truth New Orleans has never fully recovered. Before Katrina, New Orleans provided the US with more oil and gas than was imported from Saudi Arabia. Thousands of Louisiana families who had relied on jobs in the oil and gas industry left for Houston. Post-Katrina, tourism is the main economic activity.

*Figure 23 - New Orleans following Hurricane Katrina*



For Westport, like New Orleans we know there is residual risk. Even with the ring embankment, we cannot guarantee there will not be flooding. Sooner or later there will be an 'overdesign' or extreme event. If the climate warms more quickly than expected, this will happen sooner. We think it would be a mistake to allow for uncontrolled intensification and development behind the embankments. We do not wish to place more people and property in harm's way, now or into the future. We want Westport to grow in areas that are outside the flood hazard zone.

We realise that this is a long-term goal. While it doesn't need to happen tomorrow, it does need to happen. It is not the right thing to do to do nothing. The longer we fail to act, the greater the risk. We do not wish to become New Zealand's New Orleans.

While this might seem sensible, in truth this is difficult to achieve under the current legislative settings.

The instrument for restricting development is the Buller District Plan prepared under the Resource Management Act. On the West Coast, the statutory obligations for preparing district and regional plans have been transferred from the three West Coast District Councils to the West Coast Regional Council. The statutory obligations are delegated to a joint committee comprising all four councils and local iwi, with an independent chair. Te Tai o Poutini Plan (TPPP) Committee is responsible for preparing and approving a combined District Plan covering the whole of the West Coast<sup>83</sup>.

Westport's hazardscape has been the subject of discussion and consultation for many years. Westport 2100 was convened jointly between the WCRC and BDC following Cyclone Fehi in 2018. This led to a community development process (Westport 2100) ahead of the TPPP looking at the major hazards in Westport and how to develop a resilient community into the 22nd century.

There was range of recommendations from this process, including specific hazard related recommendations. Provisions for long term managed retreat were also made.

A special rating district was established in 2019, driving the decision in the WCRC's Long-term Plan to construct a ring embankment. Detailed modelling was undertaken to inform protection options and to identify areas exposed to severe flooding and areas that are susceptible to flooding in the Proposed Plan. The TPPP team has applied the hazard overlays to Westport and drafted re-zoning to reflect the risk, effectively 'downzoning' some high-risk areas (such as Snodgrass) from residential to rural (Figure 24).

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<sup>83</sup> An Order in Council detailing the formal scheme came into force on 19 July 2019 and the West Coast Regional Council through the TPPP Joint Committee, is legally required to prepare Te Tai o Poutini Plan.

Figure 23 - Example of proposed rezoning in draft TTPP

### Westport and Snodgrass Road Zoning



This has proved to be a challenge. The ring embankment will reduce the risk for many parts of urban Westport, and the Proposed Plan should accommodate this, but this is difficult when the funding remains unsecured, and the final design is not yet settled. Furthermore, this cannot be progressed until there is certainty with funding.

Currently, it is assumed a response from the Government on this co-investment proposal will be available in about September. Hearings on the Proposed Plan are likely to be held in early 2023, so it is hoped that a government decision around the ring embankment will be available by then so that Councils can make submissions on the TTPP with certainty.

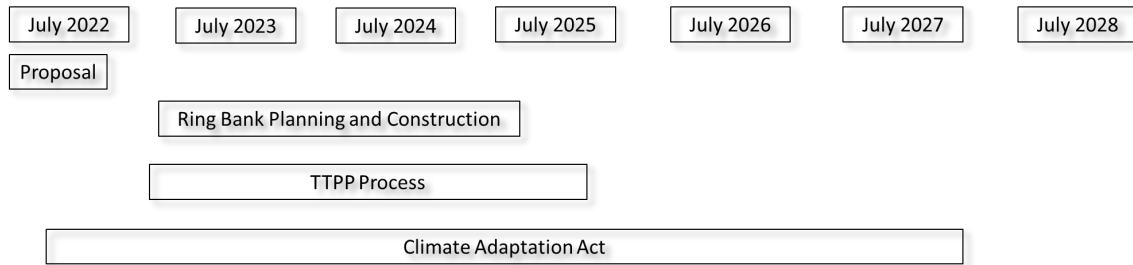
As it stands, under the Proposed Plan, it is proposed to limit subdivision and intensification in high-risk areas through planning provisions that:

- Permit new buildings and alterations where these are protected by an embankment designed around a 1% event (1:100) plus a 1m sea level rise.
- Where new buildings are not protected, they must have a finished floor level of 1% plus 1m sea level rise plus 500mm freeboard for residential, or 300mm for commercial. Unoccupied buildings (such as garages) would require 200mm.

While these rules are far from perfect, we think this is a sensible step to prevent uncontrolled intensification and subdivision, and inappropriate development.

In the meantime, we know that under existing legislation there is a strong likelihood of Environment Court Appeals on the TTPP hazard provisions, and it could take up to five years before the Plan becomes operative. People can submit on the draft and if unsuccessful they can litigate. This is expensive and time consuming for Councils that are already struggling.

Figure 24 – High level timeframes



Prior to those provisions becoming operative, we do not have the regulatory ability to prevent buildings being constructed and sold in flood zones. We cannot stop more people being put in harm's way. We are very keen that people are made aware of the risk when they come to live, work, and play in Westport. With a growth rate of 15% to the year to March 2022, there is a very real risk that many people and much property will end up being in harm's way.

We are very keen to educate people about this risk (see the *Avoid* section for our approach on this). Knowledge of flood risk must not be, in any way, withheld from owners and prospective owners. We think that Land Information Memoranda should explicitly link flood risk and mitigation to a property. But we think this needs regulatory backing.

Additional regulation is necessary to prevent a rush on applications for resource consent in flood prone areas. We are requesting a special order (or other fast track mechanism) to be enacted that allows appeals on the Westport hazard provision of the TTPP to be limited to points of law only. A similar initiative has been taken in the past in other regions for required plan rules. We are aware Section 86D of the RMA enables us to apply to the Environment Court for a rule giving legal effect to specified provisions from a specified date. Such applications are problematic.

The alternative is waiting until the Climate Change Adaptation Act is passed and to renotify the provisions after the Climate Change Adaption Act is passed. While the Bill is expected to be introduced by the end of 2023, there is naturally some uncertainty around the RMA reforms, and it is not yet clear if natural hazard provisions can or cannot be appealed under this legislation.

We are also frustrated with the Building Code and more specifically, finished floor levels. Clause E1.3.2 of the Code says *Surface water, resulting from an event having a 2% probability of occurring annually, shall not enter buildings*. This applies only to housing, communal residential and communal non-residential buildings. 2% does not help to protect the people of Westport. All our modelling and planning are based around 1%. We are seeking your assistance either to urgently amend the Code, or to otherwise give flexibility to apply an appropriate standard for the area concerned. This would be of enormous assistance for Westport, and possibly other settlements.

In essence we believe the current building code provisions are not adequate for the hazard in Westport and would like them to be able to apply an appropriate standard sooner rather than later.

We believe there is merit for some property owners assessing the feasibility of raising their houses to provide some freeboard. This is reasonably common in the United States, although there is debate as to whether this is the best use of public money. We think this would need to occur on a case-by-case basis (see *Adaptation Relief Fund*) under *Relocate/Retreat*.

Figure 25 House being raised in New Orleans



Finally in this section, we would like to bring a human element to bear. It is easy to overlook landowners who wish to subdivide or develop their land. These landowners are ordinary people who have aspirations, values and hardships and opportunities. In feedback on the draft TTPP, one submitter asked that financial hardship and mental anguish were taken into account. These dry discussions about planning rules and provisions can sometimes mask the impact they can have on people and their lives.

### The Ask

*In this section we are asking for:*

- An Order in Council or other fast-tracking mechanism for TTPP resilience provisions
- Ability for BDC in its role as a Building Consent Authority to align the Building Code provisions with sensible flood resilience within the TTPP

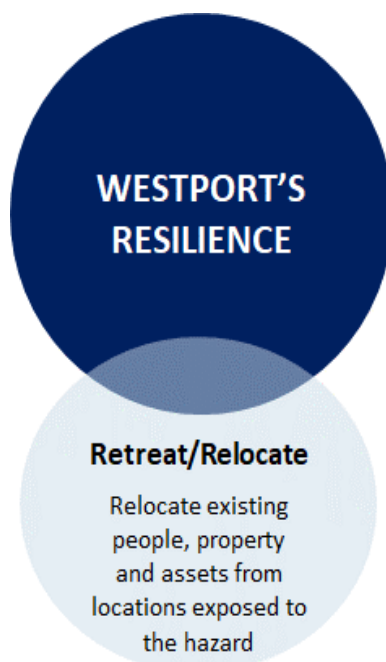
# Retreat / Relocate

*Relocate existing people, property and assets from locations exposed to the hazard*



## Retreat/Relocate

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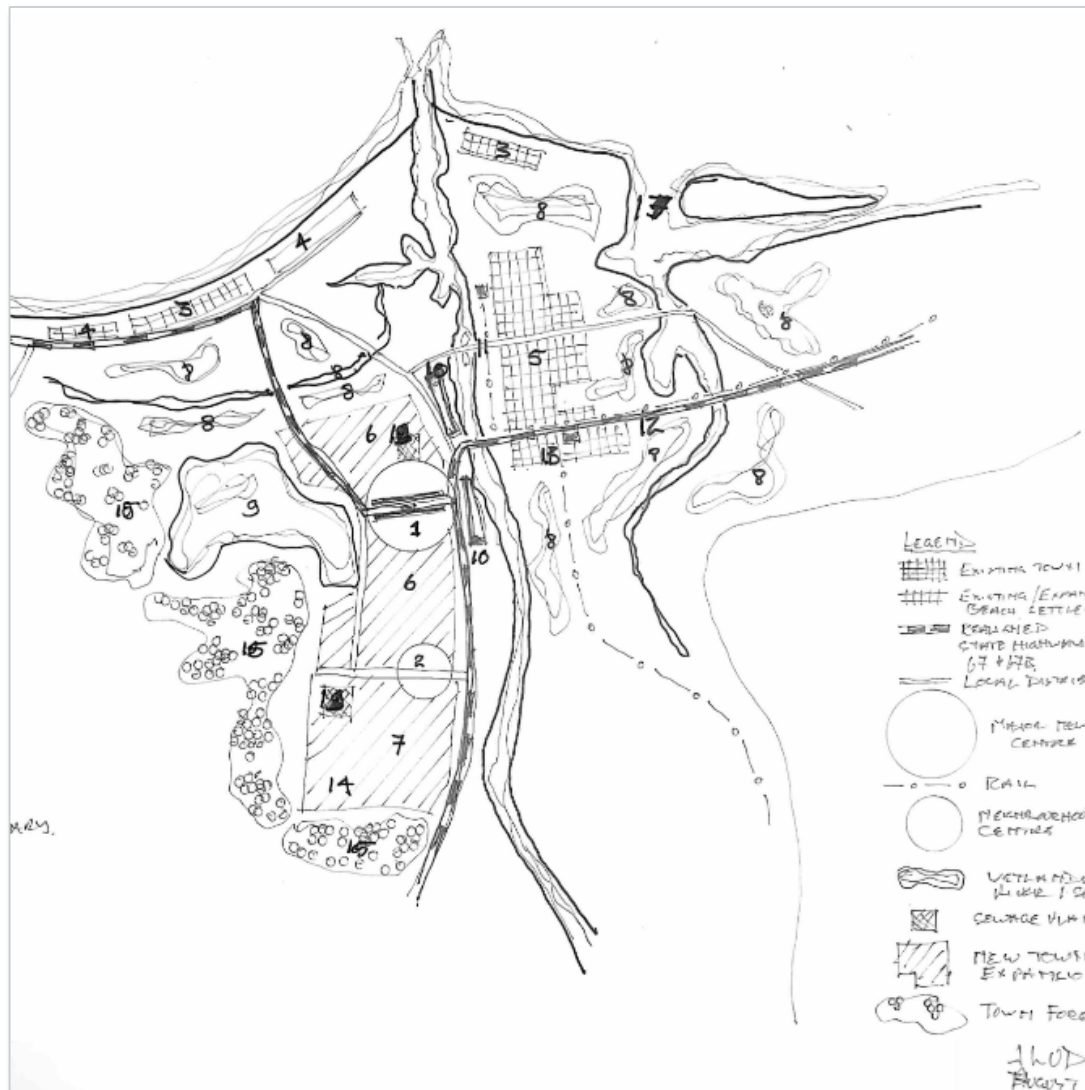
Managed retreat has long been the subject of speculation and unofficial analysis in Westport. It feels as though retreat is likely to happen at some unspecified time in the future. The draft National Adaptation Plan (NAP) outlines a proposal to develop legislation to support managed retreat over a three-year timeframe (2022–25). This will be an approach to *reduce or eliminate exposure to intolerable risk, which enables people to strategically relocate....* The problem for us is the risk in Westport is already unacceptable, and some in the community have already been forced to retreat from high-risk areas.

Westport is a real life, real time example for climate adaptation. All the ingredients are here. We have a burning platform of elevated flood risk. We have a town that needs to grow. We have land that could be available outside the hazard zone, and we have Councils that are willing to collaborate with Central Government, and to transition from forced retreat to *strategic* relocation based on future growth. Instead of focussing on the '*retreat*' we are keen to focus on the '*managed*', and to do this hand-in-hand with the community.

There is risk to this approach. Together we will be breaking comparatively new ground even though Edgecombe, the Christchurch red zone, rock fall areas in Christchurch and Kaikoura and Whakatane have faced similar challenges. There is always a chance that something might not work. With sound advice and analysis, we believe the risk of failure can be diminished and, if there is residual risk, we need to fail fast, learn, and share the lessons. Westport, in partnership with Government, can be used a model for the preferred strategy going forward.



Figure 26 - Unofficial blue skies thinking around relocating parts of Westport



## Zoning

There are several areas of land outside the flood zones where Westport might grow in future. Alongside the Alma Road location other sites were looked at including the Sergeant's Hill area and Cape Foulwind. While these other locations were seen as being suitable for additional development, the Alma Road location was generally considered the best option for large scale managed retreat, due to its proximity to the existing town, the ease of servicing by infrastructure, the elevated location away from coastal hazards and its proximity to the main transport links.

Early in the TTPP development process, BDC staff and elected representatives identified that the Alma Road area was a preferred candidate for managed relocation. Some analysis on its suitability for this purpose was subsequently undertaken following the July 2021 storm. This was when locations for a temporary accommodation village were being investigated.

The temporary accommodation village is being established by MBIE's Temporary Accommodation Service (TAS). Funding for this initiative has been used to temporarily relocate some of the most vulnerable residents in Westport to an area that is not subject to flood risk. The intent of the village is to enable households to stay in their community and allow a more efficient repair programme to proceed. In the past, when TAS villages are no longer required, a community led review has been undertaken to consider repurposing as social or affordable housing.

Under the current TAS proposal, 20 newly constructed houses will be deployed on Council owned land to temporarily rehouse displaced residents. The general Alma Road location has been identified as suitable, and a consent for a temporary village has been lodged, and construction of supporting infrastructure to the site is underway. In addition, BDC currently has a \$18m bid with the Infrastructure Acceleration Fund for continuing infrastructure past the village site, to enable further residential development in this area. We are keen to pursue this with vigour.

While the analysis referred to above was undertaken on the suitability of the Alma Road area for residential growth, as well as a *blue skies thinking* exercise and draft concept plans to ensure the area could accommodate growth prior to proceeding with the Infrastructure Acceleration Fund (IAF) application, there has been no formal development, spatial or structure plan developed for the area.

As an interim planning measure, and to seek community feedback on the proposal, a large part of the Alma Road terrace was identified in the draft TTPP as General Residential Zone. The intention is that details about the exact nature of the rezoned area be refined once more information on constraints and servicing capacity is available

It is planned that an area of approximately 80 ha will be rezoned in the TTPP to General Residential, with a small area of 2.4ha zoned as Commercial. The area that will be rezoned is shown below. Buffer zones have been identified to avoid reverse sensitivity issues with nearby industrial activities.

Figure 27 - Proposed Alma Road Development Area



BDC does not have the resources to draft a development plan – let alone a ‘structure plan’ for the Alma Road area. Nor does the Council have the resources to undertake the level of infrastructure planning necessary for a high quality, resilient and sustainable ‘community-centred’ development, broader than providing the basic infrastructure needed to enable the level of residential development already under consideration. This means that in reality, spatial planning is required to ensure development at Alma Road is strategically merged with the existing Westport township and areas within the Westport Flood Risk Mitigation Scheme.

We want a more ‘integrated’ approach to prevail. Our view is this is too good an opportunity to miss. Westport provides opportunities to become a model district within which to apply the provisions of the proposed Strategic Spatial Planning Act.

We are keen to discuss the resourcing required to achieve this objective with Government. We believe a relatively modest investment in a feasibility study around Alma Road (or other sites) could set the scene for Westport 2100. We think this would cost in the vicinity of \$250,000. If we do not do this now, we will probably never do it.

*Figure 28 - Earthworks for Temporary Accommodation Service at Alma Rd (photo courtesy Pam Johnston)*



If the village is already viewed as sustainable for temporary accommodation, we are asking ourselves why it cannot be sustainable on a more permanent basis? Could we grow the village and its infrastructure for the benefit of the long-term resilience of Westport? Could we put infrastructure development on steroids. Could we incentivise relocation by making housing development at Alma Road more competitive than development within the current town? We think the answer to these questions is 'yes'.

Further, if previously vulnerable people can live in houses that are warm, safe, and dry, might this be an opportunity to build a more fulsome and resilient community in an area that will not flood?

Westport is going to grow in the coming decades. In our view, growth ought to be accommodated in areas like Alma Road and Sergeant's Hill. These are lower risk areas that avoid the hazard rather than trying to accommodate it. Alma Road already has significant costs sunk into it. It has been selected because of its location and geographic characteristics. It seems like an ideal opportunity to give effect to the government's intentions.

## Strategic Land Purchase

Bearing this in mind, in our view one of the most sensible, proactive, and long-term actions available is for a public agency to strategically secure and repurpose additional land to enable Westport to grow in a lower-risk area. While the Alma Road terraces are an obvious candidate for this, there are other areas that should also be considered.

Realistically, this will be achieved through a Crown agency, or by iwi, unless the Crown provides funding for BDC to acquire land. This would align well with the NAP.

If the agency were to be Kāinga Ora, Alma Road could become a model for building community resilience through social cohesion and resilient public housing, with dwellings built well away from areas prone to climate hazards. Modern homes would be low maintenance, carbon sensitive, safe, warm and dry with commensurate health co-benefits. We think this is a wonderful opportunity, and indeed we have already spent time with Kainga Ora discussing workshopping what this might look like.

Infrastructure would also be resilient with pipes and pumps designed and specified to accommodate growth, to avoid flooding and to endure a seismic event such as AF8.

We propose that a business case be constructed in FY 22/23 by BDC, supported by Kāinga Ora and Kānoa, with a view to securing further land parcels in order to sustain a growth zone for Westport that is in a low-risk area.

We think this would cost \$250k next year for detailed analysis, including a detailed spatial study, with a likely capital land purchase value of \$3m-\$5m, in out years. We do not recommend providing anything other than a provisional sum for infrastructure until the IAF funding decisions are finalised.

We propose to augment our request by setting aside some of our 'better off' funding from the Three Waters reform into a related area. In passing we note that currently we are considering improvements to our stormwater and sewerage separation, climate change preparedness and planning, airport relocation feasibility study and supporting development of the community resilience hub.

We are excited about the prospect of relocating parts of Westport, and we think that there could be merit in the Crown looking at other flood-prone towns with a view to Crown purchase of tracts of land that might be suitable for relocation. Westport's very real experience could be ideal intelligence to inform the NAP.

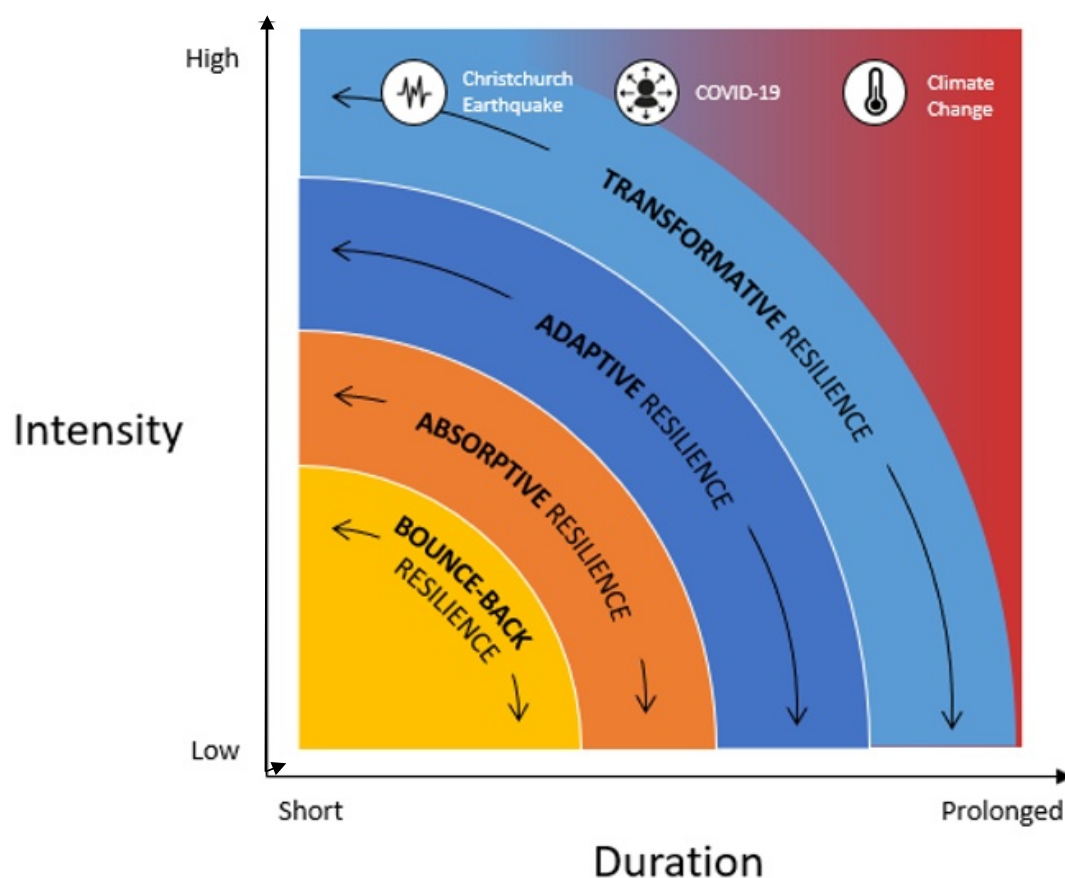
## Adaptation and resilience

Because Snodgrass and other parts of the wider Westport area are unprotected, the area will continue to be more vulnerable than urban Westport. Technically, the level of service for Snodgrass will not be the same as the rest of Westport, and it is more likely this area, compared to other parts of Westport, will be subject to flooding. In all likelihood, this means that Snodgrass will be affected by climate change earlier. In addition, in other parts of Westport there will be effects from a degree of ponding or diverted flow as a consequence of the embankment and walls.

It is not our way on the West Coast to do nothing when communities are faced with this type of challenge. We realise that neither the Government nor Councils can undertake a full buyout. But we think it is reasonable to advocate for some level of assistance for people in this predicament.

What we need to head for is long-term 'transformative resilience'. While the intensity is similar, the scale of necessary change may need to occur over a longer period than that for the Christchurch earthquake and that experienced with Covid-19. To state the obvious, we know that responding to climate change-induced flooding presents significant community challenges (Figure 30).

Figure 30 - Climate change induced flooding and transformative resilience<sup>84</sup>



We are proposing establishing an Adaptation Fund of \$10m to allow for some local relief for Snodgrass property owners, and for others who might be affected downstream and upstream by the embankment and walls. The purpose of the fund will be to support people who are disadvantaged or unprotected, and who wish to take steps to adapt their circumstances as a result, for example:

- Independent advisory services, along the lines of the Residential Advisory Service in Christchurch.
- A subsidy where owners wish to raise their building's floor level.
- A subsidy where owners wish to relocate to a site outside the hazard zone.
- A subsidy where owners wish to undertake minor earthworks to manage water.
- Conveyancing, consenting or other legal advice.

We envisage this Fund will have a high degree of rigour around eligible candidate criteria and will be overseen by the 'reset' Steering Group<sup>85</sup>. The Fund would be used to partially fund owners who wish to help themselves – we envisage this Fund might cover up to half the cost of specified actions that align with the overall intent of achieving a more 'Resilient Westport'. There would be a cap on the fund.

<sup>84</sup> Source: HenleyHutchings – as adapted from the handbook of regional economic resilience.

<sup>85</sup> More details about the proposed reset of the Steering Group are provided later in our proposal.

It is easy to view seaside communities as places for affluent property owners with financial resilience. We think this is unfair. The Snodgrass community is at the forefront of New Zealand's adaptation effort. Every hazard risk and climate resilient policy quandary is captured in this small settlement. We appreciate that the Government will not wish to set a precedent, but we feel we have an ethical obligation to provide some measure of assistance.

## The Ask

*In this section we are asking for:*

Initiative	Total Cost	Our Ask of Government	Comments
Invest in infrastructure at Alma Road			Live \$18m IAF application
Development plan at Alma Road to ensure positive community outcomes	\$250,000	\$250,000	
Feasibility study into strategic land purchase at Alma Road or another resilient site	\$250,000	\$250,000	
Adaptation Relief Fund to provide assistance to owners in areas like Snodgrass	\$10,000,000	\$10,000,000	Evaluation criteria to be refined

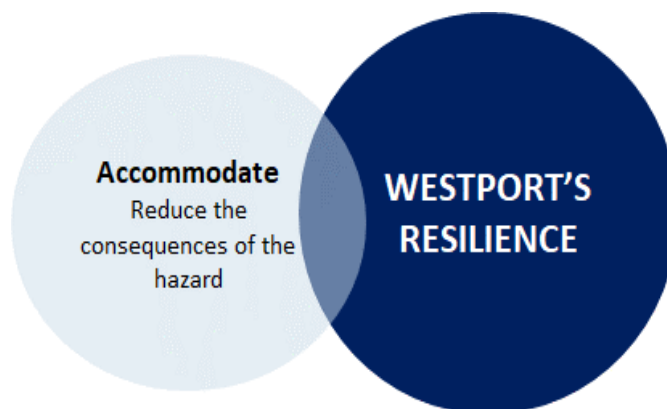
# Accommodate

*Reduce the consequences of the hazard*



# Accommodate

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## West Coast CDEM Group

The Coast is one of the most hazardous places in New Zealand, but with the lowest rating base and very high levels of deprivation. The result of these conditions is that Westport, as part of the West Coast CDEM Group, has the least means to invest in strong CDEM systems and structures. We have formally reviewed the CDEM capability and capacity and have identified areas that could be further enhanced.

Of course, it is not unusual for Civil Defence Emergency Management Groups to have competing pressures and tensions. They also attract fairly regular reviews and restructurings, in an effort to address perceived performance issues, in between events.

We appreciate Government is currently looking to address some of these issues through the 'trifecta' of changes to the CDEM framework. However, while this takes place, we have the existential threat of flooding right here and right now.

The fact is, on the West Coast we have four Councils with too few resources. Reviews have pointed out the need for stronger leadership and culture change, but the West Coast is currently reliant on outside resources to deliver their obligations under the CDEM Act.

We were grateful to receive \$375,000 of shovel ready funding for the Westport Advanced Flood Warning System. This has been integrated into the WCRC flood monitoring and response system. The data from the monitoring stations informs alert and flood modelling for the Westport community.

Ideally key CDEM staff would strategically support planners with reducing risk through better land use planning, and through community education based around risk reduction and readiness. However, the focus is almost invariably on response during and after the event and in the case of Buller, lack of infrastructure investment and planning makes our community vulnerable.

While flood hazard is currently front of mind, AF8 is like Damocles Sword hanging over Westport, and the same concerns apply. We believe the associated CDEM reforms will likely increase the demands on our Councils without providing the resource required to implement them. Any change is likely years away. We can't wait.

We have had Emergency Management Assistance Teams assist with developing flood evacuation plans, but we do not have the skills and resources to socialise these plans with our communities. Nor do we have the resources to raise awareness of the hazard and how to respond.

As part of developing this proposal, we invited river and flood modelling engineer Matthew Gardner to make a public presentation about the history and challenges of flooding from the Buller and Orowaiti Rivers. Despite having been flooded three times in eight months, this was the first time we had the resources to be able to provide the community with an overview of the hazard they face every day.

These problems cannot be solved overnight, and that there is never enough resources to do everything in emergency management. But we also know the status quo is indefensible should there be another flood or earthquake.

We would like to propose the Government assist West Coast CDEM to grow its capability through the funding of a secondment of a senior officer or official for two years, a Resilience Officer, based in Westport and linking in to the CDEM structures. Such an officer would pursue the following objectives:

- To educate, connect with and grow community network and neighbourhood awareness of flood and earthquake risk, helping people to help themselves – before, during and after an event. This includes the development and communication of community-based evacuation plans.
- To progress the existing Community Hub and Navigator program, including analysis supporting a permanent hub that incorporates evacuation planning and providing people with the support to connect with agencies that can provide welfare, financial and mental health support.
- To connect people with agencies and funds where communities wish to engage in afforestation or riparian planting activities that contribute to flood risk mitigation.
- To grow Westport-based organic CDEM capacity and leave a legacy of elevated levels of competence.
- To assist to develop GIS systems to provide public facing information to grow hazard awareness.
- To integrate the Advanced Flood Early Warning project into a 'business as usual' framework.
- To liaise with the CDEM Group to strengthen relationships and processes.
- To grow and enhance the West Coast Lifelines Group in and around Westport.
- To develop strong connections and trust with relevant Government agencies and stakeholders, such as MSD, Waka Kotahi, KiwiRail, DoC and NEMA.
- To assess the practicality of deploying planned relocatable temporary flood barrier devices and sandbags.

We think this would cost around \$250,000 per annum for two years. This would cover the key person's costs and provide them with a modest budget (for GIS, communications collateral) to achieve the above. By supporting Buller, this will in turn support the region as a whole as CDEM caters for the whole of the West Coast.

*Figure 29 - Inflatable temporary flood barrier*



## Wave and sea level gauge



We have also become aware there is no accurate sea level gauge on the West Coast, nor an accurate wave height buoy. As a result, the coastal boundary conditions used in the modelling have significant uncertainty. We believe it would be prudent to invest in a more robust gauging station to inform future hazard management decisions. There is also significant uncertainty associated with local land movement – a land-based device would keep data relevant during and after an Alpine fault event. Local debate abounds about the balance between tectonic change and sea levels.

We have been told these gauges are installable for around \$80k inclusive of a radar sensor and dual communication systems. Annual maintenance would add \$10k to the cost. A co-located global navigation satellite system station would

also be an advantage as this would address the land movement issue. Without such technology, which is readily available and deployed in other parts of the country – the West Coast is flying blind.

## Stormwater and groundwater

The Westport rivers are one of three potential sources of flooding in Westport. Intense local rainfall, high water tables – and the influence of increased sea level heights on these water table levels will also contribute to the town's flood risks. A proposal for a flood resilient Westport would not be complete without addressing these other risks. Provision needs to be made for pumps to remove accumulated local stormwater. These would also provide for the removal of the additional groundwater that may accumulate in the lower parts of Westport because of sea level rise.

We propose that separate provision be made for these circumstances, at a cost \$12m. In addition, this investment is required to remove the excess stormwater that may build up when Westport's rivers are at peak flow, the flap-gates are closed and – at the same time, Westport is receiving significant localised rain.<sup>86</sup> We recommend that detailed modelling be undertaken to estimate the circumstances, quantity, timeline and area of effect of sea level rise-induced effects more accurately on Westport's groundwater.

## Accommodating through Insurance

Like most New Zealanders we have become accustomed to using insurance as a way of transferring risk. We appreciate this only works where the risks posed by a hazard can be quantified, and traded efficiently, to reduce potential financial impacts. Where hazards are either too frequent, or too rare and uncertain to price efficiently, they cannot be quantified and traded, and insurance may become uneconomic.

There are suggestions Westport is becoming uneconomic to insure. The Insurance Council reports that the estimated cost of the damage to Westport property from the July 2021 flood event at \$88m.<sup>87</sup> The allied suggestion is that the industry is not willing to risk a repeat pay-out of this magnitude.

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<sup>86</sup> Storm water Pumping Proposal. Technical report to the TAG, Buller District Council, 9 May 2022.

<sup>87</sup> ICNZ website 22 Mar 22 *Cost of Natural Disasters*.

Exacerbating this view, in relation to Westport, Tower announced late in 2021 that it would be increasing premiums in high flood risk area. Tower stated that: *it did not want to see those who lived in low flood risk areas subsidising those who had homes in high flood risk areas.*<sup>88</sup>

This has caused some community consternation, although insurers themselves report that insurance is still readily accessible in Westport.

There is an abundance of anecdote but little concrete evidence available to verify the veracity of these stories, or to undertake analysis. However, it is widely expected that insurance in places like Westport will start to become either unavailable or very expensive. The insurance sector itself has signalled that in coming years, future insurers are not likely to take on customers in areas prone to flooding.

This does not come as a surprise. We have been watching developments with 'Flood Re' in the United Kingdom. Equal developments are occurring with the National Flood Insurance Program in the USA. Ultimately insurance withdrawal seems inevitable in high-risk locations.

For some years now, Treasury has been assessing options for the future of the market in New Zealand. This is for the benefit of places like Westport, but we are not aware that this is likely to be of much immediate help to Westport.

To be fair to the Insurance Council, for many years it has been strongly advocating for Local Government to take a long-term view on resilience and to not consent to developments in high-risk areas.

If parts of Westport are to become uninsurable, this will be distressing for many West Coasters. There is no silver bullet to fix this issue. In truth it is difficult to even find evidence of insurability, due to commercial sensitivity around that sector. This is difficult for Councils, as we have no wish to consent land use or buildings in uninsurable areas.

Eventually, we think there will be insurance retreat from parts of Westport and other at risk areas. This mirrors what has happened overseas. Inevitably, this means low- income households are increasingly exposed to the full economic risk of climate-related natural hazard events, exacerbating inequalities.

We see the proposal outlined in our Business Case, as an opportunity to mobilise and realign effort to build confidence that *Westport manages risks well, related investment and planning are credible, the community is resilient, and we have a very good handle on the climate change impacts we are facing.*

Our proposal is informed by what we are hearing from insurers. However, we are realistic about how the insurance sector works. We anticipate a need for expanded future Government involvement. This will be required, at least on a transitional basis, as private insurers find that they can no longer make profit from the transfer of flood risk – mirroring in principle what has occurred with EQC and earthquake risk. We understand this. We are happy to be involved in Government planning and thinking around insurance. We understand that Treasury has been looking at this area for some years, however we have not yet been invited to participate in this analysis.

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<sup>88</sup> 10 November 2022 Residential Flood Risks Tool | Tower Insurance NZ

## The Ask

*In this section we are asking for:*

Initiative	Total Cost	Our Ask of Government	Comments
CDEM capability	\$500,000	\$500,000	Over two years
Warning buoys and GNSS	\$250,000	\$250,000	Via GNS and NIWA
Stormwater	\$12,000,000	\$8,000,000	Opex @ 1-3%

# The Ask

*A summary of our request*

## The Ask – a summary of our request

To summarise our request to you Minister, we are asking for a mix of financial and non-financial support:

Initiative	Total Cost	Our Ask of Government	Comments
<b>Protect</b>			
Westport ring-bank, Carters Beach, and Organs Island reforestation Option B	\$18,050,000	\$13,537,500	Year 1 (FY22/3)– planning and design Year 2-4 construction (75/25% split)
Organs Island reforestation	\$1,500,000	\$1,125,000	Years 2-17 – three x five yr phases
Immediate works on the Buller riverbank	\$3,300,000	\$3,300,000	
Operational expenditure Buller riverbank	\$3,000,000	\$3,000,000	Years 1 -10
Operational expenditure over ten years on Westport ring-bank and Carters Beach	\$3,300,000	\$2,600,000	Years 1 -10
Resource consents, owner agreement, Council project management, final design	\$1,000,000	\$750,000	Year 1
Contingency	\$1,000,000	\$750,000	
<b>Avoid</b>			
An Order in Council or other fast-tracking mechanism for TTPP resilience provisions			Minimal additional cost
Ability for BDC as a BCA to align the Building Code provisions with sensible flood resilience within the TTPP			Minimal additional cost
<b>Retreat/relocate</b>			
Invest in infrastructure at Alma Road			Live \$18m IAF application
Development plan at Alma Road to ensure positive community outcomes	\$250,000	\$250,000	
Feasibility study into strategic land purchase at Alma Road or other resilient site	\$250,000	\$250,000	
Adaptation Relief Fund to provide assistance to owners in areas like Snodgrass	\$10,000,000	\$10,000,000	Evaluation criteria to be developed
<b>Accommodate</b>			
CDEM capability	\$500,000	\$500,000	Over two years
Sea level monitor / tide gauge and GNSS	\$250,000	\$250,000	Via GNS and NIWA
Stormwater	\$12,000,000	\$8,000,000	Opex @ 1-3%
<b>TOTAL</b>	<b>\$54,400,000</b>	<b>\$44,312,500</b>	



# How We Will Implement

## Governance

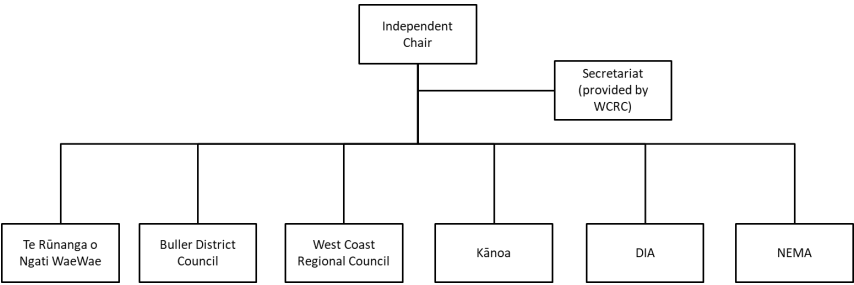
We propose to reset the Buller Flood Recovery Steering Group that has stood us in such good stead to date. The Group already has representatives from both Councils, NEMA, DIA, Ngāti Waewae and an independent chair. We would look forward to adding a representative from Kānoa or Kainga Ora as appropriate. One of the purposes of these additions is to ensure alignment between various governance interests.

