

# AGENDA

Meeting of the  
Finance, Risk and Audit Committee

**Wednesday 17 August 2022**  
commencing at 3.00pm

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

# Finance Risk & Audit Committee

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

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## **Purpose**

The Finance Risk & Audit Committee is responsible for:

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

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

### **Terms of Reference**

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

### **Internal Audit**

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

### **Other Matters**

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

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

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

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

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

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

**Special Notes:**

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

**Oversight of Policies:**

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

# Finance, Risk and Audit Committee

Clocktower Chambers,  
Palmerston Street, Westport



17 August 2022 03:00 PM

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**FINANCE, RISK AND AUDIT COMMITTEE**

**17 AUGUST 2022**

**AGENDA ITEM 1**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**APOLOGIES**

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**1. REPORT SUMMARY**

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

**2. RECOMMENDATION**

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

**OR**

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

## FINANCE, RISK AND AUDIT COMMITTEE

17 AUGUST 2022

### AGENDA ITEM 2

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

#### MEMBERS INTEREST

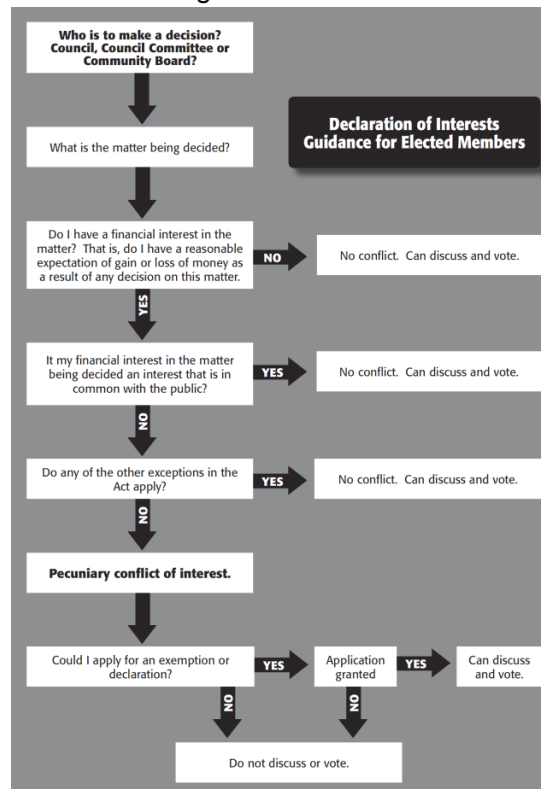
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

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

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

#### RECOMMENDATION:

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



**FINANCE, RISK AND AUDIT COMMITTEE**

**17 AUGUST 2022**

**AGENDA ITEM 3**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**CONFIRMATION OF MINUTES**

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**1. RECOMMENDATION**

**That the Finance, Risk and Audit Committee receive and confirm minutes from the meeting of 20 July 2022.**

**MEETING OF THE FINANCE, RISK AND AUDIT COMMITTEE, HELD AT 3.00PM ON WEDNESDAY 20 JULY 2022 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.**

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

**IN ATTENDANCE:** M Williams (Manager Infrastructure Planning), L Brooks (Finance Manager), R Weston (Acting Coordinator Drinking Water Infrastructure Services)

**PUBLIC FORUM**

**MEETING DECLARED OPEN AT: 3.01pm**

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**1. APOLOGIES (Page 8)**

**Discussion:**

Cr J Howard Leave of Absence

Mayor J Cleine

**RESOLVED** that the Finance, Risk and Audit Committee receive apologies from Mayor J Cleine and accepts Cr J Howard's request for leave of absence.

**Cr R Sampson/Cr P Rutherford**

**8/8**

**CARRIED UNANIMOUSLY**

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

**Discussion:**

Nil

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

**DM S Roche/Cr M Montgomery**

**8/8**

**CARRIED UNANIMOUSLY**

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

**Discussion:**

Nil

**RESOLVED** that the Finance, Risk and Audit Committee receive and confirm minutes from the meeting of 22 June 2022.

**Cr G Weston/Cr R Nahr**

**8/8**

**CARRIED UNANIMOUSLY**

**4. ACTION POINTS (Page19)**

**Discussion:**

DM S Roche noted Item 185. R Fox will be following up with information in August

Cr D Hawes felt that the report for Item 185 would have expected this report to have come in and asked that we expediate the process.

Ms Roche acknowledged this and noted Mr Fox has been advised it is vital to bring this in asap.

Cr P Rutherford mentioned the campground financials. Would like to know current status, not wait till end of next financial year. No reason to not have these numbers.

Mr Hawes reiterated the importance of understanding what we are facing so we can evaluate things. We need the reports.

Ms Roche noted items 189 and 194 have been added to the Risk Register.

**RESOLVED** that the Finance, Risk and Audit Committee receive the Action Point Report for information. Subject to 185

**Cr J Bougen/Cr M Montgomery**

**8/8**

**CARRIED UNANIMOUSLY**

## **5. WATER SERVICES ENTITY BILL (Page 21)**

### **Discussion:**

This is the second submission.

M Williams spoke to the report noting nothing changed. They are guided by LGNZ and taken some key points from it.

Ms Roche noted on Page 28, Council should be given the choice whether involved in billing. Are we really considering this?

Mr Williams replied these are LGNZ bullet points. Some councils think it's worthwhile to clip ticket and get a percentage. He noted it is up to Council as to whether they want to do it. Can be taken out before the submission no problem.

Ms Roche felt uncomfortable billing for a service we have no control over. Noting she would not be 'for' this.

L Brooks agreed the financial bonus would be attractive but enforcement etc is tricky.

Cr D Hawes said it is only needing to put in to have right to have the choice as to whether to charge. He feels this should be raised at the time when things become clearer.

Cr R Nahr asked why we would invoice people for water when we have no control. The ratepayers would get bills for everything, the meters, and the water.

Cr P Rutherford stated we shouldn't be doing anything that adds to the cost to ratepayers.

Cr J Bougen asked can we leave as is currently? Leave it for the new council to make that decision when the time comes.

Ms Roche noted this is not anything she would like to see happen anytime. This would leave it open to billing.

Cr R Sampson stated we do not want to be involved in billing for water.

M Williams reminded these are suggestions from LGNZ. Some larger councils are doing it and it suits them, but it is not necessarily ok for BDC. Possibly helping administrate could be helpful for the transition.

Ms Roche suggests amending wording to "Council should be given the choice **not** to bill for water". Leave for new council noting current council no appetite for billing.

Mr Bougen commented that until we know what is formally asked of council, let's just wait.

Ms Roche noted on Page 31 of report, it recommends that 'Submission to be shared to community to keep them informed'.

General feeling is happy to let community know we have put in a submission.

R Townrow noted a press release could be done setting the scene as to what is happening so community can see what the process is going forward and also allow the community access to seeing the submission.

Mr Hawes was happy with all recommendations also leaving in that we need a choice for billing. To opt in or opt out.

There are gaps to fill as we go along. This is our last chance to interact and evaluate this process. Some areas for small water supplies that were against amalgamation are now facing the biggest costs but also the biggest benefit from Three Waters.

Ms Roche noted on Page 47 of Diligent there is an excellent Frequently Asked Questions regarding Three Waters.

Mr Rutherford supports the submission. Acknowledging that while we did not go to community formally to consult, this submission addresses every concern from community.

**RESOLVED** that the Finance, Risk and Audit Committee:

1. Notes the content of this report and attachments.
2. Endorses the BDC Submission for the Water Services Entities Bill.

**Cr P Rutherford/Cr J Bougen**

**8/8**

**CARRIED UNANIMOUSLY**

**6. PROJECTS IN PARTNERSHIP THREE WATERS REFORM PROGRAMME UPDATE (Page 53)**

**Discussion:**

DM S Roche advised Projects in Partnership (PIP) was postponed due to weather event so no minutes from last meeting today.

**Westport Flood Recovery Report**

Cr P Rutherford spoke regarding the lack of business support programme noted (Page 57 in Diligent). He asked what business support was offered from DWC?

R Townrow said there was a survey asking what the need was. The turnout for the survey was very low so unsure if there was no need or simply no engagement. Tried to keep in touch with businesses. Noting there were no major trends. Impact on businesses resulted in no downturn. In fact, having trades people in town and insurance money in town had helped.

Forward looking, we need to make sure Westport is known to be open for business.

There is funding to campaign this.

Mr Rutherford said the Mayoral Relief Fund (MRFC) received applications from owners whose rental property has affected their incomes, but they are not businesses. Financially they are disadvantaged because they are not 'businesses'. He queried whether they should be eligible for relief?

DM S Roche noted this is a more so a discussion for the MRFC.

Cr M Montgomery queried regarding Page 57. How are properties up Alma Road coming along?

M Williams replied there is a new programme with WestReef to meet targets. There is a meeting tomorrow for an update on when houses will be ready. Making realistic targets. A number will be ready to occupy before end of October.

Cr G Weston noted the word around is that the workmanship is not up to scratch and asked who locals would complain to?

R Townrow we have had no knowledge of this through The Hub. Residential Advisory Service is the place to seek help. She advised people contact The Hub for further information.

#### **Westport Waterfront Riverbank**

DM S Roche noted this is a good news story and the next phase of this project will have a lot of detail. As soon as the minutes for PIP are out, they will be distributed so councillors can see the detail.

#### **Buller District Port Package**

Part of this project is all but complete and the other part has had an extension.

#### **Buller Planting Project**

Great news creating permanent new jobs. This project is now completed.

#### **Waimangaroa Reserve Hall**

Cr R Sampson noted the flooring is due to be completed by July 31 and asked if this is on track?

R Townrow replied yes, it is on track.

#### **Three Waters Reform Funded Westport Water Supply Stage 2**

Completed to the scope which was to fit with \$3.5m funding.

Ms Montgomery noted that on McKenna Road and Stephens Road there is pipework that hasn't moved for months. She asked why it says finished but there is pipe sitting in the paddock?

Ms Roche replied that there had been \$3.5m funded for the project. There has been \$3.5m of work done. There is still work to be done outside of scope. Once the AP was approved, there is now funding to finish the project. This portion (\$3.5m) is now complete. Next portion of work comes from AP funding.

Cr D Hawes asked if this was a maintenance spend?

Ms Roche replied this is a capital renewal spend.

Mr Rutherford asked if this is work currently ongoing?

M Williams replied there is a paper coming to Council's next meeting asking for the go ahead with the contractors.

**Waimangaroa Water Supply Update**

Ms Roche said the DOC repairs to road is still preventing work.

Communication to community: It was decided a project newsletter clearly outlining the expectations of future communications

Ms Sampson said there was a meeting on a Wednesday and on the following Saturday there was a newsletter. While it was a very good newsletter, she said she was disappointed and shocked this was not out before the meeting and could have saved a lot of unnecessary upset and angst to people.

Ms Sampson furthered that she would like to have a discussion with DOC over road access.

M Williams will see Cr R Sampson regarding this.

M Williams to distribute newsletter to all councillors.

Cr J Bougen noted there hasn't been a week go by that there hasn't been correspondence or advice from the residents about the displeasure from Waimangaroa community. Are people now happy?

Ms Sampson replied that if the newsletter had gone out a fortnight beforehand, this would not have been so bad. People are always coming forward.

Mr Hawes noted on Page 15 in previous minutes, when asked when the last newsletter was sent out, E de Boer noted in it was in the last stages of preparation. Unfortunately, this newsletter didn't make the meeting but was made aware it was coming.

Ms Sampson noted on Page 100 of Diligent that resource consents for required for improvement works. She asked why are these required for improvements but not for anything new?

M Williams will check and advise.

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

**Cr R Nahr/Cr M Montgomery**

**8/8**

**CARRIED UNANIMOUSLY**

**7. FINANCIAL PERFORMANCE – ELEVEN MONTHS TO 31 MAY 2022 (Page 109)**  
**Discussion:**

L Brooks spoke to the report noting there is less income due to flooding.

Exceptional year with grants and flood funding.

Cr P Rutherford noted the Little Wanganui Bridge not being included. This amount was included in the budget, but we didn't do the work.

M Williams replied that Council had put a bid into Waka Kotahi. Part of this bid had Little Wanganui Bridge in there. NZTA gave a new assessment and decided the bridge not due for as much repair and removed this portion of the application amount.

Ms Brooks noted at the time Council was locking down budget. They had to adopt it. Then Waka Kotahi turned tables and adjusted timelines etc. Council has had to report against approved budgets that are adopted and explain variances

Mr Rutherford we will have a subsequent under expense in CAPEX?

Ms Roche replied, yes.

Mr Hawes noted in the fifth paragraph down on Page 109, the summary doesn't make sense when adding figures.

Ms Brooks will check figures and advise. This is a possible typing error.

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

**Cr G Weston/Cr J Bougen**  
**8/8**

**CARRIED UNANIMOUSLY**

**8. INVESTMENTS AND BORROWINGS – AS AT YEAR END 30 JUNE 2022**  
**(Page 114)**  
**Discussion:**

L Brooks spoke to the report.

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

**Cr P Rutherford/Cr D Hawes**  
**8/8**

**CARRIED UNANIMOUSLY**

**9. DEBT MANAGEMENT REPORT 30 JUNE 2022 (Page 123)**

**Discussion:**

L Brooks spoke to the report noting the bar graphs give good picture of debt and how it is tracking.

Debt collections officer working well and closely with community affected. There has been a good response from community regarding this work.

Cr P Rutherford noted the total debt outstanding is a significant improvement and is a credit to the FRAC team working on this.

DM S Roche and Cr J Bougen both agreed and asked this credit to be passed to the team.

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

**Cr P Rutherford/Cr J Bougen**  
**8/8**

**CARRIED UNANIMOUSLY**

**10. FINANCE, RISK AND AUDIT WORKPLAN (Page 130)**

**Discussion:**

DM S Roche noted it has been slightly updated to include some noting for the new council.

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

**DM S Roche/Cr D Hawes**  
**8/8**

**CARRIED UNANIMOUSLY**

**11. HEALTH AND SAFETY QUARTERLY UPDATE (Page 132)**

**Discussion:**

G Martyn spoke to the report.

Cr P Rutherford noted that with covid gaining more traction again and questioned what the stance is on masks etc.

Ms Martyn is keeping an eye on numbers noting a current outbreak in Westport. She said she would review next week. There are 17-24% staff absentees at any one time either as a positive case or a household contact.

She furthered that regarding masks, in general the country has relaxed. Face front council staff and external meetings still wear masks.

Mr Rutherford said that maybe mask relaxing is not a good thing.

R Townrow noted this is constantly under review and recommend people follow MOH guidelines.

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

**DM S Roche/Cr M Montgomery**

**8/8**

**CARRIED UNANIMOUSLY**

**12. STRATEGIC RISK REGISTER – JULY 2022 (Page 134)**

**Discussion:**

G Martyn spoke to the report noting Recommendation 2 includes a new risk.

DM S Roche requested that the Resolution be amended to have bullet points noting what the items are.

G Martyn to amend this.

**RESOLVED** that the Finance, Risk and Audit Committee:

1. agree to the control plan of items 5,10,11,12, 19 and 20 of the Strategic Risk Register, to be amended as detailed below; and
2. agree to include a new strategic risk of Externally Funding Infrastructure Recovery Programmes, with proposed inherent risk rating of 20 (Likelihood, Likely (4) v Consequence, Major (5) and residual risk rating of 15 (Likelihood, possible (3) v Consequence, major (5)).