We would also adjust the terms of reference to ensure the appropriate level of assurance, co-ordination and oversight for all four elements of the PARA framework was provided. In addition, we would revisit the strategic settings, including the Critical Success Factors. This would be to ensure the long-term purpose of the Steering Group was accurate and that the focus of the reset was clearly on benefits realisation.

In addition, we would be happy to invite a senior officer from the Ministry for the Environment to sit on the Steering Group as an observer, in order to provide living evidence of the challenges for those communities facing climate change. This would inform the National Adaptation Plan and the Climate Change Adaptation Act. We also believe we have some valuable insights that might inform the 'Future for Local Government' Review during their process.

We think the Steering Group structure could look like this:

Figure 30 - Proposed Steering Group structure



The costs of the Steering Group are capitalised programme management costs.

## Asset Management

Once constructed, the new structural assets need to be properly maintained. WCRC are currently developing best practice Asset Management Plans (AMPs) to drive our future work programme. The AMPs are being designed so that they feed into our Infrastructure Strategies and Long-Term Plans. To help us do this, we have enlisted the assistance of Te Uru Kahika and Greater Wellington Regional Council. They are providing assurance we have the requisite people, systems, and processes in place.

As part of this work, we have adopted a comprehensive, risk-based framework. This is the system developed by New Zealand's River Managers to assess the performance of flood protection assets. This framework is known as the 'National Asset Performance Assessment Code of Practice'.<sup>89</sup> The Code aligns with the principles promoted within the International Infrastructure Management Manual (IIMM, 2015), and therefore also the requirements set out in the ISO 55000 (2014) international standards for asset management.

By applying the Code to Westport, the performance of all the flood protection assets along the river are assessed, with respect to required service levels, whilst considering the risks posed to communities. This system incorporates legacy assets handed down from the catchment board days. It also accommodates other assets (such as private assets) that contribute to flood protection. When completed, assessments produce a risk profile segmented into each distinct reach of a river. The asset performance assessments will enable the Council, on an annual basis, to:

- Identify critical assets and critical asset systems – including all assets established by the Catchment Board in the past, along the river scheme.
- Identify failure modes for particular assets and asset systems, in relation to the performance framework.
- Communicate risk to people.
- Undertake risk-based decision-making in relation to asset performance and flood risk.
- Prioritise remedial actions to the highest risk areas.
- Identify gaps in knowledge or lack of accurate data.

The performance assessments are undertaken by WCRC, but will be shared via the Steering Group, with Buller District Council and other stakeholders such as Waka Kotahi and KiwiRail. This is to ensure integration with other investments such as stormwater systems and bridges, and to ensure an abundance of clarity about who is responsible for managing which assets, both new and existing. Ultimately the AMPs will drive the capital investment and operating budgets in Long-Term Plans.

## Programme Management

Given the size and complexity of the work programme described in our Business Case, we are adopting a programme management approach (alongside project-specific management for structural flood risk mitigation elements). This will enable a road map of all the PARA projects to be created with each area grouped into tranches and each able to be processed in tandem. Using this method, we expect increased compliance, decreased construction cycle periods, lower costs and – most importantly, measured progress toward a more resilient in the Westport community.

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<sup>89</sup> This was developed with support from Waugh Infrastructure Ltd for the Rivers Special Interest Group comprising river managers from across New Zealand's regional and district councils. The river managers sought a framework that would assess the overall performance of flood protection assets in a consistent manner across the country.

A Programme Manager will be appointed. Their role will be to regularly report to the Steering Group on progress on the projects falling within the program, including the basic elements of feasibility, planning, design, construction, risk, and closeout. Each project will be managed both individually and separately from projects in the same group.

We envisage a couple of areas requiring specific focus. The Steering Group intends to give additional attention to these areas. They include:

- **Health and safety:** These are the responsibility of both Councils. This will be a standing agenda item for the Steering Group. It will cover mental well-being as well as physical safety. It will likely extend beyond the program itself and into the community.
- **Communications and engagement:** These are a very public-facing programme. At key times there will be a need for a concerted effort with landowner and members of the public. The Steering Group has already recognised this, and the Councils are resourcing this area.
- **Procurement:** The Programme Manager will be accountable for oversight of good procurement practice, ensuring that public sector processes are adopted and followed.

More generally, WCRC and BDC are currently investing in building the capability and capacity of their staff to ensure that programme management is adequate, strongly supported and enduring for the life of the resilience programme. WCRC is in the process of standing up a project delivery team that will resource key projects as required.

## Procurement Strategy

The West Coast is challenged by current market conditions just like everyone else. We are experiencing a shortage of professional services, physical works delivery labour and there are delays and cost increases across key supply chains. Perversely, the Government's approach to Covid recovery gave rise to economic stimulation through investment in infrastructure projects. We are not alone in noting this has placed pressure on an already tight market.

While we have used robust engineering estimates for structural works, there is still a high degree of uncertainty. This in turn has driven our intention to take a proactive approach to procurement practices, program management and contract management in order to increase our ability to deliver. In an ideal world we would use a traditional two-tier tender process to secure a construction partner. We have not found this to be a very successful methodology in the current market. Today's abundance of work has discouraged businesses from entering into expensive and sometimes protracted competitive tendering processes.

We are therefore proposing to use an early contractor engagement model. This involves us partnering with suppliers such as engineers, designers, consultants and physical works contractors. We will enter into contracts that allow for greater sharing of risk, and as described above we are already building internal capability to plan and deliver projects.

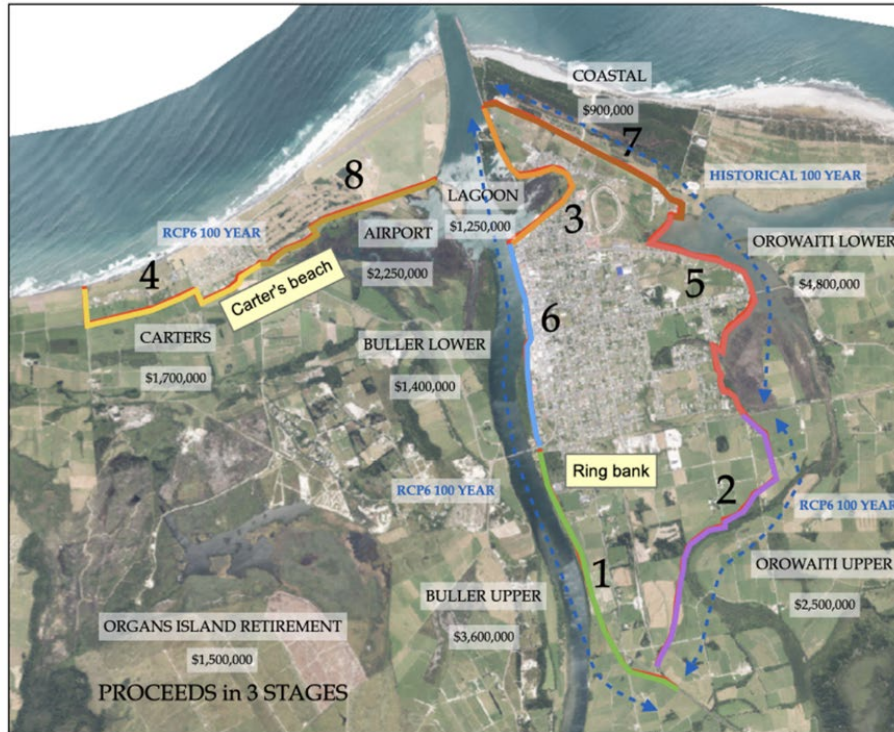
## Phasing / staging of proposed construction

Thinking has already commenced around procurement for the rink embankment. We are proposing eight packages of work to be completed over three years:

Figure 31 – Staging of proposed construction

## BULLER RIVER – WESTPORT FLOOD DEFENCES STAGING

FLOOD MITIGATION — Westport Ring bank + extended Carter's



A report<sup>90</sup> commissioned into concept designs also outlined a preliminary sequencing proposal for construction of the flood defences. This was based on the application of a qualitative assessment risk matrix. This matrix is made up of the variables such as: likelihood of flood occurrence; consequences of flood occurrence; constructability (relative ease of construction); and consent-ability.

With this risk matrix in mind, we are of the view that the first stage of construction should be focused on the inland portion of the scheme. The proposed embankment structure next to the Buller River is the number one priority. The 'phased' construction of the full proposed Westport flood risk mitigation scheme is expected to take three years.

Before construction can commence, we know there are many 'process' matters to be resolved. These include securing appropriate project management skills, confirming funding (including a decision from Cabinet about our desired level of 'co-investment'), consultation with affected parties and landowners, acquiring resource consents, securing property access rights, confirming 'rights' for land occupation by scheme structures, completing final design, and tendering for the supply of services and materials. These processes may take 8-12 months.

<sup>90</sup> G & E Williams Consulting Ltd

# Conclusion

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We began developing this proposal with an honest conversation about the flood risks for Westport, and our ability to pay to mitigate them. We designed and followed a process that set out to satisfy the Better Business Case framework.

We convened a Steering Group that shepherded a work programme through that process to settle on the recommended package of options we have presented. The Steering Group ensured that our process had integrity, and assured buy-in from key stakeholders.

We have applied the PARA framework. The components of this framework are interdependent strategic packages of initiatives. Many of these initiatives have already been discussed with the people of Westport, but have not previously been formally collated and articulated in this way.

The package does not all need to happen at the same time. But some work cannot wait. The Buller riverbank rock protection and the ring-bank cannot wait. If we wait, the cost of damage to buildings alone is likely to be \$400m. To us, this part of our proposal seems an obvious candidate for fast-tracking. The Crown itself has \$1bn of assets in Westport, many of these are at risk.

We acknowledge that the risk cannot be eliminated. There will always be a degree of residual risk. The ring-bank does buy us valuable time so that we can deploy some of the *Avoid* and *Retreat / Relocate* strategic initiatives.

We feel that these initiatives are all strategically aligned with the Government's direction of travel, and we are pleased to be able to work alongside you as a case study.

On the following page we have summarised how our proposal aligns with the Better Business Case framework.<sup>91</sup> We are comfortable that we have managed to bridge Local and Central Government processes. We think that local and central collaboration is essential if we are to successfully rise to the challenge of climate adaptation, and we are happy to be at the forefront of thinking and action.

Finally Minister, we wish to conclude by thanking you again for your support and the support of your officials to date. They have been superb to work alongside.

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<sup>91</sup> Framework provided by Morrison and Low.

## Indicative Business Case

### Strategic Case:

#### Need to Invest

- Westport is situated on a floodplain, between two rivers and the sea. It is one of the most flood-prone communities in New Zealand.
- In July 2021 and February 2022 Westport experienced two very large flood events. The community will struggle to sustain another event, social-psychologically and financially.
- Westport also has a very low rating base and one of the highest levels of deprivation in New Zealand. Without government co-investment the community can not afford future-proof flood protection measures
- There is strong community agreement that 'doing nothing' is not an option

#### Strategic Context

- 'PARA' framework – international framework developed for climate change adaptation planning
- Buller DC and WCRC Long Term Plans
- Local Government Act 2002
- RMA reform
- CDEM Act 2002
- Three Waters reform

#### Investment Objectives and Case for Change

<b>Objective 1:</b>	<b>Reduce the extent, frequency and consequences of flooding from severe weather events on the Westport community</b>
<b>Existing arrangements</b>	Flooding has occurred throughout Westport's history and the district is at risk of further flooding events. Climate change will substantially increase the severity and frequency of the risk of Westport flooding.
<b>Business Needs</b>	Our aim is to reduce the probability of flooding causing damage and disruption to people and property in Westport and its surrounds, taking into account what is needed to adapt to the effects of climate change.
<b>Objective 2:</b>	<b>To Improve the ability of the Westport community to prepare for, continue functioning during and after, and recover quickly from flooding events</b>
<b>Existing arrangements</b>	The community is fatigued by recent flooding events and frustrated with the lack of direct action taken to mitigate future risk.
<b>Business Needs</b>	To make sure the Westport community is more resilient and prepared, recognising that 'absolute protection' is not possible and that there will be some level of residual risk of flooding.
<b>Objective 3:</b>	<b>To Reduce undue long-term financial burden on the community</b>
<b>Existing arrangements</b>	Westport's low ratepayer base cannot afford a future-proofed flood protection scheme.
<b>Business Needs</b>	The cost of building and operating flood interventions and of flood response strategies is financially sustainable for both current and future residents.

### Economic Case:

#### Initial Options Analysis

NIWA analysis confirmed that significant cost benefits would arise from the investment into the proposed Westport flood risk mitigation scheme...

Model Scenario	Buildings: Sum of Building Loss (\$NZ)	Roads: Sum of Exposure Costs (\$NZ)	Rails: Sum of Exposure Costs (\$NZ)	Scenario Total (\$NZ)	Description of Flood Hazard Model Scenario
Base_ARI100_RCP6 (Status quo / no protection)	\$404,927,949	\$77,426,220	\$113,254,863	\$595,609,033	Future Climate, 100-year ARI event (RCP6 2100)
OpB_ARI100_RCP6 (Preferred option)	\$15,490,025	\$66,665,094	\$26,956,520	\$109,111,640	Future Climate, 100-year ARI event (RCP6 2100)

Infometrics calculated the discounted costs (investment cost plus residual loss) compared to Do Nothing, which further validated NIWA's findings...

Action	No Climate Change (\$m)	RCP6 Climate Change (\$m)
Do nothing	169	213
Preferred Option	36	50

**The Preferred Way Forward:** Our proposal combines a mix of structural solutions and adaptive pathways. The former provides Westport some security in the short-term, whilst buying some time for preparation of adaptive solutions over the longer-term, such as moving to higher ground.

#### Commercial Case:

**The Potential Deal:** Our intention is to take a proactive approach to procurement practices, program management and contract management in order to increase our ability to deliver.

We are proposing to use an early contractor engagement model. This involves us partnering with suppliers such as engineers, designers, consultants and physical works contractors. We will enter into contracts that allow for greater sharing of risk, and we are already building internal capability to plan and deliver projects.

### Financial Case: Indicative Costs

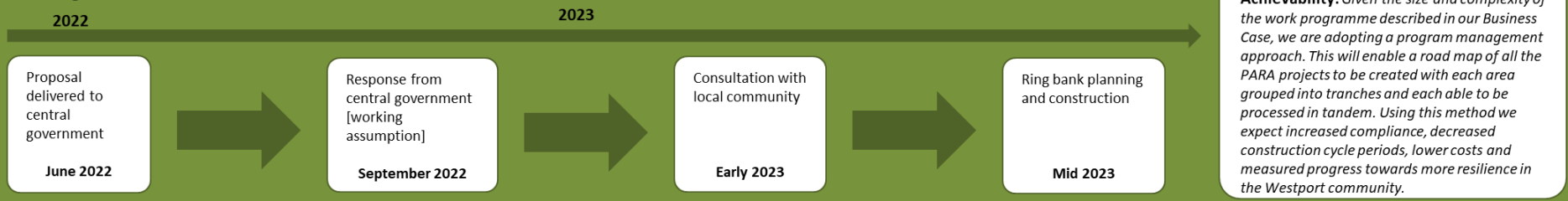
	Total Cost	Govt Co-Investment
Opex	\$8.3m	\$7.35m
Capex	\$39.1m	\$29.9m
<b>Total</b>	<b>\$47.4m</b>	<b>\$37.3m</b>

#### Affordability and Funding:

Investment in flood protection can be expensive, but not investing in flood protection can be much more expensive, as evidenced by NIWA and Infometrics' analysis.

Ratepayers are willing to fund a fair proportion of the required works but the full costs are too big a burden for Westport, especially given its low ratepayer base and deprivation status.

### Management Case:



# Appendices



# Appendix one: Correspondence from the Minister of Local Government

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## Office of Hon Nanaia Mahuta

MP for Hauraki-Waikato  
Minister of Foreign Affairs  
Minister of Local Government  
Associate Minister for Māori Development



17 February 2022

Allan Birchfield  
Chair, West Coast Regional Council  
allan.birchfield@wrc.govt.nz

Jamie Cleine  
Mayor, Buller District Council  
jamie.cleine@bdc.govt.nz

Tēnā kōruā

### **Building the resilience of the Buller district to future flooding**

I am writing to offer my support to the work your councils are doing to improve the resilience of Buller to future flooding and to set out my expectations for the next phase of work.

I firstly want to acknowledge and thank you for your work to date to support the Buller community recover from the July 2021 flooding and your management of the recent severe weather events. These events demonstrate the challenges and urgency you face in protecting the community from future flooding.

My officials have provided regular updates on the recovery work since the July 2021 flood event. I am pleased to hear of the collaboration that the Buller Recovery Steering Group has achieved working with your two Councils, Ngāti Waewae and the Government agencies. I support the use of the Steering Group to develop options to increase the resilience of the Buller district to future flood events, as well as continuing to oversee the allocation of funding approved by Cabinet last year to support the recovery effort.

Ministers have agreed that options should be developed in order that the Government can consider co-investment in flood protection as part of a set of solutions to enhance the flood resilience of the Buller District. It is important that the Steering Group oversee the development of an integrated package to provide longer term flood resilience recognising the different contributions that the two Councils might play.

### ***Developing a proposal for co-investment***

I request that you present a proposal for co-investment in June 2022 as I recognise your community will need certainty as to the scale and nature of any central government support as soon as possible. I will work with other Ministerial colleagues to consider your proposals, which, if supported, will be taken to Cabinet in mid-2022.

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand  
+64 4 817 8711 | n.mahuta@ministers.govt.nz | beehive.govt.nz



It is important to note, however, that I cannot guarantee Crown funding or financing for any co-investment proposal. The Minister of Finance's expectation is that proposals with financial implications should generally be considered in a Budget process, unless there is a compelling case for urgency. As such, for the co-investment proposal to be successful it should be well-developed, demonstrate value for money, be robustly costed and accompanied by detailed next steps.

So that I can present the strongest case to Cabinet it would be helpful if the proposal could set out:

- why current policy and funding levers are insufficient to result in the best long-run risk reduction package for the community. This means the proposal should be clear about what Crown support can achieve over-and-above what is possible given your respective financial capacities;
- what makes Buller an urgent and compelling case, given the number of other communities in New Zealand that are exposed to natural hazards that would also benefit from central government support;
- how the proposal supports the government's broader policy goals in areas such as climate adaptation, community resilience, and resource management reform. Department officials can support you to identify these goals and contribute their knowledge on relevant Government policy and directions.

I have asked my officials to support you in developing the broad set of options for future flood resilience but I note the development of the co-investment proposal will need to be driven by your respective councils according to your existing roles and responsibilities.

I look forward to reviewing your proposal in due course.

Nāku noa



Hon Nanaia Mahuta  
**Minister of Local Government**

*Copies to:*

*Hon Kiritapu Allan, Minister for Emergency Management, [k.allan@ministers.govt.nz](mailto:k.allan@ministers.govt.nz)*

*Francois Tumahai, Chairman Ngāti Waewae Arahura, [francois@ngatiwaewae.org.nz](mailto:francois@ngatiwaewae.org.nz)*

*Heather Mabin, Chief Executive of West Coast Regional Council,  
[heather.mabin@wrc.govt.nz](mailto:heather.mabin@wrc.govt.nz)*

*Sharon Mason, Chief Executive Buller District Council, [sharon.mason@bdc.govt.nz](mailto:sharon.mason@bdc.govt.nz)*

*Richard Kempthorne, Independent Chair, Buller Recovery Steering Group,  
[kempthorne.randj@outlook.com](mailto:kempthorne.randj@outlook.com)*

*Paul Barker, Partnership Director, Department of Internal Affairs, [Paul.Barker@dia.govt.nz](mailto:Paul.Barker@dia.govt.nz)*

# Appendix two: Buller Recovery Steering Group Terms of Reference

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## Terms of Reference for the Buller Recovery Steering Group

### Background

On 23 August 2021 the Government agreed to provide additional assistance of \$8 million in 2021/22 to enable the Buller District Council to meet its immediate operating shortfalls and start a recovery programme of works following the July 2021 flooding event. It was noted that the National Emergency Management Agency (NEMA) and the Department of Internal Affairs (DIA) would develop a governance structure in consultation with local government to oversee and monitor the Buller District Council's (BDC) use of available funding, inform regular reporting to the Minister of Finance, Minister of Local Government and Minister for Emergency Management and seek draw down of funds in monthly instalments.

A Steering Group was established in September 2021 comprising BDC, the West Coast Regional Council, iwi, DIA and NEMA chaired by an independent Chairperson. The Steering Group has overseen the allocation of most of the \$8 million appropriation to support the BDC's flood recovery activities. A Funding Agreement has been established between the BDC, DIA and NEMA which provides the specific arrangements for payment of Crown funding to support the BDC's recovery efforts.

Given the progress achieved with the immediate response and recovery led by the BDC, a review of the focus and operation of the Steering Group was undertaken at the end of 2021 to consider:

- The increasing shift of focus from flood response and immediate recovery to longer term flood resilience for the Buller district;
- The need to review representation from the West Coast Regional Council given the increased focus on flood protection measures as part of the longer-term flood resilience work; and
- The need to continue the role of the Steering Group to provide assurance to Ministers for the remaining allocation of the \$8 million appropriation as well as to provide advice on further funding assistance that may be needed.

Accordingly, the Buller Recovery Steering Group's focus and membership have been amended and supersede previous terms of reference.

### Purpose and Term

The Purpose of the Steering Group is to:

- provide effective guidance and oversight of the financial assistance appropriated by Cabinet in August 2021 to support the Buller Recovery including related matters set out in the Funding Agreement between BDC and DIA and NEMA;
- identify and recommend longer term flood recovery priorities for the Buller District including options to increase resilience to future flood events;
- provide advice to the Crown<sup>1</sup> and elected Council's members on future funding that may be sought from the Government to support the Buller flood recovery and increase resilience to future flood events.

The Group will continue to meet until 30 June 2022 when its role and purpose will be reviewed.

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<sup>1</sup> Noting that NEMA and DIA officials will absent themselves from decisions for funding requests to the Crown

## Membership and Chair

Membership of the Steering Group will include:

- The Chief Executive and Deputy Chief Executive of the Buller District Council
  - The Mayor and Deputy Mayor of the Buller District Council
  - The Chief Executive and a designated member of the Executive of the West Coast Regional Council
  - Two elected representatives from the West Coast Regional Council
  - A representative of iwi
  - A representative of the Department of Internal Affairs (DIA)
  - A representative of the National Emergency Management Agency (NEMA)
  - An independent Chair
- Each organisation shall nominate a specified alternate to the permanent appointee being a person who is mandated to speak on their behalf.
- A quorum for a Steering Group meeting shall be five members (or their alternates).
- The Chair will be nominated by the Government representatives in consultation with the Steering Group. This position will be funded by the Department of Internal Affairs.
- The Steering Group may invite other organisations or individuals to attend meetings as appropriate.

## Role of the Steering Group

The Steering Group will:

- Provide oversight and guidance of work streams needed to give effect to the funding appropriated by Cabinet.
- Approve (or agree on) the work programme priorities and key milestones noting that a work programme and work streams will be developed alongside these terms of reference.
- Provide advice on key components of the workstreams including where financial assistance is sought from central government.
- Provide recommendations to the Chief Executives of the Buller District Council and the West Coast Regional Council in respect of findings and conclusions arising from the work programme noting authority rests with the Chief Executive and ultimately the Council.
- Support work stream leaders.
- Provide assurance over the progress of the work programme to the Mayor/Chair and Councils, iwi and, through Government department representatives, to the Minister(s).
- Monitor performance and report progress to the Council (via the Chief Executives), iwi and the Crown (via Government Department representatives) on:
  - Risks and issues
  - Progress against budget
  - Progress against time lines
  - Performance against quality standards
  - Cashflow.

Page 2 of 3

- Initiate and manage any independent audits or reviews requested.
- Assess and support the effective working relationship with key parties with interests in the work streams, including iwi and local stakeholders.

### **Steering Group Undertakings**

Members of the Steering Group undertake to:

- work in a collaborative 'no surprises' way, and strive for consensus on desired outcomes for and projects to achieve them and related matters in order to achieve a 'best for recovery/work stream' outcome;
- create a high trust environment based on respect for each other and the agencies represented;
- support the respective organisations to achieve the best outcomes for the people of the Buller District affected by the July 2021 flood event; and
- ensure that public information and communications enable consistent and timely information on progress and agency roles and responsibilities. The Chair is responsible for all media releases.

### **Steering Group Administration**

- The agendas for the Steering Group will be approved by the Chair, in consultation with the Chief Executives of the Buller District Council and the West Coast Regional Council.
- The Steering Group will collectively determine the meeting frequency, although the Chair may schedule additional meetings of the Steering Group, if required.
- A Secretariat will support the Steering Group by preparing papers and supporting analysis/documentation.

Approved by Steering Group 3<sup>rd</sup> March 2022

## Appendix three: Flood Risk Management Legislative Framework

Legislation	Relevant Flood risk management purpose	Agencies/local authorities responsible
<b>Resource Management Act 1991</b>	<ul style="list-style-type: none"> <li>• Management of significant risks from natural hazards (including floods)</li> <li>• Identification of hazards and control of land use and subdivision</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry for the Environment</li> <li>• Regional councils</li> <li>• Territorial authorities</li> </ul>
<b>Building Act 2004 (and Building Code)</b>	<ul style="list-style-type: none"> <li>• Manages natural hazards in relation to construction and modification of buildings</li> <li>• Restricts building on land subject to natural hazards</li> <li>• Allows councils to set finished floor levels in relation to flood risk</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Business, Innovation and Employment</li> <li>• Regional councils</li> <li>• Territorial authorities</li> </ul>
<b>Local Government Act 2002</b>	<ul style="list-style-type: none"> <li>• Local Government is responsible for the avoidance and mitigation of natural hazards</li> <li>• Long term plans provide for natural hazard management activities, flood protection and urban stormwater infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Internal Affairs</li> <li>• Regional councils</li> <li>• Territorial authorities</li> </ul>
<b>Land Drainage Act 1908</b>	<ul style="list-style-type: none"> <li>• Allows land to be drained, contributing to modifying flood events</li> <li>• Powers to take and maintain land for drainage</li> <li>• Powers for new drains across private land</li> </ul>	<ul style="list-style-type: none"> <li>• Regional councils</li> <li>• Territorial authorities</li> </ul>
<b>Soil Conservation and Rivers Control Act 1941</b>	<ul style="list-style-type: none"> <li>• Powers to prevent flooding and soil erosion</li> <li>• Powers for general maintenance and works to water courses to avoid flooding/erosion</li> </ul>	<ul style="list-style-type: none"> <li>• Regional councils</li> </ul>
<b>Rivers Board Act 1908</b>	<ul style="list-style-type: none"> <li>• Control of rivers and powers to carry out works to prevent or lessen flood damage.</li> </ul>	<ul style="list-style-type: none"> <li>• Regional councils</li> </ul>
<b>Civil Defence and Emergency Management Act 2002</b>	<ul style="list-style-type: none"> <li>• Manages hazards across the 4Rs – reduction, readiness, response and recovery</li> <li>• Responsible for local level hazard management</li> </ul>	<ul style="list-style-type: none"> <li>• National Emergency Management Agency</li> <li>• Regional councils</li> <li>• Territorial authorities</li> </ul>
<b>Earthquake Commission Act 1993</b>	<ul style="list-style-type: none"> <li>• Provides insurance for land damage from flooding (if an insurance policy with fire cover is held)</li> <li>• Can decline a claim if the property has a s74 Building Act notice on it and the listed hazard occurs</li> </ul>	<ul style="list-style-type: none"> <li>• Earthquake Commission</li> </ul>

<b>Climate Change Response (Zero Carbon) Amendment Act 2019</b>	<ul style="list-style-type: none"> <li>• Requires preparation of a National Climate Risk Assessment and a National Adaptation Plan</li> <li>• Provides for reporting requirements on climate change adaptation</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry for the Environment</li> </ul>
<b>Public Works Act 1981</b>	<ul style="list-style-type: none"> <li>• Enables compulsory acquisition of land for flood management schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Land Information New Zealand</li> </ul>
<b>Local Government Official Information and Meetings Act 1987</b>	<ul style="list-style-type: none"> <li>• Provides for natural hazard information (including flood hazard) to be included on Land Information Memoranda</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Internal Affairs</li> <li>• Territorial authorities</li> </ul>
<b>Taumata Arowai – the Water Services Regulator Act 2020</b>	<ul style="list-style-type: none"> <li>• Functions relating to establishing benchmarks for environmental performance of stormwater networks</li> </ul>	<ul style="list-style-type: none"> <li>• Taumata Arowai</li> </ul>
<b>Three Waters service delivery Reform (proposed)</b>	<ul style="list-style-type: none"> <li>• Will contribute to resilience and crisis response to proactively minimise the risk of flooding ahead of forecast events (e.g. hot-spot maintenance) and work with Regional Councils to co-ordinate CDEM response to flood events. New water service entities will be lifeline utilities.</li> </ul>	<ul style="list-style-type: none"> <li>• New water entities will be established under three waters service delivery reform</li> </ul>

## Appendix four: Better Business Case Framework

In preparing this report we have embraced the principles of Treasury's Better Business Case (BBC) framework. However, given the unique nature of this project, we have chosen to structure this report in a way that provides more narrative than the traditional BBC structure allows for. The table below outlines the requirements of the BBC framework and where in this work they have been considered.

*Readers note: page numbers below will be updated in final version*

<b>Strategic Case</b>		
<u>Strategic Context</u>	<u>Investment Objectives</u>	<u>Exploring the preferred way forward</u>
Pg 6 Context pg 6	Pg 53 Appendix four	Pg 18 Our Proposal – the PARA model
Pg 8 About Westport Kawatiri		
Pg 11 Flooding and Westport		Attached Report: <i>Real Options Analysis of Strategies to Manage Risks to Westport from Climate Change</i> , Infometrics
Pg 13 The Story so Far		
<b>Economic Case</b>		
<u>Critical Success Factors</u>	<u>Long list options and initial options assessment</u>	<u>Recommended preferred way forward</u>
Pg 53 Appendix four	Attached Report: <i>Direct Damage Analysis for Scenario Flooding in Westport</i> , NIWA	Pg 18 Our Proposal – the PARA model
	Attached Report: <i>Buller River Westport Flood Mitigation Engineering Report</i> , G & E Williams Consultants	Attached Report: <i>Real Options Analysis of Strategies to Manage Risks to Westport from Climate Change</i> , Infometrics
<b>Commercial, Financial and Management Cases</b>		
<u>Procurement strategy</u>	<u>Funding Requirements</u>	<u>Planning for successful delivery – project management planning</u>
Pg 40 Procurement Strategy	Funding	Pg 38 How we will implement



## Appendix five – Options not favoured by the TAG

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### Dredging of the Buller River

Some of our residents suggested that flood risks to Westport could be mitigated by carrying out more extensive dredging of the bed of the lower Buller River. This option has been investigated.<sup>92</sup> Our experts have reported, based on their review of decades of experience in managing gravel riverbeds, that:

- The Buller River has the power, in large flood events, to determine its own bed levels and bed profile. It will scour and deposit the considerable volume of bed material available within the catchment to suit its very high magnitude sediment transport capacity. Even comparatively small river floods could replace extracted gravel overnight.
- The Buller River channel, along its lower reaches and extending out to the river mouth bar, has been dredged for harbour development and for maintenance purposes for many years. This work has had little effect on the bar or on channel depths compared to that created by the power of the river.
- Dredging / gravel extraction is costly. There is no substantial commercial demand for aggregate in the Buller. Dredging will therefore come at significant ongoing cost.

With the above points in mind, we do not believe dredging can contribute to flood risk mitigation solutions in Westport.

### Direct cut to the sea from the Orowaiti Estuary

An 'overflow cut' option was put forward for our consideration. The proposed cut was suggested as best located where the Orowaiti Estuary bends to the east. The cut was envisaged as allowing flow to go directly out to the sea, through the spit<sup>93</sup> thereby preventing higher than wanted ponding of upriver flood water flows.

The advice<sup>94</sup> received was that the long length of a cut between the estuary and the current coastline, and the lack of hydraulic grade at this location, would make any overflow cut option inefficient. Further:

- The cut would have to be wide and shallow to have sufficient capacity while still fitting the level limitations of the estuary and sea.<sup>95</sup>
- Maintenance of the cut would need to be relatively constant, with associated costs.
- An opening in this area would increase the risk of sea surge and tsunami hazards to residents of Westport.

### Flood risk mitigation structures at Snodgrass

We fully explored the option of providing flood mitigation structures at Snodgrass. After deep consideration and despite having notified an initial intent to construct flood risk mitigation walls at Snodgrass,<sup>96</sup> we reluctantly no longer see favour in this option (Figure 19). Our reasons are that the:

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<sup>92</sup> 'Buller River Gravel Extraction Recommendations,' Matthew Gardner 2020.

<sup>93</sup> The changes in the profile of the coastline and in the Orowaiti estuary over time, because of the coastal protrusion of the harbour moles, were demonstrated in slides presented by Matthew Gardner at the Councillor briefing held on 26 May 2022. The complexity of Orowaiti 'cut' options are summarised in a report commissioned by WCRC in 2015.

<sup>94</sup> G & E Williams Consulting Ltd.

<sup>95</sup> The tidal range i.e. the difference between the height of the water in the estuary and the sea level at MHWS at this location, gives rise to a small useable height range across the spit.

<sup>96</sup> This was in the WCRC 2021-31 LTP.



- Construction of flood risk mitigation structures at Snodgrass would significantly increase water levels for upstream properties over a length of 6km.<sup>97</sup> This would require higher structures for the Westport ring-bank on the other side of the Orowaiti estuary, as well as increasing flood depths on land within the (unprotected) Orowaiti overflow area upstream.<sup>98</sup> The higher structures would have further adverse amenity impacts on affected landowners, and it may be difficult to gain resource consent.<sup>99</sup>
- Snodgrass area is inherently vulnerable, under present climatic conditions – and even more so, under climate change-induced sea level rise and groundwater inflow conditions. Coastal flooding and groundwater ponding are likely to occur more frequently in the future even if flood risk mitigation structures were to be put in place.
- Cost benefit of investment is not as attractive as the investments in the Westport 'ring-bank' or at Carters Beach.<sup>100</sup>
- Resource consents for structural solutions may be difficult to obtain because the:
  - Toe of many parts of the embankment would extend into the estuary.
  - Public access would become increasingly constrained.
  - Structures may need to be of significant height thus creating unwanted amenity impacts for residents and visitors to this area.
- There are likely significant constructability issues which are yet to be investigated in detail, including complex road crossings.

Figure 34 - Location of proposed Snodgrass bank flood risk mitigation structures



<sup>97</sup> We note that one of the objectives set by the Steering Group was 'avoiding the transfer of any negative effects both downstream and upstream'

<sup>98</sup> These structures would need to be around 0.6m higher because of the constriction created by the construction of the Snodgrass walls.

<sup>99</sup> Landmark Lile Ltd Report

<sup>100</sup> The cost of the structures at Snodgrass has been estimated to be \$2.3m (1:100). The capital value of the 34 properties at Snodgrass has been calculated to be close to \$13m.

## Excavating a causeway on the Snodgrass peninsula

Through the TAG, the effects of constructing a floodway along the lowest lying area of land in the Snodgrass area were investigated. The idea explored was whether this would provide relief from flood flows upstream of the State Highway 67 causeway. More particularly, we explored whether excavation of the causeway could eliminate the road flooding on the embankment access road to the State Highway, and whether an excavation could lower upstream flood levels, and hence lower the cost of flood defences at other locations.

Despite these potential benefits, this option would be difficult to operationalise. The reasons for this include the:

- Benefits in terms of lower flood levels in the Orowaiti are relatively small.
- Costs would be high because:
  - Bridging or constructing a set of box culverts would be required for floodwaters to pass under the State Highway.
  - There is a substantial area immediately downstream of the State Highway that has been filled. This fill would have to be removed at considerable cost.
  - There are several homes located on or near the proposed causeway and these would need to be relocated at considerable expense.

## Constructing culverts at the Railway embankment at Stephen Road

The railway embankment across the Orowaiti river at Stephen Road is viewed by some residents as a weir control on overland flood flows. This railway embankment was severely damaged by flood flows in the recent flood events. In addition, existing bridge/culvert openings are small compared to the length of the embankment restriction.

Despite these factors, constructing culverts at the railway embankment at Stephen Road should not be an integral part of Westport's flood protection scheme. This is because:

- Flood impacts of the small existing openings are localised due to the poor hydraulic linkage across Stephen Road to the low wetland area below the railway line.
- An enlarged waterway capacity could have significant long-term benefits for KiwiRail, but they would neither hinder nor significantly benefit broader flood risk management.
- KiwiRail may see fit to apply, at its own discretion, for a resource consent to enlarge the opening at Stephen Road sometime in the future.

Despite these findings, we think that further discussions should take place with KiwiRail about the net benefit of the weir-type role played by the embankment. The question to address is whether joint investment should be made to enhance the resilience of this embankment.<sup>101</sup>

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<sup>101</sup> At this stage, the costs of adding resilience to this structure have not been provided.

## Constructing culverts on the embankment adjacent to the Orowaiti State Highway bridge

The possibility of removing the hydraulic restriction caused by the Orowaiti embankment was assessed by the TAG. We agree with the TAG's recommendation that this should not be pursued. This is because it would:

- Have little flood mitigation effect as the causeway was mostly 'drowned-out' in large flood events.
- Not generate sufficient cost / benefit.
- Need to take place in a sensitive area of estuarine mud flats thereby likely making resource consent for this work difficult to acquire.

**BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

**AGENDA ITEM 10**

**Prepared by** - Sean Judd  
Group Manager Regulatory Services

**Reviewed by** - Bronwyn Little  
Policy Advisor

**Attachments** - 1 Keeping of Animals Urban Mapping  
- 2 Draft Animals Bylaw 2022

**BYLAW REVIEW**

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**1. REPORT PURPOSE**

For Council to review the attached draft 'Keeping of Animals' Bylaw to ensure it is fit for purpose.

If approved, the Draft would then be prepared for public consultation.

**2. REPORT SUMMARY**

- Draft 'Keeping of Animals' Bylaw including maps detailing 'Urban Area'

**3. DRAFT RECOMMENDATION**

**That Council:**

- 1. Direct staff to progress the draft 'Keeping of Animals' Bylaw for public consultation**
- 2. Direct staff to progress the draft 'Keeping of Animals' Bylaw for public consultation with the following alterations:**

#### **4. BACKGROUND**

The Buller District Council is undertaking a review of its current bylaws.

The timeframes set for this process to occur have been pushed back due to the recent series of weather events in the Buller.

An ongoing complaint relating to noise from roosters being kept in a built-up area has resulted in this bylaw being fast tracked.

The draft bylaw was presented to the Regulatory Hearing Committee on the 9 March 2022, where several changes were suggested, and it was approved on that basis to progress to legal review.

Of note was the absence of a definition of 'Urban Area' within the Buller District Operative Plan so for the purposes of this Bylaw, 'Urban Area' has been defined using a set of maps.

The legal review has now taken place. Council's legal advisors have suggested a number of changes, related to formatting and the tightening up of wording and phrases.

The draft bylaw incorporating these changes, along with a set of plans outlining 'Urban Areas' is now presented for approval to proceed to public consultation, as required under the Local Government Act 2002 (Sec.156: Consultation requirements when making, amending or revoking bylaws made under this Act and Sec.83: Special Consultative Procedure).

#### **6. CONSIDERATIONS**

##### **6.1 Strategic Alignment**

Council must ensure the bylaw is in keeping with its strategic direction for the district.

##### **6.2 Significance Assessment**

Bylaws require community consultation prior to adoption under the Local Government Act 2002.

##### **6.3 Tangata Whenua Considerations**

N/A

##### **6.4 Risk Management Implications**

Council needs an effective mechanism to mitigate the impacts of certain animals being kept on private property and an effective mechanism in order to address any legitimate complaints.

#### **6.5 Policy Framework Implications**

Nil identified.

#### **6.6 Legal Implications**

Council must take steps to ensure its compliance mechanisms are consistent with current best practice and law. It is noted that the draft bylaw presented has undergone a review by Council's legal team and amended as a result.

#### **6.7 Financial / Budget Implications**

Process including legal review and public consultation can be managed within existing budgets.

#### **6.8 Consultation Considerations**

Under the Local Government Act 2002 there is a statutory requirement for public consultation to be undertaken as follows:

### **Sec. 83 Special Consultative Procedure**

(1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must—

(a) prepare and adopt—

(i) a statement of proposal; and

(ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with [section 83AA](#)); and

(b) ensure that the following is publicly available:

(i) the statement of proposal; and

(ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with [section 82\(1\)\(d\)](#); and

(iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and

(c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and

(d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and

(e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—

(i) is given a reasonable opportunity to do so; and

(ii) is informed about how and when he or she may take up that opportunity.

(2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.

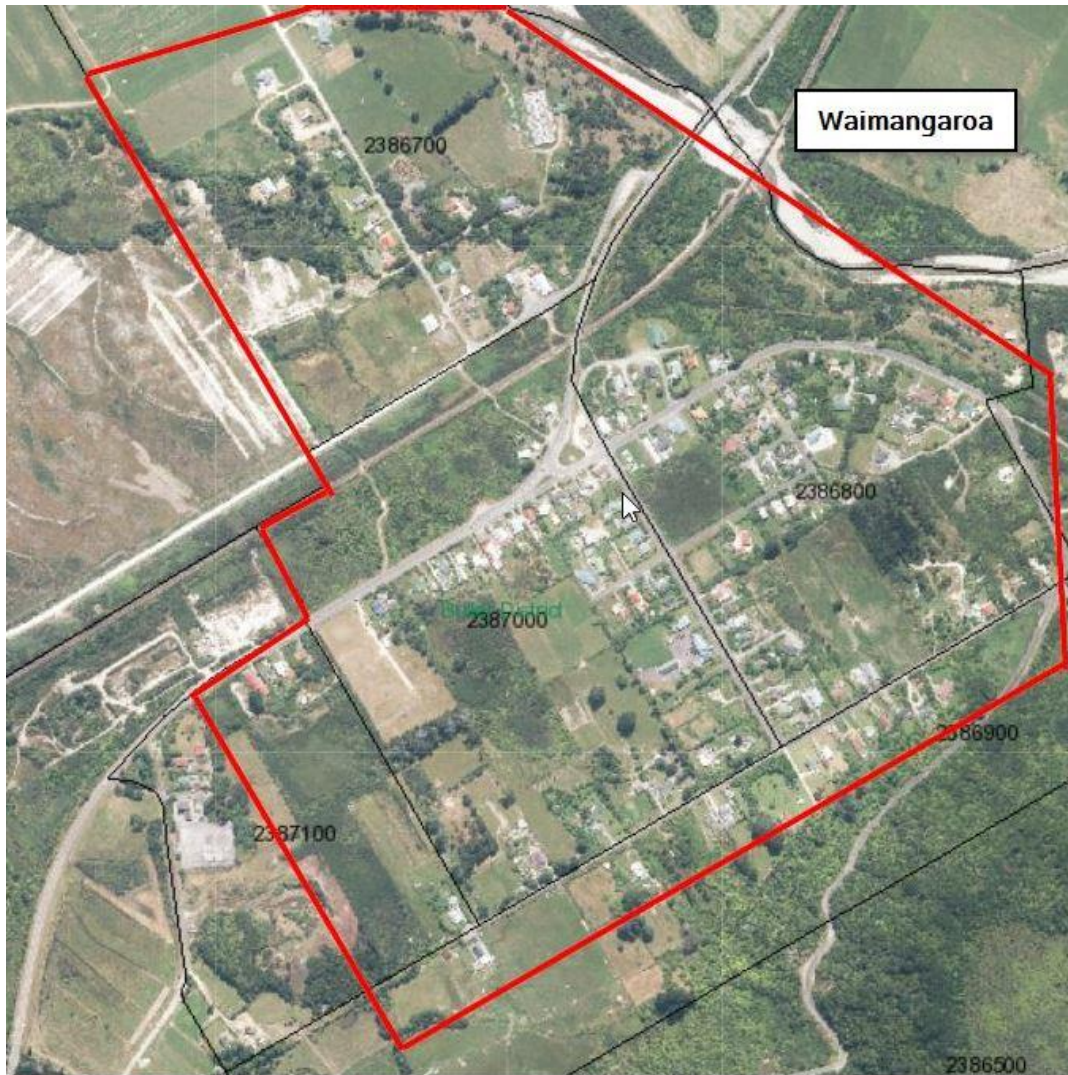
(3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

URBAN AREA













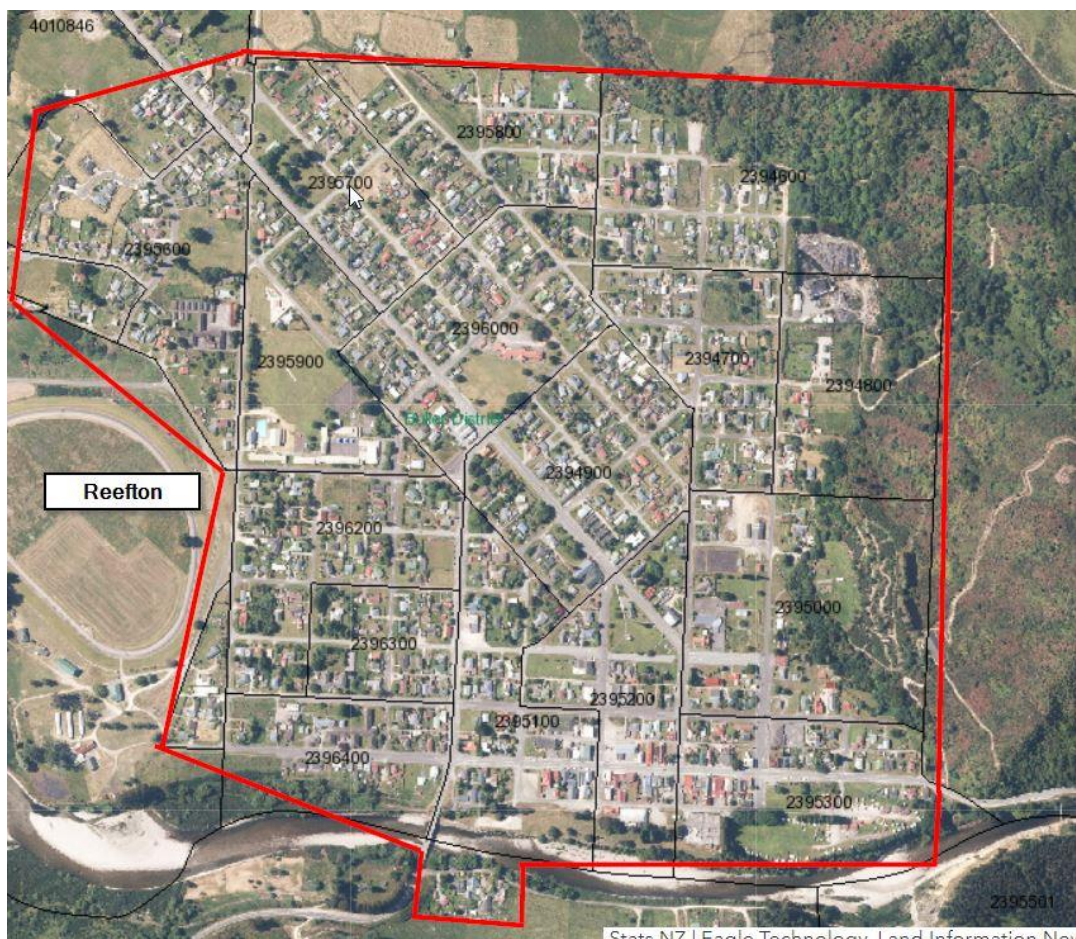




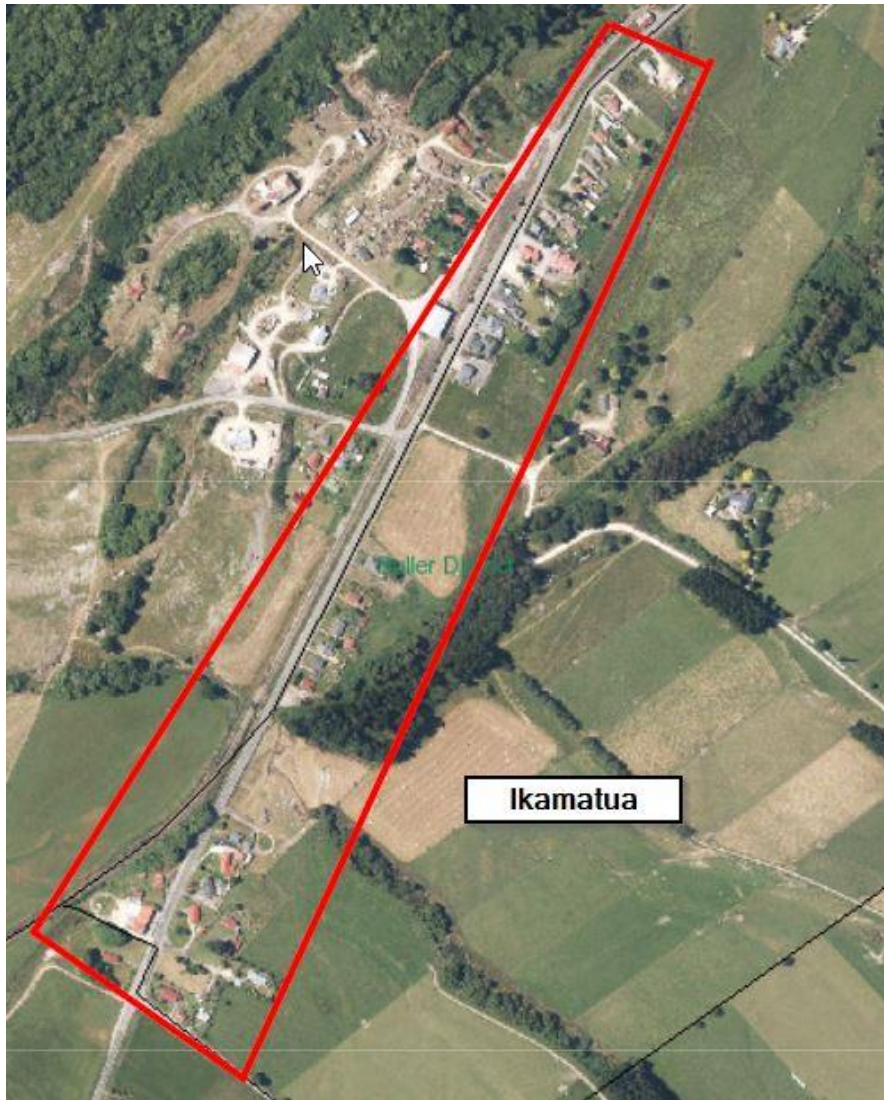








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**DRAFT**

**BULLER DISTRICT COUNCIL**

**ANIMALS BYLAW**

**2022**

# **Animals Bylaw 2022**

Buller District Council

## **1 Title and Commencement**

- 1.1 The title of this bylaw is the Buller District Council Animals Bylaw 2022.
- 1.2 This bylaw comes into force on [.....] 2022.

## **2 Authority**

- 2.1 This bylaw is made under:
  - a) Sections 145(a) and (b) and 146(a)(v) of the Local Government Act 2002; and
  - b) Section 64(1)(a), (i), (j), and (m) of the Health Act 1956.

## **3 Purpose and application**

- 3.1 The purpose of this bylaw is to:
  - a) Regulate the keeping of animals (including pigs, poultry, bees, livestock and cats) in the district to protect, maintain and promote public health and safety and to avoid causing a nuisance to any person; and
  - b) Regulate the slaughtering of animals in the district so as not to be offensive and to avoid causing a nuisance to any person.
- 3.2 This bylaw shall apply to Buller District.

## **4 Exclusions**

- 4.1 This bylaw does not apply to:
  - a) Any animal kept in a zoo; or
  - b) Any dog.

## **5 Interpretation**

- 5.1 In this bylaw unless the context otherwise requires:

**Animal** means any member of the animal kingdom, including any mammal, bird, finfish, shellfish, reptile, amphibian, insect or invertebrate, and includes their young, their carcasses or constituent parts of that animal, but does not include a human being or a dog.

**Approval** means a written approval from the Council.

**Bylaw** means this Buller District Council Animals Bylaw 2022.

**Council** means Buller District Council or any person delegated to act on its behalf.

**District** means the district within the jurisdiction of Buller District Council.

**Domestic animal** means any cattle, sheep, poultry, horse, mule, ass, dog, cat, pig, rabbit, or goat; but does not include any such animal that is living in a wild state.

**Dwelling** means any separately occupied household unit used in whole or in part for human habitation, and includes any building, tent, vehicle or other structure, whether permanent or temporary and whether attached to the soil or not.

**Livestock** includes any cattle, sheep, deer, horse, donkey, hinny, mule, goat, thar, alpaca, llama, bison, ostrich, emu, pigs or any other herd animal, regardless of age or sex.

**Nuisance** means any unreasonable interference with the peace, comfort or convenience of another person and includes a nuisance as defined in section 29 of the Health Act 1956, and includes the following:

- a) where any accumulation or deposit of any waste or other similar material is in such a state or so situated as to be offensive;
- b) where any buildings used for the keeping of animals are so constructed, situated, used, or kept, or are in such a condition, as to be offensive; and
- c) where any noise emitted by an animal unreasonably interferes with the peace, comfort, and convenience of any person.

**Occupier** (of any property) means the person occupying the property.

**Owner** (of any property) means any person who would be entitled to receive the rent of the property, or would be so entitled if the property were let at a rent, and includes any person for the time being registered under the Land Transfer Act 2017 as the owner of the property.

**Person** includes an individual, a corporation sole, a body corporate, and an unincorporated body.

**Poultry** means any live, domesticated or farmed bird including, but not limited to, chicken, rooster, goose, duck, turkey, swan, pheasant, or peafowl.

**Property** means any parcel of land that is occupied or unoccupied.

**Urban area** means the land identified in the plans attached in Appendix 1 of this bylaw.

**Waste** has the same meaning as in section 5 of the Waste Minimisation Act 2008.

**Zoo** means a place where animals are kept for public exhibition, education, or entertainment, and includes a zoological garden.

5.2 A reference in this bylaw to any Act, Regulation or Rule, includes any amendment thereof, and any Act, Regulation or Rule in substitution therefor.

5.3 The Legislation Act 2019 applies to this bylaw.

## **6 Keeping of animals**

- 6.1 No person shall keep, or allow to be kept, on any property any animal (including, but not limited to, livestock, poultry and bees):
- a) which causes a nuisance through noise, smell, dust or through the attraction of flies; or
  - b) in a manner that is or is likely to become:
    - i) a nuisance; or
    - ii) offensive to the occupier of any neighbouring property; or
    - iii) injurious to the health of any person.
- 6.2 Clause 6.1 will apply regardless of whether a person has complied with any other provisions of this bylaw.
- 6.3 Any person keeping an animal (other than cats or bees) must confine the animal within the boundaries of the property where the animal is usually kept.
- 6.4 Clause 6.3 of this bylaw does not prevent a person from driving, leading or riding any animal.
- 6.5 No person shall release or abandon a domestic animal.

## **7 Keeping of cats in an urban area**

- 7.1 No person shall keep, or allow to be kept, more than four cats over the age of six months on any property in an urban area, except with the written approval of the Council.
- 7.2 Before granting any approval under clause 7.1 of this bylaw, the Council must be satisfied that:
- a) the cats will be adequately housed and that no nuisance will result; and
  - b) any other lawful requirements of the Council have been satisfied including any relevant provisions of the Operative Buller District Plan.
- 7.3 The approval of the Council under clause 7.1 of this bylaw may include such terms and conditions as the Council considers appropriate in the circumstances, including requiring the cats to be desexed.
- 7.4 Any person to whom an approval has been given under clause 7.1 of this bylaw must comply with the terms and conditions of the approval.
- 7.5 Nothing in clause 7.1 of this bylaw applies to a lawfully established SPCA facility or other animal shelter, or a lawfully established veterinary clinic or cattery.

## **8 Keeping of poultry in an urban area**

- 8.1 No person shall keep, or allow to be kept, any roosters, ganders or peacocks on any property in an urban area.
- 8.2 No person shall keep, or allow to be kept, more than 12 head of poultry on any property in an urban area.
- 8.3 A person who keeps poultry on any property in an urban area must ensure the poultry are confined to that property by providing either:

- a) an enclosed poultry house with an attached poultry run; or
  - b) an enclosed poultry house and adequate fencing of the property;
- and the poultry house and poultry run (if any) must comply with clause 9 of this bylaw.
- 8.4 A person who keeps poultry on any property in an urban area must ensure that the poultry do not cause a nuisance to any person, including a noise nuisance or odour nuisance.
- 8.5 If poultry on any property in an urban area cause a nuisance, the Council may by written notice to the owner or occupier require the owner or occupier to abate the nuisance.
- 8.6 Any owner or occupier who receives a notice under clause 8.5 of this bylaw must, without delay, act to abate the nuisance as required by the notice.

## **9 Poultry houses and poultry runs**

- 9.1 A person who keeps chickens on any property in the District must ensure:
- a) The chickens have access to shelter from adverse weather that is likely to cause heat or cold stress, and to reduce the risk of predation; and
  - b) Openings provided for the chickens to access an outside area are wide enough to enable the chickens to freely move to and from the outdoors at all times without risk of smothering or injury; and
  - c) Where access to an outside area is provided it must be managed to prevent the development around the poultry house of muddy, dusty or contaminated conditions to an extent that could be harmful to the chickens' health; and
  - d) Precautions are taken to protect the chickens from pests, including predators.
- 9.2 No person shall place, or allow to be placed, any poultry house or poultry run:
- a) Within ten metres of any dwelling on any neighbouring property; or
  - b) Within two metres of the boundary of any neighbouring property.
- 9.3 Every poultry house and poultry run must be adequately graded and drained and must be kept clean and in good repair.
- 9.4 No person shall discharge effluent from a poultry house or poultry run in such a manner as to cause a nuisance.
- 9.5 If a poultry house or poultry run on any property causes a nuisance, the Council may, by written notice to the owner or occupier, require the owner or occupier to abate the nuisance.
- 9.6 Any owner or occupier who receives a notice under clause 9.5 must, without delay, act to abate the nuisance as required by the notice.

## **10 Beekeeping**

- 10.1 No person shall keep, or allow to be kept, any bees on any property in the District if the keeping of the bees is, or is likely to become, dangerous or injurious to the health of any person, or cause a nuisance to any person.
- 10.2 A person who keeps bees on any property in the District must ensure that hives are positioned

so as to not cause a nuisance to any person.

10.3 If bees cause a nuisance to any person, or may be dangerous or injurious to the health of any person, the Council may by written notice require the beekeeper, or the owner or occupier of the property on which the bees are kept, to undertake one or more of the following steps to mitigate or abate the nuisance or danger:

- i) ensure the bees are kept in accordance with the Apiculture NZ Code of Conduct and/or similar code of conduct;
- ii) relocate the hives to another area on the property;
- iii) develop a flight management plan and submit this to the Council for approval by the Council to ensure that the bees flightpath is diverted from or made to go a minimum of 1.8 metres high over an adjacent property, footpath, or road;
- iv) reduce the maximum number of hives allowed on the property; and/or
- v) remove some or all of the existing hives from the property.

10.4 Any beekeeper, owner, or occupier who receives a notice under clause 10.3 of this bylaw must, without delay, comply with the notice.

### **Keeping of bees in an urban area**

10.5 No person shall place, or allow to be placed, more than two hives on any property in an urban area, except with the written approval of the Council.

10.6 Before granting any approval under clause 10.5 of this bylaw the Council must be satisfied that:

- a) increasing the number of hives will not cause a nuisance or be injurious to the health of any person; and
- b) the property on which the hives are located is in excess of 1,500 m<sup>2</sup>.

10.7 Any approval granted by the Council under clause 10.5 may provide for the placement of up to and including four hives.

10.8 Any approval granted by the Council under clause 10.5 of this bylaw may include such terms and conditions as the Council considers appropriate in the circumstances.

10.9 Any person to whom an approval has been given under clause 10.5 of this bylaw must comply with the terms and conditions of the approval.

## **11 Keeping of livestock in an urban area**

11.1 No person shall keep, or allow to be kept, any livestock on any property in an urban area at a distance less than two metres from a boundary of any adjoining property if the presence of the livestock within that area causes a nuisance to any person.

11.2 A person who keeps livestock on any property in an urban area must ensure that the livestock do not cause a nuisance to any person, including a noise nuisance or an odour nuisance.

11.3 If livestock on any property in an urban area cause a nuisance, the Council may by written notice to the owner or occupier require the owner or occupier to abate the nuisance.

11.4 Any owner or occupier who receives a notice under clause 11.3 must, without delay, act to abate the nuisance as required by the notice.

## **12 Keeping of pigs in an urban area**

- 12.1 No person shall keep, or allow to be kept, more than [ ] pigs on any property in an urban area.
- 12.2 A person who keeps pigs on any property in an urban area must ensure that the pigs do not cause a nuisance to any person, including a noise nuisance or an odour nuisance.
- 12.3 No person shall:
- a) keep, or allow to be kept, pigs on any property in an urban area in such a manner as to cause a nuisance, or likely to be injurious to the health of any person, or be offensive; or
  - b) discharge effluent from a pigsty in such a manner as to cause a nuisance.
- 12.4 If pigs or a pigsty on any property in an urban area cause a nuisance, the Council may by written notice to the owner or occupier require the owner or occupier to abate the nuisance.
- 12.5 Any owner or occupier who receives a notice under clause 12.4 must, without delay, act to abate the nuisance as required by the notice.

*Note: The Operative District Plan contains provisions on the keeping of pigs. All pig farmers must also comply with the provisions of the Biosecurity Act 1993, Animal Welfare Act 1999 and any other relevant regulations.*

## **13 Slaughter of livestock**

- 13.1 A person responsible for the slaughter of any livestock must ensure:
- a) the slaughter is carried out in such a way that it cannot be seen by any other person nearby;
  - b) the processing of the slaughtered livestock (including skinning, gutting, and cutting of a carcass is carried out in such a way that it cannot be seen by any other person nearby;
  - c) the waste associated with a slaughter is disposed of in such a way that it cannot be seen by any other person nearby; and
  - d) the slaughter and the processing of the slaughtered livestock does not cause a nuisance or be offensive to any other person nearby.
- 13.2 A person responsible for the slaughter of any livestock must ensure:
- a) any waste associated with the slaughter of livestock is immediately removed: and
  - b) the body or part of the body of any slaughtered livestock is disposed of in a manner that will not cause a nuisance (including producing odour), become a threat to the health of any person, or otherwise become offensive to any person nearby.

- 13.3 For the purposes of clause 13 of this bylaw:

**A person responsible for the slaughter of any livestock** includes:

- a) the owner of the livestock concerned;
- b) any person contracted or otherwise engaged to perform the slaughter; and
- c) any person carrying out the slaughter and associated processing and disposal.

**Any person nearby:**

- a) includes a person on a neighbouring property, whether in a dwelling on that property or not,

and a person in a dwelling on the property where the slaughter is carried out; but

b) excludes any person responsible for the slaughter of the livestock.

13.4 If clauses 13.1 and 13.2 are not complied with, the Council may by written notice to the person responsible for the slaughter of the livestock, as set out in 13.3, require the person responsible to abate the nuisance.

13.5 A person responsible for the slaughter of livestock who receives a notice under clause 13.4 must, without delay, act to abate the nuisance as required by the notice.

## **14 Fees**

14.1 The Council may prescribe fees payable for any approval by the Council under this bylaw.

## **15 Offences and Penalties**

15.1 Every person who fails to comply with this bylaw commits an offence and is liable to enforcement action by the Council and the penalties set out in the Local Government Act 2002 or the Health Act 1956, as the case may be.

15.2 Notwithstanding the above, nothing in this Bylaw prevents the Council from exercising its powers under the Health Act 1956 or Resource Management Act 1991.

## **16 Repair and Removal of Works in breach of bylaw**

16.1 The Council may repair, remove, or alter, or cause to be repaired, removed, or altered, any work, material, or thing erected or done in breach of this Bylaw, and may recover from any person responsible for the work, action, or thing, all expenses incurred by the Council in connection with the repair, removal, or alteration (including the cost of debt collection and legal fees incurred by the Council).

## **17 Revocation**

17.1 All bylaws previously made by the Council which relate to the keeping of animals are hereby revoked.



## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 11**

**Prepared by** Mike Williams  
Manager Infrastructure Planning

**Reviewed by** Mike Duff  
Group Manager Infrastructure Services

### **THREE WATERS REFORM – “BETTER OFF” FUNDING PROPOSED INITIATIVES**

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

The purpose of this report is to clearly define and provide a high-level scope of the chosen initiatives for the Three Waters Reform “Better Off” funding as per the Council workshop held on 25 May 2022.

#### **2. BACKGROUND**

The Government is undertaking a reform programme for “Three Waters” (drinking water, wastewater and stormwater) service delivery for communities.

As part of the process the Government entered into a Heads of Agreement with New Zealand Local Government Association Incorporated Te Kahui Kaunihera ō Aotearoa (LGNZ) under which, amongst other things, the Government proposed that a Three Waters Reform financial support package be provided to local authorities, comprising:

- A “No Worse Off” package which will seek to ensure that financially, no local authority is in a materially worse off position to provide services to its community directly because of the Three Waters Reform Programme and associated transfer of responsibility for the provision of water services (including the transfer of assets and liabilities) to the Water Services Entities; and

- A “Better Off” package of \$2 billion which supports the goals of the Three Waters Reform Programme by supporting local government to invest in the wellbeing of their communities in a manner that meets the priorities of both the central and local government and is consistent with the agreed criteria for such investment set out in the Heads of Agreement, to be given effect in agreements between each local authority and the Government (through DIA).

Council has been allocated \$14.01M through the “Better Off” package in two tranches. Tranche one, with a value of \$3.5M, is available for draw down from May 2022 through to 30 September 2022. Tranche two will become available in 2024, with a value of \$10.51M.

The Government’s objectives with the “Better Off” package is to demonstrate confidence in the future for local government by providing the sector with additional funds to support local well-being outcomes in a way that aligns with the priorities and criteria including:

- Supporting communities to transition to a sustainable and low emissions economy, including by building resilience to climate change and natural hazards.
- Delivery of infrastructure and/or services that:
  - enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available.
  - support local place-making and improvements in community well-being.

### **3. DRAFT RECOMMENDATIONS**

**That the Council:**

- 1. Note the report.**
- 2. Approve the initiatives outlined in this report to progress into detailed Business Case development.**
- 3. Approve the corresponding Business Case to be submitted to the DIA when completed.**

#### 4. SUMMARY

Staff have continued to further develop each initiative as per the Council workshop in May into an early business case proposal, staff have also engaged with the DIA Relationship Manager to early test initiatives for progression.

The below table highlights the chosen initiatives, provides a high-level cost indication and shows the substitute project as per DIA's recommendations.

<b>THREE WATERS "BETTER OFF" FUNDING – PROPOSED INITIATIVES</b>			
<b>Initiative</b>	<b>Sub-project</b>	<b>Description</b>	<b>Indicative Estimate</b>
<b>Wastewater &amp; Stormwater solutions – District wide</b>	<i>Stormwater – Westport</i>	Accelerate or add value to addressing known stormwater issues. Examples - new valves, flood gates, increase pipe sizes. This set of work will provide immediate impact on known required scopes of works and alleviates known issues in the stormwater network	\$800,000
	<i>Stormwater/ Wastewater – Reefton</i>	Reefton Stormwater Options Analysis - Undertake a detailed analysis of Reefton's combined Sewer/Stormwater System, providing an options paper with solutions being presented to Council to approve funding for the next LTP or alternative funding mechanisms.	\$50,000

	<i>Stormwater/ Wastewater – Westport</i>	<p>Westport Wastewater/Stormwater ingress solutions - This initiative will be broken into two distinct tranches. Tranche one will be to assess the network (via smoke testing etc) to ascertain the required works to address the issue.</p> <p>Tranche two will be to provide physical works post tranche one. This may be in the form of direct intervention via Council or a grant/subsidy to homeowners to address separation requirements – this pursuant stage is to be further considered by Council.</p>	<p>Phase one – Smoke testing and subsequent analysis &amp; options report = \$400,000</p> <p>Phase two – implementation (pending further Council approvals required) = \$560,000 (TBC)</p>
<b>Climate change Preparedness/Planning – District wide</b>		Additional funding to meet the Climate Change programme of works as indicated in the BDC 2021 – 31 Long Term Plan.	\$500,000
<b>Cultural &amp; Community Hub</b>		Development of a detailed feasibility study and subsequent employment of a project manager to enable project - as per project description provided.	\$150,000

<b>Civil Defence</b>		Upgrade of essential equipment, EOC facilities and upskill/train staff. A comprehensive & detailed spend plan will be provided.	\$275,000
<b>Airport Relocation</b>		Strategic assessment for the relocation of vital Lifeline Asset - Westport Airport.	\$50,000
<b>Waimangaroa Water Supply</b>			\$650,000
<b>Karamea Water Supply</b>		To clear closed account costs accumulated to date as a standalone Karamea Water Supply will not proceed. And to provide a small sum to support the Karamea Bowling Club situated on Reserve Subcommittee land to transition to their own water supply.	\$65,000
<b>TOTAL</b>			<b>\$3.5 Million</b>
<b>SUBSTITUTE OPPORTUNITY Housing for Seniors improvements</b>		Purchase or development of housing stock.	Scope dependant

## **5. CONSIDERATIONS**

### **5.1 Strategic Alignment**

The Three Waters Reform “Better Off” funding is an investment by the Crown into the future for local government and community wellbeing. It is in recognition of the significance to the local government sector (and the communities they serve) of the transfer of responsibility for three water services delivery to the new yet to be formed “Entities”.

### **5.2 Significance Assessment**

The use of “Better Off” funding is significant in terms of capital to support councils to transition to their new role post-reform through meeting some or all of the following criteria, as laid out in the Heads of Agreement:

- Delivery of infrastructure and/or services that enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available.
- Supporting communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards.
- Delivery of infrastructure and/or services that support local place-making and improvements in community well-being.
- Council's significance engagement policy is deemed not to be impacted.

### **5.3 Tangata Whenua Considerations**

The criteria for the “Better Off” funding package recognise that local authorities are expected to engage with iwi/Māori (Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio) in determining how it will use its funding allocation. For tranche one, it is expected that the funding proposal demonstrates genuine engagement, extending beyond standing committees.

### **5.4 Risk Management Implications**

All projects/initiatives carry a low-risk threshold for Council and a full risk register for each initiative will be initiated.

### **5.5 Policy Framework Implications**

Council must comply with the relevant policy and legal requirements of the “Better Off” funding agreement, including the Water Services Act 2021, Health Act 1956, the Health and Safety at Work Act 2015, the Resource Management Act 1991, Local Government Act 2002 and Council's own Procurement Policies and Delivery Guidelines.

**5.6 Legal Implications**

Phase two of Westport Stormwater/Wastewater ingress separation, post analysis, will require legal consideration.

**5.7 Financial / Budget Implications**

Council notes that the allocation of the \$3.5M “Better Off” funding is towards projects over and above those contained in the Long-Term Plan.

**5.8 Media/Publicity**

Publicity is expected with Council drawing down on the “Better Off” funding, not all of which will be positive. However, this should not deter from the reasons for delivering important assets and infrastructure for the community.

**5.9 Consultation Considerations**

The team will work to ensure affected parties and stakeholders will be included and consulted throughout the programme delivery process.