**Cr G Weston/Cr D Hawes**

**8/8**

**CARRIED UNANIMOUSLY**

**13. PUBLIC EXCLUDED (Page 145)**  
**Discussion:**

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

<b>Item No.</b>	<b>Minutes/Report of:</b>	<b>General Subject</b>	<b>Reason For Passing Resolution Section 7 LGOIMA 1987</b>
<b>14</b>	Glenda Martyn (HR & H&S Advisor)	Buller Holdings Ltd Director Appointments and Remuneration	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.  Section 7(2)(i) - Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations, including commercial and industrial negotiations.

**Cr M Montgomery/Cr D Hawes**  
**8/8**

**CARRIED UNANIMOUSLY**

**FINANCE, RISK AND AUDIT COMMITTEE**

**17 AUGUST 2022**

**AGENDA ITEM 4**

**Prepared by** Rod Fox  
Group Manager Commercial and Corporate Services

**ACTION POINTS**

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**1. RECOMMENDATION**

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

# Finance, Risk and Audit Committee

## - **CURRENT** Action Points

No.	Meeting of:	Action Point	Responsible?	Progress:	Update:	Date required by:
185	20 October 2021	<i>Punakaiki Campground Lease</i> Report be prepared for Council showing Profit and Loss report of the Lessee to determine the viability of holding the Punakaiki camp ground as an asset. Detail of income and expenses and options going forward are to be provided, bearing in mind the lease expires in November 2022, with a right of renewal.	GM Commercial & Corporate Services		The due date for this item to be changed. Delayed due to the leasee preparing a financial plan which includes a proposal to purchase the assets, and just lease the land from BDC.  Further delayed – waiting on papers to be provided  Verbal update to be given at FRAC August meeting by CFO	June 2022  July 2022  August 2022
195	20 July 2022	<i>Waimangaroa Water Supply</i> See Cr Sampson regarding speaking to DOC about road access	M Williams	Completed	DoC indicated that they were waiting until the start of the Financial Year to undertake hydrology and start the design.  DoC are happy for BDC to use the road until the major washout gets repaired, however, it is not trafficable by vehicles, and BDC is not in a position to repair the road for DoC at BDC's costs.	

# Finance, Risk and Audit Committee

## - **CURRENT** Action Points

No.	Meeting of:	Action Point	Responsible?	Progress:	Update:	Date required by:
196	20 July 2022	<i>Waimangaroa Water Supply</i> Distribute project newsletter to councillors	M Williams	Completed		July 2022
197	20 July 2022	<i>Waimangaroa Water Supply</i> Page 100 of Diligent – there are Resource Consents for improvements but not new works. Why are Resource Consents needed for improvements? Cr R Sampson assumed it was only new works. To be checked and advised	M Williams	Completed	The moment anyone digs into the unsealed part of Conns Creek road or disturbs the bush where the existing pipeline is located above ground, a resource consent is required due to the Heritage status of this area, which is noted by Heritage NZ and DoC. Anything within the Waimangaroa Township will not require a resource consent	
198	20 July 2022	<i>Financial Performance</i> 5 <sup>th</sup> paragraph down summary figures don't add up. To be checked – possible typo	L Brooks	Completed		

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

**17 AUGUST 2022**

### **AGENDA ITEM 5**

**Prepared by** - Rachel Townrow  
- Deputy Chief Executive Officer

**Appendix A** - Draft Combined West Coast Councils' Submission on  
The Stewardship Land Review

#### **DRAFT SUBMISSION ON THE DEPARTMENTS OF CONSERVATION'S STEWARDSHIP LAND REVIEW**

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

This report seeks the Committee's endorsement for Buller District Council to be included in the combined West Coast councils' submission on the Stewardship Land Review.

If further time is required for consideration of the submission, the Committee could delegate authority to a named Councillor/s to review and endorse the submission, noting the submission deadline of 23 August 2022 is prior to the next Council meeting.

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

**That the Finance, Risk and Audit Committee:**

- 1. Endorse Buller District Council's inclusion in the combined West Coast councils' submission on the Stewardship Land Review.**

##### **3. OVERVIEW**

At the time of writing this report, a combined submission from the four West Coast councils is being drafted on the Stewardship land review process currently underway by the Department of Conservation.

The submission process closes before the August Council meeting date. At its July meeting, Council delegated authority to the Finance, Risk and Audit Committee to consider the draft submission and endorse Council's inclusion as a signatory.

A draft of the submission will be provided as soon as it becomes available. It is noted that the document will still be a Draft, subject to final review and comment.



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Department of Conservation

Dear Sir/Madam

**Submission on Decisions on Stewardship Land Reclassification**

Thank you for the opportunity to provide comment on the proposed reclassification proposals for Stewardship Land within the West Coast Conservancy.

The three West Coast District Councils (Buller, Grey and Westland), and the West Coast Regional Council (WCRC or the Council) have made a joint submission, which is attached. A joint submission is appropriate given the extent of Department of Conservation land holdings on the West Coast; and the four Councils are working together with mana whenua to give effect to the purpose of local government, including the preparation of a combined District Plan - Te Tai o Poutini Plan - for all three Districts under an Order in Council.

The West Coast/Te Tai o Poutini differs from most of New Zealand as it is fortunate to have an abundance of diverse and intact indigenous ecosystems and vegetation types. We note that the Councils are not opposed to protecting, maintaining or restoring land for Conservation purposes in principle.

However, the Councils strongly believe, aside from the mana whenua reclassifications, that full socioeconomic assessments must be undertaken in partnership with the Councils prior to reclassifications being progressed.

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We would be grateful for acknowledgement of receipt of our submission.

Yours faithfully

Heather Mabin  
**Chief Executive Officer**

## **West Coast Council's Joint Submission on the Stewardship Land Reclassification – West Coast Conservancy**

### **Summary of Feedback**

#### **The West Coast Regional Council and the Buller, Grey and Westland District Councils:**

1. Support the recommendations of the Mana Whenua Panel for reclassifications to local purpose reserves, conservation park, scenic reserve, wildlife management areas or retention as stewardship land on the basis of specifically identified cultural and historical values;
2. Support the recommendations by either Panel to dispose of Stewardship Land in some instances;
3. Oppose all other reclassifications of stewardship land to specially protected areas under the Conservation Act, National Parks Act, or reserves under the Reserves Act (unless the land in question was specifically purchased by the Nature Heritage Fund for the purpose of adding it to a national park);
4. Support the rationale for Recommendation 3 for full socioeconomic assessments to be done in partnership with the Councils prior to reclassifications being progressed;
5. Request that the Department consult with existing permission or concessions holders, mining permit holders, or occupiers of land prior to making a final recommendation, and
6. Reiterate their concerns about process and limited scope of the assessments made in the earlier submission.

The Council's repeat their request for a meeting with Minister Williams to discuss the points raised in the submissions and the Council's concerns with the process.

### Introduction

The four West Coast Councils (the Councils) appreciate the opportunity to submit on the recommendations for reclassification of stewardship land in New Zealand.

In March 2022, the Councils lodged a submission on the discussion document dated November 2021, which presented options to streamline processes for reclassification and disposal of stewardship land (see Attachment 1). The Councils requested a meeting with the Minister to discuss the issues raised in the March 2022 submission. The Councils note this invitation was not accepted by the Minister.

Further we note that the Councils are not opposed to protecting conservation values on Stewardship Land in principle. However, the Councils are deeply concerned that reclassification of some areas of land will adversely affect West Coast ratepayers. For the reasons set out in the following submission, the National Panel recommendations fails to have proper regard to the conservation, economic and social context within which stewardship land is administered by the Department on behalf of all New Zealanders. This includes the potential use of Stewardship Land to support the West Coast's resilience and adaptation to climate change.

The National Panel recommendations also fails to acknowledge the Government's stated intention to review all conservation legislation and national policy as a priority. Proceeding with the National Panel recommendations for reclassification of large areas of land in advance of that review risks undermining, or being inconsistent with, the more fundamental review of the Conservation Act and other relevant legislation. Progressing the West Coast review in advance of other Conservancy areas further exacerbates this inconsistency as the West Coast Conservancy will have been considered under different legislation to the rest of New Zealand.

As stated in the discussion document submission, large scale reclassification recommendations should not be progressed until the criteria for reclassification has been considered on a national basis. There is no compelling reason to rush the reclassification process now. Resources would be better spent first on a strategic review of conservation legislation and policy, of which Stewardship Land is an important component of.

The 2005 Conservation General Policy, and Policy 6, should be the subject of fundamental review as part of the overall review of conservation legislation. Whole-scale reclassifications of Stewardship Land which contain more than very low conservation values should not proceed until such a review is finalised. The Councils consider that a test for reclassification of Stewardship Land having 'no or very low conservation values' is no longer fit for purpose. Consequently, the Councils generally opposed a streamlined process which further enables the Panels to apply such a test in reclassifications.

The Councils consider that a strategic approach should be taken when determining what level of statutory protection should be provided to different types of ecosystems in different ecological districts and regions. If that were done, decisions about how much Stewardship Land might therefore be available for exchange or disposal could be made within that broader context.

There is an unstated assumption in the paper that all land with more than very low conservation values should be held as specially protected areas under the Conservation Act because that will give that land 'better protection'. The Councils consider that such an assumption is unwarranted and unsupportable. On the West Coast there are currently large areas of existing conservation land which the Department does not have the resources to effectively manage for animal pests and weeds.

In the context of the forthcoming general review, changes should be made to the Conservation General Policy (and the Conservation Act if necessary) which would require the Panels to have regard to:

- (a) the social and economic benefits of Stewardship Land with more than low conservation values becoming private land by way of disposal or exchange;
- (b) the means by which conservation values can be protected and enhanced if the land is exchanged or disposed of;
- (c) the value of any Crown owned minerals in the stewardship land as part of the reclassification process (in a similar manner to s61(6) of the Crown Minerals Act); and
- (d) the cultural, economic and social values of mana whenua.

The Conservation General Policy (and the Conservation Act if necessary) should be amended to reverse the unanticipated result of the Supreme Court's decision in the Ruataniwha case that an exchange is deemed to be a disposal and therefore can only occur where there is not the potential for greater than very low conservation values.

Neither, the Department or the Minister has not released a summary of submissions on the consultation paper, nor has the government signalled any response to the submissions.

Earlier this month, the Department of Conservation publicly announced proposed reclassifications of 504 parcels of Stewardship Land on the West Coast. Councils have had to consider conservation value reports in order to make a submission. There are 290 reports, each providing a description of the individual piece of Stewardship Land, including its size and location. These reports have information limited to the ecological values, recreational values, heritage values, permissions and cultural values and interests of the area. There are no descriptions or narrative of how these land parcels link to the larger ecological or recreational areas. Instead, information is limited to representativeness of ecosystems, and on the effects of the reclassification on existing interests in the area. We would note that this information is by no means exhaustive.

### About the Submitter

The West Coast Regional Council (WCRC) is the local authority, and the three District Councils are the territorial authorities in a region covering a vast area with a sparse population. Extending from Kahurangi Point in the north to Awarua Point in the south, this is the approximate distance from Wellington to Auckland. The West Coast is predominantly rural.

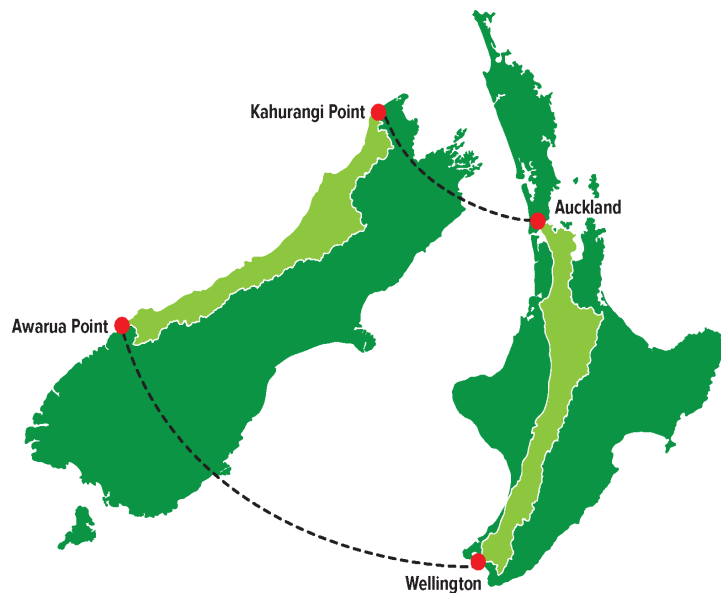
Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio (Poutini Ngāi Tahu – PNT) are mana whenua of Te Tai o Poutini (the West Coast). The WCRC's Mana Whakahono ā Rohe (Resource Management Act - Iwi Participation Arrangement) captures the intent of the WCRC and Poutini Ngāi Tahu to progress our relationship in accordance with the Treaty of Waitangi partnership between iwi and the Crown.

The WCRC and the three territorial authorities (the Buller, Grey and Westland District Councils) work closely together. Outside of the main towns of Westport, Greymouth, Reefton and Hokitika, the region's relatively small population of approximately 32,600 is spread across smaller settlements and rural communities. It is important that central government priorities for protecting, maintaining and restoring indigenous biodiversity are relevant to our unique region, and beneficial to the social, economic, and cultural well-being of all West Coast communities and the natural environment.

## **APPENDIX A**

The Conservation Estate comprises 84.17% of the West Coast land area, with an additional 1.55% administered by Land Information New Zealand (LINZ). Conservation Estate is not rateable land, therefore it does not contribute to local governance in the Region.

*Figure 1: Map of New Zealand to highlight 600km length of West Coast Region compared to distance between Auckland and Wellington*



**The West Coast region stretches the equivalent distance of that between Auckland and Wellington**

### Impacts of National Panel Recommendations on West Coast landowners

The Councils are concerned that the changes in land status will change the ability for the Department to grant access over land with each of those new classifications, for uses other than conservation, or to otherwise deal with the land.

Legal advice suggests that despite the same legal tests applying, it is likely to be more difficult to obtain concessions or access arrangements for commercial activities on specially protected conservation areas than it is for such activities on Stewardship Land. This further forecloses the ability to undertake for economic activity on the West Coast, which is already constrained due to the limited availability of public land.

Only Stewardship Land is available for exchange under s16A of the Conservation Act. Specially protected conservation areas cannot be exchanged, although it is possible to exchange most types of reserves held

under the Reserves Act. (The Conservation Authority has recommended that exchanges be allowed for most specially protected areas – dependent on the specific values which an area in question has).

Parts of specially protected areas cannot be exchanged under s16A. Specially protected areas can be reclassified as stewardship areas (and therefore available for exchange under s16A) only if the land in question no longer has the conservation values for which it was classified.

An increasing number of wetlands and indigenous bush/forest areas on private land are being impacted through new land use and development restrictions enforced through central government policy and regulation, such as the National Policy Statements for Freshwater Management, and Indigenous Biodiversity, and the National Environmental Standard for Freshwater. The identification and protection of freshwater and terrestrial Significant Natural Areas (SNAs) on private land under the Resource Management Act further reduces the availability of private land for economic, social and cultural use and development.