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 12**

**Prepared by** Mike Duff  
Group Manager Infrastructure Services

**Reviewed by** Sharon Mason  
Chief Executive Officer

**Attachments** A – Options Paper – Westport Water Supply Resilience

#### **WESTPORT WATER SUPPLY – RESILIENCE OPTIONS**

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

This report outlines a range of short, medium and long term options to increase the resilience of the Westport Water Supply.

There are two phases of investment recommended. The first phase is short and medium term to further secure water supply and delivery, achievable within 18 months. The second phase is medium and long term (18 to 36 months) for better water management and sustainability.

The capital cost estimates are desktop only (rough order) and have not been market tested. However they are considered sufficient to guide strategic decisions and comparisons for the resilience options identified.

##### **2. REPORT SUMMARY**

During the February 2022 severe weather events, the Westport Water Supply was significantly affected in terms of site accessibility, primary intake damage and surface catchment area deterioration. The impact has been an ongoing challenge to maintain sufficient raw water supply to the reservoir ponds to meet demand.

This presents a significant risk for Westport consumers experiencing a “no supply” situation, where there is not enough storage or capability to produce safe, compliant drinking water.



In response to this risk, and building on the previous contingency planning from the Civil Defence Emergency Management (CDEM) response phase, a DIA-sponsored review was conducted in early May 2022 to identify short, medium and long term resilience options.

Those options have been further assessed in terms of strategy into two distinct phases. The first phase is to secure the supply and delivery of water to Westport, with the second phase to improve water management and sustainability into the future. Refer to Attachment A for the Options Paper report resulting from the review.

The following investment priority has been identified as shown below. In summary, \$17.5M (\$14M + 25% contingency) may be required over the next 3 years.

Approximately 50% is considered high priority as part of the first phase. The remaining 50% includes the longer term improvements via universal (smart) metering, and potentially an alternative ground source and treatment plant to complement the existing Giles Creek gravity flow system.

<b>Investment Priority</b>					
<b>Phase 1 – Further Secure Water Supply &amp; Delivery</b>	<b>Cost</b>	<b>Confidence</b>	<b>Timing</b>	<b>Funding</b>	<b>Approved</b>
Pond Modifications	\$0.20M	Moderate	3 months	No	No
Catchment Hydroseeding	\$0.10M	Low	3 months	No	No
Groundwater Feasibility Study	\$0.10M	Moderate	3 months	No	No
Bulk Flow Meters	\$0.38M	Moderate	3 months	No	No
Water Loss Reduction Plan	\$0.05M	High	6 months	No	No
Trunk Main Renewal Completion	\$3.14M	High	6-9 months	No	No
Clarification & Backwash/Solids Handling	\$3.01M	Moderate	12-18 months	No	No
Subtotal	\$6.98M				
Contingency (25%)	\$1.75M				
Phase 1 Total	\$8.73M				
<b>Phase 2 – Better Water Management &amp; Sustainability</b>	<b>Cost</b>	<b>Confidence</b>	<b>Timing</b>	<b>Funding</b>	<b>Approved</b>
Universal (Smart) Metering	\$3.62M	Moderate	18-36 months	No	No
Groundwater (Bore Field) Supply	\$0.50M	Low	18-36 months	No	No
Bore Field Water Treatment Plant	\$2.90M	Low	18-36 months	No	No
Subtotal	\$7.02M				
Contingency (25%)	\$1.76M				
Phase 2 Total	\$8.78M				

### 3. DRAFT RECOMMENDATIONS

That the Council:

1. **Note the report and attachment.**
2. **Endorses the proposed strategy and priority of resilience options for the Westport Water Supply in two phases by securing the supply and delivery followed by longer term water management and sustainability improvements.**

### 4. BACKGROUND

#### **Existing Supply**

The Westport Water raw water supply currently comes from the south branch of Giles Creek and the catchment slopes of Mount Rochfort. The primary intake incorporates a silt trap and gates to close off supply to the tunnel pipeline system when the water levels and quality exceed thresholds.

During normal operation, the raw water flows through a 2.5km tunnel pipeline to the reservoir ponds under gravity flow. Settled water from the largest pond then feeds through a 600mm PE pipe to the Water Treatment Plant.

After a treatment process consisting of coagulant dosing, flocculation, filtration, UV irradiation, chlorination and pH adjustment, the treated water is then conveyed through two Trunk Mains (14" spiral steel and 8" cast iron) from an elevation of 100m down to sea level and then approximately 4.5km into the Westport reticulation under gravity flow.

#### **Infrastructure Damage**

The primary raw water network sustained significant damage during the February 2022 severe weather events. The critical infrastructure affected including the following, which are currently being repaired via DIA funding:

- The primary tunnel pipeline system, between Tunnel no.3 and Tunnel no.4 (T3-T4). A major slip of ground beneath has left a 3 tonne, 20m span of DN630 PE100 SDR13.6 pipe unsupported. If left unrepaired, the risks included total failure under hydraulic load and sagging sufficient to impede water flow on shallow 1:1000 system grade.
- The primary intake (south branch of Giles Creek). Access road slips, weir infrastructure including gates, screens and general flood damage. Most significant is the loss of usable raw water due to upstream catchment slips causing high turbidity.

- Attempts remain ongoing to provide usable water of sufficient quality, by constructing temporary weirs and pumping.

Note: Every time there is significant rainfall these repairs are nullified, and supply capability is lost or reduced. If high turbidity water is turned into the tunnel pipeline network, the sediment load can damage the asset, create build up to obstruct flow and spoil the quality of the reservoir ponds making it unsuitable for treatment without other measures such as clarification.

### **Supply & Demand**

The Westport Water reservoir ponds have a current raw water storage capacity of 123,000m<sup>3</sup> with the bottom 30% unusable due to poor quality at low level. Hence the usable volume is only 86,000m<sup>3</sup> when at full capacity.

At an average Westport demand of 5,500m<sup>3</sup> per day, there are approximately 16 days raw water reserve at 100% full, with the treated water storage holding a further 1 day maximum. If the reservoir is not replenished, storage can reduce by up to 5% per day.

The raw water requirement to meet average demand (5,500m<sup>3</sup> per day) is 64 L/s. Even when Westport has been placed on essential use restrictions (food preparation and hygiene only) and network leaks have been repaired, the average usage has not reduced significantly.

This indicates that the highest influence on water demand is loss (i.e. leaking pipes) rather than consumption, and there is supporting evidence from flowmeter measurements that the largest contributor to leakage is the 4.5km 14" trunk main, where up to 40% of treated water volume could be lost directly to ground.

Council is about to complete replacement of half of the trunk main with new 400mm PE pipe. However, there is still another 2km to complete in order to finish the total renewal.

## **5. FUNDING OPTIONS**

Council staff will actively work with central government agencies and the national transition unit (NTU) to source external funding for the proposed work programme.

There is no additional financial commitment from council considered at this time. If a funding contribution is required, staff will look first to budgets available from the approved Annual Plan.

If external funding cannot be secured, a further report will be brought back to Council for funding consideration.

## **6. CONSIDERATIONS**

### **6.1 Strategic Alignment**

Providing safe, adequate, reliable and compliant drinking water for Westport is Council's responsibility. The benefits are aligned with community outcomes including well-being, learning, who we are, sustainable environment and prosperity.

### **6.2 Significance Assessment**

Provision of compliant drinking water is considered highly significant in terms of levels of service and public health.

### **6.3 Tangata Whenua Considerations**

Council works in partnership with Ngāti Waewae and will consult on any elements of intrinsic value or potential impact for Tangata Whenua culture and traditions.

### **6.4 Risk Management Implications**

Risks are managed in accordance with Council's risk management processes including a "what could go wrong?" approach to ensure all practicable steps are being taken to assess, control and monitor identified risks.

### **6.5 Policy Framework Implications**

Council must comply with relevant policy and legal requirements including the Health (Drinking Water) Amendment Act 2007, the Water Services Act 2021 and Drinking Water Standards of New Zealand 2005 (rev 2008), the Health and Safety at Work Act 2015, the Resource Management Act 1991, Local Government Act 2002 and Council's own policies.

### **6.6 Legal Implications**

Council as the water supplier for Westport must comply with its legal obligations to provide an adequate and reliable amount of safe, compliant drinking.

### **6.7 Financial / Budget Implications**

Costs for the proposed resilience options are not included in our LTP or Annual Plan and therefore are currently unapproved and unfunded.

### **6.8 Media / Publicity**

Publicity is expected with significant issues, not all of which will be positive. However, this should not detract from the reasons for delivering important services for the community.

### **6.9 Consultation Considerations**

Affected parties and stakeholders including community members and entities, government ministries, agencies and authorities are consulted throughout the project delivery process.

# Options Paper

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## Westport Water Supply Resilience

### ***Purpose of document***

- To summarise the issues experienced with Westport water treatment and supply assets following the February 2022 weather events.
- To consider options to address these issues.
- To recommend a strategy to upgrade the assets.

### **Approvals**

Role	Name(s)	Date signed
Controller		
BDC CEO	Sharon Mason	

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## Version Control

Version number	Description of version change	Date	Author
<i>v1.0</i>	<i>Initial draft</i>	<i>19.05.2022</i>	<i>D.CMc</i>

## 1. Background

Potable water is supplied to the town of Westport by Buller District Council (BDC) and its operations contractor, Westreef Services Limited (Westreef). Raw water is supplied to the Westport Water Treatment Plant (WTP) from the south branch of Giles Creek, through the tunnel pipeline system and into three storage ponds. The ponds are thought to hold a combined total of approximately 20 days of town water demand. Raw water is drawn from the ponds and treated using direct sand filtration, UV disinfection and chlorination. Water is stored in a sealed concrete reservoir before gravity conveyance into town via approximately 4.5 km of trunk water mains. A schematic diagram of the supply is presented in Figure 1 below.

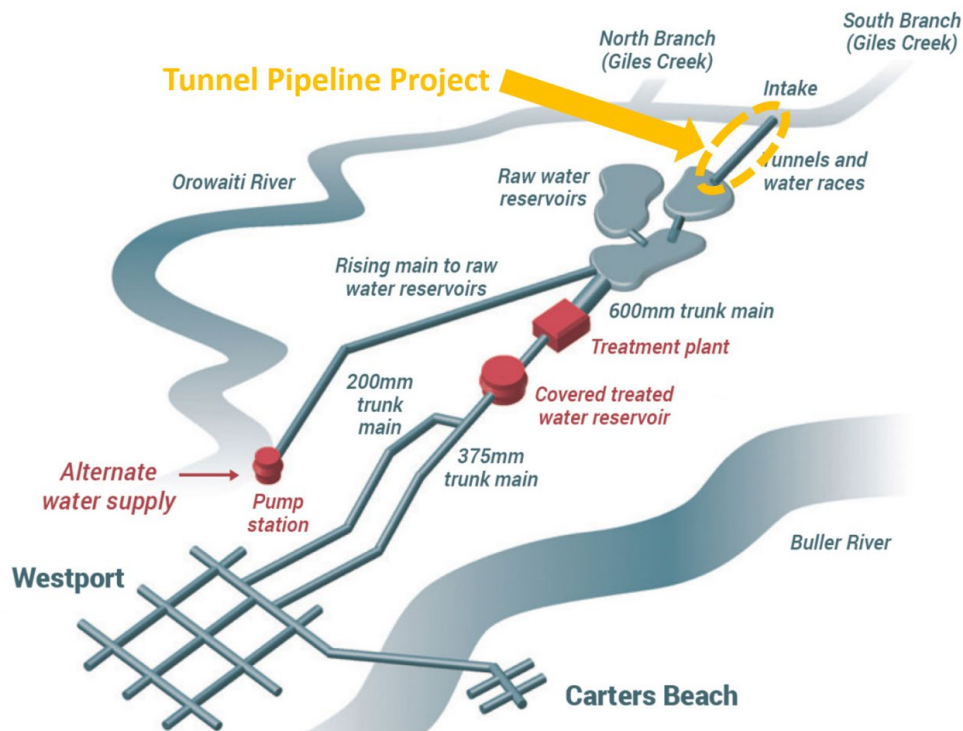


Figure 1: Westport Water Supply Schematic

Following the severe rainfall events in the first fortnight of February 2022, field reports on Wednesday 16 February confirmed that the raw water intake was submerged with debris. Follow up investigations identified that the catchment had been significantly affected by the event with large slips and debris deposits upstream of the intake. If possible, Westreef staff only take raw water when turbidity is less than 3 NTU to suit the limitations of the WTP. Following the February event, turbidity exceeding 3000 Nephelometric Turbidity Units (NTU) was recorded in the source water.

A week following the weather event, the turbidity of raw water in the south branch had not reduced as was expected based on operational experience. Raw water remained unsuitable for the treatment plant. Following this event, the water supply was managed with significant operator intervention including:

- Temporary pipework to intercept lower turbidity water from tributaries upstream of the intake.

- Selective abstraction between weather events
- Drawing down the raw water storage.
- Communicating the need to conserve water.
- Issuing a boil water notice when required.

The volume in raw water ponds progressively dropped following the event and at worst, it was estimated that the ponds would run dry within 2 weeks before the weather, and hence source quality, stabilised. Significant weather events have historically occurred in the catchment however the WTP has operated effectively since its upgrade in 2014 without drawing raw water ponds to this level.

At present, there is no back up water supply. An alternative pump station was constructed on an adjacent river in 2005 however this was also affected by a significant weather event and has been unusable since. Whilst other minor sources have been used temporarily in the past, they have previously been assessed as unsuitable to provide adequate water to meet demand on an ongoing basis.

With careful management, the raw water storage ponds have returned to 98% of capacity as of the 10<sup>th</sup> of May. Ponds have been surveyed however due to the nature of the ponds and intakes, the exact storage volume is slightly uncertain and at best, they are thought to contain adequate storage for 20 days of demand. This has not been tested and it is possible that water is unusable as ponds approach low levels. In the event of regular or prolonged rainfall events, raw water cannot be treated with the existing WTP. If a series of rainfall events occur in close succession, storage ponds could be drawn down to a critical level.

Following communication between BDC and the Department of Internal Affairs (DIA), DIA have requested a review of the existing water supply and recommendations to restore the supply to the level of reliability experienced prior to this event.

## 2. Investigation

An investigation into the present water supply was undertaken on the 10<sup>th</sup> and 11<sup>th</sup> of May 2022. The investigation was conducted by Shayne Cunis of Watercare and David Carlson-McColl of Envirolink. Michael Duff led the investigation on behalf of BDC. Biographies for staff undertaking the review are attached as Appendix A. The investigation involved an inspection of key infrastructure and discussions with BDC and Westreef staff. A local groundwater drilling contractor was also consulted. From this investigation, the following issues were identified with the present supply.

- 1) **Water Demand:** From information provided by BDC, the typical volume of water leaving the treatment plant is approximately 5,300 m<sup>3</sup>/day. From previous work by BDC, water losses within the trunk mains only (excluding reticulation) are estimated to be 25% of total water supplied. Connections are unmetered however based on data provided by Statistics New Zealand<sup>1</sup>, water use within the residential area of Westport is estimated to exceed 900L/person per day. This excludes allowances for commercial

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<sup>1</sup> <https://www.stats.govt.nz/tools/2018-census-place-summaries/westport-north>  
<https://www.stats.govt.nz/tools/2018-census-place-summaries/westport-south>



and industrial use. Unmetered connections to the trunk water main service rural properties and hence use per person is likely to be overestimated. Regardless, this indicates use 3-4 times higher than typical industry assumptions. It is likely that a combination of very high water use and water loss is occurring.

- 2) **Raw Water Source:** The raw water intake is on a tributary of the Orowaiti River. The catchment is steep and the intake is accessed via approximately 4km of gravel road traversing steep hillsides. Slips have historically blocked access. Since the February event, experienced operators have observed that the nature of the catchment has changed the extent and duration of turbidity spikes following rainfall events.
- 3) **Trunk Water Mains:** The Westport supply relies on a single water main from the raw water source to the treatment plant. Parallel mains are available for part of the network connecting the treatment plant to town. It is common for water treatment plants to rely on a single trunk main however in the case of Westport, the 2.5 km long raw water pipeline passes through a tunnel approximately 1 km long, shown in Figure 1. Water previously flowed directly through the tunnel. The tunnel partially collapsed in 2017 restricting raw water supply. A steel pipe was installed for water conveyance following this event. This has stabilised the supply however the residual service life of the steel pipe is estimated to be 15-20 years. A more significant failure of the tunnel could constrain the raw water supply.

Sections of the treated water main between the WTP and town reticulation have been renewed. Remaining sections of pipeline include cast iron from 1903 and spiral wound steel from 1961. These pipelines are at or beyond the service life typically expected for such assets. From analysis undertaken by BDC, these sections of pipe are understood to make a significant contribution to observed water losses.

- 4) **Treatment Envelope:** Typically, direct filtration treatment is regarded as appropriate for raw water supplies with an average turbidity of 10 NTU<sup>2</sup>. This depends on the surface area of the filters and coagulation characteristics of the water supply. The design basis for the Westport WTP is unknown. From operational experience, Westreef are reluctant to take raw water when turbidity exceeds 3 NTU as this has historically led to treated water turbidity exceeding that specified by the Drinking Water Standards New Zealand 2005 (revised 2019 – DWSNZ). The present Water Safety Plan is understood to require 4 Log Credits for Protozoal removal based on an assessment of the raw water source.

### 3. Supply Remediation

Remedial works to provide a resilient, fit for purpose water supply are outlined below.

#### 1) Water Demand

Water demand is extremely high, reducing the remaining days of raw water storage available during the February event. A water loss identification program is recommended. This requires a dedicated resource to ensure adequate time is available to review network performance data and identify priority areas for further investigation. There is limited data available at present to assess the relative contributions of high water use and water losses to observed demand.

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<sup>2</sup> <https://www.sciencedirect.com/topics/engineering/direct-filtration>

**Bulk Flow Meters:** As a minimum, bulk flow meters should be installed in strategic locations in the network to assess water flows and loss. These should be targeted to enable the relative contribution of trunk main losses, rural, industrial and residential use to be assessed.

**Universal Metering:** The layout of the town is well suited to the use of Smart Meters at all properties. Smart Meters can be read remotely rather than requiring time consuming manual meter reading. The use of Smart Meters does not add significant cost compared to manually read meters as most of the cost will be for installation, regardless of the type of meter used. Smart Meters will enable much lower cost data collection, enabling rapid assessment of the success of water loss reduction and leak identification work.

**Pressure Reduction:** Water pressure in Westport is in the order of 1,200 kPa, close to the maximum pressure rating of many plumbing fixtures. The relationship between reticulation pressure and water loss is widely accepted within the water industry<sup>3</sup>. Preliminary investigations into pressure reduction have been undertaken by BDC and these are discussed in further detail below.

## **2) Raw Water Source**

The existing raw water source has served the town for a considerable time. It enables a gravity supply and a catchment free of farming and other activities which could elevate the risk of drinking water contamination. Recent events have identified vulnerabilities in the supply and options have been considered to improve its resilience.

**Raw Water Intake Upgrade:** The existing raw water intake is vulnerable. Westreef conduct manual works to protect the screen when significant rainfall is forecast. Mechanical excavation is required to clear gravel from the screen and intake following high stream flows. From site observations, the stream could break out of the present channel and bypass the intake. An infiltration gallery, or multiple galleries could be developed near the present intake, subject to geotechnical investigation, to improve the resilience of raw water extraction.

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[https://www.waternz.org.nz/Folder?Action=View%20File&Folder\\_id=101&File=100503\\_waterloss\\_guidelines.pdf](https://www.waternz.org.nz/Folder?Action=View%20File&Folder_id=101&File=100503_waterloss_guidelines.pdf)



Figure 2: Raw Water Intake 8 May 2022

**Intake Access Upgrades:** Access to the intake has historically been prevented by slips. To date, access has been restored with earthworks. A significant slip could prevent vehicle access to the intake for months. In this event, a small excavator and operator could possibly gain access to the intake site by helicopter however this would add a health and safety risk, as well as significant time and complexity to manage the supply.

**Groundwater Supply:** A small number of users presently draw water from the “9 Mile Aquifer” beneath Westport. Anecdotal, very high yields are available. The raw water intake is separated from the reticulation by 7-8 km of raw and treated water pipelines. A significant seismic or rainfall event could prevent the delivery of water through these pipelines. The availability of water from a second water source closer to town could significantly improve the resilience of the water supply. Analysis results available indicate that the water is high in iron and manganese. Data relating to water turbidity is inconsistent. Comprehensive treatment of groundwater will required to comply with the DWSNZ.

**Raw Water Pond Modifications:** Raw water from the intake flows through 3 shallow ponds in series before conveyance to the WTP, as shown in Figure 3 below. The degree to which turbidity reduces as water flows through the three ponds is unknown; operators are reluctant to introduce elevated turbidity water into the ponds to reduce the build up of sediment in the ponds. Several interconnecting pipes are present however there is limited scope to actively manage the ponds. Treatment upgrades discussed below are likely to mean that raw water with higher turbidity is periodically introduced to the ponds. This could lead to higher amounts of silt deposited, requiring removal. The operational effect could be reduced by introducing higher turbidity water into a single pond which supplies the plant when turbidity is higher. The remaining two ponds could be dedicated to operation when water turbidity is low to prevent ingress of sediment into all ponds.



Figure 3: Raw Water Ponds

**Hydroseeding of Catchment:** Access to the catchment is limited by dense forest and steep topography. An inspection of the catchment by Westreef and BDC using a helicopter found evidence of significant slips. Debris immediately upstream of the intake is shown in Figure 4 below. Transport of slip material will continue until slips are stabilised by vegetation. This process could be accelerated by hydroseeding of the catchment upstream of the intake using a helicopter or drone.





Figure 4: Upstream of intake showing deposition of debris

### 3) Trunk Water Mains

Whilst sections of the trunk mains, both raw and treated water, have been renewed, some sections are approaching, or at, the end of their expected service life. This is thought to be contributing to high water loss.

**Raw Water Main Tunnel Upgrades.** The lining of the water tunnel is understood to have been completed with unlined/uncoated steel pipe. The pipe was installed through slip material using pipe jacking. Lining or coating would have been ineffective as it would be damaged by the installation process. The steel pipe is understood to have had a nominal 20 year service life at the time of installation. A polyethylene pipe could be pushed through the existing steel sleeve however the reduction in diameter will reduce the achievable flow. Cathodic protection could increase the service life of the steel pipe.

**Treated Water Main Renewals:** BDC have undertaken an analysis using information available to determine that a high proportion of water loss is likely to be from the treated water trunk mains. BDC have undertaken a preliminary review and identified two stages of trunk main upgrades which could be undertaken between the previously upgraded section trunk main and the town reticulation.

**Pressure Reducing Valve:** BDC have recognised that elevated reticulation pressures are likely to be contributing to water losses. BDC have identified a location between the two sections of trunk main upgrade outlined above where pressure reduction could be implemented. The use of a Pressure Reducing Valve (PRV) to gradually reduce reticulation

pressure is likely to reduce water losses whilst minimising customer complaints due to lower pressure. 300 kPa is typically specified as a suitable minimum for the operation of plumbing fixtures.

#### 4) Treatment Envelope

The limited range of turbidity which can be treated by the WTP reduces the amount of time where it is possible to draw raw water into the storage ponds. By increasing treatment effectiveness, raw water can be extracted more often whilst remaining compliant with the DWSNZ.

**Membrane Filtration:** Membrane treatment is a robust, well proven treatment process. The existing direct filtration process could be replaced with membranes. Existing chlorination and UV would remain. New feed and backwash pumps would be required. Membrane backwash typically involves citric acid and caustic soda dosing or similar. It is not practical for the site to discharge backwash to sewer. Management of backwash containing chemicals is possible however more difficult and costly than for a site with a sewer connection.

**Clarification:** The existing direct filtration plant allows compliance with DWSNZ at a low cost when raw water turbidity is low. Treatment effectiveness could be improved by adding clarification such as a lamella plate clarifier prior to the existing direct filtration. This could either be used permanently, or only when raw water turbidity is high. Subject to testing, it is likely that this process could reliably treat water with turbidity of 20-50 NTU compared to 3-5 NTU at present.

**Backwash/Solids Handling:** By improving sediment removal, the amount of sediment to be managed at the WTP site will increase. At present, backwash is diverted to a settling basin; clarified water is drained off manually and sediment is periodically excavated. When more sediment is removed, particularly during winter, this system will be difficult to manage. The management of sediment requires an upgrade in parallel with any treatment upgrades. Discharge of backwash to geobags and the installation of a sump within the settling basin will improve backwash management.

## 4. Recommended Strategy

To determine the recommended approach for upgrading the Westport water supply, the following criteria have been considered:

**Resilience:** Westport has a history of extreme weather events. Climate change is likely to exacerbate these events. Weather events can block access to the town and water infrastructure. Any solution needs to be robust, maintainable locally, with capacity to service demand following an extreme event.

**Environmental Footprint:** The environmental footprint of the water supply can be reduced by minimising the amount of water extracted and maximising the use of gravity. Use of existing assets wherever possible also reduces energy embedded in construction works.

**Climate Change Response:** Coastal communities must be able to respond to the threat posed by sea level rise and increased rainfall intensity due to climate change. The recommended approach should consider the possibility that future development in Westport may focus on areas at a higher elevation.

**DWSNZ Compliance:** The supply should comply with the DWSNZ at all times.

Upgrades have been recommended over the short, medium and long term once funding is secured based on a practical time required to complete these works. It is recognised that resources for designers and contractors across the water industry are constrained at present and the actual timeframe will be determined by the availability of materials and resources.

### Short Term (complete within 18 months)

**Water Loss Reduction Plan:** Dedicate a resource to develop a water loss reduction plan. Tasks include the following:

- Identify an appropriate location for bulk flow meters.
- Review available data including night flows to better assess demand.
- Develop a contract for the installation of universal metering.
- Develop a BDC policy for Council review to manage on property water loss when it is identified.

**Bulk Flow Meters:** Install bulk flow meters in the reticulation to allow identification of areas with higher water loss. This is still recommended with the roll out of universal metering as it will provide data as to where unmetered water use/loss is occurring.

**Raw Water Main Tunnel Upgrades (short term):** The present steel pipe was only intended for a service life of 20 years. Steel pipelines can last considerably longer if corrosion is managed. It is recommended that a suitably qualified specialist is engaged to assess cathodic protection requirements in this environment.

**Groundwater Feasibility Study:** Undertake a desktop study into a future bore field or infiltration gallery to augment the Westport water supply. Assess future urban/commercial development locations, available trunk mains and aquifers. Prepare a high level concept design for a groundwater supply with a cost estimate to include in future long term plans.

**Clarification Investigation:** Develop a raw water sampling program to assess the quality of water during dirty water events. Obtain samples of raw water presently considered too dirty to treat, eg 10-50 NTU. Undertake jar testing to assess settling characteristics. This, together with revised demand estimates following water loss identification, will inform future water treatment upgrades. Prepare specification for WTP clarification upgrade.

**Raw Water Pond Modifications:** Install additional pipework and valves to allow flow to be directed to, or extracted from, any individual pond. Survey ponds and prepare as built drawings.

**Treated Water Main Renewals:** Upgrade the remaining sections of treated water main between the previously renewed sections and the town reticulation.

**Pressure Reduction:** Install a PRV and associated access and monitoring equipment between the two trunk main sections. Reduce pressure gradually, for example by 10% per week for several months. Flow from firefighting hydrants should be tested as pressure is reduced to ensure firefighting requirements are still met. Owners of any buildings with firefighting sprinklers should be identified and consulted. A sudden significant drop in pressure may lead to public complaints. Gradual pressure reduction will allow data to be obtained which can be analysed to correlate any reduction in water loss due to pressure reduction.

**Hydroseeding of Catchment:** Identify and engage suitably qualified contractors to undertake a hydroseeding program. Work with Department of Conservation and local iwi groups to identify appropriate species and sources of seed.

## Medium Term (complete within 18-36 months)

**Clarification:** Prepare a design and construct contract for the addition of a clarifier to the existing WTP. Specify performance requirements based on raw water sampling program outlined above.

**Backwash/Solids Handling:** Include an upgrade of backwash management in the contract for the clarifier upgrade. Identify Resource Consent requirements and apply for consents as needed.

## Long Term (completion achievable within 36 months plus)

**Universal Metering:** Tender a design and construct contract for the installation of universal metering at all residential, commercial and industrial connections in Westport. This does not indicate that Council will implement demand-based billing. Clear communication is required so the community understand metering is to identify water use and loss, not as a precursor to volumetric charging.

**Bore Water Supply:** At this point, augmenting the existing supply with groundwater is not recommended. The addition of clarification and the reduction in water loss will considerably improve the resilience of the Westport water supply. Over the longer term, this conclusion may change, for example:



- If the WTP or trunk water mains approach their capacity.
- If a significant event, eg seismic, damages pipelines beyond repair.
- If substantial development occurs in a location with lower capacity trunk infrastructure such as Carters Beach.

For this reason, it is recommended that a groundwater supply remains part of a longer term strategy. Bore water will require comprehensive treatment with considerably higher operating costs than the present gravity system.

**Raw Water Main Tunnel Upgrades:** Implement cathodic protection (subject to cost, should be done sooner if possible). Subject to the success of cathodic protection, further works may be required in future to prolong the service life of the steel pipe within the water tunnel. This could include sleeving a polyethylene watermain within the existing steel pipe or lining the present steel pipe with a fiberglass resin liner. This should be included as part of a longer term asset management plan to prolong the life of this asset.

Options not recommended at this point include:

**Raw Water Intake and Access Upgrades:** Anecdotally, it is understood that this raw water source has been used for over 100 years. Whilst it appears vulnerable and requires ongoing intervention, operational experience indicates that the maintenance burden is acceptable. If vehicle access is ever completely blocked, access with a helicopter appears possible.

**Membrane Treatment:** Whilst effective, the introduction of additional chemicals required to clean membranes adds complexity to management of the site. Raw water quality is generally suitable for treatment with clarification followed by sand filtration.

## 5. Cost Estimate

A cost estimate has been completed to a rough order level. A best case accuracy of +/-25% is assumed. For some elements such as the WTP upgrade, scope risk is higher.

	Estimated Cost	Confidence	Funding Source
<b>Short Term</b>			
Water Loss Reduction Plan (initial 6 months to develop plan)	\$44,200	High	BDC
Bulk Flow Meters	\$380,000	Moderate	DIA
Raw Water Main Tunnel Upgrades (short term - Contractor review of cathodic protection)	\$10,000	Moderate	BDC
Groundwater Feasibility Study	\$100,000	Moderate	BDC
Clarification Investigation	\$20,000	Moderate	DIA
Raw Water Pond Modifications	\$201,600	Moderate	DIA
Treated Water Main Renewals	\$3,140,000	High	DIA
Pressure Reduction	N/A		
Hydroseeding of Catchment	\$100,000	Low	DIA
<b>Medium Term</b>			
Clarification	\$2,860,000	Moderate	DIA
Backwash/Solids Handling	\$150,000	Moderate	DIA
<b>Long Term</b>			
Universal Metering	\$3,617,900	Moderate	DIA
Develop Groundwater Source	\$500,000	Low	TBC
Bore Water Supply	\$2,900,000	Low	TBC
Water tunnel upgrades	N/A – Not estimated at this point		TBC
<b>Sub Total (DIA Funded Only)</b>	<b>\$10,469,500</b>		<b>DIA</b>
Contingency (25%)	\$2,617,375		DIA
<b>Total (DIA Funded Only)</b>	<b>\$13,086,875</b>		<b>DIA</b>

## 6. Risk Identification

The proposed approach will substantially restore the resilience of the Westport water supply. Whilst many of the identified risks are significantly mitigated, as with any drinking water supply, risks remain which require ongoing management. These are summarised as follows:

**Water Loss:** There is a high probability that the proposed trunk main upgrades and pressure reduction will reduce water loss however the water saved may not be as great as expected. If this risk materialises, or if demand growth exceeds that assumed, the number of days that the raw water ponds can supply town in the event of raw water supply failure will be reduced. A supplementary supply, such as bore water may be required sooner.

**Raw Water Intake/Access Damage:** Rainfall events experienced recently, whilst extreme, are within a typical design basis, for example a “1 in 100 year” flood. A more severe event could damage the intake or access track beyond repair. In this case, a complete rebuild of the track or intake would be required before the raw water ponds are drained by demand. Mitigations include reducing water loss to maximise the number of days of raw water storage and maintaining a clear area at the raw water intake to enable a helicopter to land.

**Trunk Main Damage:** The trunk main, in particular the aged steel/cast iron and the section of pipe within the water tunnel are vulnerable, for example to a seismic event. Mitigations include reducing water loss to maximise the number of days of raw water storage, renewal of pipelines where appropriate and developing a plan for a longer term bore supply in the event of tunnel failure.

**Public Perception of Water Loss Campaign:** The reduction of network pressure, increased focus on education regarding water use and introduction of water metering may lead to negative public perception. There may be concerns regarding future increases in water costs or volumetric billing. These concerns can be mitigated with clear communication, direct with the public. Changes are being implemented to reduce demand which will reduce the cost to operate the network and increase reliability.

## 7. Conclusions

Following a high intensity rainfall event in February 2022, water in the stream treated to supply Westport became very turbid. The WTP was unable to treat this water and supply was continued by drawing down the raw water storage ponds. Approximately 2 weeks of storage remained before water quality in the stream became acceptable.

Several months after this event, the situation has stabilised however significant operator management is required. Successive or prolonged rainfall events could lead to storage being drawn down again. A review of the Westport water supply has been undertaken and several issues were identified:

- High water demand – Westport water demand is 3-4 times higher per person than typical industry experience. This “demand” is likely to include both water loss from leakage and reticulation demand. The very high use reduces the amount of time where raw water storage can be relied on when water quality in the stream is unacceptable.
- Raw water source – The present supply has proven to be a high quality and reliable source for a significant time, slips have left unstable debris. This will affect site access and the raw water intake until slip material is stabilised by vegetation.
- Trunk Water Mains – Trunk mains have been partially renewed. Remaining sections of main are at or approaching the end of their service life. A section of trunk main passes through a tunnel, recently lined with steel pipe following a partial collapse.
- WTP performance envelope – The WTP complies with DWSNZ and operates effectively when raw water turbidity is low however when turbidity is approximately 5 NTU and greater, operation may be compromised, and operators are reluctant to draw water into the storage ponds. This limits the time where raw water extraction can occur.

Work has been identified to restore the resilience of the supply. Key actions include:

- Water Loss Reduction – This includes obtaining more data, with the introduction of bulk and universal metering, and providing a dedicated resource to analyse the data to direct other works such as reticulation renewals.
- Trunk Main Upgrades – This removes a vulnerability in the existing supply and is likely to significantly reduce water loss.
- Pressure Reduction – The trunk main upgrade/renewal will include the introduction of a pressure reducing valve. Reducing presently high reticulation pressure is likely to further reduce water loss.
- Treatment Upgrades – The present WTP operating envelope is too narrow following the observed change in catchment response to rainfall. Adding a clarifier to the present WTP allows the plant to treat dirtier raw water. Together with pipework changes to improve management of raw water storage and an upgrade in backwash handling, the existing WTP will be more flexible whilst maximising the value of existing assets.

This approach minimises the environmental footprint by using existing assets and gravity conveyance where possible. The investigation into a future groundwater supply provides flexibility if future development occurs at a higher elevation adjacent to town.

An indicative cost for the measures recommended for funding by DIA is \$12.4M with a 25% contingency. It is recommended that BDC fund some of the work required, particularly the activities which could extend beyond the scope of flood recovery. It is recommended that work is commenced immediately with a view to completing construction works within 3 years or sooner as resourcing allows.

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

**AGENDA ITEM: 13**

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

**Reviewed by** - Jamie Cleine  
- Mayor

**Attachment 1** - LGNZ Remits 2022

### **LGNZ – AGM REMITS FOR CONSIDERATION**

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

An Annual General Meeting (AGM) of members authorities is held annually by Local Government New Zealand (LGNZ).

The 2022 AGM will be held on Thursday 28 June online via Zoom. Remits for the 2022 LGNZ AGM are attached in this report for Buller District Council to consider and give direction to the BDC delegate.

#### **2. BACKGROUND**

##### **2.1 Remits**

Proposed remits, other than those relating to the internal governance and constitution of Local Government New Zealand, should address only major strategic “issues of the moment”. They should have a national focus articulating a major interest or concern at the national political level. The National Council’s Remits Screening Policy is as follows:

##### **2.2 Criteria**

- a. Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;
- b. Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action;
- c. Remits should not involve matters that can be actioned by equally valid means other than the AGM; and

- d. Remits should not deal with issues or matters that are “in-hand” and currently being actioned by LGNZ, unless the issue is approached from a different point of view.

### **2.3 Requirements**

- a. Remits must have formal support from at least one zone or sector group meeting, or five councils, prior to their remit being submitted, in order for the proposer to assess support and achieve clarity about the ambit of the proposal;
- b. Remits defeated at the AGM in two successive years will not be permitted to go forward;
- c. Remits must be accompanied by background information and research to show that the matter warrants consideration by delegates. Such background should demonstrate the:
  - Nature of the issue;
  - Background to it being raised;
  - Issue's relationship, if any, to the current Local Government New Zealand Business Plan, key priorities, and its objectives;
  - Level of work, if any, already undertaken on the issue by the proposer, and outcomes to date;
  - Resolution, outcome and comments of any zone or sector meetings which have discussed the issue; and
  - Suggested actions that could be taken by Local Government New Zealand should the remit be adopted.

The attached remits meet the required screened by the Remit Screening Committee and are formally tabled at the Annual General Meeting for consideration by the membership.

### **3. DRAFT RECOMMENDATION**

- 1. That Council receive the attached remits for consideration and provide direction on voting.**
- 2. That Council confirm the delegate to attend the AGM meeting 28 July and mandate the delegate to vote as per Council resolutions.**

Who's  
putting local  
issues on  
the national  
agenda?

**We are.  
LGNZ.**

Te Kāhui Kaunihera o Aotearoa.

# 2022 Annual General Meeting

**Remits**

# 1

## Central government funding for public transport

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<b>Remit:</b>	That LGNZ: <ul style="list-style-type: none"><li>• Calls on central government to fully and permanently fund free public transport for students, community service card holders, under 25s, and total mobility card holders and their support people.</li><li>• Joins the Aotearoa Collective for Public Transport Equity (ACPTE) in support of the Free Fares campaign.</li></ul>
<b>Proposed by:</b>	Porirua City Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

At present, an inequitable, car-dominated transport system constrains mobility and limits opportunity for thousands of people. Transport is the second-largest source (21%) of domestic carbon emissions in Aotearoa – and 70% of these emissions come from cars, SUVs, utes, vans and light trucks.

The Aotearoa Collective for Public Transport Equity (ACPTE) are a vast collection of community organisations from across Aotearoa, joining together to advocate for more equitable public transport. The ACPTE are now asking for councils across the country to join their Free Fares campaign.

ACPTE's Free Fares campaign is asking for central government to fund free fares for public transport users, starting with low income groups and under-25s. The ACPTE believes that these groups are the right place to start because they represent a large portion of public transport users who rely on the service the most but are least likely to be able to afford it.

#### 2. Background to its being raised

Transport is New Zealand's fastest growing source of greenhouse gas emissions, having doubled since 1990. Targeting transport is a key way to mitigate our fastest growing source of emissions. Porirua City Council's view is that we need to provide more sustainable transport options and enable people to transition from private vehicles to public transport.



The proposed remit suggests we can't meet our climate change targets without reducing how much we drive – not even by replacing petrol and diesel cars with EVs. Both in Aotearoa and overseas there are examples of free public transport incentivising mode shift away from private vehicle use. Free fares enable people to switch to public transport, which produces far less emissions per kilometre than private cars.

With housing costs and other expenses rising, many Community Service Card holders, tertiary students, under 25s and total mobility card holders find that a regular \$3 bus ticket is out of reach – and that's at the very time that we need to promote connection to combat loneliness and poor mental health. The high cost of public transport also leaves too many disconnected from family, friends and activities that bring us joy, leading to isolation and loneliness. The proposed remit suggests free fares would allow disadvantaged communities to better access services and seek education and employment.

To ensure transport equity, Porirua City Council suggests it is imperative we prioritise those who struggle the most to afford and access transport. All sectors of society are affected when the cost of fares prevent people from travelling. Businesses miss out on customers, community groups lose participants and volunteers, and tourist spots miss out on visitors. Free fares will allow more people to make these trips, connecting communities so we are all better off.

The ACPTE started in 2021 calling for free public transport for students and community card holders. A coalition of climate action groups, student organisations, churches, unions and political youth wings joined together in asking central government and the Greater Wellington Regional Council to fund a trial for free public transport for these two target groups in the Greater Wellington region.

After submitting to GWRC, the ACPTE decided that leading up to the Emissions Reduction Plan (ERP) consultation, the campaign should go national. Over the months leading up to the ERP consultation, the ACPTE connected with groups across Aotearoa to advocate for free fares. The campaign also shifted to include under 25s, with the aim of normalising public transport as the main form of transport for the next generation.

During this time, the ACPTE also reached out to councils inviting them to join in the advocacy effort, and several councils passed motions supporting free fares.

This campaign is specifically requesting that free fares are funded by central government. Signing onto this campaign would have no impact on councils' finances and would add no extra burden on rates.

**3. New or confirming existing policy**

This is new policy.

**4. How the issue relates to objectives in the current Work Programme**

This remit is broadly consistent with existing LGNZ work, particularly on climate change mitigation and the Future for Local Government Review, but has a more specific focus.

LGNZ is committed to working alongside central government and iwi to address social issues in our communities, including inequity between social groups.

**5. What work or action on the issue has been done on it, and the outcome**

The Government began a trial of half-price public transport fares from 1 April 2022. This three-month trial was extended by two months, and made permanent for community services cardholders, as part of the Government's Budget 2022 announcements. (Note that this decision is to provide half-price fares only to community service card holders, and not free fares which this remit and the ACPTE are advocating for).

While LGNZ has made statements in press releases about the Government's half-price public transport fares trial and its decisions around continuing this trial as part of Budget 2022 and ERP announcements, no formal work has been undertaken by LGNZ on this issue.

ACPTE has undertaken work on this issue, detailed in section 2 above. In addition to the work noted above, ACPTE has compiled research from within Aotearoa and abroad about the impact free fares could have for climate and equity and submitted their findings to the ERP consultation, and started a petition which received over 13,000 signatures and was handed to the Minister of Transport in March 2022.

**6. Any existing relevant legislation, policy or practice**

- Central government's public transport half-price fares trial extended for two months (total 5 months), and made permanent for community services cardholders, as part of Budget 2022 announcements
- NZ Transport Agency [Total Mobility scheme: policy guide for local authorities](#) 2017
- Ministry of Transport [SuperGold Card public transport funding](#)
- Aotearoa Collective for Public Transport Equity (ACPTE) [Free Fares NZ](#)
- [Government Policy Statement on Land Transport, 2021/22](#) – 30/31 including outcomes addressing "Inclusive Access" and "Resilience and security"
- [The Zero Carbon Act](#) 2019 and [Emissions budgets and the emissions reduction plan](#)

**7. Outcome of any prior discussion at a Zone or Sector meeting**

This proposed remit was endorsed by the Metro Sector at its meeting on 13 May 2022.

**8. Suggested course of action**

That LGNZ calls on central government to fully and permanently fund free public transport for students, community service card holders, under 25s, and total mobility card holders and their support people.

That LGNZ joins the Aotearoa Collective for Public Transport Equity (ACPTE) in support of the Free Fares campaign.

# 2

## Review of Government transport funding

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<b>Remit:</b>	That LGNZ call for an independent review into the way in which government, through Waka Kotahi, fund transport investments in Aotearoa. This includes funding of new developments and maintenance programmes.
<b>Proposed by:</b>	New Plymouth District Council
<b>Supported by:</b>	Rangitikei District Council, Hauraki District Council, South Taranaki District Council, Western Bay of Plenty District Council, Stratford District Council and Hamilton City Council

### Background information and research

#### 1. Nature of the issue

A key part of the advocacy role of LGNZ includes being involved in discussions with central government on significant issues affecting local government. This is a critical role that is at the core of the work and purpose of LGNZ.

This remit asks that LGNZ work with government to ensure that an independent review into the funding model of Waka Kotahi is undertaken. The current funding model does not fully recognise the costs of maintenance of roads and related infrastructure and does not provide certainty to councils in setting their own budgets. This appears to be related to funding being heavily reliant on the annual budget of the government of the day and income that varies depending on many factors.

Such a review should consider how long-term projects such as roading should not be so reliant on annual fluctuations and more should be funded through long-term debt such as with local government major infrastructure.

#### 2. Background to its being raised

The Government Policy Statement on land transport (GPS) states that “transport investments have long lead times, high costs and leave long legacies. Therefore transport planning and investments need to be guided by a long-term strategic approach, with a clear understanding of the outcomes that government is seeking to achieve”.

Over \$4 billion of New Zealanders’ money is spent through the national land transport fund each year, which is supplemented by co-investment from local government and additional funding and financing.

The GPS recognises that as the largest co-funder of National Land Transport Programme (NLTP) projects, local government has an important role in building strong, evidence-based projects and programmes for investment. This shows the appropriateness of LGNZ requesting a review is undertaken.

The Ministry of Transport and Waka Kotahi already look to other financing tools for larger intergenerational projects over \$100 million. The review should consider if this goes far enough and options for fixing the massive hole in existing budgets – such as the \$400 million one recently highlighted in Auckland for road maintenance and public transport projects.

The review should also consider the consistency of government actions across various infrastructure. The Three Waters Reform programme creates new entities to gain “a greater ability to borrow to fund long-term infrastructure” and aims “to protect consumer interests and drive efficient investment and performance”. Government recognises that Three waters requires long-term investment, but this review is needed to consider that view in relation to transport infrastructure.

### **3. New or confirming existing policy**

Transport is one of LGNZ’s five key policy priorities. However, LGNZ is not currently actively advocating for a review of transport funding. This is therefore a new policy issue.

### **4. How the issue relates to objectives in the current Work Programme**

Transport is, and always has been, a very critical issue for local government. There is a heavy reliance on uncertain Waka Kotahi funding and the need to advocate for investment in our regions. One of the LGNZ priorities is “Ensuring local voice is heard on the important issues – three waters, resource management, housing, transport, climate change and the future for local government”.

This remit meets the existing aims of LGNZ to represent the national interest of councils in Aotearoa, to ‘decode policy’ and to “help local government run better through development, support and advocacy”. By working with government to ensure an independent review of transport funding is undertaken, LGNZ would help fulfil their Whakamana/Advocate role.

As transport is also one of LGNZ’s five key policy priorities, and the ongoing funding of the local roading network is an issue that has emerged in ongoing conversations with the sector and in Future for Local Government workshops, advocating for an independent review of the funding system may speed up the pace of any review.

### **5. What work or action on the issue has been done on it, and the outcome**

The Ministry of Transport regularly reviews its Government Policy Statement on Transport (typically every three years). This however would not meet the intent of the remit that there be an independent review of the broader system of funding of transport investment.

Based on recent engagement with the Ministry of Transport, LGNZ is aware that the Ministry has begun scoping work on what the future funding tools and requirements of the transport system should be. As such, this remit may provide value in demonstrating to the Government

how important this issue is to local government, and it may also signal some of the issues that should be included in scope of that review (including the benefit of the review being independent). As noted above, the remit may need to be updated depending on whether a Ministry of Transport-led review into how the transport system is funded is announced prior to the AGM. We do not have any indication of when such a review will be announced (if indeed it does proceed).

**6. Any existing relevant legislation, policy or practice**

The Land Transport Management Act 2003, Government Policy Statement on land transport and the National Land Transport Programme outline Government's position.

**7. Outcome of any prior discussion at a Zone or Sector meeting**

The proposed remit is supported by Rangitikei District Council, Hauraki District Council, South Taranaki District Council, Western Bay of Plenty District Council, Stratford District Council and Hamilton City Council.

**8. Suggested course of action envisaged**

That LGNZ work with the Government to ensure a review of land transport funding in New Zealand is undertaken. This should include looking at the funding of new transport infrastructure and maintenance and how best to fund these in a realistic, efficient and equitable manner alongside local government.

An independent review may not be possible given decisions around this work programme for the Government may be made (and possibly announced) prior to the AGM in July – though we do not have any indication of when the Government will make announcements about a possible review, or if indeed it will do that. However, support for this remit would provide LGNZ with the ability to demonstrate the importance of such a review to local government, and influence the particular issues that local government thinks should be within the scope of any review – including funding of new developments and maintenance programmes.

# 3

## Illegal street racing

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<b>Remit:</b>	That Local Government New Zealand (LGNZ) implement a nation-wide working group of subject matter experts with the objective of formulating an action plan to effectively enforce the Land Transport Act 1998 and work with police to tackle illegal street racing and the antisocial behaviour associated with it.
<b>Proposed by:</b>	Hutt City Council
<b>Supported by:</b>	Upper Hutt City Council, Masterton District Council, Carterton District Council, Tauranga City Council, Hamilton City Council and Porirua City Council

### Background information and research

#### 1. Nature of the issue

Excessive noise from vehicles and other intimidating behaviour (such as convoys blocking the road and vehicles driving at high speeds) has been a frequent complaint from residents towards their local councils. Various attempts to curb this behaviour have had some success, while some measures have simply moved the problematic behaviour to another geographical location.

Councils across the nation have implemented various measures to limit dangerous vehicle use, such as speed cushions, concrete speed bumps, and visual distractions. With the additional cost of maintenance and road signs, these can be a significant cost to councils with only a limited impact on the problem.

Due to the illegal street racers often being in a network, they can communicate to avoid detection by police and move across several councils' territories in one night. This can pose an issue if multiple councils do not have consistent bylaws in their respective areas.

#### 2. Background to its being raised

New Zealand laws deterring illegal street racing (occasionally referred to as 'boy racing') include the Land Transport Act (1998) and the Land Transport (Unauthorised Street & Drag Racing Amendment Act) (2003). Several other councils around New Zealand have chosen to include illegal street racing in their Public Places Bylaw, noting that intimidating behaviour or excessive noise from vehicles is prohibited. New Plymouth District Council and Waipā District Council both have proposed bylaws (not yet in force) specifically about illegal street racing. Christchurch City Council has a "Cruising and Prohibited Times on Roads Bylaw 2014" which is currently under

review. It is unclear how successful these bylaws have been, as there has been no evaluation material available to view.

Based on reports from other locations, the issue of vehicle noise, speed, intimidation, and damage is widespread across the country. Despite laws from central government and supplementary bylaws from local councils, the issue continues to persist. This does not support the argument that these laws have been effective.

Discussions with police and council officers have revealed the challenges of enforcing the law. Under-resourcing has not met the demand, as there are incidents where upwards of 100 illegal street racers converge in a single area with only one patrol car available.

Complaints about illegal street racers have been received by the Hutt City Council Deputy Mayor and council officers in the transport division. Noise is a prominent theme in these complaints when the illegal street racers are in close proximity to residences, along with tyre tread marks and oil on the road. Stolen road signs and other damage to property (both public and private) create further safety issues, along with alcohol use and some assaults on police officers or members of the public when attempting to communicate with the illegal street racers.

**3. New or confirming existing policy**

The issue is not currently covered by existing LGNZ policy.

**4. How the issue relates to objectives in the current Work Programme**

The issue aligns with LGNZ's Whakahono//Connect leadership pillar given the request from Hutt City Council to bring together the different actors involved with local government (including NZ Police, Waka Kotahi and the Ministry of Social Development) to address illegal street racing.

**5. What work or action on the issue has been done on it, and the outcome**

There does not appear to be any collective effort or plan underway to nationally address street racing. However, it does seem that there are a few localised plans, initiatives (including bylaws, speed cushions etc) or teams being stood up to address this issue (for example, in the Waikato, New Plymouth and Hutt City).

Hutt City Council's view is that these initiatives have had a limited impact on the problem, which is often moved elsewhere rather than stopping gatherings altogether.

**6. Any existing relevant legislation, policy or practice**

Land Transport Act (1998), and Land Transport (Unauthorised Street and Drag Racing) Amendment Act (2003).

**7. Outcome of any prior discussion at a Zone or Sector meeting**

The proposed remit is supported by Upper Hutt City Council, Masterton District Council, Carterton District Council, Tauranga City Council, Hamilton City Council and Porirua City Council.

**8. Suggested course of action envisaged**

The remit recommends LGNZ establishes a nation-wide working group of subject matter experts to develop a plan of action to address the issue and enforcement of the law. It suggests it will be useful to have input from police, community patrol officers, policy makers, and transport analysts in formulating the group.



# 4

## Bylaw infringements

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<b>Remit:</b>	That LGNZ lobby Government to implement an infringement notice regime for general bylaws.
<b>Proposed by:</b>	Auckland Council
<b>Supported by:</b>	Auckland Zone

### Background information and research

#### 1. Nature of the issue

Section 259 of the Local Government Act 2002 (LGA) provides for the making of regulations and amongst other matters, prescribing breaches of bylaws that are infringement offences under the Act. The power has been seldom used to date.

Between working with and “educating” people and taking a prosecution, there are no enforcement options available making it extremely difficult to achieve compliance especially in an environment of increasing disrespect for authority and aggression.

Working with people or educating them can be time consuming but is effective especially where the breaches are unintentional. However, in relation to intentional breaches of bylaws, in the absence of an infringement regime, after working with and educating people the next step is prosecution. Prosecution is expensive and time consuming. Also, it is often out of proportion with the breach that has occurred. Even following a successful prosecution, the penalties available to courts are low and provide minimal deterrence.

The obstacle in passing regulations allowing for infringement fee regulations has been the need to tailor those regulations to each instance of an infringement offence bylaw by bylaw. Therefore, a two-step approach is required: firstly, amending the legislation to enable regulations to be made nationwide across different bylaw types and then relevant regulations being passed.

By developing a more comprehensive infringement regime, councils in New Zealand will be better able to take proportionate and timely steps to help ensure compliance with their bylaws. In doing this, confidence of communities in the work of local government will be enhanced.

## **2. Background to its being raised**

Discussion around the need for an infringement regime for local government bylaws is not new.

Provision for the making of regulations was included in section 259 of the LGA. Part 9, Subpart 3 “Infringement Offences” of the LGA provides a mechanism for imposing and collecting infringement fees. Apart from regulations establishing infringement fees for some navigational bylaws, the provisions have not been used.

This issue was well-canvassed in the Productivity Commission’s 2013 Report, *“Towards better Local Government Regulation.”* The Productivity Commission’s report includes the following comment:

*Much of a local authority’s regulatory functions are authorised by its bylaws. The Act under which bylaws are made may authorise the local authority to enforce certain provisions in bylaws by the use of infringement offence notices. If not, bylaws must be enforced under the Summary Proceedings Act 1957...I submit that the enforcement of local authorities’ regulatory functions would be significantly more effective and efficient if the use of infringement offence provisions is more widely available than at present.”* (Richard Fisk, sub.19, p.1).

In the Auckland Region, the challenges in enforcing bylaws were brought into stark relief over summer 2021/2022 with an increased number of complaints about people camping on beaches and in reserves (not freedom camping) and an expectation from members of the public and elected members that steps would be taken to enforce the bylaws.

With the changing attitudes and behaviours of our communities arising in part through people’s experience of the Covid-19 response, Auckland Council’s position is that now is the right time to revisit the development of a more comprehensive infringement regime for local government.

## **3. New or confirming existing policy**

This remit would confirm and enhance existing policy work that LGNZ has underway.

## **4. How the issue relates to objectives in the current Work Programme**

This remit connects indirectly to LGNZ’s strategy and Work Programme to the extent that the lack of being able to enforce local bylaws frustrates local citizens and undermines public perceptions of local government’s effectiveness.

## **5. What work or action on the issue has been done on it, and the outcome**

As noted above, the Productivity Commission considered bylaws and an infringement notice regime in its 2013 Report, *“Towards better Local Government Regulation.”* Findings and recommendations set out in that report have not been acted on to date, but remain relevant, specifically:

- F4.8 – There are indications of a low level of prioritisation of monitoring and enforcement resources based on risks. Constraints on the use of infringement notices – combined with the low level of fines where infringement notices can be used – can also inhibit councils’ capacity to encourage compliance with regulation.

- R10.3 – Agencies responsible for regulations that local government enforces should work with Local Government New Zealand to identify regulations that could usefully be supported by infringement notices and penalty levels that need to be increased.
- R10.4 – Section 259 of the Local Government 2002 – relating to the empowerment of infringement notices – should be amended to enable regulations to be made for infringement notices for similar kinds of bylaws across local authorities, rather than on a council-specific and bylaw-specific basis.

LGNZ has highlighted this issue in a number of briefing papers and advice to various ministers and central government officials since the early 2000s. Although the issue has been of concern to LGNZ and councils for nearly 20 years, it has never been the subject of an AGM remit.

Parliament’s Regulations Review Committee wrote to LGNZ in late 2021 advising that it was considering a review of the bylaw provisions of the LGA. LGNZ was invited to provide advice on the effectiveness of local authority bylaws and the enforcement of them. LGNZ recently appeared before the Committee to speak to its submission.

We are still awaiting a decision from the Committee on whether or not it will undertake a review of the bylaw provisions of the LGA, and if so, what the scope of that review will be. Although the Committee did ask for specific advice on the infringement regime, it also sought advice on other matters including the use of model bylaws and the expansion of the model bylaws used in the Freedom Camping Act 2011.

#### **6. Any existing relevant legislation, policy or practice**

- Local Government Act 2002
- Productivity Commission’s 2013 Report, *“Towards better Local Government Regulation.”*

#### **7. Outcome of any prior discussion at a Zone or Sector meeting**

This proposed remit was supported by the Auckland Zone.

#### **8. Suggested course of action envisaged**

Auckland Council has not provided any detail as to how it suggests LGNZ progresses the proposed remit.

While the inquiry that the Regulations Review Committee has underway (and in which LGNZ has been engaged) is a significant step forward, there is no guarantee that the Committee will agree with LGNZ’s submission, or, should the Committee agree, that work to review the bylaw provisions of the LGA would be supported by either this Government or a future one.

To gain traction, and to ensure that any review of the bylaw provisions addresses the issues that local government is most concerned with, this remit (along with the national publicity that tends to accompany successful remits) might be very helpful at this time.

# 5

## Density and proximity of vaping retailers

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<b>Remit:</b>	That LGNZ requests the Government to: <ul style="list-style-type: none"><li>• Restrict the sale of vaping products to R18 specialist vape stores.</li><li>• Develop proximity limits to prevent the clustering of vaping product retailers and protect young people.</li></ul>
<b>Proposed by:</b>	Kaipara District Council
<b>Supported by:</b>	Zone 1

### Background information and research

#### 1. Nature of the issue

Vaping products are widely available from generic retailers (e.g., dairies, service stations) and specialist vape retailers. To date, New Zealand has 713 specialist vape stores; a British American vape brand is available from 2000 retail outlets throughout Aotearoa. Vaping products are also available via several online stores (both NZ-based and international).

Dargaville's main street, Victoria Street, has 13 vape retailers: ten General Vape Retailers and three Specialist Vape Retailers, all within a 1km length. The three licensed Specialist Vape Retailers are located within 150m of each other.

Youth vaping has risen sharply over recent years; among 14 to 15 year olds, daily vaping rose from 1.8% in 2018 to 9.6% in 2021; among 14-15 year old Rangatahi Māori, daily vaping rose from 5.9% in 2019 to 19.1% in 2021. Widespread product availability normalises vaping and makes experimentation easier.

Many towns and regions around New Zealand also need to address the proliferation of vaping outlets and rising vaping among Rangatahi.

#### 2. Background to its being raised

The widespread sale of vaping occurred in 2018, when the Ministry of Health lost a case taken against Philip Morris alleging their "HEETS" products breached the Smokefree Environments Act 1990. Until the Smokefree Environments and Regulated Products Amendment Act was passed in 2020, vaping products were largely unregulated and vaping manufacturers

advertised their brands using youth-oriented promotions. Even post-legislation, retailers with little or no knowledge of vaping remain able to sell vaping products.

Surveys of young people, such as the Youth19 survey and the Snapshot Year 10 survey conducted by ASH revealed many adolescents who had never smoked had begun vaping. A 2021 report into youth vaping found that 14.6% of those surveyed reported smoking one or more traditional cigarettes in the last 7 days and 26.6% reported that they had vaped (e-cigarettes) in the past 7 days. Almost all those (98%) who had smoked a traditional cigarette in the last week had also vaped in the last week. However, a significant portion (46.2%) of those who had vaped in the last week had not smoked a cigarette. These data provide important evidence that youth vaping is rising rapidly and reveal that many young people who vape have never smoked.

The Smokefree Environments and Regulated Products Amendment Act 2020 extended many of the existing restrictions governing smoked tobacco products to vaping products. This legislation allows any business to sell vaping products as long as they follow the regulations for General Vape Retailers or apply to become a Specialist Vape Retailers. However, the Vaping Regulatory Authority does not consider retailer density or proximity to facilities such as schools when assessing applications.

The Government's Smokefree 2025 Action Plan will introduce a provision requiring general retailers selling vaping products to advise the Director-General of Health that they are doing so. This provision aims to provide information on the number and type of retailers selling vaping products.

We recognise that people who smoke and who have not been able to quit using existing treatments will benefit if they make a complete transition to vaping products and stop smoking. However, survey data showing rising vaping prevalence among young people suggests existing policy does not provide an appropriate balance between the needs of people who smoke and the rights of young people who do not, and who deserve protection from products that are designed to target them.

Limiting the retail availability of vaping products to specialist stores will not prevent people who smoke from accessing these products and instead will increase the likelihood they receive smoking to vaping transition advice that improves the chances they will stop smoking. Furthermore, people who smoke will continue to be able to access vapes through stop smoking services.

Kaipara District Council elected members have been receiving questions and concerns from the local community about the density and proximity of vape retailers in Dargaville.

While we support the supply of vapes to people wanting to use these products to stop smoking, it is of the utmost importance that we also protect our community, particularly our Rangatahi and other whānau who would not usually vape, from using these addictive products.

**3. New or confirming existing policy**

This is a new policy.

**4. How the issue relates to objectives in the current Work Programme**

This remit aligns with LGNZ's pillar Whakauru // Include – to ensure that every New Zealander can participate, thrive and be represented by local government.

It could be argued that restricting the density and proximity of vaping retailers shows some alignment with enhancing community safety, public health and promoting social wellbeing. However, the remit does not show strong alignment with LGNZ's existing policy priorities or engagement in major ongoing local government reform programmes. Further discussion is needed to determine whether LGNZ's membership agree it is relevant to local government as a whole.

**5. What work or action on the issue has been done on it, and the outcome**

A petition was received by Kaipara District Council regarding the density and proximity of vape retailers. The petition was accepted and responded to. Given this issue sits outside Kaipara District Council's control and existing policy frameworks, a remit was recommended as the appropriate action to take. Councillor Karen Joyce-Paki is the sponsor of the remit and is working closely with Smokefree NZ, Cancer Society and local Māori Health Provider, Te Ha Oranga.

The Smokefree Coordinator for Northland, Bridgette Rowse, has been providing support and is working with the Far North District Council (FNDC) policy team to review the FNDC Smokefree Policy, which currently covers smokefree parks, playgrounds and sports grounds. She has also worked with Whāngarei District Council and Kaipara District Council to review and align our smokefree policies to create more smokefree outdoor public spaces as well as making all smokefree outdoor public spaces vape-free.

**6. Any existing relevant legislation, policy or practice**

The relevant legislation is the Smokefree Environments and Regulated Products (Vaping) Amendment Act 2020. The Act aims to balance between ensuring vaping products are available to smokers who want to switch to a less harmful alternative, while ensuring these products aren't marketed or sold to young people. New regulations are in the process of being implemented from November 2020 until January 2023. While these regulations cover factors such as how vape retailers can advertise, who they can sell their products to and where vaping is allowed, there are no regulations around proximity limits to prevent the clustering of vaping product retailers as the remit requests.

**7. Outcome of any prior discussion at a Zone or Sector meeting**

The remit was supported at the most recent Zone 1 meeting by all members present.

**8. Suggested course of action envisaged**

This remit suggests that LGNZ requests the Government to:

- Restrict the sale of vaping products to R18 specialist vape stores.
- Develop proximity limits to prevent the clustering of vaping product retailers and protect young people.

We understand that an Amendment Bill is expected to be introduced in 2022 (according to the Government's Smokefree Action Plan). Kaipara District Council has suggested that one way to progress this remit would be to advocate for the Amendment Bill provision which only allows authorised retailers to sell smoked tobacco products to be extended to restrict the number who can sell vape products.

Progressing this remit is likely to require LGNZ working with officials from the Ministry of Health to advocate for changes to regulations and the upcoming Amendment Bill.

**BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

**AGENDA ITEM 14**

**Prepared by** Rachel Townrow  
Deputy Chief Executive Officer

**Reviewed by** Sharon Mason  
Chief Executive Officer

**DIVESTMENT OF 177 QUEEN STREET, WESTPORT**

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**1. REPORT PURPOSE**

To seek Council's authorisation for the sale of 177 Queen Street, Westport (the Land) as part of the divestment plan for the site once it is no longer required by the Temporary Accommodation Service (TAS) for temporary accommodation of residents affected by the July 2021 and February 2022 flood events.

**2. REPORT SUMMARY**

The Ministry of Business, Innovation and Employment (MBIE) would like to work with Council on the divestment of Council owned land and MBIE owned buildings at 177 Queen Street when these are no longer required for TAS use.

It is proposed that the land and houses be sold together to a community housing provider to meet an identified need for community and emergency housing in our community.

In order for this to proceed, authorisation is sought from Council for the land sale.

**3. DRAFT RECOMMENDATIONS**

**That the Council authorises the Chief Executive to negotiate and enter into a sales and purchase agreement for Lot 2 Deposited Plan 9595 (177 Queen Street, Westport), in conjunction with the Ministry of Business, Innovation and Employment.**



#### **4. BACKGROUND**

TAS assists households affected by a natural disaster to find safe, secure and accessible temporary accommodation while their home is repaired or rebuilt.

Since the July 2021 flood event, TAS has been providing support to residents in our community who were displaced by the flood.

In previous events around New Zealand, TAS has worked with the relevant council to site buildings for use as temporary accommodation on council owned or controlled land. This was also the case here.

An early action here was the identification of three TAS owned houses in Napier available for redeployment to Westport. Consideration was given to a number of Council owned sites for the houses to be placed on, and the eventual decision was to place them on 177 Queen Street. The Land currently remains owned by Council and is leased to MBIE. The three houses remain owned by MBIE. All are currently occupied.

Experience from previous events has shown the advantage of the early development of a divestment plan for such properties once they are no longer needed for temporary accommodation. There are examples from around New Zealand where houses placed by TAS have been on-sold for removal and relocation, while others have remained in TAS' strategic reserve.

TAS are aware of and appreciate the housing shortage in Westport, and are keen to work with Council to make the houses on the Land a permanent opportunity for Westport.

To that end they have approached Council regarding the option of working together to sell the Land and houses to an entity that would operate them as permanent community and emergency housing, to meet an aspect of the housing need that currently exists in our community.

TAS have had preliminary discussions with potential entities to operate this model, and to date these discussions are proving successful.

The next step needed to allow these discussions to continue is confirmation of whether Council would be willing to sell the Land. If so, TAS and Council staff can work together to negotiate and agree a sale of the Land and buildings, including any conditions and criteria for their future use.

If Council are agreeable to selling the Land, TAS proposes to place two of the houses that were originally intended for the Alma Road site onto the Land, and to lodge a resource consent application to subdivide the Land.

The additional houses and option for separate titles are considered to make the site more viable for a community/emergency housing operator, in terms of scale and ease of management.

## 5. OPTIONS

Option	Advantages	Disadvantages
1. Do nothing.	None.	The houses would be removed once no longer required by TAS. Westport would miss out on the opportunity for five permanent houses.
2. Council agrees to sell the land, and works with MBIE to sell the land and buildings for use as community/emergency housing.	Westport gains five permanent houses of good quality, built with 500mm of freeboard above the modelled 1:100 flood level. Five houses would be available to deal with future emergency housing needs. Council receives unbudgeted income from the sale of the land.	Council may receive a lesser price for the land than if sold on the open market.
3. Council agrees to sell the land, without conditions on its future use. <i>NB - as MBIE own the houses, Council will still need to work in conjunction with them if the land and houses are to be sold together.</i>	Westport gains five permanent houses of good quality, built with 500mm of freeboard above the modelled 1:100 flood level. Council receives unbudgeted income from the sale of the land.	Council would have no further input into the future use of the land and houses, and the houses may not be available to deal with future emergency housing needs.
4. Council purchases the houses, subdivides the land and on-sells through the property rationalisation process.	Council receives unbudgeted income from the sale of the land. Proceeds may be higher than from selling the land alone.	Council would have to meet the development costs and the cost of purchasing the houses. While this may be recuperated from their eventual sale, Council would carry the costs in the meantime. There is currently no budget to meet these costs. This is the highest risk option, and could cost Council money. It is unlikely the houses would be available to deal with future emergency housing needs.

Option 2 is the recommended option. This will achieve benefits including permanent community and emergency housing, and income for Council both from the sale of the Land and the creation of additional rateable units. The current valuation of the Land is \$104,000.

As the houses are already on the Land, an option that enables the sale and continued use of both together is considered to be the most sustainable and practical path, giving the best value from the resources expended to date on the site.

If Council is agreeable to the sale of the Land it is recommended that this proceed in conjunction with MBIE, rather than via the process currently being used for the Property Rationalisation project. This is due to the Land and buildings being in different ownership.

## **6. CONSIDERATIONS**

### **6.1 Strategic Alignment**

Council has previously identified a housing shortage in Buller. In the 2021-2031 Long Term Plan one of the key assumptions is as follows:

*“Opportunities to rationalise Council’s building and property portfolio with sales of some surplus land and buildings will be realised during the life of this plan.”*

And one of the Activity Contributions for the ‘Property’ Activity is:

*“Ensuring land and property owned, vested and managed by the Council is rationalised and utilised responsibly, and for the benefit of the Buller community.”*

The aims of property rationalisation are to:

- make unutilised and under-utilised Council owned land available for use to help address the housing shortage; and
- provide an additional source of income for Council.

The sale of the Land would achieve both of these aims and is well aligned with the policy direction established in the Long-Term Plan 2021-2031.

Council also has a role to play in the four well-beings as set out in the Local Government Act 2002, and the community outcomes in the Long Term Plan 2021-2031. The recommended option supports both of these through the provision of quality housing that meets an identified need for a section of our community.

**6.2 Significance Assessment**

The divestment of the Land is not considered to meet the significance threshold under Council's Significance and Engagement Policy.

**6.3 Tangata Whenua Considerations**

No specific considerations have been identified.

**6.4 Risk Management Implications**

If agreement cannot be reached between Council and MBIE on divestment of the Land and the buildings, there is a risk that the houses will be removed at the end of the TAS tenancies and the additional housing opportunities they provide will be lost.

**6.5 Policy Framework Implications**

As discussed above, the sale of the Land is consistent with Council's policy framework.

**6.6 Legal Implications**

Legal processes relating to the sale and purchase of land would need to be followed in selling the Land.

**6.7 Financial / Budget Implications**

The work required to complete the divestment of the Land can be covered from existing budgets and workloads.

The sale of the Land would generate unbudgeted income for Council.

**6.8 Media/Publicity**

It is anticipated that there will be community and media interest in the future of the Land.

**6.9 Consultation Considerations**

There is no statutory requirement for public consultation prior to making this decision.

Neighbouring landowners are aware of plans for the site, including the potential for two additional houses to be placed on the Land.

A private developer has previously approached Council about using the Land as part of the development of an adjacent site.

Agents for this developer were spoken to prior to the decision to use the Land for the TAS houses. They will be contacted again following this decision. For completeness it is noted that there is not a current application in front of Council that includes the Land.

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 15**

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

**Appendix A:** - Vision for the Future

#### **CHIEF EXECUTIVE REPORT**

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

This report is an overview as detailed below to:

Provide an update on the positive and strategic aspects that are happening in the Buller District during June 2022.

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

**That the Council note content of CEO Report**

##### **3. OVERVIEW OF INFORMATION**

This report provides information on activity which has occurred over June and horizon scans matters of interest to Council.

##### **4. RESOURCE MANAGEMENT REFORM - UNPACKING THE REFORM**

Local Government New Zealand has introduced a series of workshops related to Unpacking Resource Management, the unpacking Resource Management series is all about making sure Councils are up to speed on RM reform.

This overview (provided by LGNZ) gives a base level of understanding, starting at the ground floor with no acronyms and a focus on what matters to you.

It's a basic overview of what's proposed – a sketch of the current system, and an outline of the new system. This is a complex reform and its implications for the sector are far-reaching.