Various studies boast of the economic benefits SNAs contribute to the tourism sector. This is of little relevance when 84% of the West Coast is already public conservation land (PCL). The Councils do not believe that the additional 7% of bush on private land would make any real difference to tourism values in that context.

With Government support through funding initiatives such as the Tai Poutini Regional Growth Study and Action Plan, and the Provincial Growth Fund, the West Coast has had tourism promoted as the panacea of the region as various Governments have embraced a move away from traditional industries such as minerals extraction. However, the global pandemic turned off the international 'tourist tap' virtually overnight at significant detriment to the region. It is likely to take many years before the tourism economy returns to pre-Covid numbers, if it ever does. Eco-tourism ventures on Public Conservation Land are a limited source of income, and does not provide certainty or diversity for our regional economy.

Other regions have a more diverse local economy with a range of industry stimulating economic activity. Economic sectors on the West Coast are facing climate adaptation requirements, agricultural restrictions through the Freshwater Package and requirements to protect indigenous biodiversity on private land, further restricting productive opportunities.

There is a question of equitable fairness across the nation. Most regions throughout New Zealand have benefitted economically from clearing vast proportions of their natural areas over time. However, due to the topography, isolation, settlement patterns and other factors, the West Coast did not experience the same level of development and native vegetation clearance. Now the region is economically penalised as the importance of such areas is recognised and legislation and restrictions around development are implemented.

The West Coast Councils particularly support Federated Farmers and our local run holders' submissions. Although these grazing run situations will differ depending on the land parcel, there appears to be a general concern that grazing runs and national parks do not go together. We, as the Councils of the region disagree. It is a risk for landholders when grazing runs are reclassified as in some instances, they can no longer graze them. Grazing lease terms have been reduced since DOC was formed. In 1987, the term was 5+5+5 years. Now, they are renewed for only 5+5 years. This gives limited certainty to the runholders as farming on remote 'river run' blocks is multi-generational. It is worth noting that grazing concessions and leases are historic. Some are still in original settler families, and have been taken over in succession, for example, the Sullivan family who have farmed in South Westland for 125 years, Another family has farmed around Haast for 130 years.

The Stewardship Land recommendations also affect existing concession and access arrangement holders who require long term certainty for business planning. This includes:

- helicopter operators undertaking tourism and other activities, including pest control on public conservation land;
- primary industries including moss pickers;
- access to private landholdings for agriculture or forestry;
- apiarist access to beehives;
- quarry operators that may supply rock for roading, the rail network, buildings and flood protection infrastructure;
- miners as well as concessionaires and grazing run holders; and
- the West Coast Regional Council's monitoring equipment located on Department land which is necessary for flood warning for Communities.

Table 1 below outlines the current permissions which may be affected by reclassification recommendations.

*Table 1: Summary of current permissions on stewardship land on the West Coast*

## APPENDIX A

Summary of current permissions on stewardship land on the West Coast

Permission type	Number of permissions	Permission duration
Access arrangement	125	Linked to permit under Crown Minerals Act, timeframe varies
Grazing concession	175	Up to 10 years
Easement concession	56	Up to 30 years in most cases, may be up to 60 years
Beehive concession	4	Up to 10 years
Structure concession	66	Up to 30 years
Gravel extraction concession	46	Up to 10 years
Guiding concession	4	Up to 10 years
Aircraft concession	4	Up to 10 years
Telecommunications sites	38	Up to 10 years
Accommodation concession	46	Up to 30 years, may be up to 60 years
Storage concession	1	Up to 30 years
Wild animal control	10	Up to 10 years
Total	575	

The Councils also note there are some instances of stewardship land occupation or stewardship land being used for access with no formal permissions in place. The Council's urge that the Department discuss these arrangement with the land occupier prior to making recommendations.

Conservation management strategies under the Conservation Act must implement the Conservation General Policy. The Councils are concerned that this may foreclose current uses on some areas that are reclassified. A concession can only be granted if it is consistent with the relevant conservation management strategy. In considering an access arrangement application for mining activities, the Minister must have regard to the Conservation General Policy (see Attachment 3 for a copy).

For all activities in national parks, the General Policy for National Parks, applies rather than, the General Policy for Conservation. This General Policy is issued by the Conservation Authority rather than the Minister. The Conservation General Policy and the General Policy for National Parks, are therefore critical policy documents in determining whether an access arrangement or a concession can be granted, and whether stewardship land can be exchanged or disposed.

## Submission Feedback

### The West Coast Regional Council, Buller District Council, Grey District Council and Westland District Council's:

1. Support the recommendations of the Mana Whenua Panel for reclassifications to local purpose reserves on the basis of specifically identified cultural and historical values;

The Councils support the Mana Whenua recommendations where there has been identification of specific cultural and historical values, but oppose all other reclassifications proposed by the Government-appointed Review Panel on the basis that no reclassifications should proceed without a full socioeconomic assessment being made by the Department in partnership with the Councils.

2. Support the recommendations by either Panel to dispose of Stewardship Land;

The Councils support the disposal options agreed by the two Panels, as there is agreement that none of this land holds conservation value. It is noted by the Councils that the disposals form only 0.01% of the land area under consideration as part of this process.

The Councils draw the Panel's attention to the list in Attachment 2, which was considered as part of this review.

3. Oppose all other reclassifications of stewardship land to specially protected areas under the Conservation Act, National Parks Act, or reserves under the Reserves Act (unless the land in question was specifically purchased by the Nature Heritage Fund for the purpose of adding it to a national park);
4. Rationale for Recommendation 3 is that full socioeconomic assessments need to be done in partnership with the Councils prior to reclassifications being progressed; and

The proper reclassification, disposal, or exchange of Stewardship Land is a significant issue impacting on the environmental, economic, social and cultural wellbeing of the West Coast and all our communities.

## APPENDIX A

In general terms, the Councils are supportive of measures to streamline the process for the reclassification, exchange and disposal of existing Stewardship Land. However, for the reasons set out in the submission, the Discussion Document fails to have proper regard to the conservation, economic and social context within which Stewardship Land is administered by the Department on behalf of all New Zealanders. This includes the potential use of Stewardship Land to support the West Coast's resilience and adaptation to climate change.

Large-scale reclassifications should not be progressed until the criteria for reclassification have been reconsidered. Unless the criteria are amended to enable these wider considerations to be taken into account there is no compelling reason to adopt the reclassification recommendations, notwithstanding the Government's desire for speed. Resources would be better spent first on a strategic review of conservation legislation and policy, of which Stewardship Land is an important part.

Having said that, the Councils agree that the Panels can perform an important role in the meantime, and that certain changes to the reclassification process can usefully be made. The Councils wish to highlight the importance of finding the right balance by ensuring that there is no further decline in economic, social or cultural wellbeing on the West Coast.

5. Reiterate their concerns about process and limited scope of the assessments made in the earlier submission.

The Council's March 2022 submission is attached to this submission as Attachment 1.

This ends our feedback.

**Attachment 1: Next Page**

**Submission on Stewardship land in Aotearoa New Zealand discussion document: Options to streamline processes for reclassification and disposal. March 2022**

## Stewardship land in Aotearoa New Zealand discussion document: Options to streamline processes for reclassification and disposal

### Submission by West Coast Regional Council, Buller District Council, Grey District Council and Westland District Council

To:

Stewardship Land Consultation  
Department of Conservation  
P. O. Box 10420 Wellington 6143  
[stewardshiplandpolicy@doc.govt.nz](mailto:stewardshiplandpolicy@doc.govt.nz)

## Introduction and summary

This joint submission is made by the West Coast Regional Council, Buller District Council, Grey District Council and Westland District Council ("the Councils").

### **The Councils request a meeting with the Minister to discuss this submission.**

The West Coast Region covers a vast area with a sparse population: it extends from Kahurangi Point in the north, and south to Awarua Point, a distance of 600 kilometres. This distance is the equivalent from Wellington to Auckland (see map in Appendix 1). The Region is predominantly rural.

The Conservation Estate comprises 84.17% of land area within the West Coast Region, with 1.55% under Land Information New Zealand (LINZ) administration. This leaves 14.28% available for private ownership. The land in Conservation Estate and Crown ownership is not rateable by local authorities.

The West Coast has received past Government support to transition from an extractive economy to tourism. This transition has made the West Coast economy hugely reliant on international visitors. With the current border closures, the West Coast economy is suffering, to further erode the West Coast economy by restricted use of land due to Conservation values is unjust. Local West Coast communities are affected communities and should have the opportunity to participate meaningfully in this fundamental government decision, which will affect them. It is our submission that to be meaningful to the West Coast Region, the result of this consultation must evidence "no further harm" to environmental, economic, social and cultural well-being. Every stewardship land decision that impacts local farming or business there must be an "offsetting" business opportunity within the region.

### **Failure to allow consideration of wider economic, cultural, and social values**

The proper reclassification, disposal, or exchange of stewardship land is a significant issue impacting on the environmental, economic, social and cultural wellbeing of the West Coast and all our communities.

In general terms, the Councils are supportive of measures to streamline the process for the reclassification, exchange and disposal of existing stewardship land. However, for the reasons set out in the submission, the Discussion Paper fails to have proper regard to the conservation, economic and social context within which stewardship land is administered by the Department on behalf of all New Zealanders. This includes the potential use of stewardship land to support the West Coast's resilience and adaptation to climate change. The Discussion Paper also fails to acknowledge the Government's stated intention to review all conservation legislation and national policy as a priority. Proceeding with the reclassification of large areas of land in advance of that review risks undermining, or being inconsistent with, the more fundamental review of the Conservation Act and other relevant legislation.

Large-scale reclassifications should not be progressed until the criteria for reclassification have been reconsidered as part of this review. Unless the criteria are amended to enable these wider considerations to be taken into account there is no compelling reason to rush the reclassification process in the meantime, notwithstanding the Government's desire for speed. Resources would be better spent first on a strategic review of conservation legislation and policy, of which stewardship land is an important part.

Having said that, the Councils agree that the Panels can perform an important role in the meantime, and that certain changes to the reclassification process can usefully be made. The Councils wish to highlight the importance of finding the right balance by ensuring that there is no further decline in economic, social or cultural wellbeing on the West Coast.

### **Lack of clarity about the reasons for this reclassification process**

The Councils remain unconvinced from the reasons set out in the Discussion Paper that the delays to date in the reclassification process are the result of the current statutory provisions. The Councils consider that significant progress could be made if the non-legislative suggestions in the paper (which the Councils support) are implemented. The Discussion Paper fails to mention that in 2018 the New Zealand Conservation Authority and the Department requested all Conservation Boards to provide their recommendations as to priorities for stewardship land reclassifications. There is no comment in the Discussion Paper or in the NZ Conservation Authority minutes of why these recommendations have not been progressed.

The paper also fails to refer to the March 2018 advice and recommendations from the NZ Conservation Authority about the concept of net conservation benefit arising from reclassifications and exchanges of stewardship land. Proceeding with the stewardship

reclassification process prior to the Government's strategic review would be contrary to that advice.

### **The test of 'no or very low' conservation values is uncertain and no longer fit for purpose**

There is an unstated assumption in the Discussion Paper that the objective of this review is to reclassify all stewardship land with conservation values which have the potential to have greater than 'no or very low' conservation values to some form of specially protected areas under Part 4 of the Conservation Act as easily as possible. The Paper also implies that the test of 'no or very low conservation values' is a statutory one, whereas that requirement is found in Policy 6 of the 2005 Conservation General Policy. The Councils consider that the 2005 Conservation General Policy, and Policy 6 in particular, should be the subject of fundamental review as part of the overall review of conservation legislation, and that wholesale reclassifications of stewardship land which contain more than very low conservation values should not proceed until such a review is finalised.

The Councils consider that a test for reclassification of stewardship land having the 'potential'<sup>1</sup> for more than 'no or very low conservation values' is no longer fit for purpose. Consequently, the Councils generally oppose a streamlined process which further enables the Panels to apply such a test in reclassifications.

Moreover, even if a review decided that this is the appropriate test, there is no clear definition of what 'very low' or 'low' conservation values mean. That should be clarified prior to the Panels undertaking any work.

The Councils consider that simply reclassifying additional stewardship land as specially protected areas under Part 4 of the Conservation Act would fail to have regard to the different conservation values and priorities of different regions. Not all regions are the same, and in general terms the West Coast already has significant levels of conservation land. Rather, the Councils consider that a strategic approach should be taken about what level of statutory protection should be provided to different types of ecosystems in different ecological districts and regions. If that were done, decisions about how much stewardship land might therefore be available for exchange or disposal could be made within that broader context. This is known as a 'target based approach' to conservation.<sup>2</sup>

There is also an unstated assumption that all land with more than very low conservation values should be held as specially protected areas under the Conservation Act because that will give that land better protection. The Councils consider that such an assumption is unwarranted and not supportable. On the West

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<sup>1</sup> The Councils have received advice that this is a valid interpretation of the Supreme Court's decision in the Ruataniwha case, and is referred to in the March 2018 report to the Minister from the NZ Conservation Authority.

<sup>2</sup> See for example, 'Moving from biodiversity offsets to a target-based approach for ecological compensation' Simmonds et al. *Conservation Letters* 2020;13:e12695.

Coast there are large areas of existing conservation land which the Department does not have the resources to effectively manage for animal pests and weeds.

The Council's consider the review fails to give effect to Section 4 of the Conservation Act. The effect of reclassification on Mana whenua cultural, economic and social values should be considered. The alternative is that the land is held until a review of the Conservation Act and Conservation General Policy occurs in a manner which gives effect to Section 4 of the Conservation Act.

On the West Coast, there are significant areas of stewardship land where the relevant conservation values would likely be better protected overall if they were in private ownership. Protection of land through private ownership can be achieved through a combination of the RMA and its replacement legislation, the recently operative Regional Policy Statement, the proposed National Policy Statement of Indigenous Biodiversity, and the willingness and ability of private landowners to manage their land in this way. Private land, where the conservation values are managed and enhanced by landowners, will also have the social and economic advantages which accrue to the community through the ability of the Councils to add to their rating base.

There are also intraregional differences in types and uses of stewardship land. Some existing economic land uses can occur alongside conservation values and can have a net effect of improving land with high conservation value. Uses like extensive grazing serve to control weeds and prevent invasive species spreading to conservation areas.

Some areas such as South Westland would benefit from a process similar to the Crown's tenure review process. Whereby, a voluntary process is adopted that gives pastoral lessees an opportunity to buy land capable of economic use, while land with high conservation values is protected and restored to full Crown ownership as conservation land.

For example, grazing leases, as it is not clear how these some parcels came to be stewardship land. Some grazing runs are held by original settler families, and have been taken over in succession, eg in South Westland the Sullivan family has held a grazing lease successively for 125yrs, Haast families for 130 years. Grazing lease terms have been reduced since DOC was formed, in 1987 term was 5+5+5; the renewed for only 5+5; etc. This gives no certainty for the run holders as farming is multi-generational.