## **What is Resource Management?**

- Resource management is about making difficult choices, including questions around: How do we use limited resources to promote growth, combat climate change, protect the natural environment, and plan for the future?
  - When these priorities are competing, what guides our decisions?
  - Who makes those decisions and what do they need to consider?
- The piece of legislation guiding all this right now is the Resource Management Act.
- This system was introduced in 1991 – and has been criticised ever since for being complex, slow moving and frustrating – for councils and communities alike.
- Under the RMA, councils set the rules for things like where you can build houses, clear vegetation, move earth, or take water from a stream.
- The rules are supposed to make sure development won't harm neighbours or communities.
- They're supposed to preserve the air, water, soil and ecosystems we need to survive for future generations. The nuts and bolts of the current system.
- Councils prepare plans showing how they will manage the environment in their area – whether that's a region, city, or district.
- People can find out if they need a resource consent for an activity by looking at these plans.
  - For example, if you want to subdivide your property, or take water from a source, or discharge contaminants, you might need a resource consent.
  - A resource consent is needed to do something that isn't permitted in a council plan.
  - And it's slightly different depending on whether what kind of council you're dealing with.
  - With regional councils, you need consent for anything that's not explicitly allowed in the plan.
  - With territorial councils, you only need consent if it's specified in the plan that you do.
- Councils run the system: they develop the plans, then they issue consents and enforce them. Deeper current system overview. There are a lot of layers that make the system up.

- First, the Government issues national direction that councils must follow in your plans.
  - It's supposed to create a consistent approach nationwide on things like freshwater management and urban development.
- Second, regional councils and unitary authorities develop Regional Policy Statements.
  - These set out how regions sustainably manage natural and physical resources.
  - They're strategic documents that provide an overview of resource management issues in a region. They include policies for how the region can manage its natural and physical resources.
  - Regional Policy Statements can also give direction to other plans.
- Third, there are regional plans – for how the natural and physical resources will be managed in a region.
  - They set out rules and regulations for how things like soil, rivers and groundwater can be used. There might be several different regional plans for different resources.
  - These plans are also created by regional and unitary councils. They must reflect both the national direction and regional policy statements.
- Fourth is district plans.
  - They set out rules that people who want to use the land in that district need to comply with.
  - They're created by territorial and unitary authorities.
  - District plans are a place-based expression of all the overarching plans and policies. Taken together, all those plans create a system that sets out:
    - Where you can do things
    - What you're allowed to do i.e., don't need consent for
    - What you're not allowed to do i.e., do need consent for Councils operate all parts of the current system
    - Councils develop the plans – with input from their communities.
    - Then to get a consent, people need to apply to the relevant council.

- Sometimes the council can make that decision or sometimes there will be a hearing.

And sometimes consents come with conditions that people need to meet.

- Councils need to make sure these conditions are met and that consents are complied with – and take enforcement action where that's not happening. What's wrong with the current system
- Nearly everyone thinks the current system is too complex.
- There's also feedback that it takes too long for plans to be developed or consents to be issued, that the rules across the country are unnecessarily inconsistent, and that the system is too open to court challenge.
- There is also feedback that the current system is making place-based planning harder and harder – and the plans that are delivered have less local ownership than in the past.
- We've heard that the system hasn't helped address the New Zealand's growth and development needs. Nor has it meant better outcomes for our natural environment.
- So, there's a widespread view that change is needed. That there needs to be a simpler, more efficient system – that both enables development and protects the environment.
- This has led the Government to propose a new system based on totally new legislation.

#### The proposed new system

This is a high-level walkthrough of what the new system will probably look like – some detail is still uncertain.

The role of councils in the new system is different from what it is now.

- Councils will still operate the system (consenting, CME) but their role in making plans changes.
- Instead of each individual regional council preparing a regional policy statement and regional plans, and each individual territorial and unitary authority preparing a district plan, one Natural and Built Environments Plan will be prepared for each region.
- This plan will cover similar ground to existing planning documents, resource use, allocation, and land use management. It will still need to give effect to national direction – which has a new name, the National Planning Framework – and be prepared by central government.



- But this new plan will be developed not by councils, but by a joint planning committee. This is a significant change.
- This committee will have representatives from local government and iwi. Each council might have one representative on the committee – at the most.
- The committee will be supported by a secretariat – and we're expecting that there'll still be some sort of input into the development of the plan by each council in a region.
- As the plan is developed, community feedback will be sought.
- Once plans have been drafted, an Independent Hearings Panel will consider the plans and will make recommendations on the draft, back to the committee.

We're not yet entirely clear what role each council will have in producing or providing content for these natural and built environments plans.

There's also another, more future-focused plan that will sit alongside the natural and built environments plan.

Each region will also now be required to produce a Regional Spatial Strategy. This will identify how a region will grow over the next 30 years.

- It will identify long term objectives for growth and land use, make sure development is coordinated and in the right place, and identify areas to be protected, among other things.
- This strategy will again be developed by a joint planning committee. This joint planning committee will have representatives from local government and iwi. There'll also be a central government representative – which is about making sure central government is across regions' long-term goals.
  - This joint committee will also be supported by a secretariat.
  - And communities will provide input as the strategy is developed

**To make these changes happen, the Government is planning to repeal the RMA and replace it with three new Acts:**

- First, the Natural and Built Environments Act, which legislates the Natural and Built Environments Plans.
- Second, the Strategic Planning Act, which legislates the regional spatial strategies.
- And third, the Climate Adaptation Act.

- This last piece of legislation isn't very clear yet, although we understand it may set out a framework for managed retreat.
- But it obviously needs to complement the other two to create a workable new system.

### **What are the key things to take away?**

- The proposed new system has fewer plans, and they are regional in nature.
- They're developed by joint planning committees rather than councils.
- Councils will still be responsible for implementing the plans – both through consenting and compliance, monitoring, and enforcement.
- But while councils remain central to the system's operation, they may find it harder to influence the planning process. They will have to deliver on the plans but may have more limited opportunities for input into them.
- It's critical that councils have their say on these new pieces of legislation.
- LGNZ – through these sessions, and through our usual submission process, will be supporting you to do that.
- Part of that is really understanding what the challenges of resource management are now, and how the new system might help – or make things worse.

## **5. LOCAL GOVERNMENT REFORM – FUTURE FOR LOCAL GOVERNMENT**

Local Government New Zealand (LGNZ) recently shared a paper with the Future for Local Government Panel about the type of future councils would like to see.

The paper sets the scene for a once-in-a-generation reset, where councils can lead the way to a different, better future. It's based on all the ideas and feedback Councils have provided LGNZ in response to the reform. The paper is attached to Appendix A

The paper will feed into the Future for Local Government Panel's draft report, which they expect to release in October post local government elections. The key areas of focus can be characterised as:

- Strengthen local democracy: from low public trust and participation in local government to a renewal of local democracy that builds a foundation for the future of a strengthened and inclusive local democracy.

- **Stronger Focus Future Roles:**  
Stronger Focus on Wellbeing: from traditional focus on infrastructure service delivery to a focus on the complex wellbeing challenges of the 21st Century, including economic and social equity and climate change action
- **Authentic Relationships With Hapū/Māori/Iwi:**  
Authentic relationship with Hapū/Iwi/Māori - from variable understanding and commitment to an authentic relationship that enables self-determination, shared authority and prosperity
- **Central And Local Government Partnership:**  
Genuine partnership between Central Government and Local Government from low trust and confidence in each other to reliable partners able to deliver wellbeing outcomes in place.
- **Equitable Funding:**  
More Equitable Funding from beneficiary-based funding principles to a funding system that equitably supports communities to thrive.

**SECTION 1: "Core" Key Performance Indicators - Statutory Duties**

KPI	Progress
<b><i>Statutory compliance will be reviewed at least annually, including identifying progress against the top 5 risks agreed by Council, and that those updated risk reviews will be formally reported to Council prior to the draft 2021/22 Annual Plan.</i></b>	30 June 2022.  Reviewed at FRAC and updated as required.

**SECTION 1: "Core" Key Performance Indicators - Statutory Duties**

KPI	Progress
<i>An unqualified audit report is received in respect of the 2021/22 Annual Report and all issues raised by Audit NZ in their management letter have agreed timeframe to be cleared.</i>	<p>An unqualified report was received for 2021/22 annual report.</p> <p><i>Auditors report tabled in MAY FRAC – overall positive report with 6 items closed off.</i></p> <p><i>Ernest Young are the new auditors allocated to BDC.</i></p>

**SECTION 1: "Core" Key Performance Indicators – Health & Safety**

KPI	Progress
<i>Health and Safety reports through to Finance, Risk &amp; Audit on a quarterly basis, noting trends and mitigation strategies.</i>	<p>30 June 2022.</p> <p>Health and Safety report quarterly to council next due June 2022.</p> <p>One near miss incident related to a BDC contractor noted and currently being investigated.</p>

**SECTION 1: "Core" Key Performance Indicators – Risk**

KPI	Progress
<b><i>Monthly Strategic Risk Report to FRAC and annual review of Strategic Risk Register.</i></b>	30 June 2022.  Risk register moved to quarterly reporting with agreement new risks will be identified if urgent to council each month.

## SECTION 1: "Core" Key Performance Indicators - Financial Prudence

KPI	Progress
<b><i>OPEX – operating budgets will not be exceeded in total</i></b>	<p>30 June 2022.</p> <p>Monthly reporting will include separating out projects and partnership funding and recovery funding to ensure transparency.</p> <p>Operational Budget remain tight, impact of inflationary costs creating pressure.</p> <p>Cashflow remains challenging – and managed tightly.</p> <p>Flood costs associated with BDC becoming apparent, currently just under 1million, forecast total cost encompassing July &amp; Feb floods anticipated to be approx. 1.5m, however, still to be confirmed.</p>



## SECTION 1: "Core" Key Performance Indicators - Financial Prudence

KPI	Progress
<p><b>CAPEX delivery:</b></p> <ul style="list-style-type: none"> <li><b>Individual capital projects over \$750k will be achieved within +/-5%</b></li> <li><b>Any changes outside of +/-5% will be brought to Council for re-approval along with consequent effects</b></li> <li><b>The total capital budget achieved within +/-5%</b></li> </ul>	<p>30 June 2022.</p> <p>CAPEX delivery challenging in terms of delivery, funding flow and weather events. Inflationary pressures also impacting on over runs in particular areas. Further detail will come through in CAPEX update to FRAC.</p> <p>Reefton water overspend 150k (\$100k sunk project costs, \$50k chlorination).</p> <p>Revitalisation \$130k overspend (\$105k historical, \$25k overhead costs).</p> <p>IT costs associated with COVID – \$41k to enable working from home – there will be long term benefits associated with the additional equipment in terms of responding to future pandemics and the shift towards flexible working arrangements.</p>

**SECTION 1: "Core" Key Performance Indicators - Customer Satisfaction**

KPI	Progress
<b>18monthly</b>  <b>Staff satisfaction is raised as follows onto an 18-month cycle:</b> <ul style="list-style-type: none"> <li>• <b>Staff engagement surveys attain a minimum of 70% response rate.</b></li> </ul>	18-month cycle. Not due until Jan 2023.
<ul style="list-style-type: none"> <li>• <b>The overall staff engagement index is consistent with the global staff engagement index.</b></li> </ul>	30 June 2023.

## SECTION 2: Strategic Areas of Focus - One Year Specific Goals

KPI	Progress
<i>The key most visible projects should be placed into this KPI on a completed/not-completed basis each year. For the 2021/22 financial year, the following are key KPI projects:</i>	
<i>Delivering central government funded projects for the betterment of the Buller District.</i>	<p>By June 2022.</p> <p>Projects in Partnership group continues monthly. Projects closed off as completed.</p> <p>Resetting project timeframes and work programmes altered due to weather events. Whitebait project closed, planting project to be closed, Waimangaroa community hall variation to timeline due to availability of contractors to complete.</p>
<i>That Council develops a Climate Change Strategy and Action Plan (subject to LTP endorsement). Noting this will be a multi-year KPI.</i>	<p>By June 2022.</p> <p>Given the flood and COVID lockdown anticipate moving commencement of this strategy into early 2023.</p> <p>Toitu project has commenced re measuring carbon footprint.</p> <p>Dextera has been engaged to develop a project outline, meeting held 14 February – paper to be drafted for regulatory governance group and a workshop established.</p>

KPI	Progress
	<p>Project timeline agreed to, and workshops will be scheduled.</p> <p>Dextera responding to National climate change adaption on behalf of BDC, paper to council for feedback and endorsement.</p>
<p><b><i>That Council develop a strategy to ensure Westport Port and Kawatiri are a viable commercial business.</i></b></p>	<p>By June 2022.</p> <p>Damage sustained to port and dredge in July floods. Funding package to support repairs sought in second tranche funding to NEMA. Localised dredging taking place.</p> <p>WCBL resource consent approved, if not appealed opens up commercial port and dredge opportunities.</p> <p>Currently investigating international port requirements</p>
<p><b><i>That Council is well informed of the strategic implications which will arise through the Three Waters Reforms &amp; Local Government review process. Council to receive quarterly or as appropriate updates given the pace of the reform.</i></b></p>	<p>Quarterly through to June 2022.</p> <p>Updates shared in CEO reports to Council.</p> <p>Local transition unit to be established</p> <p>Council to provide a community submission to 3 waters reforms</p>

## Chief Executive KPI's

2021-2022

KPI	Progress
<i><b>That Tranche 2 Economic Development Environmental opportunities is progressed throughout the year and in partnership with relevant key stakeholders.</b></i>	<p>By June 2022.</p> <p>Continue to seek opportunities, particularly in partnership with Top of South/ Kotahitanga mo te Taaiao rohe.</p> <p>\$1 million funding for weed eradication programme achieved for three-year programme creating 8 jobs.</p> <p>Partnership with KMTT and TNC and Polytech re conservation hub and flagship opportunities being explored.</p>
<i><b>The CEO will agree to a personal development programme with Council that includes measurable deliverables/actions, including regular supportive coaching/performance feedback (for both Council and the CEO).</b></i>	<p>Agreed by December 2021.</p> <p>Personal development programme based around attendance at one professional conference, ongoing membership with Institute of Directors, enabling network opportunities and seeking support to observe a commercial board.</p>

## SECTION 2: Strategic Areas of Focus – Multi-Year Goal

KPI	Progress
<ul style="list-style-type: none"> <li><b><i>That an Information Management System upgrade is implemented and delivered</i></b></li> </ul>	<p>By June 2023.</p> <p>Project underway – Vendor presented to SLT and project group - very exciting.</p> <p>Vendor – Information Leadership.</p> <p>Project Manager role being advertised.</p> <p>Taxonomy finalised, tenancy configured and workplace apps installed.</p> <p>Project progressing weekly updates from project manager shared as part of CEO weekly update</p>
<ul style="list-style-type: none"> <li><b><i>Raise cultural awareness amongst Council staff and Councillors through the provision of a development programme in partnership with Buller District Council Non-elected Māori representatives.</i></b></li> </ul>	<p>By June 2022.</p> <p>Cultural training cancelled due to Westport flood. Ngāti Waewae representation recovery plan and steering committee.</p> <p>Reset required, anticipate orientation of newly elected councillors post Oct 2022 will include cultural training.</p>

KPI	Progress
<i>Customer service satisfaction is a 2 yearly survey and:</i>	Next due July 2023.
<ul style="list-style-type: none"> <li><i>Users' perception of Council staff interaction is equal to percentages achieved (80%) at 30 June 2021</i></li> </ul>	Next due July 2023.
<ul style="list-style-type: none"> <li><i>Overall residents' perception of Council service performance is 5% greater than at 30 June 2021</i></li> </ul>	By July 2023.
<p><i>Westport Flood Recovery - CEO has overarching responsibility for the delivery of the Westport flood recovery programme.</i></p> <p><b>1. Recovery Plan - "live" Recovery Plan is completed and updated on a monthly basis to reflect the changing environment. That FRAC is updated monthly via the Projects Partnership group on recovery progress. That the plan is across sector interagency plans with roles and responsibilities well understood.</b></p>	<p>Recovery plan presented monthly to FRAC through partnership governance group.</p> <p>Recovery plan closure and transition plan to come to council</p>

<p>2. <b><i>That a comprehensive risk register is in place to underpin the Recovery Plan and reported to FRAC on a monthly basis.</i></b></p>	<p>Risk register has been developed.</p>
<p>3. <b><i>That CEO works with central government agencies and steering group to ensure a tiered financial recovery package is put to cabinet which ensures solvency of Buller District Council for the financial year ended 30 June 2022, noting tranche 2 business case is scheduled to be tabled with Cabinet December 2021.</i></b></p>	<p>Regular ongoing meetings held with key stakeholders. Tranche 2 information high level provided to NEMA to assist informing cabinet paper. Paper to cabinet 7<sup>th</sup> June.</p> <p>Iterative discussions around criteria and process for claims ongoing.</p>
<p>4. <b><i>That a robust communication plan is in place to support the recovery phase. That the Buller community and affected persons feel well communicated to, understands where BDC is in the recovery process, regular community meetings are held, that a wide range of communication mediums are used to support the community. That the Recovery Team measures the effectiveness of the communication plan either via survey or alternative options.</i></b></p>	<p>Recovery website launched, regular media updates, community meetings with affected members when required.</p> <p>Community meeting 17<sup>th</sup> May to provide info related to the science behind the flood information.</p> <p>Additional dates to be identified. Aiming 6<sup>th</sup> July for multi tool business case</p>
<p>5. <b><i>That a budget is established for the recovery phase and reported via FRAC.</i></b></p>	<p>Budgets in place. Close monitoring of expenditure versus invoice claims to central government, to ensure BDC mitigates cashflow risks.</p>



# VISION FOR THE FUTURE.

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**What local authorities  
would like to see for the  
future of local government**

May 2022

**We are.  
LGNZ.**

Te Kāhui Kaunihera o Aotearoa.

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**He aha te mea nui o te ao? He tangata! He tangata! He tangata!**

What is the most important thing in the world? It is people! It is people! It is people!

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# Looking to the future

Putting communities at the heart of everything we deliver.

That's what LGNZ has heard from councils about the type of future they'd like to see for local government in Aotearoa. Our workshops and kōrero over the past six months have gathered a broad range of perspectives – and we've built a clear vision of what councils want to become.

Councils want to play a key role in community wellbeing and place-making. They want local government to genuinely give effect to the principles of Te Tiriti o Waitangi, and they want a broader and more diverse range of people actively participating to shape their communities. They want a joined-up collaborative system that draws on the strengths of multiple partners and attracts capable and visionary leaders to enhance the mana of their communities. And they want a high trust relationship with central government that ensures they have the financial capacity to address the ever-changing needs of their communities.

The challenges Aotearoa will face over the next 30 years are complex. By 2050 one in four New Zealanders will

be over the age of 65, and our population is expected to grow by 1.7 million - that's the equivalent of another Auckland. It's expected that half of that population growth will occur in five major centres. Climate change is also a major challenge, and we already know that approximately \$5 billion of council infrastructure is exposed to sea level rise. New Zealand has also committed to a net-zero carbon emissions economy by 2050. To address these challenges and the changes to local government's functions and roles taking place through the Three Waters and Resource Management Reform programmes, we need to boldly reimagine the role that our councils play in the wellbeing of our communities, our society, and the future of Aotearoa.

The Future for Local Government Review is timely, not only because of the Government's wider reform programme, but also because we're seeing an increasing number of citizens losing trust in their governing institutions both at home and abroad. Local government must be equipped with the institutional and statutory frameworks to achieve

enabling, accountable, inclusive and citizen-centred governance. Political trust begins at the flax roots, in our neighbourhoods, towns and cities. The Review is an important opportunity to reimagine our public service by putting the needs of communities at the heart of planning and delivery and enabling a joined-up approach to delivering to those needs.

## Providing a sector perspective

LGNZ appreciates this opportunity to contribute to the Review into the Future for Local Government. This paper brings together the knowledge and experience of LGNZ's members to help shape the direction local governance should take in the future. The vision we've heard from the sector aligns well with the five key shifts identified by the Panel, and with LGNZ's own vision: for Aotearoa to be the most active and inclusive local democracy in the world.

In this paper we present what we're hearing from the sector about their vision for the future of local government. We then discuss some of the challenges that have prevented councils from already realising this vision and the key shifts, and provide a series of recommendations for the Panel's consideration about how these challenges might be addressed to make the sector's vision a reality.

We'll also address several key issues that were not discussed in any depth in the Panel's interim report that we believe need greater consideration, as well as an outline of what LGNZ is doing right now to help the sector realise their vision and prepare for the future.

We'd welcome the opportunity to discuss this paper with the Panel, or to assist with developing further analysis or recommendations to inform the next stage of the Review.



# Our sectors vision for local government in the future.

Councils will have a key role in enhancing the wellbeing of their communities and in place-making. A future system of local government will ensure councils have the flexibility and autonomy to respond to the needs and vision of their local communities and create opportunities for more people to participate in local decision-making.

As a result of more New Zealanders understanding the value and role of local government in community wellbeing, we'll see a broader and more diverse range of people actively participating in local democracy through a range of democratic tools that provide simple and accessible ways to have a say in their community's vision.

We'll also see a more diverse range of citizens standing for election and choosing to work in councils. Local government will attract competent, capable and visionary leaders that are able to care for and enhance the mana of their communities and places, and remuneration will reflect the complexity and value of the work they carry out.

This system of local government will promote a joined-up, collaborative approach that draws on the strengths of multiple partners. Councils will work in partnership with central government, iwi/hapū and community groups to ensure that their communities have equitable access to public services that align with the needs and vision of each community. As partners - rather than conduits or delivery mechanisms - councils will have a voice in national and regional-level decisions that affect local communities.

Having worked together to determine what is best delivered nationally, regionally and locally, each partner will have clear roles and responsibilities, underpinned by the principle of subsidiarity.

Local government will have the capability and capacity to give effect to the principles of Te Tiriti o Waitangi. Co-governance will be reflected in the structure of local government and be designed to enable iwi and Māori citizens to have a greater role in decision-making and service delivery. Elected members and staff will have

a deeper understanding of local tikanga and kawa, as well as the histories and stories of mana whenua and of place.

Finally, local government will have the financial capacity to address challenges as they arise and adapt to changing circumstances in an affordable and effective way. The funding and financing of local government will be determined by the functions it delivers, putting an

end to unfunded mandates. Local authorities will be able to apply fair charges on those who generate costs for local government and communities, while taking ability to pay into account. A high-trust relationship between central and local government will underpin funding and financing arrangements.







## Vision and Principles

The vision for the future of local government that we've heard from the sector brings together the importance of a thriving local democracy and the wellbeing of communities, underpinned by Te Tiriti o Waitangi. This vision and the recommendations in this paper are guided by the following principles:

**01 > Te Tiriti:** Local government has the capability, commitment and capacity to give effect to the principles of Te Tiriti o Waitangi.

**02 > Roles and Functions:** A system that provides local government with well-defined roles and responsibilities and reflects the principle of subsidiarity to enable people to make meaningful decisions about their places and wellbeing.

**03 > Participation/local voice:** Citizens are involved in decision-making and a diverse range of voices are able to participate.

**04 > Local discretion:** Local government has the autonomy and flexibility to respond to the needs and preferences of its local communities.

**05 > Leadership:** Local government attracts competent, capable, diverse and visionary leaders.

**06 > Equity:** Local government ensures all communities have equitable access to the public services it provides.

**07 > Collaboration:** A system that promotes a joined-up, collaborative approach to enhancing community wellbeing and draws on the strengths of multiple partners.

**08 > Funding and affordability:** Local government has the financial capacity to address challenges and adapt to changing circumstances in an affordable and effective way.

Local government's vision for its future aligns well with the five key shifts identified by the Panel. Significant changes will be required to make these a reality. Below we talk about each shift and identify some of the key changes that need to be made to realise our vision. While some changes will require long-term work and significant investment, we also believe there are many opportunities to make meaningful progress through changes in the short to medium term.

Our conversations with councils highlighted a range of issues that currently prevent the vision and key shifts from being realised, as well as insights about the changes needed. While significant progress can be made by adopting new and innovative practices, the critical question we'd encourage the Panel to consider is why such practices are not in wider use. An outline of the key issues, as well as recommendations on how they might be addressed are set out below.

# THE PANEL'S FIVE KEY SHIFTS.

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# The Panel's Five Key Shifts:



**SHIFT**  
**ONE**

// Local  
democracy

## Shift one // Local democracy

**Strengthened Local Democracy: from low public trust and participation in local government to a renewal of local democracy that builds a foundation for the future of a strengthened and inclusive local democracy.**

Our engagement with our members identified a number of issues and concerns that related directly to this shift, namely:

### **Attracting and nurturing talent from our diverse communities is difficult.**

The work that councils are undertaking is complex, and requires skilled, capable leaders who can make strategic decisions about the future of our communities. To strengthen local democracy and increase public trust, it's also vital that council staff and elected members reflect the diversity of our communities.

However, the current culture and behaviour within some councils is turning prospective members away. Instances of bullying and harassment are being reported more frequently, and current codes of conduct are ineffective due to lacking the

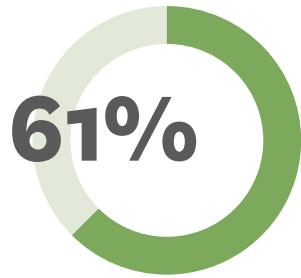
accountability mechanisms needed to keep members and council staff safe. Additional barriers to attracting and retaining talent include:

- >> low remuneration
- >> lack of support and investment in training for members
- >> working conditions for elected members, from a lack of office space to inconsistent policies towards provision of childcare
- >> misalignment between the short (three year) electoral term and equally short five-year contracting period for chief executives.

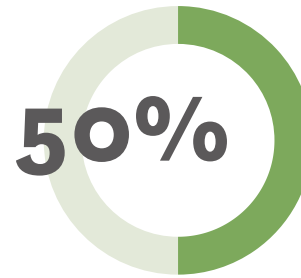
Public understanding is also an issue. Many New Zealanders don't have a clear understanding of what their local councils do and how this provides value to their daily lives, and therefore have little interest in standing for election or working in local government.

## How members experience their role

> In a recent LGNZ survey of members approximately:



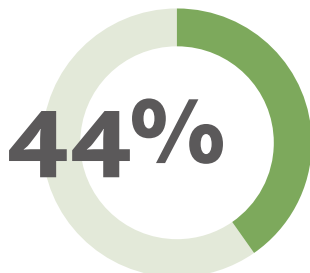
// OF RESPONDENTS FELT BULLIED  
BY ANOTHER ELECTED MEMBER OR  
COUNCIL STAFF



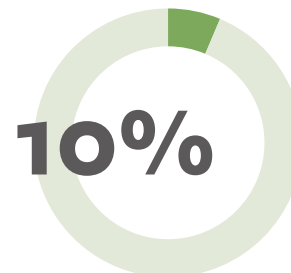
// OF RESPONDENTS HAVE  
EXPERIENCED RACISM OR SEXISM IN  
THEIR ROLE



// EXPERIENCED **BOTH**



// EXPERIENCED HARASSMENT, PREJUDICED,  
THREATENING OR DEROGATORY BEHAVIOURS,  
WITH 50% OF THOSE EXPERIENCES OCCURRING IN  
THE COMMUNITY



// DID NOT KNOW HOW TO REPORT  
EXAMPLES OF HARASSMENT OR  
DISCRIMINATION

## Institutions and processes are not always responsive, open and transparent.

Another barrier is the current planning and decision-making requirements on councils – particularly annual plans and long-term plans. Although these processes should enable participation, they have become overly prescriptive, time-consuming and difficult for the public to engage with. In many cases, these requirements have the effect of stifling community vision rather than enabling it. Streamlining and simplifying councils' planning requirements is a practical way to move from passive input by communities to enabling a strengthened and inclusive local democracy in which communities develop their own visions and priorities to best respond to their needs.

With the introduction of the water services entities and changes to resource management planning, current planning processes will require significant changes. Any changes to planning and decision-making requirements should also encompass a broader review of the Local Government Act 2002. After years of amendments, the Act can make councils risk averse, legalistic, and less responsive to community involvement.

Innovative democratic tools are being used to enable a broader and more diverse range of people to participate in local decision-making across the world, and take-up is increasing in Aotearoa as well. Citizens assemblies, which randomly select a group of people to reflect the demographics of a community and give them the tools and time to deliver recommendations, have been used with success. In the city of Geelong, the Victorian Federal Government

established a citizens' jury to determine the future form of their council following the dismissal of the City of Greater Geelong Council in April 2016. The Victorian Government adopted 12 out of 13 recommendations made by the jury. In Ireland citizens assemblies have resulted in parliament making constitutional changes to recognise same sex marriage (2015) and to legalise abortion (2018). In Belgium, two regional governments use citizens' councils to set the legislative agenda and develop policy recommendations. A similar model exists in Madrid, where the city council established a panel of citizens to monitor and make recommendations on municipal issues, which rotates annually. Citizens' assemblies have proven an effective way of increasing participation and developing a respectful understanding of differences, and a significant proportion of participants typically change their views during the process. However, political buy-in is key – there must be clear mechanisms for implementing the decisions and recommendations for these methods to be effective.

## Voter turnout and legitimacy is low.

Electoral turnout is a key component of creating a strengthened and inclusive local democracy, as higher turnout increases the legitimacy of the elected government. Turnout is low for many councils in New Zealand – the total turnout for local elections in 2019 was 42 per cent<sup>1</sup>. Turnout is also related to council size, with turnout declining as councils increase in population. In 2019 turnout ranged from 70 per cent in our smallest council, the Chatham Islands, to less than 36 per cent for Auckland Council (see Attachment 2). The generally accepted reason for this correlation is that people are more likely to know who their elected

<sup>1</sup> <https://www.lgnz.co.nz/assets/Elections-Fact-sheet-19.pdf>

members are and how to approach them in smaller councils and in councils with a greater number of elected members.

To achieve this shift, it will be crucial for the Panel to consider how to bring local government closer to the communities it serves. This needs to include greater use of deliberative democracy tools, such as citizens juries, assemblies and project-based participation, but also go beyond one-off exercises to promote neighbourhood governance structures that have an ongoing presence – such as smaller local authorities, community boards, local boards or other “sub-municipal” structures that enable citizens to provide feedback in real time. Active citizenship and trust in our civic institutions starts in the neighbourhood by enabling people to participate in the decisions that affect their immediate lives. Therefore, we need neighbourhood governing bodies to enable this.

However, there are also clear, quick wins that could lead to increased voter turnout and enable greater participation. Lowering the voting age to 16 would enable rangatahi to have a greater voice in their local communities, and adding online voting to other methods is essential for achieving a more inclusive local democracy. Online voting needs to be back on the table as a matter of urgency.



# Recommendations

To strengthen trust, participation and inclusiveness in local government LGNZ recommends that the Panel consider the following:

## 01 //

**That the LGA 2002 is reviewed by the end of 2025 in order to:**

- A. Replace the long-term plan with a more dynamic and strategic planning framework that accounts for the changes being made by other major reform programmes and that allows communities to play a greater role in a setting their community vision and reviewing progress
- B. Strengthen code of conduct accountability mechanisms and additional sanctions to provide a safe environment for elected members
- C. Enable more direct and deliberative forms of democratic participation such as citizens assemblies, participatory budgeting and online tools for feedback (e.g. Requiring councils to introduce participatory budgeting in neighbourhoods if requested).

## 02 //

**That the Local Electoral Act 2001 is reviewed by the end of 2025 to consider:**

- a. extending the term for local government to four or five years
- b. reducing the voting age to 16
- c. enabling online voting
- d. introducing mandatory voting

## 03 //

**That the Local Authorities (Members Interests) Act 1968 is reviewed to address confusion around the non-financial conflict of interest rules, which has led to members being incorrectly accused of conflicts of interest and therefore reduced levels of trust.**

## 04 //

**That the Panel considers how to provide a greater role for neighbourhood governance in the overall structure of local government, such as community and local boards, in its next report.**



## 05

**That the Government includes civics education in the national curriculum to grow New Zealanders' understanding of the role and value of local democracy and partners with councils to deliver these programmes.**





# The Panel's Five Key Shifts:



**SHIFT**  
**TWO**

// Future  
roles

## Shift two // Future roles

**Stronger Focus on Wellbeing:** from traditional focus on infrastructure service delivery to a focus on the complex wellbeing challenges of the 21st Century, including economic and social equity and climate change action.

One of the most consistent messages LGNZ hears is councils' desire to have a larger role in delivering functions and services that enhance community wellbeing and place-making. Councils in Aotearoa have a narrow range of tasks and functions in comparison to other countries. However, the proposed changes to council roles and functions taking place through other major local government reform programmes provide a key opportunity to redistribute some functions to enable councils to play a broader range of roles if adequately supported and resourced.

Local government's proximity to its communities is one of its greatest assets and means it is well placed to understand and respond to the needs of local communities.

**Both central and local government functions and responsibilities should be considered.**

We need to look across all-of-government at the distribution of public roles and functions and determine what is best delivered nationally, regionally and locally. One of the key issues preventing councils from fully addressing wellbeing challenges is the siloed approach to service delivery that is divided across central government, local government and their many partners. The result is that some functions or roles are neglected, access to services isn't equitable, and it's not always clear who's responsible for delivery in areas such as social and emergency housing, community safety and regional transport provision.

The siloed approach also means that local priorities and community vision are often dismissed in favour of national-level agendas that overlook what's needed on the ground at the community level. Councils are frequently called on as conduits and facilitators between their communities and central government agencies, or as delivery mechanisms for programmes and decisions that have already been made with minimal opportunity for their involvement.

Redistributing roles and functions at the national, regional and local level could:

>> strengthen and significantly improve the central and local government relationship by developing a more joined-up and collaborative approach

>> support a strengthened and inclusive local democracy by enabling councils to have greater autonomy in delivering public services that meet the needs of their communities

>> allow councils to play a critical role in joining up local services, reducing duplication and ensuring priority needs are addressed, particularly services that are inherently local and depend heavily on local networks and volunteers.

Many councils have expressed a desire to play a larger role in functions that deliver social outcomes – particularly healthcare, including mental health services, social housing, education, arts and culture, sustainability initiatives, community policing, emergency management, and sports and recreation.

Much more can be done to make use of the existing social infrastructure currently supported by councils. The network of libraries is one example. In many areas libraries are already playing an enhanced role by providing a space for people to gather and connect, including those who are economically and socially marginalized, offering support for jobseekers, English as a Second Language learners and rangatahi, and working with agencies such as the Ministry of Social Development to deliver social services. We encourage the Panel to consider how councils' existing social infrastructure could be optimised to create community hubs that deliver local services in partnership with central government agencies.

There are some excellent examples of councils who

have found innovative ways to deliver additional functions to enhance community wellbeing. For example, Waitaki District Council established Waitaki District Health Services Ltd in response to Oamaru Hospital being threatened with closure during the centralisation of services in the late 1990s. The company is 100 per cent owned by the council and continues to provide essential health services to the local community. The hospital and council have also worked together to build a retirement village and are both part of Stronger Waitaki, a coalition of around 190 organisations including central government departments, local government, not-for-profits, health providers and community groups who work together to make Waitaki a safer and stronger community through providing more joined-up services.

Another strong example is the Hastings Placed Based Housing Plan, a collaboration between Hastings District Council, iwi and central government agencies developed in response to a severe housing shortage in the area. The programme recognised the need for solutions across multiple types of housing and developed a partnership approach to deliver social housing, market housing, Māori housing, senior housing and RSE accommodation to meet the needs of local communities.

## A bigger role in governing communities and shaping places.

Community governance is about the processes that allow communities to develop their vision and outcomes, and how they will be realised. To achieve this shift towards a greater focus on community

One of the failures of the system has been that the local council doesn't have legislative mechanisms to deal with the social issues within their community... As iwi and hapū we think that a collaborative approach with our local council to deal with the social challenges within our community is the way to go – so that the decisions are not made in Wellington, they're made at the point of contact, and our people make decisions about what's best for our people. (Ken Mair 27/4/21).

wellbeing, we need to look beyond the functions and roles each partner delivers to consider how these partners can work together, and to what extent councils are able to have a voice in decisions that affect their local communities.

This is another area where tools such as citizens' assemblies can make a strong contribution, as seen in the city of Gdańsk, Poland. In response to a major flooding event, the council convened a citizens' assembly to consider the issue instead of consulting on a proposal developed by councillors and officials. The assembly considered expert testimony and designed an appropriate solution. Citizens assemblies in Gdańsk are not only advisory bodies but have the direct power to make city policy and allocate funds. They've also considered issues such as air pollution and civic engagement.

While councils have a mandate to work collaboratively with other partners to fulfil their wellbeing purpose, those partners do not have the same requirements

to actively participate with councils. Addressing siloed roles and functions requires a joint approach to planning – for example, it could be a requirement for councils, central government agencies, iwi and community representatives to develop a shared set of community wellbeing outcomes and identify how each partner will work to deliver those outcomes. The Public Service Act could also provide more guidance about place-based cooperation to require agreed priorities, alignment of programmes and longer-term commitments to agreed outcomes.

The Review is an important opportunity to reimagine our public service by putting the needs of communities at the heart of planning and delivery and enabling a joined-up approach to delivering to those needs.