The Councils consider that, in the context of the forthcoming general review, changes should be made to the Conservation General Policy (and the Conservation Act if necessary) which would require the Panels to have regard to:

- (a) the social, economic benefits of stewardship land with more than low conservation values becoming private land by way of disposal or exchange;
- (b) The means by which conservation values can be protected and enhanced if the land is exchanged or disposed of; and

- (c) the value of any Crown owned minerals in the stewardship land as part of the reclassification process (in a similar manner to s61(6) of the Crown Minerals Act).

- (d) The cultural, economic and social values of mana whenua.

The review of the Conservation General Policy must also give effect to Section 17B (2) of the Conservation Act:

*Nothing in any such general policy shall derogate from any provision in this Act or any other Act.*

If the reclassification of stewardship land proceeds under the existing Conservation General Policy, it is likely to derogate from Section 10 of the Local Government Act which sets out the purpose of local government which is:

- a) enabling democratic local decision-making and action by, and on behalf of, West Coast communities; and
- b) promoting the social, economic, environmental, and cultural well-being of West Coast communities on the West Coast in the present and for the future.

#### **Failure to provide for exchanges of stewardship land**

The Discussion Paper also fails to discuss exchanges of private land for stewardship land, as distinct to disposals. The Conservation General Policy (and the Conservation Act if necessary) should be amended to reverse the unanticipated result of the Supreme Court's decision in the Ruataniwha case that an exchange is deemed to be a disposal and therefore can only occur where there is not the potential for greater than very low conservation values.

#### **Need for independent advice on wider values to be provided to the Panels**

Given the importance of stewardship land to the economic, social, and cultural wellbeing of the West Coast, the Councils consider that there should be a process by which independent advice (that is, not from the Department) on these values are provided to the Panels.

#### **Section 4 Conservation Act obligations**

The Councils are concerned that the review fails to consider Mana Whenua values as required to give effect to the Treaty of Waitangi under section 4 of the Conservation Act<sup>3</sup>. The Councils are aware of discussions between Te Runanga o Ngai Tahu and the Minister of Conservation, including halting the land reclassification process until the Conservation Act can be fully reviewed. The land classification review fails to recognise the role of customary practices on conservation land, and the Councils

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<sup>3</sup> *Ngāi Tai Ki Tāmaki Tribal Trust v Minister of Conservation* [2018] NZSC 122

support the position of Poutini Ngai Tahu in their discussion through Te Runanga o Ngai Tahu with the Minister of Conservation. The effect of reclassification on Mana Whenua cultural, economic and social values should be considered. The alternative is that the land is held until a review of the Conservation Act and Conservation General Policy occurs in a manner which gives effect to Section 4 of the Conservation Act.

In summary, the Councils submit that unless the concerns set out in this submission can be addressed, until these wider issues and concerns are considered as part of a more general review of conservation legislation as signalled by the Government, there is no pressing reason at this stage to progress major reclassifications on the basis of the policy set out in the Conservation General Policy 2005.

Rather, in the interim, the non-legislative changes proposed in the Discussion Paper should be made and the Panels should be directed to focus on:

1. Progressing the priorities identified in 2018 by the West Coast Conservation Board (unless a proposal relates to an addition to a national park which should be progressed by the NZCA); and
2. Progressing the exchange or disposal of stewardship land which clearly has no or very low conservation values (subject to that term being clearly defined in advance after input from stakeholders); and
3. Undertaking a review of the cultural, social and economic value of stewardship land not falling under 1 and 2 above, with the purpose of being able to make recommendations on such land once the Conservation General Policy has been amended as described above; and
4. Ensuring Section 4 of the Conservation Act is given effect.

## Discussion document proposals

### *A. Introduction and objectives*

#### **1. Do you agree with the objectives listed in the discussion document? Do you think there are any other objectives that should be included in this review?**

The Councils agree with the objectives listed on page 6, except for bullet point 2 (“delivering clarity for everyone on the status of land, the appropriate level of protection/use and the reclassification process”). While that is an appropriate objective in itself, the proposed changes set out in the Discussion document are inadequate to properly achieve that objective. Moreover, the Councils consider that it is inappropriate and unrealistic to try to achieve this objective through this limited review which is focussed on efficiency of the reclassification process. An objective of delivering clarity for everyone on the status of land and the appropriate level of protection/use requires considerably greater strategic analysis and should be a fundamental part of the overall review of conservation legislation proposed by the Government.

Bullet point 2 should be deleted and replaced with an overall objective of this review which is to enable a more efficient process for reclassification, exchange and disposal of stewardship land in a manner which meets bullet points 3, 4 and 5 in the interim, pending a review of conservation legislation and the Conservation General Policy, but in a manner which also does not run the risk of undermining or being inconsistent with the results of the forthcoming conservation review.

#### **2. Do you agree with the description of the problem in the discussion document? If no, please provide reasons to support your answer?**

The Councils accept that the reclassification process to date has been time consuming and unwieldy. However, the Councils do not agree that the description of the problem of time delays is necessarily because of the existing legislation. The minutes of the NZ Conservation Authority throughout 2018 when this topic was considered at each of the Authority’s meetings do not support an argument that the delays and inefficiencies in the reclassification processes were caused by the legislation or the Conservation General Policy provisions.

The discussion paper implies that the second and third bullet point issues set out on page 10 of the document are ‘problems’ which cause “time, cost and complexity”. If the discussion paper is proposing that changes are made to the process which are intended to lessen or avoid these considerations, then the Councils do not agree with that fundamental proposition. Rather, the Councils consider that these issues are appropriate ones that need to be fully assessed in a strategic manner within the context of legislation and regulatory policy which is fit for purpose in the 2020s. As the Government has acknowledged, existing conservation legislation and policy are not

currently fit for purpose. This review, which is said to be for the purpose of streamlining the stewardship land reclassification process, is not the appropriate place to be enabling significant reclassifications based on criteria which are acknowledged by the government to no longer be fit for purpose.

The Councils do not accept that “failure to provide the level of protection appropriate to the area risks the loss of biodiversity, cultural and other values that DOC is charged with protecting”. (p 9). The unstated presumption that a reclassification to a specially protected area itself provides greater protection, or indeed that conservation land in itself ‘protects’ conservation values is incorrect.<sup>4</sup> Consideration should be given to the possibility that, in some situations, conservation values which are presently on stewardship land may be better protected if that land is exchanged or disposed of to become private land.

The discussion paper has conflated issues of process efficiency with strategic policy issues. The August 2021 Cabinet Paper was focussed on improving the efficiency of the reclassification process. However, the suggested legislative changes in the discussion paper would result in increasing actions which are based on legislation and policy which the Government has described as not fit for purpose.

The Councils are also concerned about the lack of comment about the Government’s obligations to iwi Maori under section 4 of the Conservation Act. Other than appearing to treat areas which are of great significance to tangata whenua as part of the problem (p 10), there is no indication of how ‘the complex partnership arrangements’ will be developed and what they may look like. These are indeed complex issues, but need to be worked through as part of the overall strategic review of conservation legislation and policy in accordance with the principles of the Treaty, and not in an ad-hoc and non-transparent manner.

This review has stated that some stewardship land is subject to competing interests. However, the terms of reference limit the Panels’ consideration to conservation and cultural values. This creates a prioritisation of conservation values, over other values and is potentially a derogation from the purpose of local government in the Local Government Act which is:

a) enabling democratic local decision-making and action by, and on behalf of West Coast communities; and

b) promoting the social, economic, environmental, and cultural well-being of West Coast communities on the West Coast in the present and for the future.

For this reclassification process to be accepted by the local West Coast communities, these wider values should be considered alongside conservation values.

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<sup>4</sup> See for example ‘What does ‘protection’ of biodiversity mean?’ J Craig and S Christensen, November 2021 RMJ (Resource Management Journal).

**3. Do you think there are any additional factors that have contributed to stewardship land reclassification not being progressed on a large scale? If so, please describe them.**

The Councils are not able to speculate on additional reasons. The NZCA minutes do not disclose any real reasons for the inefficiencies and lack of progress to date.

**4. Do you think there any other issues or impacts caused by the failure to reclassify stewardship land on a large scale that have not been described here? If so, what are they and who/what do they affect?**

While it may be Government policy to proceed quickly with reclassifications, the discussion paper does not disclose any pressing conservation reasons why that needs to be done with haste, or in advance of a full review of conservation legislation and policy.

The status quo in terms of not being able to exchange or dispose of any stewardship land which has the potential to have more than very low conservation value has impacted negatively on opportunities for the West Coast ratepayers to own and make use of land in a manner which nonetheless protects those conservation values.

This has in turn created uncertainty for many users of stewardship land on the West Coast. The review affects helicopter operators, moss pickers, miners as well as concessioners and grazing run holders. Adding to a failure to consult with users prior to undertaking the review, there have been impacts on economic and social wellbeing in terms of financial uncertainty affecting health and the inability to plan for future generations. This is contrary to the fundamental rights of the West Coast community to provide for their economic, cultural, social and environmental wellbeing.

There is an assumption that all the former Timberlands land which was classified as conservation land following the West Coast Accord has conservation values

such as to warrant conservation land status. Many grazing concessions and leases are historic, and it is not clear how the land came to be stewardship land.

The Councils do not accept that assumption in all instances.

Having said that, there are many examples of stewardship land on the West Coast which clearly have no or very low conservation values (such as land used for buildings, or land which has been grazed for many years). The Panels should, and can, proceed directly with proposal to dispose of such land.

## *B. Improving consistency of public notification and submission processes*

### **5. The discussion document sets out three possible options – please indicate your preferred option. You may provide further analysis or comments to support your choice.**

The Councils support Option 1.1 – shortening the submission period to 20 working days. That is consistent with public processes under both the RMA and the Reserves Act.

However, if the submission process is shortened current users of land should be consulted with prior to the notification process, i.e., lease or concession holders. These are the people whose economic or social wellbeing will be most affected by the process.

### **6. Do you think 20 working days (one month) is adequate to prepare a written submission? If not, what time period would be adequate?**

Yes.

### **7. What role or function do you consider hearings play?**

Pending the outcome of the review of conservation legislation, public hearings are important to ensure transparency and accountability. That is particularly so when the ‘tests’ around reclassification remain unclear and are unrelated to any strategic objectives.

Hearings should be held without formality and current users should be provided resourcing to participate in the process. The process should take into account that

some land users live in remote locations without adequate internet access to participate via video link.

**8. Are there any further options you think DOC should consider that would meet the objectives set out in the discussion document?**

To ensure the Department meets its obligations under the Conservation Act, the Conservation General Policy should be reviewed, and that review must give effect to Section 17B (2) of the Conservation Act, and thereby not derogate from the purposes of local government.

***C. Enabling the national panels to carry out the public notification and submission process***

**9. The discussion document sets out two possible options – please indicate your preferred option. You may provide further analysis or comments to support your choice.**

The Councils support option 2.2. The justification in the discussion document for a change to the status quo is weak. If DoC does not provide a secretariat and administrative role, then that will have to be created for the Panels, so the Councils see no administrative efficiency in a change. Issues of the independence of Panels can be managed in the same way that independent hearing commissioners undertake work for councils under the RMA.

The discussion paper makes it clear that the Panels are not given powers to make decisions on matters that relate to non-conservation values. The terms of reference state that the panel has been appointed to make recommendations on conservation and cultural values<sup>5</sup> and do not have expertise to be considering other wider values. The composition of the Panels is fundamentally flawed by not providing for members with expertise or experience to enable the proper assessment of the social or

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<sup>5</sup> Section 13 Terms of Reference

economic value of stewardship land to users and the wider community. This should include the assessment of such matters as biosecurity from managed grazing areas, appropriate net conservation or biodiversity gain from alternative uses of parcels of land, community sustainability and resilience, and wider cultural and social values.

**10.If the national panels carried out the public notification and submissions process, what impact do you think this would have on the reclassification or disposal process?**

The Councils anticipate that this will duplicate resources, and result in less efficiencies.

If the Panel carries out the process under the existing terms of reference, there will be an inappropriate bias toward conservation values. The Panels have no ability to consider social or economic, or other cultural values when hearing submissions and making recommendations.

This will result in a process and outcomes which are unlikely to be accepted by West Coast communities.

**11.Are there any further options you think DOC should consider that would meet the objectives set out in the discussion document?**

Yes.

The Panels' recommendations on any stewardship land should be further considered by local conservation boards and the NZCA against alternative land uses under a revised Conservation General Policy which allows consideration of wider values.

The Councils are concerned that the only information available to the Panels is provided by Department officials. Given the importance of stewardship land to the economic, social, and cultural wellbeing of the West Coast, the Councils consider that there should be a process by which independent advice (that is, not from the Department) on these values are provided to the Panels.

*D. Clarifying responsibilities for making recommendations to reclassify stewardship land to national park*

**12.What particular expertise/experience do you consider the national panels could bring to the process?**

The Councils consider that the Panels should not have a role in making recommendations to reclassify stewardship land to national park. Decisions about adding land to national parks should continue to be made by the NZCA and not by the Panels. There is no evidence that the NZCA has not undertaken that role efficiently and effectively to date. The NZCA is experienced in that process, and the Councils consider it is important that the requirements in the National Parks Act be properly adhered to, unless and until they are changed as part of the overall review of conservation legislation.

The broad experience and expertise of NZCA members as mentioned on p 25 is a reason for the NZCA to retain that role. The membership of the Panels is not an improvement on the membership of the NZCA.

**13.If the national panels were responsible for making recommendations to reclassify land to national parks, do you consider this would create any risks?**

The Councils consider that this is a strategic policy issue which should only be made as part of the strategic review of conservation legislation and policy. It raises the issue of the role (if any) of both local conservation boards and the NZCA. These bodies were created by legislation to provide strategic local level input into conservation decision making by the Department and the Minister (who are making decisions on behalf of all New Zealanders). There is no pressing need to change the status quo in advance of a full review of the role of conservation boards and the NZCA.

The Councils do not accept that the Panels replacing the role of the NZCA would in itself result in efficiencies.

For the West Coast, the reclassification of some stewardship land to national parks may have perverse outcomes. For example, grazing runs and national parks do not go together, it is a review risk for lease holders if the grazing runs are to be put into National Parks, as they can no longer graze them. Broader consideration of potential stewardship land to national parks needs to be allowed. The Councils consider the terms of reference of the Panel is too narrow to allow them to fully consider the implications of such a reclassification.

**14. Are there any further options you think DOC should consider that would meet the objectives set out above?**

Unlike reclassifications and disposals of stewardship land for other purposes, the criteria for adding land to a national park is clear in the National Parks Act. No changes are required to the process or the criteria.

The Councils are concerned that the only information available to the Panels is provided by Department officials. Given the importance of stewardship land to the economic, social, and cultural wellbeing of the West Coast, the Councils consider that there should be a process by which independent advice (that is, not from the Department) on these values are provided to the Panels. There should be a mechanism for this to be done alongside Departmental advice and before a proposal is notified, and not solely left to submitters once a proposal has been notified.

*E. Removing the statutory step to declare all stewardship land to be held for conservation purposes before it can be reclassified or disposed of*

**15. The discussion document sets out two possible options – please indicate your preferred option. You may provide further analysis or comments to support your choice.**

The Councils support option 4.1, however there is a concern in the Community that the assessment process will not be undertaken fairly or equitably.

**16. Are there any alternative options that have not been discussed here? Please provide analysis or comments to explain your answer.**

The West Coast community remains sceptical about whether much of the stewardship land should have been allocated as conservation land when the Department was formed in 1987. That relates to what is perceived to be a failure at that stage to considered historical use of the land, including present and future economic value. River run grazing farms in South Westland, for example, have been used for generations, and the community feels are part of “their culture”. Some are still held by original settler families, and have been taken over in succession, eg the Sullivan family 125yrs, Haast families for 130 years. There are also areas of stewardship land the community would like to use for micro hydro electricity generation, to improve their energy and climate change resilience, and to transition to a low carbon future. A low carbon future is a

government priority. These are all examples of the wider values and considerations that need to be part of the reclassification process. Simply restricting the Panels to considering conservation values will result in outcomes which may be contrary to the wider social, economic and cultural, as well as environmental, wellbeing of existing and future West Coast and wider New Zealand generations.

**17. Do you think that there are any other risks or impacts associated with declaring all section 62 stewardship land to be held for a conservation purpose via a legislative change that have not been identified here?**

The risk is not providing for the community's wellbeing and not allowing local decision-making processes to occur.

The consideration of kaitiaki also needs to be considered. The risk is that Department sufficiently resources to have more land come into strict conservation classification that may restrict other economic uses. This may mean there is less option for economic gain to the Department from leases and concessions, and unforeseen risks from poorly managed land. For example, biosecurity and weed control in river run blocks that are currently grazed.

***F. Enabling the Minister of Conservation to direct the proceeds of sale from stewardship land to DOC***

**18. The discussion document sets out two possible options – please indicate your preferred option. You may provide further analysis or comments to support your choice.**

The Councils support Option 5.1.

**19. What are the risks or impacts associated with allowing the Minister of Conservation to direct the proceeds of sale of stewardship land to DOC that have not been identified here?**

None that the Councils are aware of.

**20. Are there any further options you think DOC should consider that would meet the objectives set out in the discussion document?**

Not that the Councils are aware of.

*G. Clarifying the status of concessions on reclassified stewardship land*

**21. The discussion document sets out two possible options – please indicate your preferred option. You may provide further analysis or comments to support your choice.**

The Councils support option 6.2. This is consistent with Section 64 of the Conservation Act which provides for existing licences and leases etc.

**22. If a concession is inconsistent with a new land classification or on land that has been recommended for disposal, should it be allowed to continue? Please explain your answer.**

Yes. This would be similar to existing use rights under the RMA but will only operate for a defined period (even if there are renewal rights). The Councils do not accept the statement in the discussion document that this option ‘may not ensure conservation values are adequately protected in every case’ (p 33). In granting the concession, the Department should have had regard to the conservation values as they exist, and not just to the classification of the conservation land. Those values will be the same irrespective of a change in the classification of the land.

This option is essential to create certainty for existing occupiers and users of this land. Tenure is an important consideration in business planning, the Department

cannot expect economic gain from leases and concession holders if no security of investment is offered in return.

**23. Are there any other risks or impacts associated with allowing inconsistent concessions to continue?**

The concessions should not be inconsistent because they were granted having regard to the actual conservation values of the land and they will not have changed with a reclassification.

**24. Are there any further options you think DOC should consider that would meet the objectives set out in the discussion document?**

Not that the Councils are aware of.

*H. Non-regulatory options to improve stewardship land reclassification*

**25. Are there any other non-regulatory options to help streamline the process for reclassifying stewardship land that we should consider? Please explain your answer.**

The Councils support the three non-regulatory changes proposed.

If the Panels are to be holding public hearings, they should receive training and be qualified in the same way as hearing commissioners under the RMA. This is important for consistency of decision making, transparency, accountability, and to ensure natural justice, as well as competence in weighing and assessing technical evidence in order to make competent recommendations.

## *1. Implementing changes*

### **26. Are there any additional evaluation or monitoring measures that you think should be implemented? Please explain your answer.**

Unless the concerns set out in this submission can be addressed, then until the review of conservation legislation and policy is completed, the scope of the Panels' work should be restricted to:

1. Progressing the priorities identified in 2018 by the West Coast Conservation Board (unless a proposal relates to an addition to the national park which should be progressed by the NZCA); and
2. Progressing proposals (on a non-notified basis) for the exchange or disposal of stewardship land which clearly has no or very low conservation values (subject to that term being clearly defined in advance after input from stakeholders); and
3. Undertaking a review of the social and economic value of stewardship land not falling under 1 and 2 above, with the purpose of being able to make recommendations on such land once the Conservation General Policy has been amended as described above; and
4. Ensuring Section 4 of the Conservation Act is given effect.

The judicial review process is the only option for contesting any decision made on the reclassification of Stewardship land. This option is mostly unaffordable to some current occupiers of Stewardship Land who may be affected by the Panels' decision making. A formal objection and reconsideration process should be provided to those persons who are directly affected by a reclassification decision (similar to the objection process in section 357 of the Resource Management Act).

**Attachment 2**

List of Department land not included in review

**NOTE:**

Due to the size of this document,  
DOC vs WCRC Databases, has been placed in the Diligent Resource Centre

Attachment 3

**The role of Conservation General Policy and General Policy: National Parks**

1. Statements of general policy (known as Conservation General Policy - CGP) are issued by the Minister under the Conservation Act.
2. The Supreme Court in the Ruataniwha Dam case decided that, because of the way the Conservation General Policy under the Conservation Act is worded, an exchange of land under s16A is defined as a type of 'disposal' of land. Under the General Policy 6 an exchange or a disposal can only happen where the land has "no, or very low, conservation values". In 2016, the Conservation Authority recommended to the Minister that she change the Conservation General Policy to re-establish that exchanges of stewardship land can take place where there is an overall 'net gain'.
3. Changing the CGP is a publicly notified process, but the Minister is the final decision maker.
4. Conservation management strategies under the Conservation Act must implement the Conservation General Policy. A concession can only be granted if it is consistent with the relevant conservation management strategy. In considering an access arrangement application for mining activities, the Minister must have regard to the Conservation General Policy.
5. For all activities in national parks, the General Policy: National Parks applies rather than the General Policy: Conservation. This General Policy is issued by the Conservation Authority rather than the Minister.
6. The Conservation General Policy and the General Policy: National Parks are therefore critical policy documents in determining whether an access arrangement or a concession can be granted, and whether stewardship land can be exchanged or disposed.
7. The following is a summary of relevant policies from the General Policy: Conservation, the General Policy: National Parks, and the West Coast Conservation Management Strategy.

**Conservation General Policy 2005 – activities requiring authorisation policies**

**11.1 All activities**

- 11.1 (a) *Any application for a concession or other authorisation will comply with, or be consistent with, the objectives of the relevant Act, the statutory purposes for which the place is held, and any conservation management strategy or plan.*
- 11.1 (b) *All activities on public conservation lands and waters which require a concession or other authorisation should, where relevant, avoid, remedy or mitigate any adverse effects (including cumulative effects) and maximise any positive effects on natural resources and historical and cultural heritage, and on the benefit and enjoyment of the public, including public access.*

**11.2 Grazing and farming**

- 11.2 (a) *The following criteria should be applied when considering applications for grazing and farming concessions:*
- i. *the land is in existing pasture or farming use;*
  - ii. *the number and type of stock are suitable for the location and land type;*
  - iii. *grazing animals can be effectively controlled;*
  - iv. *any adverse effects of stock on waterways, wetlands and riparian zones can be avoided or otherwise minimised;*
  - v. *there are no adverse effects on wāhi tapu;*
  - vi. *there is no risk of erosion caused by grazing or farming;*
  - vii. *the need to use grazing for management purposes;*
  - viii. *the potential for restoration is not compromised; and*
  - ix. *public access is maintained.*

- 11.2 (b) *Grazing concessions should be issued for a fixed period and market rentals should be paid.*

**11.4 Crown minerals and pounamu**

- 11.4 (a) *All applications for access arrangements to minerals on public conservation lands and waters will be considered under section 61(1A), where applicable, and section 61(2) of the Crown Minerals Act 1991.*
- 11.4 (b) *Access arrangements for the removal of pounamu from public conservation lands and waters within the takiwā of Ngāi Tahu will be considered only where the applicant has authorisation for collection from the kaitiaki rūnanga of Te Rūnanga o Ngāi Tahu.*
- 11.4 (c) *Conservation management strategies and plans will identify where sand, shingle or other natural mineral material can be removed from the bed of a lake or river or foreshore, consistent with the protection of natural resources and historical and cultural heritage values.*

**West Coast Conservation Management Strategy 2010 – activities requiring authorisation policies**

**General**

1. *The cumulative effects of other authorities for use, issued in respect of a particular area or opportunity, should be taken into account when considering new applications for those areas or opportunities.*
2. *When approving concessions or other authorisations, specific conditions may be applied as deemed appropriate.*
3. *The Department should periodically monitor compliance with authorisation conditions.*
4. *The Department should apply the 'Concession allocation in limited supply situations guideline', developed in conjunction with the Ministry of Tourism and Tourism Industry Association New Zealand, in order to ensure the best outcome is achieved for natural, historical and cultural heritage values and recreational opportunities*

**Crown Minerals**

1. *The Minister will consider each application for an access arrangement on a case-by-case basis, in accordance with the criteria set out in the relevant section (i.e. s61 or s61A and s61B) of the Crown Minerals Act 1991.*
2. *When assessing an application for an access arrangement for prospecting, exploration or mining, consideration should be given to (but not be limited to):*
  - a) *the significance of the conservation values present and the effect the proposal will have on those values;*
  - b) *the adequacy and achievability of the proposed site rehabilitation work (see also Policy 3 below); and*

- c) the adequacy or appropriateness of any compensation offered for access to the area (see also Policy 4 below).
- 3. Appropriate site rehabilitation methods should be employed.
- 4. Compensation should be required when damage to, or destruction of, conservation values cannot be avoided, remedied or mitigated and will be determined on a case-by-case basis.
- 5. Where ancillary activities such as roads and infrastructure can reasonably be located off public conservation land, this will be expected.
- 6. The term of any access arrangement should be limited to the period reasonably required to carry out the defined work, including site rehabilitation after mining has been completed.
- 7. Low-impact access options will be preferred (e.g. the use of existing formed roads, or helicopters in areas without existing roads).

### **Grazing and Farming**

- 1. Grazing licences may be granted for a term of 15 years, unless the achievement of the outcomes and objectives of this CMS, any relevant management plan or any constraints require a lesser period.
- 2. Te Rūnanga o Ngāi Tahu should be consulted when considering applications to graze areas containing nohoanga entitlement sites. Approval may include specific conditions to protect the site, e.g. fencing (see also Section 3.1.3.4).
- 3. Concessionaires shall not unreasonably withhold consent to hunters who hold a current hunting permit issued by the Department of Conservation to hunt on the site, or access to hunters who wish to cross the site.

### **National Parks General Policy 2005 – activities requiring authorisation policies**

#### **General**

- 10.1(b) Any application for a concession or other authorisation will comply with, or be consistent with, the purposes of the National Parks Act 1980, the statutory purposes of the place where the activity is located, the conservation management strategy and the national park management plan.
- 10.1(c) Conservation management strategies and national park management plans should, subject to policy 10.1(b), require that all activities in national parks which require a concession or other authorisation:
  - i) be consistent with the outcomes planned for places;
  - ii) be consistent with the preservation as far as possible of the national park in its natural state;
  - iii) minimise adverse effects, including cumulative effects, on other national park values;
  - iv) not have any adverse effects on the existing recreational opportunities in the area;
  - iv) be restricted to the use of existing access; and
  - v) minimise adverse effects on the benefit, use and enjoyment of the public, including public access.

### **Grazing and farming**

- 10.2(a) A national park management plan may make provision for grazing or farming only on land which is already farmed or grazed, and only where the balance of evidence demonstrates that it is in the public interest that farming or grazing on that land should continue.
- 10.2(b) An application for a grazing or farming concession for a national park may, subject to policy 10.2(a), be granted where:
  - i) there is no risk of erosion caused by grazing or farming;

## APPENDIX A

- ii) *national park values will not be detrimentally affected;*
- iii) *grazing animals can be effectively controlled;*
- iv) *the number and type of stock are suitable for the location and land type;*
- vi) *adverse effects of stock on waterways, wetlands and riparian zones can be avoided;*
- vii) *freedom of entry and access for the public can be maintained;*  
*and*
- viii) *the potential of sites for restoration will not be compromised.*

10.2(c) *Any grazing concession issued should, where possible, be for a term not exceeding five years, and market rentals should be paid.*

10.2(d) *National park management plans may make provision for continuation of grazing in the public interest as a management tool where the balance of evidence has shown this is appropriate to preserve particular indigenous species, habitats and ecosystems and other national park values.*

## **FINANCE, RISK & AUDIT COMMITTEE**

**17 AUGUST 2022**

### **AGENDA ITEM 6**

**Prepared by** Penny Bicknell  
Manager, Economic Recovery

**Reviewed by** Rachel Townrow  
Deputy Chief Executive Officer

#### **MILESTONES AND OUTCOMES REPORT FROM RECOVERY ACTION PROGRAMMES (JULY AND FEBRUARY)**

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

For the Committee to receive and endorse the Recovery Action Programme (RAP) Milestones and Outcomes report.

##### **2. REPORT SUMMARY**

The Buller District has experienced multiple serious weather events over a period of seven months, in July 2021 and February 2022.

The RAP's purpose was to assist the community and the Recovery Team to plan, prepare and coordinate actions to assist the regeneration and enhancement of the community to recover over time.

Civil Defence Emergency Management prepared transition plans in July 2021 and February 2022 to assist the transition from Response to Recovery.

Buller District Council endorsed the Recovery Action Programme (2) (RAP2) on 27 April 2022. RAP2 summarised the July and February events and set out the framework for recovery in the three environments of Built, Social and Economic with actions and milestones to reconnect the community, restore the rural environment, rebuild and re-occupy the built environment and reinvigorate the economy. RAP2 also outlined ongoing actions and the exit process to transition from Recovery to BAU and superseded the original RAP document.

The attached 'RAP Milestones and Outcomes Report' lists all the milestones from RAP2 and details the outcomes associated with those milestones.

### **3. RECOMMENDATIONS**

**That the Committee:**

**Receive and endorse the RAP Milestones and Outcomes report**

### **4. BACKGROUND**

Recovery typically lasts many times longer than the event itself, sometimes for years, as the community moves to a new normal.

Within the Recovery Action Plan were a set of tables:

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

The tables outlined key workstreams and milestones that the Recovery Team set out to coordinate or lead. Key in the delivery of the actions was partnership, working with iwi and the various agencies who were set to deliver the many workstreams.

The RAP Milestones and Outcomes Report documents the milestones and the outcomes achieved. Some of this work is ongoing and is outlined in the report.

### **5. CONSIDERATIONS**

#### **5.1 Strategic Alignment**

The preparation of the RAP Milestones and Outcomes Report is aligned with our community outcomes, Council's values and our role with the four well-beings.

#### **5.2 Significance Assessment**

The resolution to receive and endorse the RAP Milestones and Outcomes Report is not considered to meet the significance threshold under Council's Significance and Engagement Policy.