# Recommendations

To shift towards a greater emphasis by councils on the wellbeing of their communities, LGNZ asks the Panel to consider:

## 01 //

**Which functions, assuming appropriate funding, could be suitable for devolving to councils, including:**

- A. Social housing, including “pensioner” housing (a recent paper on councils as community housing providers is [here](#))
- B. Public health, including participation in locality planning and public health
- C. Services for older citizens and youth
- D. Employment/skill development services
- E. Community based mental health services
- F. Migrant resettlement services
- G. Aspects of education
- H. Delivering community cohesion and inclusion initiatives
- I. Stronger roles in arts, culture, sport, and recreation
- J. Local child poverty initiatives, such as food in schools and urban farms to promote food resilience.

## 02



**Introducing a requirement that communities have a local wellbeing plan, which councils are responsible for developing in partnership with communities, iwi/Māori and government agencies to ensure that the services being delivered align with the needs and vision of each community. These plans could:**

- A. Determine the allocation of funding and services within communities, similar to the approaches taken with local area agreements and local strategic partnerships in the united kingdom, and the social wellbeing strategies found in wales and scotland
- B. Require government agencies to take such community plans into account when making investment and programming decisions.

## 03



**Whether the NZ government should explore the “city deal” approach, as introduced in England, Australia and other countries, which involves government departments effectively transferring services and funding to those councils (usually large cities) which show they can deliver the service more effectively in their jurisdictions.**

# The Panel's Five Key Shifts:



**SHIFT**  
**THREE**



Authentic  
relationships  
with Hapū/  
Iwi/Māori

# Shift three // Authentic relationships with Hapū/Iwi/Māori

**Authentic relationship with Hapū/Iwi/Māori - from variable understanding and commitment to an authentic relationship that enables self-determination, shared authority and prosperity.**

Before discussing the key challenges relating to this shift, LGNZ encourages the Panel to further clarify what it means by ‘authentic relationships’. We note that this language has shifted from the priority question set out in the Interim Report, *Ārewa ake te Kaupapa, which asked *How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?** We’ve heard consistently from the sector the importance of speaking specifically about ‘Te Tiriti partnership’, and recommend using this language rather than ‘authentic relationships’ moving forward.

LGNZ supports a shift to a system of local government that gives effect to the principles of Te Tiriti o Waitangi – a shift we’re expecting through the Three Waters and Resource Management reforms. The Future for Local Government Review is an opportunity to design and legislate a Treaty partnership that enables tino rangatiratanga and co-governance. Iwi/hapū/runanga and councils are both invested in the wellbeing of future generations, enhancing the mana of their communities

and creating healthy, safe environments – they are natural partners.

Many councils are making good progress in bringing iwi/hapū/Māori into decision-making, whether through formal agreements with mana whenua or the introduction of Māori wards and constituencies, which enable citizens on the Māori roll to be elected directly to the governing body. However, we also hear the need to go beyond bringing Māori to the decision-making table and to also bring councils into te ao Māori.

## Increasing cultural competency

One of the primary issues preventing this shift from being realised is the need for councils to increase their cultural competency so that local government spaces are safe and respectful. Local government needs to be proactive in ensuring that elected members and staff understand the relationships, context, history and tikanga/kawa of iwi/hapū in their rohe. There’s also a significant opportunity for councils and iwi to work



together to grow their communities' understanding of the histories and stories of mana whenua. Councils' investment in arts and culture initiatives are an excellent opportunity to share these histories and stories, as innovative projects such as the Puhi Kai Iti Cook Landing Site Redevelopment in Gisborne and Te Hono, the New Plymouth Airport Terminal have shown. Puhi Kai Iti was designed and developed as a partnership between Ngāti Onene, Gisborne District Council and Te Papa Atawhai (DoC). The design of Te Hono was led by Puketapu hapū, and their narrative has shaped the complete design and construction of the terminal to share the stories of mana whenua with those arriving in Taranaki.

## From variable understanding and commitment to tino rangatiranga

True partnership also needs to account for the variety of relationships between councils and iwi/hapū/runanga across the country. Some councils are working with one or two iwi, while others can have relationships with 15-20 mana whenua groups. Similarly, some iwi are responding to multiple councils. While some iwi have resources and capability to collaborate with councils, many do not, and need additional support from their councils.

There is a growing interest in co-governance models, and more councils are adopting innovative approaches to ensure that iwi have a greater role not only in design and decision-making, but also service delivery. However, for co-governance to work effectively, there needs to be the flexibility to reflect the local context (see Attachment 1 for examples).

We also need to critically examine the degree to which statutory processes enable flexible and culturally

appropriate responses to requests from Māori for more involvement. For example, consultation timelines, planning and regulatory requirements, and decision-making processes can be an obstacle for building partnerships as they often don't allow for meaningful engagement or discussion between councils and iwi/hapū/Māori, and instead place pressures on mana whenua, weakening rather than strengthening relationships. An issue is the tendency for councils to consult on pre-determined ideas, rather than involving iwi/hapū/Māori from the outset. Such approaches give little consideration to iwi/hapū's own priorities and plans, which may or may not involve collaboration with their councils.

Variable understanding and differing levels of commitment also stem from the current legislative framework, which is not well understood. For example, the Resource Management Act 1991 gives councils duties towards mana whenua, reflecting obligations under Article 2 of Te Tiriti, whereas the Local Government Act 2002 sets out requirements to meet the Crown's Article 3 obligations, namely to provide for equal citizenship to Māori as individuals, including maata waka, taura here, and urban Māori. Treaty clauses in other statutes, such as the Land Transport Management Act 2003, are different again. Changes taking place through the Three Waters and Resource Management Reforms are likely to lead to more a more consistent approach to the expression of Te Tiriti obligations. Better consistency and clarity across the key legislation impacting local government is necessary to achieve an authentic relationship that enables self-determination, shared authority and prosperity.

LGNZ worked with Te Maruata, the network of elected and appointed Māori members, on the removal of the binding poll preventing the establishment of Māori wards/constituencies. The Government's decision

was welcomed, and we are aware that new processes will be tabled in Parliament shortly. While progress has been made in recent years, with the proportion of Māori elected members (including those on local and community boards) reaching almost 14% in 2019 and the fact that 35 councils will have Māori wards and constituencies in the 2022 elections, there's much more to be done. Māori ward seats alone aren't sufficient to enable self-determination, shared authority and prosperity. Regardless of the models or structures adopted, it is crucial that mana whenua themselves can determine the type of representation and role they desire.



# Recommendations

Noting that the key to authentic relationships is trust, which cannot be legislated for (see Attachment 2 for examples of good practice), LGNZ asks the Panel to consider:

**01** //

**Reviewing current legislation giving roles and responsibilities to councils by the end of 2025 to ensure it provides clear and consistent direction that councils give effect to the principles of Te Tiriti o Waitangi.**

**02** //

**How the principles of co-governance and of partnership can be reflected in the structure of local government so that iwi and Māori have a greater role in the design and decision-making processes along with service delivery. This will likely require a phased approach to realise significant, long-term change.**

**03**

**The option, in order to strengthen Article 2 obligations towards Māori as citizens, of enabling Māori themselves to decide whether Māori wards/constituencies should be established.**

**04**

**Central government support for LGNZ and Taituarā to provide induction and training resources for councils to increase their understanding of local tikanga, kawa and histories, and ensure that all staff and elected members can show respect for and an understanding of te ao Māori.**

**05**

**How central government might support councils and iwi to work together to grow their communities' understanding of the histories and stories of mana whenua, for example through greater financial support for arts and cultural initiatives.**

# The Panel's Five Key Shifts:



**SHIFT**  
**FOUR**

// Central  
and Local  
Government

## Shift four // Central and Local Government

**Genuine partnership between Central Government and Local Government from low trust and confidence in each other to reliable partners able to deliver wellbeing outcomes in place.**

The desire to improve the relationship between central and local government has been mentioned in almost every conversation we've had with the sector. Councils want to see a relationship characterised by high trust, collaboration and engagement at both the governing and operational level. One way of assisting is to strengthen engagement at all levels – officials and governors. At the officials' level we would like to see more use made of short-term placements between councils and government departments. We need an organisation at the centre, such as the Public Services Commission, to be given responsibility to oversee and encourage such placements.

We also need to promote stronger engagement between the “governors” by encouraging local constituency members of parliament, and list MPs that may have been given responsibility for a geographic area, to meet with local councils and their leaders, whether this is a regional mayoral forum or an individual local authority. The number of MPs entering parliament that have little to no knowledge of the role

and significance of local government has been a long-held concern. Better communication will ultimately assist local government and central government to deliver better outcomes for their communities.

### **A rebalancing of roles, functions, funding and financing**

Many of the complex challenges of the 21st century – including responding to crises such as pandemics or local states of emergency and addressing climate change - can only be solved through a joined-up collaborative approach that involves not only both spheres of government, but also iwi/hapū, community groups and citizens to combine resources with local information and responsiveness. In an ideal situation, responses will combine the resources and capability of central government with the knowledge and networks of local organisations and groups.

Several barriers to realising genuine partnership have been mentioned under previous key shifts – for

example, councils are often called on as conduits and facilitators between their communities and central government agencies, or as delivery mechanisms for programmes and decisions that have already been made with minimal opportunity for their involvement and without sufficient resourcing to deliver. Roles and functions across the public service are often carried out in siloes, which create gaps and equity issues. To achieve genuine partnership between central and local government requires both a rebalancing of roles and functions, as well as the funding and financing to deliver them.

Councils can play an important role in facilitating local collaboration around a community vision and understanding of local needs, as highlighted in the success of the Social Sector Trials. The Trials were established to test a new approach to improving social service delivery by a number of central government departments, NGOs and councils. The approach involved focussing on a set of desired social outcomes for a target group, reorganising funding and decision-making processes across the social sector, and shifting the control of service delivery to local levels. The evaluation, published in 2013, found that this approach empowered organisations to identify and address local issues, and resulted in a significantly better system of coordinated service delivery for young people and their families. Unfortunately, no changes resulted from the trials, much to the disappointment of the councils which hosted the Trials, like Horowhenua and Ruapehu.

The Productivity Commission's report *Better Local Regulations* also offers useful insights about how central and local government should work together. The Commission noted that changes were needed, to:

- >> recognise central and local government as 'co-producers' of regulatory outcomes
- >> incentivise central government agencies to undertake rigorous policy analysis prior to recommending changes to local government regulatory functions
- >> increase central government agencies' knowledge of the local government sector and capability to undertake robust implementation analysis; and
- >> enhance the quality of engagement with local government early in the policy process.

## Strengthening the constitutional status of local government

Constitutional status is another key issue regarding the central and local government relationship. Part of the problem is local government's lack of constitutional status. Descriptors such as junior partner or creature of statute tend to diminish local authorities' legitimacy as democratic institutions and their ability to form partnerships with central government.

Both central government and local government currently receive their constitutional authority from Parliament, as two separate spheres that have their own constituents, processes, revenue and funding powers. As a democracy without a written constitution, constitutional court or upper house, local government plays a critical role. For example, councils provide communities with the opportunity to express views that may be contrary to those of the government of the day and can implement local policies to enhance wellbeing where central government may have failed to deliver.

To protect this important role, local government needs greater constitutional protection and clarity around its authority and roles, than is currently the case. Currently it only takes 50.1% of votes for Parliament to abolish local government. Other changes that would strengthen local government's status might be the establishment of a local government ministry or even a commissioner for local democracy.

Strengthening councils' constitutional status will not only improve the relationship between central and local government, but it will also assist councils' relationships with other key partners, such as iwi/hapū/Māori, as the relationship of local government to the Crown is ambiguous to many. It is important that the Panel examines this question in its final recommendations.





# Recommendations

To strengthen the relationship between central and local government, LGNZ asks the Panel to investigate the following:

**01** //

**Giving local government constitutional status through, for example, inclusion in the Constitution Act 1986.**

**02** //

**Building on existing initiatives, such as the Central Local Government Forum, to enable greater central and local government collaboration. For example, the Panel could consider establishing a memorandum of understanding between central and local government after each parliamentary election that covers matters such as:**

- A. Ensuring the participation of local government in any planned reforms of local legislation or functions

- B. Agreed policy priorities for the coming three years
- C. Establishing relationship protocols for ongoing communication.

# 03

**That a Parliamentary Office of Local Democracy is established to provide a non-partisan perspective on the quality of New Zealand's local democracy.**



# The Panel's Five Key Shifts:



**SHIFT**  
**FIVE**

// Equitable  
funding

## Shift five // Equitable funding

More Equitable Funding from beneficiary-based funding principles to a funding system that equitably supports communities to thrive.

When asked for their views on funding for local government, members were unanimous in their view that reliance on property taxes is a major constraint on strengthening community wellbeing. Because rates lack buoyancy - that is, they do not grow as the economy grows - members are often reluctant to increase them as necessary to invest in infrastructure or services – an issue central government does not face. The lack of a buoyant tax, such as a share of GST, acts as a disincentive to councils wishing to invest in economic development activities, because revenue from any increase in local growth, due to such investments, goes to central government through higher GST and income tax receipts. Councils need an additional, and buoyant, tax to complement rates – which are an ideal mechanism for funding many local services.

Funding needs to follow functions to ensure an end to unfunded mandates that place additional pressures on local government. Related to unfunded mandates is the way in which regulatory impact statements that

accompany new legislation only consider the fiscal costs to central government, while the potential costs of new legislation on local government remain largely invisible.

Funding and financing is a crucial issue that prevents local government from realising its vision. The 18 reviews into the funding and financing of local government in the past few decades all agreed that property taxes are not a sustainable funding source for local government. Without access to a broader range of funding mechanisms, councils are and will be unable to deliver to their role of enhancing community wellbeing. Funding needs to follow functions to ensure an end to unfunded mandates that place additional pressures on local government.

A further concern is affordability. Property taxes have only partial correspondence with people's ability to pay, leaving councillors with difficult decisions when setting budgets as they have limited tools with which to offset the impact on low-income households. To address

affordability issues local government needs access to complementary taxing and charging powers in order to properly perform their statutory duties and meet the expectations of their citizens in a fair manner.

## Revenue sharing

If local government is to deliver successful outcomes for local communities, it ultimately needs additional funding tools and incentives to overcome the current reliance on land and property taxes. This change is important for financial resilience and to acknowledge issues with ability to pay for some communities.

Complementary funding tools, with different incentives, will allow local government to perform as a successful partner to central government. Local government is the critical link for improved economic development, high-quality and resilient infrastructure, higher quality service standards and strengthened democracy. Funding the sector appropriately will help ensure that central government achieves the outcomes it strives to create and that our communities' desire.

Given the small share of taxation available to councils to provide local services, LGNZ strongly supports the introduction of a revenue-sharing approach. In our view the most effective and efficient form of revenue sharing is for councils to receive a proportion of general government revenue based on council population, any additional services allocated to local government

following the conclusion of the Review into the FfLG, and a weighting to reflect the needs of low socio-economic communities.

An international model that we recommend to the Panel as worth investigating is that used to fund local government in Denmark.

## Horizontal equity - addressing inequality

Inequality between regions is a significant challenge for New Zealand and its communities: some districts have the capacity to invest in better local public services and, as a result, achieve better outcomes for their citizens. However, councils representing low socio-economic communities are less able to provide the services that will assist their communities to achieve levels of social and economic wellbeing found elsewhere.

A common response to this issue in other countries is for the central or federal government to provide equalisation grants to councils which represent low socio-economic communities. While no such scheme exists in New Zealand, their introduction would be helpful in achieving better and more equitable outcomes for communities. Ideally, such grants should be general grants and provided according to agreed criteria.

# Recommendations

To ensure councils have adequate funding to meet community expectations, and incentives to invest in growth, LGNZ asks the Panel to consider the following:

## 01 //

**That councils are provided with a share of central government revenue (revenue sharing) to complement property taxes, that are calculated on the basis of:**

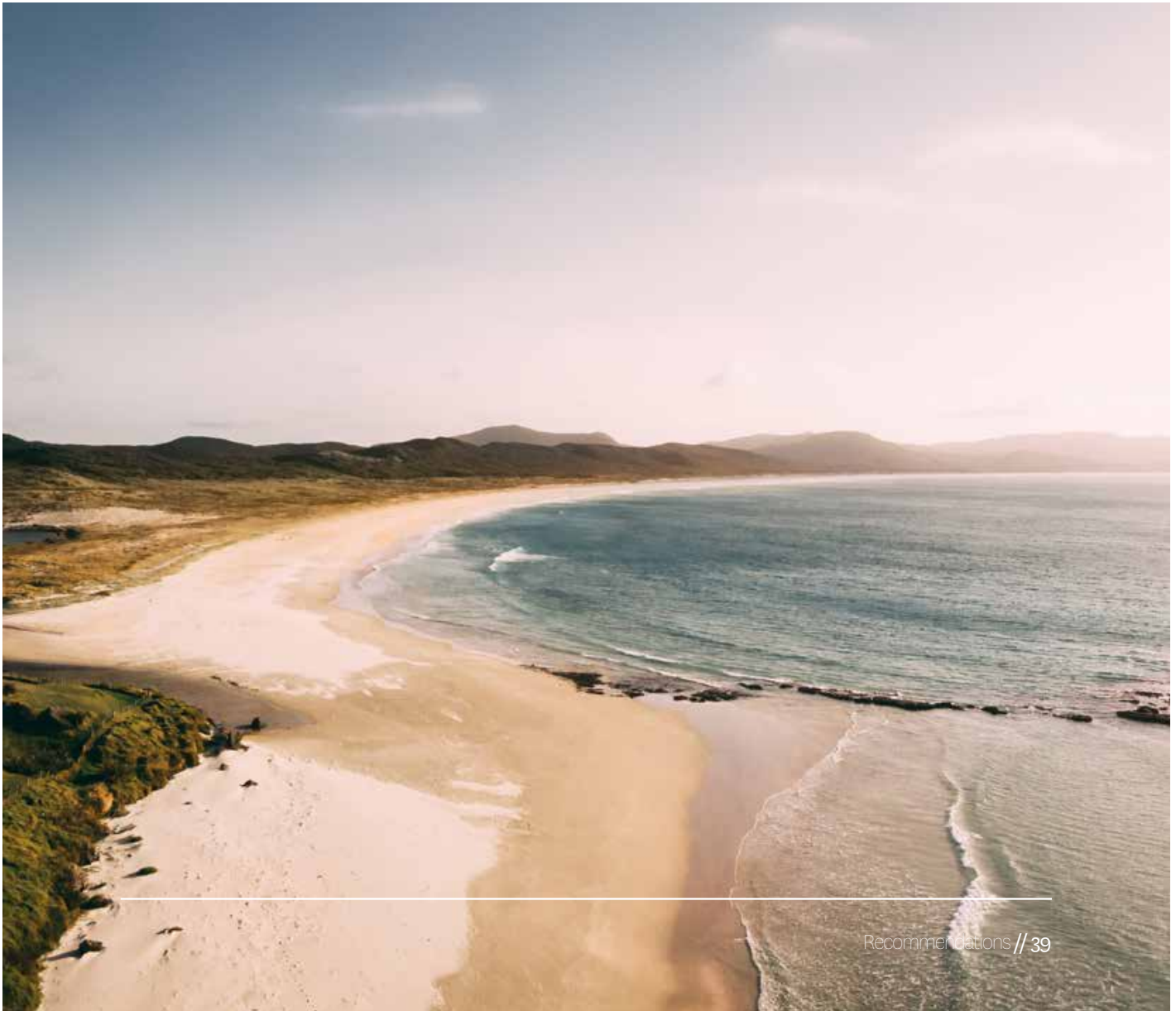
- A. Council population,
- B. Any additional services allocated to local government following the conclusion of the review into the FfLG, and
- C. A weighting to reflect the needs of low socio-economic communities (an equalisation mechanism).

## 02 //

**Investigate the practicalities of a requirement that the Government's Regulatory Impact Statements (RIS) include any impacts on local government.**

# 03 //

**Investigate permitting Councils to choose complementary funding measures such as value uplift charges, bed taxes, higher penalties for parking offences and congestion charging to enable Councils to fairly raise income from people and organisations that particularly benefit from, or impose costs, on the activities of local government.**





# Review of the Local Government Act 2002

**LGNZ has carried out a range of workshops and discussions with the sector to gather feedback from councils and engage them in this Review. These have included:**

To shift our system of local government towards the five “future states” put forward by the Panel requires change across multiple dimensions, from culture to practice, and from regulations to incentives. Yet there is a common factor: almost all the changes needed, from relationships with iwi and central government to the inclusiveness of our democracy and how it is funded are dependent on the settings found in local government’s “three tablets”:

- >> The Local Government Act (LGA) 2002
- >> The Local Electoral Act 2001
- >> The Local Government Rating Act 2002

Without critical changes to the “three tablets” the shifts cannot fully, if at all, be realised. The most urgent of these is the LGA 2002, as it sets out the processes by which councils operate, the way in which they make decisions and the rules for structural change.

Underpinning our argument is the new Public Services Act (PSA) 2021. The PSA, which is designed to promote

a collaborative and joined up approach amongst central government departments, replaces the former State Sector Act 1988 (SSA), which emphasised accountability and competition, rather than outcomes. The LGA 2002 incorporates the fundamental approach of the SSA, namely competition, siloed accountability arrangements and what is widely described as New Public Management – a style that is no longer prevalent in most of the countries that we compare ourselves with. We need to incorporate the values and philosophy of the PSA in our local government system.

In order to ensure that local government has a dynamic planning framework, a fit for purpose Code of Conduct and accountability framework, provides for more direct and deliberative forms of democratic participation, and has the funding and financing tools to incentivise growth, the first priority must be for a review of the LGA 2002 to be completed by the end of the next term of parliament in 2026.



While this paper is concerned with the measures that are needed if the key shifts are to be achieved, members also highlighted additional matters that they believe need to be addressed in the Panel's final recommendations. Three, in particular, stand out; the importance of civic leadership, the unique characteristics of cities and the "fifth" well-being – participation in decision-making.



# OTHER MATTERS

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## CIVIC LEADERSHIP >

While the interim report emphasised the importance of local governance it had little to say about the importance of local government as an institution. It is from their status as democratic institutions that councils and their leaders, especially mayors, are able to exercise civic leadership and give voice to the needs and preferences of our diverse communities. It would be good to see this reflected in the Panel's next report to reinforce local authorities' essential role in building a strengthened and inclusive local democracy.

## CITIES >

The role of cities, as engines of growth and innovation, went largely unrecognised in the interim report. Yet cities deliver a broader range of services than other forms of local government and have distinctly different governance challenges. These differences need to be recognised, including their entrepreneurial role.

## PARTICIPATION >

To date, little attention has been given to the “fifth wellbeing”, which states that the purpose of local government includes providing opportunities for citizens to participate directly in decision-making (see S.10(a)). The fifth wellbeing endorses initiatives like participatory budgeting and citizens' assemblies and could even be seen as requiring councils to actively consider them. This is an area where our local government sector is falling well behind countries that we like to compare ourselves with, and the Panel may like to consider how we could enable more of these initiatives to take place.

# LGNZ's Engagement to Date

LGNZ has carried out a range of workshops and discussions with the sector to gather feedback from councils and engage them in this Review. These have included:



➤ National workshops on each of the Panel's five priority question areas and key shifts, which were well-attended by mayors, chairs, elected members, chief executives and council officers. Up to 200 members attended some of the sessions.

➤ Scenario workshops based on three possible futures for local government, with our Rural and Provincial Sector, Metropolitan Sector, Regional Sector and Young Elected Members' Network. Sessions on

the future for local government were also held with Te Maruata and the Community Boards Executive Committee.

➤ Supporting an independent group of sector representatives to develop a vision for what an integrated public service could look like, and the kinds of change to local government's roles, functions and structures needed to support better outcomes for communities.



# CONCLUSION

**LGNZ is committed to supporting the ongoing Review into the Future for Local Government and will continue to support local authorities to promote good governance and build thriving communities.**

We are actively working to realise the vision for the future of local government articulated by the sector in the short term and long term. We're working to proactively and constructively engage with central government through our Heads of Agreement and on each of the ongoing major local government reform programmes. We are also advocating

for greater diversity and inclusion in our councils and to increase voter turnout through our Vote 22 Campaign work, gathering examples of best practice in co-governance, developing resource to support elected members through the induction process, and are ensuring that councils are well supported and informed to make strategic decisions regarding the wellbeing of their communities.

We would welcome the opportunity to discuss this paper with the Panel, or to assist with developing further analysis or recommendations in any way.

# RECOMMENDATIONS



## SHIFT ONE

To strengthen trust, participation and inclusiveness in local government, LGNZ recommends that the Panel consider the following:

01

Reviewing the LGA 2002 by the end of 2025 to replace the LTP with a planning framework that accounts for changes being made by other major reform programmes; strengthens Code of Conduct accountability mechanisms; and enable more direct and deliberative forms of democratic participation such as citizens assemblies and participatory budgeting.

02

Reviewing the Local Electoral Act 2001 by the end of 2025 to consider extending the term for local government to four or five years; reducing the voting age to 16; enabling online voting; and introducing mandatory voting.

03

Reviewing the Local Authorities (Members Interests) Act 1968 to address confusion around the non-financial conflict of interest rules.

04

How to provide a greater role for neighbourhood governance in the overall structure of local government, such as community and local boards, in its next report.

05

That the Government includes civics education in the national curriculum to grow New Zealanders' understanding of the role and value of local democracy and partners with councils to deliver this.

## SHIFT TWO

To shift councils towards a greater emphasis on the wellbeing of their communities, LGNZ recommends that the Panel consider the following:

06

Which functions, assuming appropriate funding, could be suitable for devolving to councils, including: social housing; public health; services for older citizens and youth; employment/skill development services; community based mental health services; migrant resettlement services; aspects of education; delivering community cohesion and inclusion initiatives; stronger roles in arts, culture, sport, and recreation; and local child poverty initiatives, such as food in schools and urban farms to promote food resilience.

07

Introducing a requirement that communities have a local wellbeing plan, which councils are responsible for developing in partnership with communities, iwi/Māori and government agencies to ensure that the services being delivered align with the needs and vision of each community.

08

Exploring the “city deal” approach, which involves government departments transferring services and funding to those councils (usually large cities) to deliver services more effectively in their jurisdictions.

## SHIFT THREE

To shift from variable understanding and commitment to an authentic relationship with Hapū/Iwi/Māori, LGNZ recommends that the Panel consider the following:

09

Reviewing current legislation giving responsibilities to councils by the end of 2025 to ensure it provides clear and consistent direction about how councils give effect to the principles of Te Tiriti.

10

How the principles of co-governance and partnership can be reflected in the structure of local government so that iwi and Māori have a greater role in decision-making and service delivery.

11

The option, in order to strengthen Article 2 obligations towards Māori as citizens, of enabling Māori, themselves, to decide whether Māori wards/constituencies should be established.

12

Central government support for LGNZ and Taituarā to provide induction and training resources for councils to increase their understanding of local tikanga, kawa and histories, and ensure that all staff and elected members can show respect for and an understanding of te ao Māori.

13

How central government might support councils and iwi to work together to grow their communities' understanding of the histories and stories of mana whenua.

## SHIFT FOUR

To strengthen the relationship between central and local government, LGNZ recommends that the Panel consider the following:

14

Giving local government constitutional status through, for example, inclusion in the Constitution Act 1986.

15

Building on existing initiatives, such as the Central Local Government Forum, for example by establishing a memorandum of understanding between central and local government after each parliamentary election to cover agreed policy priorities, and relationship protocols.

16

Establishing a Parliamentary Office of Local Democracy to provide a non-partisan perspective on the quality of New Zealand's local democracy.

## SHIFT FIVE

To ensure councils have adequate funding to meet community expectations, and incentives to invest in growth, LGNZ recommends that the Panel consider the following:

17

That councils are provided with a share of central government revenue to complement property taxes, that are calculated on the basis of council population; any additional services allocated following the conclusion of the Review into the FfLG; and a weighting to reflect the needs of low socio-economic communities (an equalisation mechanism).



18

Investigating the practicalities of a requirement that the Government's Regulatory Impact Statements (RIS) include any impacts on local government.

19

Permitting Councils to choose complementary funding measures such as value uplift charges, bed taxes, higher penalties for parking and other offences and congestion charging to enable councils to fairly raise income from people and organisations that particularly benefit from, or impose costs, on the activities of local government.

# ATTACHMENT 1

## Initiatives for building authentic relationships

The current legislative settings under which local government works enables councils and iwi/Māori to develop innovative and context sensitive engagement approaches. Information on the range of approaches can be found [here](#), and new approaches continue to be developed, as well as older models enhanced.

Examples of more recent approaches to engagement include:

### New partnership agreement between Wellington City Council and mana whenua groups

Partnership agreements setting out how mana whenua and councils will work together have been in place since the first such agreement was negotiated in the early 1990s with Greater Wellington Regional Council. Over time these agreements, in the form of memoranda or charters of understanding have become more sophisticated.

The most recent agreement is a [partnership agreement between Wellington City Council and three mana whenua groups in Te Whanganui-A-Tara](#). As part of the Agreement the council and mana whenua, consisting of the leaders from Te Rūnanga o Toa Rangatira, Taranaki Whānui ki Te Upoko o Te Ika and Te Rūnanganui o Te Āti Awa will meet every three months to discuss challenges like housing, homelessness and environmental protection.

### Mana Whakahono partnership: Taupō District Council and Ngāti Tūrangitukua

This agreement is between Ngāti Tūrangitukua, the Ngāti Tūwharetoa hapū that holds mana whenua over Tūrangi township and its surrounds, and Taupo District Council. It covers the Resource Management Act [RMA], the Local Government Act, and the Reserves Act. It will be implemented by a co-governance committee equally made up of Ngāti Tūrangitukua and council appointees.

The new Tūrangi Co-Governance Committee will take on the roles and functions of the outgoing Tūrangi Tongariro Community Board in respect of the Tūrangi township and its surrounds. Both the council and Ngāti Tūrangitukua describe the agreement as embedding mana whenua aspirations and matauranga Māori into community planning, allowing efficiencies and the co-design of community projects, facilities and sustainable community outcomes.

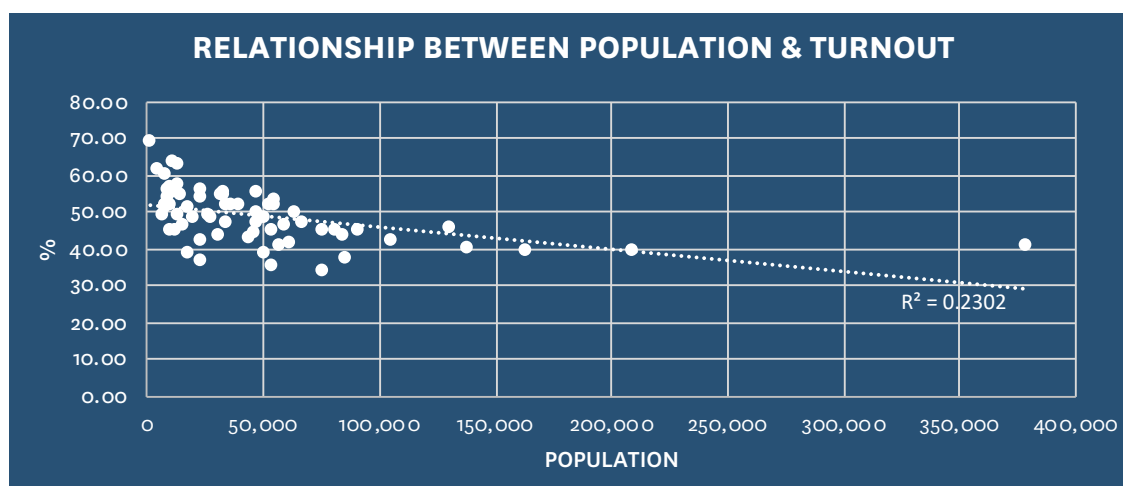
## ATTACHMENT 2

### The relationship of voter turnout to council size

Historically, local government reform in New Zealand has been justified on the grounds of efficiency - that is, the view that having a system of a smaller number of larger councils will cost less and be more capable than a system made up of a larger number of smaller councils. Putting aside the fact that international research strongly disputes such views, very little concern has been given to the impact of consolidation on voter turnout.

The data, however, as shown in Figure 1 below, tells us that in general, as councils get larger fewer people turnout to vote.

Figure 1<sup>2</sup> // Relationship of population to turnout



Source: LGNZ

Figure 1 shows that councils with smaller populations are grouped at the higher voter turnout end of the graph, with turnout falling gradually as population increases. A similar correlation is found if turnout is compared to the ratio of councillors to population. Those districts where a councillor represents a smaller number of residents vote more than those districts where councillors represent a large number of residents, highlighting the role of proximity.

That is, in councils with smaller representation ratios (councillors represent low numbers of residents) residents find it easier to access information about candidates, are better able to assess candidate performance and find it easier to make personal contact with their councillors – all of which not only encourages them vote but also enhances trust in the councils as an institution.<sup>3</sup>

<sup>2</sup> Auckland Council is not included due to scale and presentation issues.

<sup>3</sup> See "A Balancing Act" (2008) by Jean Drage, Institute of Policy Studies.

## **BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

### **AGENDA ITEM 16**

**Prepared by** Jamie Cleine  
Buller District Mayor

**Appendix** 1 TTPP Project Managers Report  
2 Mayors Correspondence

#### **MAYOR'S REPORT**

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

This report is to provide commentary of significant events and meetings attended by the Mayor. The report also provides information on advocacy or political matters currently before Council.

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

- 1. That Council receive the report for discussion and information.**
- 2. That Council receive and note incoming and outgoing correspondence and Councillors provide direction for any responses or additions.**

##### **3. COUNCIL**

###### **3.1 Mayors Taskforce for Jobs (MTFJ)**

A busy month for MTFJ Buller indicating a building level of confidence especially in the construction sector. The two firms taking on apprentices this week are long established local builders seeking to “grow their own” workforce. This is an evolving trend as the tight labour market in NZ generally makes it increasingly difficult to attract new employees to the district. MTFJ is playing a key role in providing some support to fill this gap, whilst encouraging qualifications that will serve these young employees for their lifetime.

Another rapidly expanding niche business, West Coast Pies, is growing in national reputation for its wild game themed menu. I believe the support of this business by MTFJ has been a key enabler for their move into new premises on the main street of Westport.

Buller continues to actively pursue opportunities in the climate adaptation and biodiversity space via our partnerships with Kotahitanga mō te Taiao Alliance.

With allocated funds almost fully expended, an additional \$50,000 was applied for to ensure momentum can be maintained to the end of June.

This funding has now been approved and the applications on the waiting list can now be progressed.

For the 2022/23 financial year the MTFJ contract with central government funders is likely to be different and talks are currently underway with Buller REAP and BDC Community Services staff to determine the best way to deliver this programme for the next fiscal year.

Sustainable employment outcomes:

May 2022:	8	May approved applications:	\$35,451.96
Year to date:	91	Total YTD:	\$498,941.54

### **3.2 Council Appointed Trustee – Development West Coast (DWC)**

As per previous Council resolution and in accordance with the DWC trust deed an appointment panel was established to recruit and appoint a council appointed trustee to the DWC board.

The four West Coast councils each nominated an elected member to the panel which consisted of: Buller Mayor Jamie Cleine, Grey Mayor Tania Gibson, WCRC Councillor Brett Cummings and Westland District Deputy Mayor David Curruthers. DWC staff provided administration support to the recruitment process which was conducted independently by Sheffield.

The panel met on 20 May to shortlist suitable candidates and formal interviews of these applicants conducted on 3 June. The panel reconvened briefly on 7 June to confirm a preferred candidate.

Sheffield then conducted appropriate due diligence and reference checks before confirming suitability and availability of the preferred candidate.

Sam MacDonald has been confirmed as the West Coast Councils appointed trustee and has been formally notified. (Appendix 2)  
Dame Julie Christie has also been formally notified of the appointment and thanked for her service to DWC and the region. (Appendix 2)

### **3.3 Buller Mayoral Relief Fund (MRF)**

The coastal inundation event in Northern Buller on 13 June caused some uninsurable losses for many in this community as they face un-expected clean-up costs.

I requested the MRF committee consider accepting applications from this event from the community donation pool of funds collected from Westport flood events in July 2021 and February 2022.

The committee have developed criteria for the Northern Buller event and will consider applications to the MRF on merit that meet the basic criteria.