#### **5.3 Tangata Whenua Considerations**

Council works in partnership with Ngāti Waewae to provide governance. Ngāti Waewae were involved in the development of the draft Recovery Action Plans.

Ngāti Waewae have been thanked for their assistance and partnership in the programme.

**5.4 Risk Management Implications**

The key risks associated with the transition to BAU will be in other agencies and NGOs delivering on the final workstreams. These workstreams will be monitored accordingly. The Deputy Chief Executive is responsible for leading the transition from Recovery to business as usual.

**5.5 Policy Framework Implications**

Council must comply with the relevant policy and legal requirements including the Resource Management Act 1991, Local Government Act 2002, Health Act 1956 and Council's own Procurement Policy.

**5.6 Legal Implications**

None identified.

**5.7 Financial / Budget Implications**

The Recovery will continue to have financial / budget implications for Council. The immediate implications and a second funding appropriation to complete emergency infrastructure work has been granted by Cabinet.

**5.8 Media/Publicity**

It is anticipated that there will continuing media interest in Recovery. The community will continue to be kept informed on Recovery progress through a range of channels.

**5.9 Consultation Considerations**

The report will be shared with all agencies involved in the delivery of the Recovery Action Programme.

## Recovery Actions Plans (RAP) Milestones and Outcomes Report

Milestones from Recovery Action Programmes- July 2021 and February 2022 events (RAP) – 30 July 2022

RAP Milestone	Outcome
<b>BUILT ENVIRONMENT</b>	
<b>Temporary and long-term accommodation is established for residents and tradespeople</b>	<ul style="list-style-type: none"> <li>• Tradespeople – temporary village concept terminated November 2021 – lack of funding and support. Tradespeople responsible for own accommodation</li> <li>• Queen Street and Stafford Street (8 houses) occupied in March/April 2022 (TAS managed)</li> <li>• Alma Road village in progress. Target to occupy October 2022 (TAS managed)</li> </ul>
<b>Owners and occupiers of red and yellow placarded houses are directed to appropriate Support Agencies</b>	<ul style="list-style-type: none"> <li>• An outreach survey was completed in July 2022, the recommendations from this will identify any further needs in the community and which agencies are required to follow up</li> </ul>
<b>Collect, store, and relocate flood affected domestic waste. Waste streams are transported to a suitably classified landfill for disposal</b>	<ul style="list-style-type: none"> <li>• All July and February domestic waste has been removed from the district</li> <li>• Clean up of the Inangahua River from the flood affected closed landfill ongoing into August 2022 due to weather conditions</li> </ul>
<b>To repair our homes and restore our communities</b>	<ul style="list-style-type: none"> <li>• Repairs to homes underway in the community, slowed by Covid-19 and supply chain issues</li> <li>• Timeline controlled by Homeowners/Insurance status</li> <li>• 40 households still in temporary accommodation as of August 2022</li> </ul>

<b>To promote opportunities that regenerate and enhance the community, building resilience and preparedness, to minimise the adverse consequences of future severe weather events.</b>	<ul style="list-style-type: none"> <li>Joint business case on future resilience of Westport by WCRC, BDC and Ngāti Waewae submitted to DIA 30 June 2022</li> </ul>
<b>To maintain a planned, future focused, coordinated, and flexible recovery, based on regular reassessments of community needs, relevant legislation and the necessary funding and resources</b>	<ul style="list-style-type: none"> <li>Alma Road village will provide accommodation options for the Community</li> <li>Wellbeing survey and Operation Outreach designed to assess needs of the community (August 2022)</li> </ul>
<b>Westport's Water supply is restored, and security of supply issues are addressed.</b>	<ul style="list-style-type: none"> <li>Funding secured from NEMA to complete emergency works to Westport and Carters Beach water supply – scheduled to complete August 2022</li> <li>Business Case for funding for options for the future resilience of water supply to Westport and Carters Beach developed by specialist water consultants, external funding being sought</li> </ul>
<b>Three waters infrastructure is operational:</b> <ul style="list-style-type: none"> <li>Wastewater</li> <li>Water supply</li> <li>Stormwater</li> </ul>	<ul style="list-style-type: none"> <li>The funding request for 'Tranche 2' Infrastructure works was approved by Cabinet in June 2022</li> <li>All 3 Waters infrastructure repairs are scheduled in the Tranche 2 programme of works to be completed by March 2023</li> </ul>
<b>Roading infrastructure is operational</b>	<ul style="list-style-type: none"> <li>July programme of works in hand</li> <li>February programme of works awaiting Waka Kotahi final assessment</li> </ul>
<b>Westport flood defences are identified</b>	<ul style="list-style-type: none"> <li>Outside scope of RAP</li> <li>Joint business case on future resilience of Westport by WCRC, BDC and Ngāti Waewae submitted to DIA 30 June 2022. Includes options on flood defences</li> <li>Ongoing community engagement on resilience and adaptation plans</li> </ul>
<b>SOCIAL ENVIRONMENT</b>	
<b>Coordinate and deliver community activities and events. A community events and activity programme is developed that enlivens flood- affected</b>	<ul style="list-style-type: none"> <li>Events programme severely impacted by Covid-19 restrictions and budgetary uncertainty</li> </ul>

<b>communities, enhances community connections, and builds community resilience.</b>	<ul style="list-style-type: none"> <li>• Revised budget agreed with NEMA from July-December 2022</li> <li>• Events programme to be developed and delivered through NGOs and organisers external to BDC</li> </ul>
<b>Community connection, engagement and information sharing sources are maintained.</b>	<ul style="list-style-type: none"> <li>• Communications engagement programme continuing through to March 2023 including: <ul style="list-style-type: none"> <li>○ Buller Flood Recovery website</li> <li>○ Facebook page</li> <li>○ Information sharing articles in local newspapers and broadsheets</li> <li>○ Recovery roundup (website and Facebook)</li> <li>○ Information Boards to be installed at the Community Hub sharing the Resilience options and river science work</li> <li>○ Local radio</li> </ul> </li> </ul>
<b>The Community Hub and Navigators are maintained. Coordinate agencies and provide a single point of assistance and wrap-around services for all recovery needs:</b> <ul style="list-style-type: none"> <li>▪ Building</li> <li>▪ Rental</li> <li>▪ Insurance</li> <li>▪ Wellness</li> <li>▪ Financial</li> <li>▪ Business</li> <li>▪ Community information</li> </ul>	<ul style="list-style-type: none"> <li>• Community Hub and Navigators in place until 30 September 2022</li> <li>• Community needs assessment will be carried out to determine what services will be required from October 2022 to March 2023 with the remaining funding available</li> </ul>
<b>Understand the essential needs of urban and rural flood affected individuals and whanau.</b>	<ul style="list-style-type: none"> <li>• Rural needs assessed by MPI and Taskforce green post floods</li> <li>• Final reports from the Outreach survey and Wellbeing survey will determine future requirements</li> </ul>
<b>Families are back in their homes or provided safe and healthy accommodation to live in.</b>	<ul style="list-style-type: none"> <li>• After a slow rebuild, many families are back in their homes</li> <li>• Approx. 40 families still in temporary accommodation with TAS</li> <li>• Target date for 20 homes at Alma Road – October 2022</li> </ul>

<b>Support and coordinate volunteers. Engage with volunteers and coordinators to understand their needs.</b>	<ul style="list-style-type: none"> <li>• The recovery team worked closely with volunteers e.g., Rotary, Lions and NGOs to facilitate their work in the community</li> <li>• No.37 has successfully run a community kitchen providing hot meals to the flood affected community once a week. This service is run independently of BDC and dependent on volunteer support. Funding has been procured for this service until February 2023</li> </ul>
<b>Iwi engagement and recovery plans are developed with the support of the recovery team. Engagement with iwi to understand their needs</b>	<ul style="list-style-type: none"> <li>• A representative from Ngāti Waewae has been part of the recovery team and the partnership with Poutini Waiora provided the Navigator service to the community</li> <li>• A note of thank you for their support has been sent to Ngāti Waewae</li> </ul>
<b>Essential needs of individuals and whanau are met and community health and wellbeing is supported</b>	<ul style="list-style-type: none"> <li>• Essential needs around housing, financial support and psychosocial support have been met through the Community Hub and Navigator Service</li> <li>• This support will continue through to the end of September at which time an assessment of needs will be carried out</li> <li>• The Temporary Accommodation Service Agency (TAS) has supported accommodation requirements of displaced residents</li> <li>• Shop Zero and Rotary supported the community by distributing clothing, furniture and household goods</li> <li>• The Mayoral Relief fund assists with financial support</li> <li>• The Community kitchen provides displaced residents with one hot meal a week</li> </ul>
<b>Community Spirit, pride and resilience is strengthened through community events and projects</b>	<ul style="list-style-type: none"> <li>• A limited number of events have been held due to Covid-19 restrictions</li> <li>• An event programme is being developed now that restrictions are lifted, and the community needs are ascertained</li> <li>• Funding has been secured from the NEMA recovery fund</li> </ul>
<b>Families/whanau have healthy homes to move into</b>	<ul style="list-style-type: none"> <li>• CEA subsidised insulation in housing for lower socio-economic households</li> </ul>

	<ul style="list-style-type: none"> <li>• MBIE partnered with BDC to deliver 8 homes for flood affected families – these homes were occupied in April 2022</li> <li>• MBIE has provided funding for 20 homes at Alma Road with a target availability of October 2022</li> <li>• Rotary assisted with repairs of damaged uninsured homes with voluntary labour and building supplies</li> </ul>
<b>Numbers of the community accessing support services provided through the community hub and navigator service</b>	<ul style="list-style-type: none"> <li>• Numbers are reducing, but still ongoing needs in the community for this service with eight new referrals in the month of July</li> <li>• A Wellbeing Survey funded by DIA Lotteries is being carried out to assess further needs</li> <li>• An Outreach operation took place in July/August 2022 to ascertain the status of red and yellow placarded homes</li> <li>• Results of both of these surveys will be available in September for further assessment of needs</li> </ul>
<b>ECONOMIC ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Assess business needs</b>	<ul style="list-style-type: none"> <li>• Development West Coast (DWC) assessed the needs of the business community through a survey and meetings with businesses</li> </ul>
<b>A Westport and Buller District economic growth strategy is developed. The business community are engaged in the development of an economic growth strategy.</b>	<ul style="list-style-type: none"> <li>• DWC has launched a regional economic growth study. This is an ongoing BAU work stream</li> </ul>
<b>Westport is open for Business Campaign created</b>	<ul style="list-style-type: none"> <li>• Due to lack of motel accommodation through Tradies taking up this need, and Covid restrictions this campaign is now in the planning stages with DWC, BDC and Advanced Northern West Coast (ANWC – the Buller District Tourism Promotion group)</li> </ul>
<b>RURAL ENVIRONMENT (SPECIFIC ACTIONS FROM FEBRUARY EVENT)</b>	<ul style="list-style-type: none"> <li>•</li> </ul>

<b>Refuse from the old Reefton Landfill that was deposited in the Reefton River is collected.</b>	<ul style="list-style-type: none"> <li>NEMA has provided funding for this clean up. Work has continued into August due to inclement weather</li> </ul>
<b>The Reefton Landfill is remediated.</b>	<ul style="list-style-type: none"> <li>A programme of work has been developed in line with the NEMA Tranche 2 funding for like for like remediation of the site</li> </ul>
<b>A geological assessment of the Granity slips is undertaken with management recommendations being provided</b>	<ul style="list-style-type: none"> <li>An assessment was completed and delivered to Council</li> <li>Affected landowners have been informed and engagement is underway</li> </ul>
<b>Rural and community land is cleaned up</b>	<ul style="list-style-type: none"> <li>Land holdings that were affected were identified and owners connected with the Enhanced Taskforce Green project</li> <li>MPI plus Rural Mayoral Support funding accessed through the Community Hub</li> </ul>

## **FINANCE, RISK & AUDIT COMMITTEE**

**17 AUGUST 2022**

### **AGENDA ITEM 7**

**Prepared by:** Julia Gear  
Management Accountant

Lynn Brooks  
Finance Manager

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

**Attachment 1:** Financial Report for Period Ending 30 June 2022

### **FINANCIAL PERFORMANCE – TWELVE MONTHS TO 30 JUNE 2022**

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

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

The reported surplus is \$8.70m compared to a budgeted deficit of \$0.02m. 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.

A major contributor affecting the results is the Harbour activity. Expenditure is much less than budgeted for slipping costs due to the timing of port projects, along with much greater than budgeted grant income.

The business-as-usual result is an operating deficit of \$1.89m against a budgeted deficit of \$706k, a negative variance of \$1.18m. The main reason for the difference is the change to the roading programme with both the Little Wanganui bridge no longer included in the three year current approved plan funded by Waka Kotahi (\$1.8m); and approximately \$2.8m 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 \$5.75m because a portion of the grants relate to capital expenditure.

The flood event result to date is an overall surplus of \$4.85m. A portion of the income relates to capital expenditure and some funds have been received in advance for the next financial year.

**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	Long Term Plan Yr 1 Budget Plus Approved Council Changes	YTD Variance		Projected Full Year	Long Term Plan Yr 1 Budget (does not include Council Changes)	Projected Variance Full Year
Operational Income	27,493,390	31,439,388	(3,945,998)	■	27,493,390	31,659,243	(4,165,853)
Operational Expenditure	29,384,286	32,145,619	2,761,333	●	29,384,286	32,134,812	2,750,526
TOTAL OPERATIONAL VARIANCE			(1,184,664)	■			(1,415,326)
Additional Grant Income	10,307,835	550,000	9,757,835	●	10,307,835	550,000	9,757,835
Additional Grant Expenditure	4,562,667	0	(4,562,667)	■	4,562,667	0	(4,562,667)
TOTAL ADDITIONAL GRANT VARIANCE			5,195,168	●			5,195,168
Flood Event Income	12,802,008	0	12,802,008	●	12,802,008	0	12,802,008
Flood Event Expenditure	7,954,194	0	(7,954,194)	■	7,954,194	0	(7,954,194)
TOTAL FLOOD EVENT VARIANCE			4,847,814	●			4,847,814
TOTAL PROFIT / (LOSS)			8,858,318	●			8,627,656
Net Profit / (loss)	8,702,087	(156,231)	8,858,318	●	8,702,087	74,431	8,627,656

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

#### **Operating Income**

Overall, operating income is \$3.95m lower than budgeted.

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. The higher than budgeted gravel income partially offsets this.

Income is under budget for Amenities and Reserves due to a shortfall in fees for Orowaiti Cemetery, Punakaiki Campground, leasehold land income and pensioner housing as a result of flood displacement.

\$2.8m of budgeted roading works has been programmed for the next financial year and the corresponding funding from Waka Kotahi will be claimed then.

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.

#### **Operating Expenditure**

Overall, operational expenditure is \$2.76m lower than budgeted.

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

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

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

Additional expenditure in Support Services relates to higher insurance valuation fees and salary costs.

Income and expenditure are mainly on budget for other activities.

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

To date, Council has received \$10.31m unbudgeted income from the Provincial Growth Fund, Tourism Infrastructure Fund, Department of Internal Affairs, Ministry of Health, Ministry for the Environment and other government schemes. A portion of this funding is for operational

expenses and a portion relates to capital expenditure. It should be noted that some of the grant income will be recognised as income in advance.

**Flood Event Income and Expenditure**

To date, Council has received \$12.80m in government assistance and donations relating to the July 2021 flood event and the February 2022 severe weather events, and at this stage it is known an estimated \$0.6m 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 Jun 2022**

Prepared by: Julia Gear  
Reviewed by: Lynn Brooks

	Actual	Long Term Plan Yr 1 Budget Plus Approved Council Changes	YTD Variance	Status	Full Year Prediction	Long Term Plan Yr 1 Budget (does not include Council Changes)	Variance Full Year Prediction	Explanation of Variances of \$50,000 or greater
<b>Operational Income</b>								
Community Services	856,250	581,762	274,488	●	856,250	581,762	274,488	Unbudgeted sponsorship from Development West Coast. Theatre ticket and events sales less than expected due to COVID
Westport Harbour	1,818,101	2,267,232	(449,132)	■	1,818,101	2,267,232	(449,132)	Sundry income related to dredge slipping \$1m not received this year due to timing of port projects. Offset by additional \$645K Gravel removal income and savings in expenditure. Lease income \$60K less than budgeted.
Democracy	0	0	0	▲	0	0	0	
ED, Tourism & Museum	0	5,000	(5,000)	▲	0	5,000	(5,000)	
Water Supply	3,348,509	3,368,644	(20,135)	▲	3,348,509	3,368,644	(20,135)	
Airport	183,577	211,704	(28,127)	▲	183,577	211,704	(28,127)	
Amenities & Reserves	1,136,491	1,302,573	(166,082)	■	1,136,491	1,302,573	(166,082)	Cemetery fees and Punakaiki Camp Ground income lower than budgeted. Prior lease's debt for brewery site under debt recovery but 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	3,412,689	7,627,112	(4,214,423)	■	3,412,689	7,979,733	(4,567,044)	Little Wanganui bridge (\$1.8m capex) not funded by Waka Kotahi, and \$2.8m roading works (mainly capex) reprogrammed for next year. Petrol tax income predicted to be under budget by ~\$40K
Regulatory	1,615,812	984,193	631,619	●	1,615,812	984,193	631,619	Higher than budgeted Resource and Building consent revenue due to increase in demand
Solid Waste	904,975	881,399	23,576	▲	904,975	881,399	23,576	
Support Services	87,419	74,864	12,555	▲	87,419	74,864	12,555	
Council - General Rates & Investments	11,407,061	11,407,244	(183)	▲	11,407,061	11,274,478	132,583	Interest on investment income higher than budget.
Wastewater	2,711,506	2,722,741	(11,235)	▲	2,711,506	2,722,741	(11,235)	
Stormwater	11,000	4,920	6,080	▲	11,000	4,920	6,080	
<b>Total Operational Income</b>	<b>27,493,390</b>	<b>31,439,388</b>	<b>(3,945,998)</b>	<b>■</b>	<b>27,493,390</b>	<b>31,659,243</b>	<b>(4,165,853)</b>	
<b>Operational Expenditure</b>								
Community Services	3,183,213	3,052,785	(130,428)	■	3,183,213	3,052,785	(130,428)	External interest expense higher than budget. Savings in R&M
Westport Harbour	2,096,020	4,664,512	2,568,492	●	2,096,020	4,664,506	2,568,486	Only \$50K spent of dredge slipping budget (\$2.2m) due to timing of port projects.
Democracy	586,052	570,060	(15,992)	▲	586,052	570,060	(15,992)	
ED, Tourism & Museum	471,549	452,324	(19,225)	▲	471,549	452,324	(19,225)	
Water Supply	2,699,655	2,663,524	(36,131)	▲	2,699,655	2,663,524	(36,131)	
Airport	385,263	381,932	(3,331)	▲	385,263	381,932	(3,331)	
Amenities & Reserves	2,774,758	3,352,556	577,798	●	2,774,758	3,340,454	565,696	Savings across a number of activities mainly in R&M and contractor payments. Level of service has been maintained and planned works have been programmed for the next financial year.
Roading & Urban Development	6,188,534	6,530,942	342,408	●	6,188,534	6,532,243	343,709	Some maintenance work reprogrammed for next year. This is due to storm related impacts. The Waka Kotahi budget is a 3 year budget. 2021-2022 is year one of a three year fixed funding agreement. Any unspent portion of budget will roll over within the three year programme. No change to operational budget for Little Wanganui bridge as this is capital expenditure
PSBU (income and expenditure netted off)	57,900	57,900	0	▲	57,900	57,900	0	
Regulatory	2,268,665	1,698,498	(570,167)	■	2,268,665	1,698,498	(570,167)	Additional costs due to higher than expected demand offset by additional revenue
Solid Waste	1,010,082	1,045,192	35,110	▲	1,010,082	1,045,192	35,110	
Support Services	5,209,437	5,114,339	(95,098)	▲	5,209,437	5,114,339	(95,098)	Additional costs are due to higher insurance valuation fees and salary costs
Wastewater	1,960,483	2,063,546	103,063	▲	1,960,483	2,063,546	103,063	Expenditure for BAU Westport Sewerage is connected to flood recovery work. For efficiency, some of this work has been reprogrammed to next year.
Stormwater	492,675	497,509	4,834	▲	492,675	497,509	4,834	
<b>Total Operational Expenditure</b>	<b>29,384,286</b>	<b>32,145,619</b>	<b>2,761,333</b>	<b>●</b>	<b>29,384,286</b>	<b>32,134,812</b>	<b>2,750,526</b>	
<b>OPERATIONAL PROFIT / (LOSS)</b>	<b>(1,890,895)</b>	<b>(706,231)</b>	<b>(1,184,664)</b>	<b>■</b>	<b>(1,890,895)</b>	<b>(475,569)</b>	<b>(1,415,326)</b>	
<b>Additional Grants - Income</b>								
Community Services	729,000	50,000	679,000	●	729,000	50,000	679,000	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	500,000	104,354	●	604,354	500,000	104,354	Whitebait Farm Administration Grant, budget for shares
Water Supply	2,848,195	0	2,848,195	●	2,848,195	0	2,848,195	Three Waters Mains Projects Punakaiki and Westport. MOH funding for capital works at Conns Creek pipeline Waimangaroa Water Supply.
Amenities & Reserves	2,034,740	0	2,034,740	●	2,034,740	0	2,034,740	Westport Revitalisation, Halls & Memorials & TIF funding for Reefton Toilets & Westport Town Pathways.
Solid Waste	124,546	0	124,546	●	124,546	0	124,546	Hector Landfill final claim, MfE C&D waste grant
<b>Total Additional Grants Income</b>	<b>10,307,835</b>	<b>550,000</b>	<b>9,757,835</b>	<b>●</b>	<b>10,307,835</b>	<b>550,000</b>	<b>9,757,835</b>	
<b>Additional Grants - Expenditure (excludes Capital Expenditure)</b>								
Community Services	550,145	0	(550,145)	■	550,145	0	(550,145)	Mayors Taskforce for Jobs, Restoring Flora project, Reefton Economic Development Officer
Westport Harbour	3,716,307	0	(3,716,307)	■	3,716,307	0	(3,716,307)	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 Projects are capital expenditure therefore not in operational report
Amenities & Reserves	199,652	0	(199,652)	■	199,652	0	(199,652)	Balance of Halls and War Memorial MBIE project & PGF coastal planting
Solid Waste	10,000	0	(10,000)	▲	10,000	0	(10,000)	MfE C&D waste project
<b>Total Additional Grants Expenditure</b>	<b>4,562,667</b>	<b>0</b>	<b>(4,562,667)</b>	<b>■</b>	<b>4,562,667</b>	<b>0</b>	<b>(4,562,667)</b>	
<b>ADDITIONAL GRANTS PROFIT / (LOSS)</b>	<b>5,745,168</b>	<b>550,000</b>	<b>5,195,168</b>	<b>●</b>	<b>5,745,168</b>	<b>550,000</b>	<b>5,195,168</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.
Flood Response Support	422,578	0	422,578	●	422,578	0	422,578	Initial Government Advanced Funding for Response \$1.1m. Approx. \$600K put towards infrastructure recovery
Flood Recovery Support	11,369,089	0	11,369,089	●	11,369,089	0	11,369,089	Government Funding for the Recovery Phase. A portion of this is income in advance
<b>Total Unbudgeted Flood Event Income</b>	<b>12,802,008</b>	<b>0</b>	<b>12,802,008</b>	<b>●</b>	<b>12,802,008</b>	<b>0</b>	<b>12,802,008</b>	
<b>Flood Event - Expenditure (excludes Capital Expenditure)</b>								
Mayoral Relief Fund - Grants made	839,917	0	(839,917)	■	839,917	0	(839,917)	All mayoral relief fund donations to be distributed with a portion next year
Flood Response	1,010,083	0	(1,010,083)	■	1,010,083	0	(1,010,083)	Costs related to initial response.
Flood Recovery	6,104,194	0	(6,104,194)	■	6,104,194	0	(6,104,194)	Costs related to recovery phase.
<b>Total Unbudgeted Flood Event Expenditure</b>	<b>7,954,194</b>	<b>0</b>	<b>(7,954,194)</b>	<b>■</b>	<b>7,954,194</b>	<b>0</b>	<b>(7,954,194)</b>	
<b>FLOOD EVENT PROFIT / (LOSS)</b>	<b>4,847,814</b>	<b>0</b>	<b>4,847,814</b>	<b>●</b>	<b>4,847,814</b>	<b>0</b>	<b>4,847,814</b>	
<b>TOTAL PROFIT / (LOSS)</b>	<b>8,702,087</b>	<b>(156,231)</b>	<b>8,858,318</b>	<b>●</b>	<b>8,702,087</b>	<b>74,431</b>	<b>8,627,656</b>	

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

**FINANCE, RISK AND AUDIT COMMITTEE**

**17 AUGUST 2022**

**AGENDA ITEM 8**

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

**Attachment 1:** FRAC Work Plan

**FINANCE, RISK AND AUDIT WORK PLAN**

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**1. DRAFT RECOMMENDATION**

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

WORK PLAN  
- FRAC

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

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

**17 AUGUST 2022**

### **AGENDA ITEM 9**

**Prepared by** Faye Woodhead  
Project Accountant

**Reviewed by** Douglas Marshall  
Chief Financial Officer

#### **INVESTMENTS AND BORROWINGS – AS AT 31 JULY 2022**

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

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

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

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

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

###### **3.1 Changes to The Report**

Note additional statements have been added to the summary of investments detailing the term investments held by Council.

As part of our annual report compliance processes staff have been undertaking a deeper checking and review of the calculations and statements included in this report. As a result some of the comparative numbers have been restated, which we are happy to discuss specifically with Councillors if they so wish. There are no material changes.

###### **3.2 Investments**

Investments have reduced by \$700k since 30 June 2022 due to funds withdrawn from the call account, with the balance of this account being \$0 at 31 July 2022.

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

Council's trading bank balance closing balance was \$1.21m.

### **3.4 Interest Revenue**

Interest revenue to the end of July is \$35k against a YTD budget of \$36k and a full year budget of \$797k.

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

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

Total borrowings remains at \$33.2m. Net debt (borrowings less term investments and call account balance) has increased \$0.07m to \$16.4m.

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

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

Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base. Currently investments in NBS total \$3.468m representing 21.2% of the total investment portfolio. This planned breach will continue as investments mature and are rolled over as this level of investment is part of a sponsorship agreement.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

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

### **4.2 Significance Assessment**

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

### **4.3 Values Assessment**

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

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

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

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

#### **4.4 Risk Analysis**

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

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

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

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

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

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

#### **4.6 Tangata Whenua Considerations**

None identified.

#### **4.7 Views of Those Affected**

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

#### **4.8 Costs**

There are no extraordinary costs relating to investments and borrowings.

#### **4.9 Benefits**

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

#### **4.10 Media / Publicity**

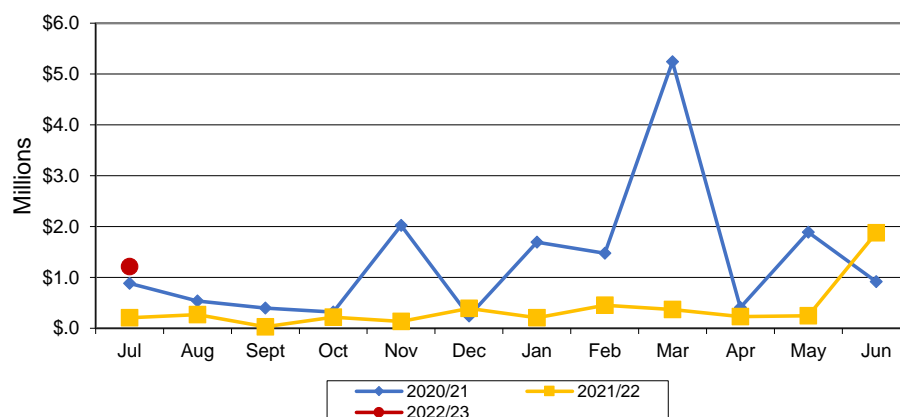
None identified

## INVESTMENTS AND BORROWINGS REPORT

### 1. BANK BALANCE

	This Month 31-Jul-22	Last Month 30-Jun-22	Last Year 30-Jun-22
Council	\$1,214,206	\$1,876,348	\$917,159

### 2. MONTH END BANK BALANCE



### 3. SUMMARY OF INVESTMENTS

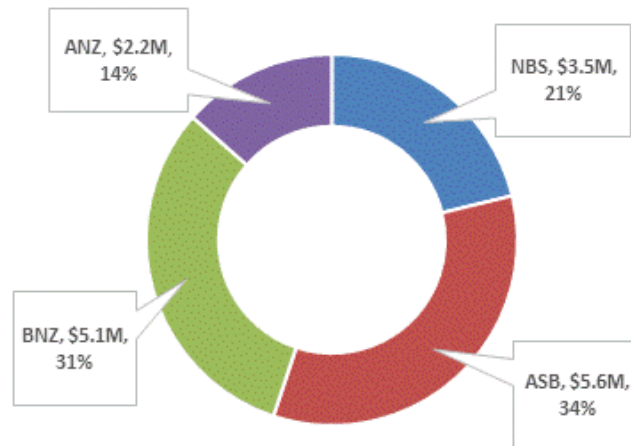
	This Month 31-Jul-22	Last Month 30-Jun-22	30-Jun-21
Term deposits (includes Call Account)	16,832,141	17,532,141	19,614,121
Other loans (includes loan to Holding Company)	1,610,982	1,610,982	1,613,768
<b>Total Investments</b>	<b>\$18,443,123</b>	<b>\$19,143,123</b>	<b>\$21,227,889</b>

Note the other loans balance has increased by \$110k and the comparatives restated. The increase relates to the Mokihinui Reserve Committee advance balance that was previously omitted.