**BULLER DISTRICT COUNCIL  
MAYORAL RELIEF FUND - JULY 2021 FLOOD EVENT  
STATUS REPORT AS AT 17 JUNE 2022**

**FUNDS RECEIVED**

Central Government		
(\$300,000 less GST)	260,870	
Community Lead Donations	410,885	
<b>TOTAL FUNDS RECEIVED</b>		671,755

**Less FUNDS DISTRIBUTED**

636 Applications Approved		533,924
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<b><u>BALANCE OF FUNDS AVAILABLE FOR DISTRIBUTION</u></b>	<b>\$</b>	<b>137,831</b>
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**MAYORAL RELIEF FUND - FEBRUARY 2022 FLOOD EVENT  
STATUS REPORT AS AT 17 JUNE 2022**

**FUNDS RECEIVED**

Central Government		
(\$100,000 less GST)		86,957

**Less FUNDS DISTRIBUTED**

41 Applications Approved		35,846
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<b><u>BALANCE OF FUNDS AVAILABLE FOR DISTRIBUTION</u></b>	<b>\$</b>	<b>51,111</b>
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### **3.4 Rural MRF**

As a result of the February 2021 Buller flood events, the Ministry for Primary Industries announced a fund to support the rural community.

The February event caused damage to rural properties that were within Buller District and Tasman District so it was decided to include applications from rural properties from both districts.

The fund is \$140,000 to be administered via the already established Buller MRF account. A process was established to provide an application criteria in conjunction with the Buller flood recovery hub, applications closed on 17 June.

A rurally focussed assessment panel met on Monday 20 June to consider the applications. The panel included:

- Chair West Coast Rural Advisory Group – Taane Johnsen
- Chair Top of the South Rural Advisory Group – Richard Kempthorne
- Mayor Jamie Cleine or 1 representative Buller District Council
- Mayor Tim King or 1 representative Tasman District Council
- 1 representative FMG Insurance

#### **4. EXTERNAL MEETINGS & EVENTS**

##### **4.1 Te Tai Poutini Plan TTPP (One District Plan)**

The Committee met on Tuesday 21 June, a written summary was unavailable prior to deadline of this Council agenda.

A verbal summary will be provided to this meeting by Mayor and Deputy Mayor. TTPP Monthly report is attached as Appendix 1

##### **4.2 LGNZ Rural & Provincial Sector Conference**

I attended this conference with CE Sharon Mason held at Te Papa in Wellington 16 & 17 June.

##### **Mayors Only Session**

There is significant pressure on Mayors as the various government reforms progress causing some level of angst between members of the group. It is expected up to 40% of Mayors may no longer be in office beyond October, which would be a significant level of leadership change. Points raised included:

- concerns around significant infrastructure investment backlog and frustrations working with government agencies such as Waka Kotahi (NZTA) in gaining approval for road maintenance and investment.
- Roothing emergency works as a result of natural disaster is also significantly exceeding the NZTA budget making negotiations in this area more difficult for many councils.
- Housing development is very slow with major issues with social and affordable housing in many centres.
- Three waters “better off” funding, concerns around the timeframe for submitting proposals into this process.

- Difficulties in retaining and recruiting key staff, inflationary pressure and uncertainty in the future for local government.

### **Main Conference**

An interesting agenda for the main conference included various presentations. Highlights included:

Infrastructure New Zealand, Ross Copeland CE

- Infrastructure strategy explanation of the five key elements of the strategy.
  - Achieving net zero carbon in infrastructure
  - Flourishing towns and regions
  - Attractive cities
  - Circular economy
  - Resilience improvements

More information and an interactive copy of the strategy can be found at <https://strategy.tewaihang.govt.nz/>

- National infrastructure pipeline, to provide visibility on 10–30-year work pipeline to allow more efficient planning for construction resources.
- Labour market issues, tightest job market since 1974, 120,000 persons short over next 30 years.
- Electricity generation needs to increase 170% to meet expected demand
- NZ needs to double infrastructure investment every year for 30 Years to “catch-up” current backlog and meet anticipated demand.
- Need to consider demand side management, too much focus on supply side.
- Funding and investment needs to be considered in decades and intergenerational

### **Minister of Local Government, Hon Nanaia Mahuta**

- 3 waters, National Transition Unit and planning on supporting councils to retain existing staff during the transition period.



- The Government has introduced to Parliament the first piece of legislation to make these changes – the Water Services Entities Bill. As well as setting up the new entities so they can be ready in two years' time, the Bill locks in council ownership of the WSEs on behalf of the communities, by making councils the sole shareholders. Councils will have one share per 50,000 people in their area, rounded up – so each council will have at least one share.
- The legislation ensures communities will have a say in the running of the new water organisations through council and iwi oversight, while giving them the financial and operational independence they need to get on with the job.
- Government intends to introduce another two parliamentary bills to cover economic regulation regime and consumer protections to hold the entities to account. This will drive quality services at the right price for consumers.
- Minister was very strong in reiterating the need for reform and that Government were committed to progressing the reform program with some urgency.

#### **Briget Sissons – LGNZ Vote 22 Campaign**

- Multi-media campaign collateral for councils to utilise
- Vote info packs available to be sent out
- Encouraging diversity in candidates
- Mayors 2-day hui immediately after election
- Councillor induction packages
- Training packages and micro credential to build governance capacity and professionalism

#### **Emma Anderson – LGNZ Mayors Taskforce for Jobs (MTFJ)**

- New focus of MTFJ to be Rural Community Resilience programme, no longer a Covid recovery programme.
- Stronger focus on young people not in education, employment or training (NEETS)
- National budget is less than previously, so more focussed.

- MTFJ role in providing social procurement assistance for business needing to meet this requirement.
- Close relationship with Ministry of Social Development will be maintained.

### **MP Simon Watts – National Party Local Government Spokesperson**

- Five key priorities:
  - Rural communities
  - Reforms programme, improve phasing and right sizing
  - Stop adding additional cost through bureaucracy
  - Constrain govt spending
  - Three Waters Reform, will repeal and replace with alternative, yet to be developed reform.
- Financing toolkit for local government
- Immigration system changes to retain and attract skilled workers
- Workforce constraints in local government is a crisis.

### **Minister of Environment – Hon David Parker**

- Updated on progress and rationale of Resource Management Act reform
- Transition to new planning framework will be deliberate in not radically changing national direction currently included in existing plans
- Regional Spatial plans will be high level guiding documents, beneath these will be implementation plans and Natural and Built Environment Plans

## 5. LOCAL EVENTS & RELATIONSHIP MEETINGS

I have attended various local events and relationship meetings over the period. Some highlights included:

- Dolomite Point redevelopment sod turning event. This project will provide an iconic “gateway” between Buller and Grey Districts as well as bring together Iwi, DOC and the community in something very positive and enduring.
- Westport Municipal Band Provincial Competition. It was an honour to welcome visiting bands to Westport for the provincial brass band competition. The Westport Municipal Band played host to the weekend events and although not the winner on the night, certainly entertained the crowd.
- Buller All Ford Day to select a Mayor’s choice entry. This event was very well supported by the public and display cars. Well done to the Buller Hot Rod club for organising this each year, it certainly brings people together.
- Health NZ, I attended a briefing to West Coast Mayors on the Health NZ reforms, and in particular the localities work stream.

This new approach, will focus on avoiding people getting sick and helping whānau stay well, give iwi and communities a strong voice in deciding what’s needed in their local area, and get different health and wellbeing organisations working together better to improve people’s experiences of healthcare.

Councils are being asked to engage in the process of shaping what our health locality will look like.

- Federated Farmers Annual Meeting. This was a good opportunity to hear the farming community views on current government policy on climate change and emissions reduction as well as some feedback on the Te Tai Poutini Plan (One District Plan).
- Stuart Crosby, President of Local Government New Zealand. He was in town as part of an effort to connect with member councils across New Zealand. We had a good discussion on the various government reforms and the policy work that LGNZ continue to work on.
- I joined Grey District Mayor Tania Gibson for a Radio New Zealand interview on the civil defence arrangements for the West Coast. West Coast Emergency management are actively recruiting for additional emergency management controllers.

- Hon David Clark MP who has several portfolios including Communications and the Digital Economy and is minister responsible for the Earthquake Commission. He received a general update on the flood events and recovery and we shared some experience and feedback on property insurance issues and the Hazards Insurance Bill currently working through parliament.

We also talked about the vulnerability of the Buller in terms of communications and electricity networks, both of which have single points of supply to the District that could be damaged or lost in a natural disaster.

## 6. CORRESPONDENCE

For Council consideration – see attached Appendix 2

<b>Incoming Correspondence 2022</b>		
18 May 2022	Ray Mettrick	Karamea Area School Yearbook
23 May 2022	Westport Combined Pipe Band	Honorary Vice President Role
20 June 2022	NZ Veterans Affairs	Letter re support of NZ Remembrance Army
<b>Outgoing Correspondence 2022</b>		
12 May 2022	Liz Moncrieff,	RMA Reform - Letter from Mayor - RMA Reform - Te Tau Ihu Planning Boundaries.
26 May 2022	Peter Gibson	Public Forum Response – Karamea Reserve Campground
26 May 2022	Tom Murton, KAS, Board of Trustees	Public Forum Response – Karamea Area School
27 May 2022	Westport Combine Pipe Band Inc	Honorary Vice President Role Response
1 June 2022	Barry Lightbown	Waimangaroa Reserve Hall Upgrade Response
1 June 2022	Ray Mettrick	Karamea Area School Yearbook – Response
2 June 2022	Lotteries Environment & Heritage Fund	Letter of Support – Reefton Powerhouse Charitable Trust
8 June 2022	Lorraine Scanlon	Acknowledgement Queens Birthday Honours
10 June 2022	James Caygill, Waka Kotahi	Karamea SPR (from Damien O'Connor & Mayor Cleine)
16 June 2022	Sam MacDonald	DWC Trustee Appointed Role
16 June 2022	Dame Julie Christie	DWC Trustee Role & Thank you



**Te Tai o Poutini**  
**PLAN**  
*A combined district plan for the West Coast*

APPENDIX A

# Project Manager Update

**1 May 2022 – 31 May 2022**

Prepared By: **Jo Armstrong**  
Date Prepared: **31 May 2022**

## Accomplishments this Period

- May has been another busy month. With the deadline to complete the proposed TTPP fast approaching, the team is focussed on final updates to the Plan and overlays.
- Writing the section 32 reports is also requiring a lot of staff time.
- Much of the Plan has been peer reviewed by an independent planner, and any changes should be made by early June.
- Having received Committee approval of the communications plan, work has commenced on organising design, printing, advertising and public meetings in time for notification of the proposed TTPP.
- The 21 June Committee meeting is scheduled to be held at West Coast Regional Council. Staff will be seeking Committee approval to notify the proposed TTPP at this meeting.

## Plans for Next Period





- Make final updates to Plan
- Set up submissions tool
- Design information sheet to go to every rate payer
- Write chapters for the Section 32 Cost Benefit Analysis to accompany the Proposed Plan
- Update WCRC Resource Management Committee
- TTPPC meeting at West Coast Regional Council on Tuesday 21 June at 9.30am.

## Key Issues, Risks & Concerns

Item	Action/Resolution	Responsible	Completion Date
Not getting key stakeholder buy-in	Contact and meet with them individually. Plan stakeholder workshops and on-going engagement process	Project Manager	Ongoing
Not producing a proposed plan in a timely manner	Set achievable milestones and monitor/report progress. Identify additional expertise and/or capacity	Project Manager Planning Team	30 June 2022
Decision makers can't agree	Get agreement on pieces of work prior to plan completion	Chairman	Ongoing

Item	Action/Resolution	Responsible	Completion Date
Budget insufficient for timely plan delivery	Work with TTPPC to recommend budget, and with WCRC to raise rate to achieve deliverables	Project Manager TTPP Committee CE WCRC	Annually Jan/Feb
Changes to national legislation	Planning team keep selves, Committee and Community updated on changes to legislation and the implications for TTPP	Project Manager Planning Team	Ongoing
Staff safety at public consultation	Committee members to proactively address & redirect aggressive behavior towards staff	TTPP Committee	Ongoing
National emergencies such as Covid-19 lock down	Staff and Committee ensure personal safety and continue to work remotely as able. Work with contractors to expedite work.	Project Manager TTPP Committee	Ongoing
Committee delay or reduce scope of required research	Committee ensure timely research is enabled	TTPP Committee	Ongoing
Time and Cost of Appeals Process	Realistic budget set for best case costs. Awareness that contentious issues such as SNAs, natural hazards, mineral extraction and landscape provisions could see an extended appeals process, increasing costs to reach operative plan status	TTPP Committee TTPP Steering Group Project Manager	Ongoing
Fast track budget insufficient to meet new timing for Proposed Plan notification by 14 July 2022	Project Manager to report monthly on whether anticipated expenditure for the remainder of the period is on track to be met by the allocated budget	Project Manager TTPP Committee	31 July 2022
Insufficient capacity for council and iwi technical staff to input fully into Draft and Proposed Plans	Planning Team provide outline of needs for technical input. TTPP Steering Group determine best delivery of technical services	Project Manager TTPP Steering Group	30 June 2022
Unable to meet 14 July 2022 notification date	Keep Committee informed of delays and investigate mitigation options	Project Manager TTPP Steering Group	31 July 2022
Risk of confidential, unverified or draft information being made public, negatively impacting development of TTPP (financially and/or time line) along with the outcomes for the West Coast	Ensure Committee members adhere to Standing Orders	Committee Chair	Ongoing
TTPP staff undeliverable work load to July 2022	Support current staff and consider contracting additional staff if required to meet timeframes	Project Manager TTPP Committee	14 July 2022

### Status

<b>Overall</b>		
<b>Schedule</b>		Schedule is tight, but on track
<b>Resources</b>		Staff capacity stretched under fast track
<b>Scope</b>		Deliver efficient, effective and consistent Te Tai o Poutini Plan

### Schedule

Stage	Target Completion	Revised Fast Track Completion	Comments
Complete project initiation documentation	30-Apr-19	19-July-2019	TTPPC approved
Identify and contact key stakeholders	03-May-19	Ongoing	Connection made with all key stakeholders and started a second round of contact with other

Stage	Target Completion	Revised Fast Track Completion	Comments
			interested parties
Contract senior planning consultant	01-Aug-19	29-July-2019	Contract in place 29/7/19 -30/6/20
Recruit permanent senior planner	30-Sep-19	7-Sep-2019	Started at WCRC on 14 October 2019
Set up Te Tai o Poutini Plan website and communications package	30-Sep-19	30 Nov- 2019	Development complete. Available at <a href="http://www.ttp.westcoast.govt.nz">www.ttp.westcoast.govt.nz</a>
Set planning milestones	31-Oct-19	30 Aug-2019	Presented at August 2019 TTPPC meeting
Hold key stakeholder workshop for Settlements section	28-Feb-20	23 Oct and 21 Nov 2019	Greymouth and Hokitika, then Westport
Hold Community information meetings	31-Mar-20	16-27 Mar 20 and 24-22 Sep 2020	Roadshow in March 2020 and opportunities to coincide with council-community meetings and local events Outcome of Roadshow to be presented to May TTPPC meeting
Hold key stakeholder workshops for Infrastructure section	30-Apr-20	31-Jul-20	Greymouth and Hokitika, then Westport. Delayed due to Covid-19 Lockdown
Draft Provisions (Issues, Objectives, Policy and Rules) for Urban Areas developed	31-May-20	31-May-20	For presentation to May TTPPC meeting
Workshop discussion with environmental interests re biodiversity provisions	30-Jul-20	31-Aug-20	Delayed due to Covid-19 Lockdown
Draft Provisions (Issues, Objectives, Policy and Rules) for Rural Zones and Settlement Zones developed	31 – Aug-20	31-Aug-20	For presentation to August TTPPC meeting
Hold key stakeholder workshops for mining and extractive industries	31-Aug-20	31-Jul-20	Due to work programme changes during Covid-19 lockdown
Historic Heritage Workshops	31-Aug-20	31-Aug-20	
Conclude TTP Roadshow	30 –Sep-20	30-Sep-20	Postponed due to COVID-19
Workshop with agricultural interests re biodiversity provisions	30-Oct-20	28 October 2020	
On Hold - Contact with landowners re SNA assessment			To discuss potential SNAs and seek permission if we do field assessments.
On Hold - Field work for SNA assessments			Begin with drive-by evaluation prior to possible property assessment at owner invitation
Zoning changes proposed	31-Dec-21	30 September 2021	Specific zone change proposals will come to the Committee through 2021
Targeted stakeholder consultation on draft provisions of Te Tai o Poutini Plan	30-May-22	30 September 2021	Targeted consultation with stakeholders on draft provisions with the aim of addressing concerns at this more informal stage
Iwi review of draft Te Tai o Poutini Plan	30-July-22	20 November 2021	This is in addition to hui and consultation throughout the development process and is a mandatory step
Full “Draft” Te Tai o Poutini Plan to Committee	30-Sep-22	16 December 2021	A draft Plan will not have legal status, but will show all the cumulative decisions of the Committee
Consultation on “Draft” Te Tai o Poutini Plan	Oct-22	11 March 2022	Targeted consultation – industry and interest groups meetings. Draft Plan available for wider community feedback, and community drop-in sessions. While we will be seeking feedback on

Stage	Target Completion	Revised Fast Track Completion	Comments
			the “Draft” Plan, some work will still be being undertaken and would feed into the final “Proposed Plan”, not this pre-notification draft.
Further Natural Hazards Consultation	22-Apr-22	22-Apr-22	Consultation document and drop-in sessions on Coastal Hazards and Land Instability hazard provisions.
Amendment of “ <b>Draft</b> ” Plan to “Proposed Plan” provisions	30-Nov-22	21 June 2022	Feedback to Committee on results of Exposure Draft consultation, any legal opinions on contentious provisions and final decisions.
Notify Te Tai o Poutini Plan	30-Aug-23	July 2022	This will be the “ <b>Proposed</b> ” Plan
Submissions on Te Tai o Poutini Plan	30-Oct-23	30 September 2022	40 working days for submissions is the legal requirement
Local Body Elections		October 2022	
Further Submissions	30-Feb-24	30 November 2022	Submissions must be summarised and published and then there is a 20 working day period for further submissions [this part of the process may no longer be required depending on RMA reform progress]
Hearings Te Tai o Poutini Plan	31-August-24	28 April 2023	Indicative time only
Decisions Te Tai o Poutini Plan	30-Sep-24	31 October 2023	Indicative time only
Appeal Period	30-June-25	30 November 2023	Indicative time only. Any parts of the Plan not appealed are completely operative from the end of the Appeal Period.
Ongoing Decision Making for TTPP	November 2025 onward	November 2023 onward	TTPPC is a permanent Committee. Once they have adopted the Plan their ongoing role includes monitoring implementation and the need for any amendments, and undertaking amendments and reviews, or ensuring these are undertaken, as required.
Appeals and Mediation Te Tai o Poutini Plan	Oct-25	April 2024	Indicative time only.
Environment or High Court [Fast Track Process]	2026	2024-2025	Indicative time only.



**Te Tai o Poutini**  
PLAN

*A combined district plan for the West Coast*



Hastings  
18/5/2022

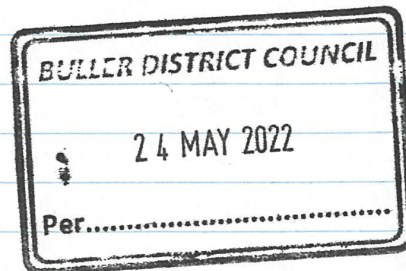
Your Worship

I requested and received a copy of the Karama Area School Yearbook (two actually) and was impressed enough to draw your attention to the colour, talent and literacy evident throughout the 42 pages.

It is worthy of a read. If I was eligible, my vote for a civic award would have gone already, for a tiny school their magazine reflects well on the township and the Buller province. I am a resident of Hawke Bay so can reflect on 50 years as a teacher. Measured against Napier - Hastings school, the K.A.S. presentation is a stand out (sorry I don't know the editor however Dean Reiney would surely provide a copy). Many thanks for your time.

Regards

Ray Mettrick Q.S.M.



## Westport Combined Pipe Band Inc.

Secretary/Treasurer: Joanne Howard  
35 Kew Road  
Westport 7825

(03) 789 7055

23rd May 2022

To Jamie Cleine  
mayor@bdc.govt.nz

Dear Jamie

As Mayor of the Buller District we would like to bestow on you the role of honorary Vice President of the Westport RSA Combined Pipe Band.

The band endeavors to perform at any function or ceremony within the Buller District to which it has been requested. Should the council have any forthcoming events you wish us to perform at please let us know?

Many thanks on behalf of the band,

Yours Sincerely,

Joanne Howard  
Secretary/Treasurer

20 June 2022

Tenā koe,

I am writing to you in support of the recent efforts by the New Zealand Remembrance Army (NZRA) to support local communities to ensure their local war memorials in New Zealand reflect and recognise New Zealand Defence Force (NZDF) service over the last 25 years.

Veterans' Affairs works closely with the NZRA, and provides advice and support to ensure historical accuracy. We can also provide access to records for local volunteers to ensure that memorialisation of local veterans is correct and complete.

Veterans' Affairs role includes ensuring recognition and remembrance of all NZDF people who risked their own safety for New Zealanders and others across the world. We will work with the NZRA and any councils who want to recognise these campaigns on their war memorials in order to recognise the contemporary veterans in their community.

I also acknowledge the work local authorities already do with us to maintain services cemeteries in good condition. I am well aware that many of you go above and beyond what we are able to support financially in order to show community respect for service. We will be in touch soon to confirm details of the maintenance grants for the next financial year.

You'll be pleased to know that our contractor's regular visits to cemeteries are back on track after two years of disruption, and I look forward to seeing the results of the significant repair and upgrade projects we are working on together.

Nāku iti noa, nā



Bernadine Mackenzie  
Head of Veterans' Affairs

12 May 2022

Liz Moncrieff  
Resource Management Reform

By email: [rm.reform@mfe.govt.nz](mailto:rm.reform@mfe.govt.nz)

Dear Liz

**Te Tau Ihu Planning Boundaries**

Council thanks the Ministry for this opportunity to provide feedback on the options for the Te Tau Ihu planning boundaries.

In general Council notes that the takiwā approach (Option 4) is more consistent with the Ngāi Tahu Treaty settlement guarantee of rangatiratanga than using existing council boundaries. It is also noted that the Future for Local Government Review is currently underway and that the outcomes of this reform may have implications for planning boundary decisions.

For Buller specifically, we note the following:

- We have been required to carry out the TToPP process via an Order in Council. This process is well advanced, with significant resource having been invested in it to date.
- Costs to prepare a NBEP and RSS along different boundaries to those used for the TToPP would likely be significant. If this was required in a short timeframe, the benefits from the investment in the TToPP would not be fully realised, nor would the efficiencies intended from that process.
- Funding lines for the TToPP process have been clearly defined in the Order in Council, and would be blurred if an alternative boundary was drawn.
- From a planning perspective the West Coast has similar geography, communities of interest, geology, and environmental and population density context. While there will be some similarities, there are also significant differences to Tasman which may present a challenge to joint planning in terms of the NBEA and SPA.
- The outcome of the Future for Local Government Review may be the natural decision point for any boundary change, and an interim approach that allows for these proposals to be revisited within that review seems sensible. Buller reserves its right to consider a more formal link to Tasman in the broader local government sense in future.

For the reasons outlined above Buller's preference is for the status quo to be maintained for the West Coast. It has no preference between the other three options involving only Tasman, Nelson and Marlborough.

We are happy to continue to engage in this process, and note the opportunity for further engagement through the select committee process later in 2022.

Yours sincerely



**Jamie Cleine**

Buller District Mayor  
Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)

**Our Values:** Community Driven | One Team | Future Focused | Integrity | We Care

6-8 Brougham Street • PO Box 21 • Westport 7866 • New Zealand • Ph: (03) 788 9111 • E: [info@bdc.govt.nz](mailto:info@bdc.govt.nz) • [www.bullerdc.govt.nz](http://www.bullerdc.govt.nz)

**WEST COAST**  
UNTAMED NATURAL WILDERNESS

26 May 2022

Peter Gibson  
Karamea Reserve Campground

Via email: [REDACTED]

Dear Peter

**PUBLIC FORUM RESPONSE**

Thank you for speaking at public forum regarding the Karamea water supply paper that was before Council. Councillors debated the issue for some time and have requested further clarification and information from the Chief Executive. There has been no decision to proceed at this stage.

The further information requested is to be provided as part of Council's deliberations on the Annual Plan 2022/23, which is where Council will need to decide to proceed and set the appropriate water rate or decide on some other alternative direction.

Best Regards



**Jamie Cleine**

Buller District Mayor  
Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)

26 May 2022

Tom Murton  
PM Karamea School BOT

Via email: C/- [kgrey@karamea.school.nz](mailto:kgrey@karamea.school.nz)

Dear Tom

### **PUBLIC FORUM RESPONSE**

Thank you for providing a written submission on the Karamea water supply proposal which was read to Council in the public forum. Councillors debated the issue for some time and have requested further clarification and information from the Chief Executive. There has been no decision to proceed at this stage.

One issue for clarification was that of the siting of the treatment plant equipment on school property. Council had been advised that MoE were adamant that the equipment would need to be relocated off site, which as at odds with the view you have expressed that the equipment can stay. This is obviously a key piece of information that needs to be clarified.

The further information requested is to be provided as part of Councils deliberations on the Annual Plan 2022/23, which is where Council will need to decide to proceed and set the appropriate water rate or decide on some other alternative direction.

Best Regards



**Jamie Cleine**

Buller District Mayor  
Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)

27 May 2022

Joanne Howard  
Westport Combined Pipe Band Inc  
Secretary/Treasurer

Via email: 

Dear Jo

**WESTPORT RSA COMBINED PIPE BAND – Honorary Vice President**

Thank you for your letter of 23 May bestowing upon myself, the role of honorary Vice President of the Westport RSA Combined Pipe Band. I would be very pleased to accept this and will certainly think of the pipe band should the need/opportunity arise at any event in the future.

Best Regards



**Jamie Cleine**

Buller District Mayor  
Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)



1 June 2022

Mr R Mettrick

Hastings

Dear Mr Mettrick,

Thank you for your letter of praise towards Karamea Area School (KAS) and bringing to my attention the yearbook they have produced. I have since requested and received a copy and agree that it is a very professionally put together book. My assistant also mentioned to the school that I had received a very complimentary letter regarding their yearbook which was well received and appreciated.

KAS has been completely rebuilt over the past year or so with brand new buildings to support the school community for the future, an outstanding investment into the infrastructure. As I'm sure you are aware, the real heart and soul of any school comes from the people within and the community supporting these efforts. KAS has always enjoyed this aspect with a proud history of successful and community minded ex-students which shows in their yearbook.

Karamea is a very important part of Buller and we are pleased to share in their recent success with their new school build due to the hard work and dedication of the locals.

Thanks again for your positive comments, these are always good to receive.

Best Regards

Mayor



**Jamie Cleine**

Buller District Mayor  
Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)

1 June 2022

Barry Lightbown

Via email: [REDACTED]

Hi Barry,

**WAIMANGAROA HALL UPGRADE**

Thanks for your letter regarding the Waimangaroa Reserve Hall renovation. Firstly, thank you very much for your efforts on this project especially in light of your health issues. I certainly hope you get back on track soon healthwise.

I have asked the staff for an update and they acknowledge your frustration, however have reassured me of the following:

- Given the obligations council has to Government under the Provincial Growth Fund (PGF) criteria to deliver the project on time. Council's Community Facilities team began assisting with project management to move things along. An extension has already been granted for the project completion so we are now well outside the time frame agreed in the original PGF agreement.
- The team have tried to respect your privacy and need to concentrate on your own health, so have been working directly with Bev Morrow to keep her updated on any decisions.
- Gary (BDC Team Leader Community Facilities) brought in an external builder to progress things, which uncovered additional work on linings/ceilings required to make the hall fit for purpose and compliant.
- The budget is under pressure, but there remains approx \$18K left. This is intended to get the kitchen and bathroom installed and functional.
- Gary and his team are working hard to finish the hall to a functional state within existing budget.
- There is no additional budget planned at this stage as the PGF funding has been a substantial investment into this asset. If some elements remain incomplete once this funding has been exhausted then alternative funding will need to be worked through in future years.

Thank-you again for the work you and the subcommittee have undertaken on this project. There are clearly a few factors that have held things up or added cost. It appears Gary and the team are working hard to get this job complete.

Best Regards



**Jamie Cleine**

Buller District Mayor  
Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)

2 June 2022

To Whom it May Concern

**REEFTON POWERHOUSE CHARITABLE TRUST INC – LETTER OF SUPPORT**

I am writing in support of the Reefton Powerhouse Charitable Trust's application to Lotteries Environment & Heritage Fund.

The Powerhouse project has been an on-going piece of work with a dedicated group of people working hard to bring this to fruition. Covid has caused some delays in being able to complete the project which has also driven some costs up.

This project will add resilience to Reefton via the ability to produce electricity locally, it also further supports employment and continues to enhance the heritage, tourism and educational opportunities of Reefton.

The Powerhouse group have strong community support and technical expertise to complete this project to a high standard and I am confident it will be an asset to Reefton on its completion.

Yours sincerely



**Jamie Cleine**  
Mayor

8 June 2022

Lorraine Scanlon

Via email: [lorraine@homebuilderswpt.co.nz](mailto:lorraine@homebuilderswpt.co.nz)

Dear Lorraine

**LETTER OF ACKNOWLEDGEMENT**

On behalf of the Buller District I acknowledge your New Zealand Order of Merit announced in the 2022 Queens Birthday Honours. This is fantastic recognition of your long career assisting our community. Thank-you for your leadership, compassion and commitment to helping others, often at our most trying times.

Its excellent to see your efforts recognised at the highest level, well done.

Warm Regards



**Jamie Cleine**

Buller District Mayor





10 June 2022

James Caygill  
Director of Regional Relationships  
Waka Kotahi  
[James.Caygill@nzta.govt.nz](mailto:James.Caygill@nzta.govt.nz)

Dear James Caygill

We are writing regarding the status of the Karamea Highway Special Purpose Road (SPR), and the plan to transition funding from central government to the Buller District. This plan will have a significant impact on the small rating base of the Buller District, and the uncertainty regarding its future status and funding is creating a great deal of uncertainty in the communities it serves in the Northern Buller District.

Recent flooding resulting in extensive damage to the road is only serving to highlight the challenges that Buller District ratepayers will face beyond 2024 if the road reverts to 72% local funding on 1 July 2024 as is currently planned. The road is prone to slips and flooding, and is vulnerable to extreme weather events and earthquakes.

We write with a simple proposition, and one that we ask is given serious consideration. We believe that this road should be reinstated to the State highway network, as it was prior to 1992. This would not only provide certainty for the communities the road serves in Northern Buller, it will also remove the need for ongoing negotiation over the status of the road, which we anticipate will take a great deal of resource and engagement from the relatively small Buller District Council, and the regional NZTA office.

We believe that there is a strong case for reinstating the Karamea Highway SPR back into the State Highway network given the importance of the road, and based on current precedent for similar roads in the State Highway networks.

This regionally significant stretch of road serves the communities of Karamea and Little Wanganui with a population of approximately 600 people.

The area also contains the nationally significant tourist destinations of the Heaphy Track and Oparara Arches in Kahurangi National Park. Prior to the onset of COVID-19, the Department of Conservation estimates 9,500 walked or cycled the 82km Heaphy Track and over 20,000 people visited the Oparara Arches annually.



**Parliamentary office**

☎ 04 817 8715  
✉ [damien.oconnor@parliament.govt.nz](mailto:damien.oconnor@parliament.govt.nz)  
✉ Parliament Buildings, Private Bag 18 888  
Wellington 6160

**Westport office**

☎ 03 789 5481  
✉ 208A Palmerston Street, Westport 7825

f /damienoconnormp

**Motueka office**

☎ 03 528 8190  
✉ 234 High Street, Motueka 7120

**Greymouth office**

☎ 03 768 7189  
✉ 181 Tainui Street, Greymouth 7805

🐦 @damienoconnormp

Authorised by Damien O'Connor MP, Parliament Buildings, Wellington



**Labour**

And it is a vital piece of infrastructure for the West Coast's export economy, with the road serving 31 dairy farms with a total revenue of almost \$40 million in 2021/22, with over 950 trips annually by milk tankers.

Small but critical horticulture producers are also reliant on the road for distribution of their produce. This includes tomato, feijoa, tamarillo, lime, and black passion fruit growers, and a number of berry growers.

This makes the case for the road being a State Highway comparable to other roads in the State Highway network, including the SH4, SH46, SH47 and SH49 routes connecting Tuhunga Junction and National Park in the central North Island, SH48 connecting Whakapapa in Tongariro National Park, SH53 from Featherston to Martinborough, and SH6 at Five Rivers in Southland.

We ask that serious consideration is given to this proposal, and look forward to your response.

Yours sincerely



Hon Damien O'Connor  
**MP for West Coast-Tasman**



His Worship Jamie Cleine  
**Mayor, Buller District Council**

---

CC. Hon Michael Wood, Minister of Transport



C/- P O Box 451  
Greymouth 7840  
E. wcmci@dwco.org.nz

16 June 2022

Sam MacDonald  
237B Maidstone Road  
Avonhead  
CHRISTCHURCH 8042

Email: [REDACTED]

Dear Sam

## DEVELOPMENT WEST COAST (DWC) APPOINTED TRUSTEE ROLE

On behalf of the Appointments Panel of the West Coast councils, I am very pleased to confirm your appointment as the Appointed Trustee for Development West Coast.

Pursuant to the DWC Deed of Trust, the appointment is for a term of up to 3 years, and effective from 1 July 2022.

As discussed at your interview, we note that you have undertaken to manage any conflicts in relation to your role at Christchurch City Council, and this would include not becoming a board member of ChristchurchNZ.

We note your father is a Grey District Councillor, and while this may be a perceived interest, we do not have any concerns with this.

While you have been appointed by this Panel, this role does not represent the councils, however we do seek your collaboration with the Mayors, Chairs and Iwi Forum on a 6-monthly basis to provide the opportunity for open discussion and information sharing.

Belinda Lunn from Development West Coast will be in contact with you to arrange next steps. Please also feel free to contact her at any time should you need at [belinda@dwco.org.nz](mailto:belinda@dwco.org.nz).

Congratulations on your appointment, Sam. We are looking forward to working with you over the next 3 years.

Yours faithfully

**Jamie Cleine**  
Buller District Council Representative  
Appointments Panel

cc Mayor, Buller District Council  
Mayor, Grey District Council  
Mayor, Westland District Council  
Chair, West Coast Regional Council  
Chair, Development West Coast







16 June 2022

Dame Julie Christie  
P O Box 911064  
Victoria Street West  
Auckland 1142  
CHRISTCHURCH 8042

Email: [REDACTED]

Dear Dame Julie

## DEVELOPMENT WEST COAST (DWC) APPOINTED TRUSTEE ROLE

I am very pleased to confirm that Mr Sam MacDonald has been appointed as the Appointed Trustee for Development West Coast, effective from 1 July 2022.

On behalf of the Mayors & Chair of the West Coast councils, we wish to thank you for your dedication and hard work in your role at DWC over the past 5 years. While we are losing you to this role due to other commitments, we know your passion and commitment will continue to benefit our region.

While we have not had the opportunity to farewell you in person before the end of your term, we would like to invite you to join the MCI group for lunch at a future meeting should you be available.

Thank you again for your contribution, and we wish you all the very best.

Yours faithfully

**Jamie Cleine**  
Buller District Council Representative  
Appointments Panel

cc Mayor, Buller District Council  
Mayor, Grey District Council  
Mayor, Westland District Council  
Chair, West Coast Regional Council  
Chair, Development West Coats

C/- P O Box 451  
Greymouth 7840  
E. [wcmci@dwco.org.nz](mailto:wcmci@dwco.org.nz)



**BULLER DISTRICT COUNCIL**

**29 JUNE 2022**

**AGENDA ITEM 17**

**Reviewed by** Sharon Mason  
Chief Executive Officer

**VERBAL UPDATES FROM COMMITTEE CHAIRS**

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**1. REPORT SUMMARY**

A summary of updates is verbally provided by each of the Committee chairs.

**2. DRAFT RECOMMENDATION**

**That Council receive verbal updates from the following Committee Chairs, for information:**

- 1. Inangahua Community Board – Cr J Bougen**
- 2. Ngati Waewae Representative – N Tauwhare**
- 3. Regulatory & Hearings Committee – Cr P Rutherford**
- 4. Community, Environment & Services Committee – Cr M Montgomery**
- 5. Te Tai o Poutini Plan – Mayor J Cleine and Deputy Mayor S Roche**
- 6. Joint Committee Westport Rating District – Cr P Rutherford and Cr J Howard**

## BULLER DISTRICT COUNCIL

29 JUNE 2022

### AGENDA ITEM 18

**Prepared by** Sharon Mason  
Chief Executive Officer

#### PUBLIC EXCLUDED

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#### 1. REPORT SUMMARY

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

#### 2. DRAFT RECOMMENDATION

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

Item	Minutes/Report:	General subject	Reason for passing resolution Section 7 LGOIMA 1987
20	Rod Fox	Quarry Agreement	Section (2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);  Section (2)(b)(ii) - Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
21	Rod Fox	Sale of Purchased Land tp Nominee	Section (2)(b)(ii) - Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.