### 3.1 Term Deposits

Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	NBS	1,534,037.53	18-Jul-2022	18-Jul-2023	3.65%
Term Deposit	NBS	1,000,000.00	29-Jun-2022	29-Jun-2023	3.65%
Term Deposit	NBS	534,037.52	13-Jun-2022	13-Dec-2022	2.30%
Term Deposit	NBS	400,000.00	4-May-2022	4-May-2023	2.70%
Term Deposit	ASB	1,000,000.00	22-Jun-2022	23-Jan-2023	3.16%
Term Deposit	ASB	500,000.00	6-Sep-2021	6-Aug-2022	1.30%
Term Deposit	ASB	754,990.70	9-Mar-2022	9-Aug-2022	1.15%
Term Deposit	ASB	1,000,000.00	12-Oct-2021	12-Oct-2022	1.40%
Term Deposit	ASB	1,325,000.00	6-Mar-2022	6-Mar-2023	2.10%
Term Deposit	ASB	977,775.52	23-Jun-2022	23-Dec-2022	3.16%
Term Deposit	BNZ	1,000,000.00	10-Mar-2022	10-Mar-2023	2.40%
Term Deposit	BNZ	500,000.00	8-Apr-2022	8-Apr-2023	2.70%
Term Deposit	BNZ	1,636,800.00	4-Jun-2022	4-Sep-2022	1.20%
Term Deposit	BNZ	1,000,000.00	2-Jun-2022	2-Aug-2022	0.70%
Term Deposit	BNZ	1,000,000.00	30-Jun-2022	30-Jun-2023	3.65%
Term Deposit	ANZ	1,000,000.00	4-May-2022	4-May-2023	2.70%
Term Deposit	ANZ	1,214,500.00	8-Oct-2021	10-Oct-2022	1.50%

### 3.2 Term Deposits Summary by Trading Bank



### 3.3 Local Government Funding Agency Borrower Notes

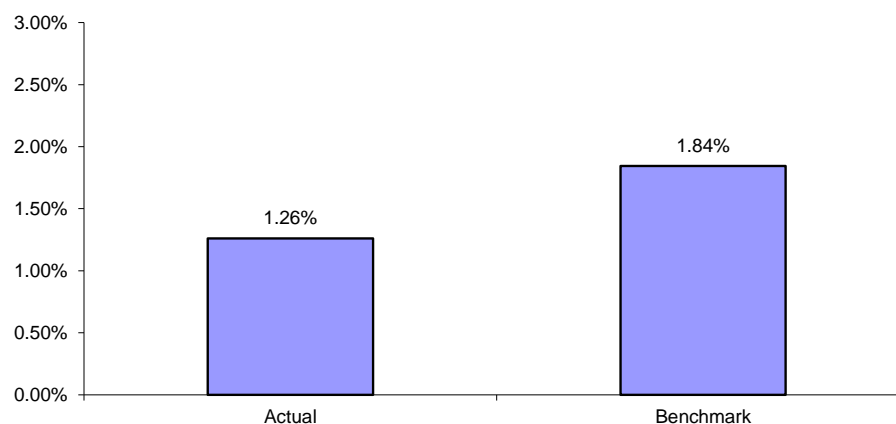
Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000	1-Mar-2024	3.01%
LGFA Borrower Note	LGFA	125,000	1-May-2026	2.70%
LGFA Borrower Note	LGFA	80,000	1-Mar-2023	3.53%
LGFA Borrower Note	LGFA	125,000	1-Mar-2027	3.20%

## 4. SOURCE OF FUNDS

	This Month 31-Jul-22	Last Month 30-Jun-22	30-Jun-21
Depreciation Funds	730,231	730,231	1,000,000
West Coast Package - Govt subsidy for halt to logging	3,398,894	3,398,894	4,003,314
Harbour - profit from past harbour operations	2,389,758	2,389,758	3,011,432
Freeholding Proceeds (sale of leasehold land)	2,839,952	2,839,952	3,540,838
Capital Sponsorship (deposits from V2010 sponsors)	5,834,038	5,834,038	5,834,038
Reserves Contribution Funds	1,184,269	1,184,269	1,214,500
Short Term Funds - rates income plus term deposits pending debt reduction	0	700,000	600,000
LGFA Borrower Notes	455,000	455,000	410,000
	<b>\$16,832,141</b>	<b>\$17,532,141</b>	<b>\$19,614,122</b>

The above table reports on a number of sources of funds. These need reviewing as to their future relevance to council's finances. Staff will report in due course and welcome any information that readers of this note have.

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



## 6. INTEREST REVENUE

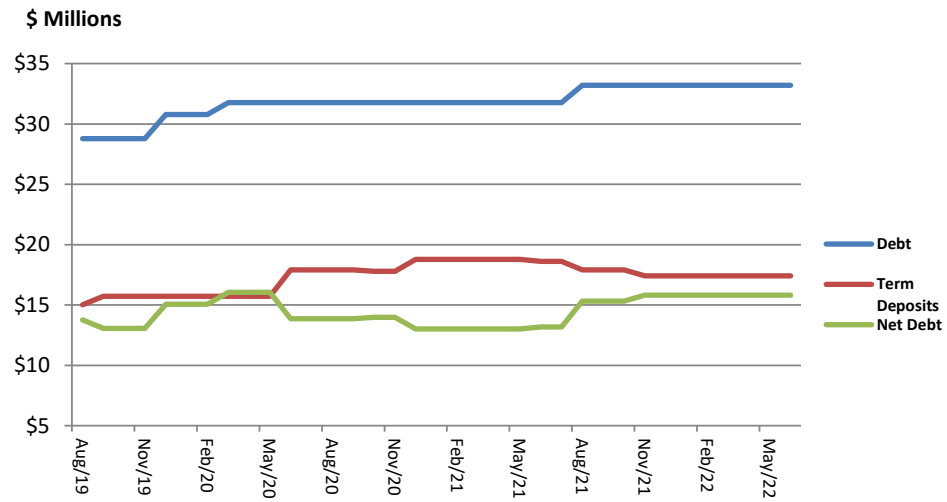
	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$35,145	\$36,222	\$796,699

## 7. SUMMARY OF BORROWINGS

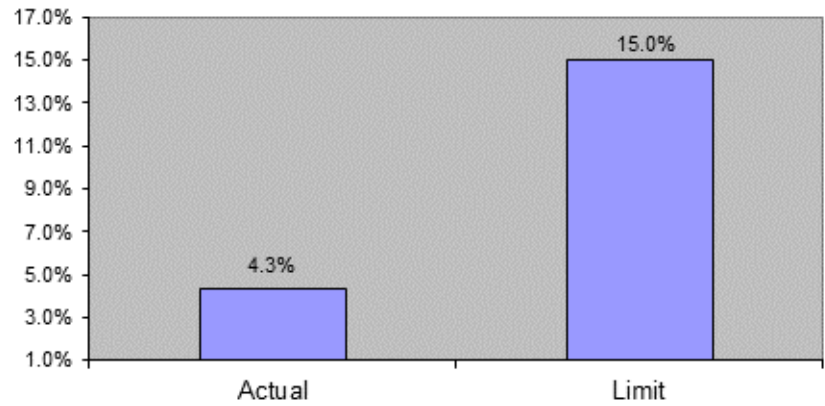
	This Month 31-Jul-22	Last Month 30-Jun-22	30-Jun-21
<b>External Debt</b>			
Westpac Loan Facility	13,213,860	13,213,860	11,773,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	<b>\$33,213,860</b>	<b>\$33,213,860</b>	<b>\$31,773,860</b>
Weighted Average Interest Cost	4.07%	4.07%	2.8%

<b>Net Debt</b>			
Total Borrowings	33,213,860	33,213,860	31,773,860
Less: Term deposits (including Call Account)	16,832,141	17,532,141	19,317,292
	<b>\$16,381,719</b>	<b>\$15,681,719</b>	<b>\$12,456,568</b>

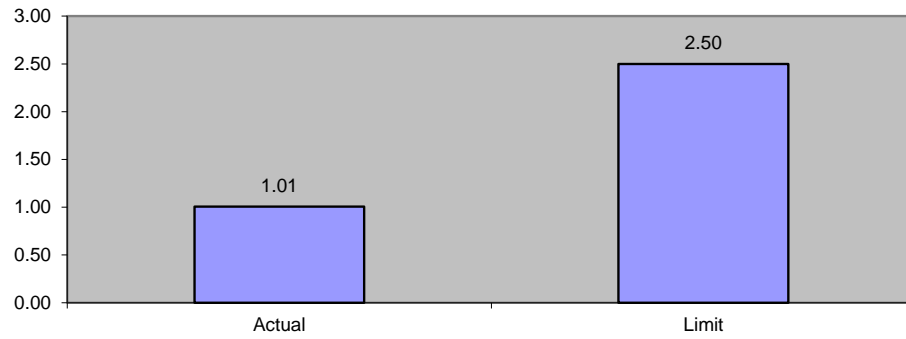
# 8. DEBT AND INVESTMENTS 3-YEAR TREND



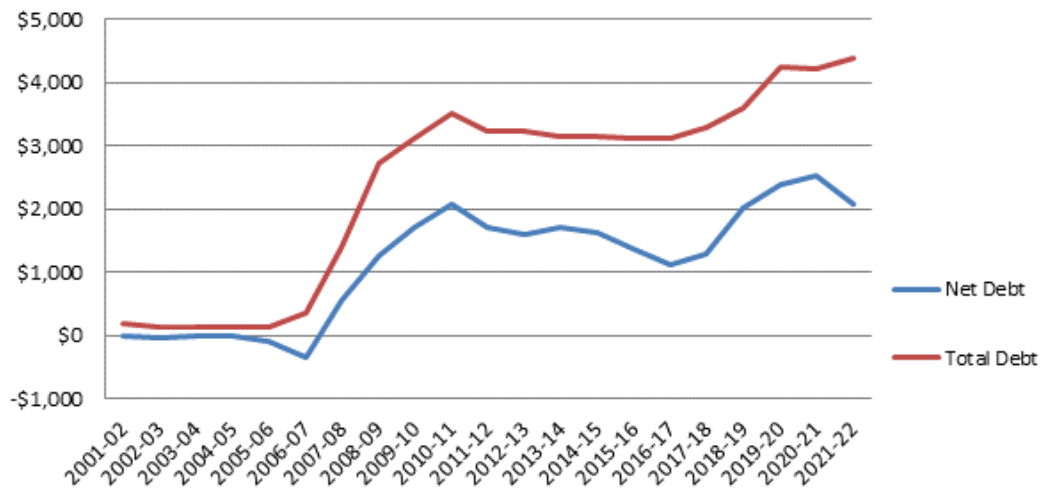
## 8.1 Interest Expense / Total Income



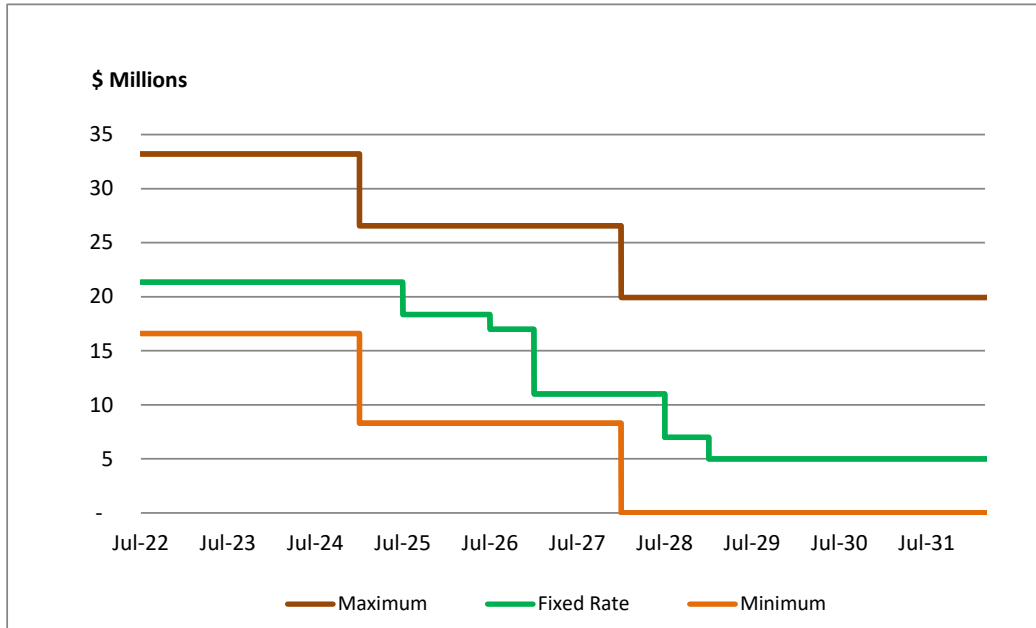
## 8.2 Gross Debt / Total Income



## 8.3 Debt and Net Debt per Rateable Property



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



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

**17 AUGUST 2022**

**AGENDA ITEM: 10**

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

**Attachment 1** - Quarterly Report

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

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#### **1 REPORT SUMMARY**

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

#### **2 DRAFT RECOMMENDATION**

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

#### **3. REPORTS**

- 1) Westport Flood Recovery Programme**
- 2) Infrastructure Services Portfolio Reports**  
District Revitalisation Programme (Westport Waterfront)
- 3) Commercial & Corporate Services Portfolio Report**  
Buller District Ports Package
- 4) Community Services Portfolio**  
Community Halls and Memorials

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

- 1) Three Waters Reform Funded:**  
Westport Water Supply Trunk Main Stage 2
- 2) Council Funded:**  
Waimangaroa Water Supply Upgrade

## Quarterly report: Essential infrastructure recovery programme status

Council:	Buller District Council
For period to:	30 June 2022
Submitted by:	Penny Bicknell, Buller Economic Recovery Manager
Date prepared:	29 July 2022

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## Section 1 Background

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The Buller District has experienced multiple serious weather events over a 7-month period, from July 2021 through February 2022.

### 1.1.1 The July 2021 event.

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Heavy rainfall from Thursday 15 July 2021 to Sunday 18 July 2021 caused significant flooding within Westport and across the Buller District, from both the Buller River and the Orowaiti estuary. At its peak, NIWA identified that the Buller River was flowing at 7,640 m<sup>3</sup>/sec, around 10 times its usual flow, being the largest river flow ever recorded in New Zealand.

The flow breached Westport's existing flood defences, with 826 properties and over 2,000 people requiring evacuation. Significant infrastructure damage occurred in and around Westport.

### 1.1.2 The February 2022 events.

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On 1<sup>st</sup> of February Met Service issued a 'red' designation with forecasted rainfall predicted to exceed the July 2021 event. A State of Local Emergency was declared on the 2<sup>nd</sup> with voluntary evacuations commencing in "at risk" areas of Westport. Widespread local flooding occurred, many roads were closed, and some properties were inundated. The worst of the weather missed Westport and the Buller District however.

A further 'orange' designation was issued by Met Service on February 9<sup>th</sup>, with a State of Local Emergency being declared on the 10<sup>th</sup>. Significant flooding occurred across the district, slips were evident, the Karamea highway was badly affected (31 slips and 8 slumps), farms were flooded with the Maruia and Inangahua Rivers from peak flows. All roads north and south of Westport were closed effectively cutting off the district. Further mandatory evacuations within Westport occurred.

This second February flood event caused extensive infrastructure damage across the district and affected communities from Springs Junction to Punakaiki, and north to Karamea. The Karamea Highway was unpassable for five days. The Westport and Waimangaroa water supplies were materially impacted. A week after the event, slips were still occurring due to saturated ground, with a major slip at Granity.

### 1.1.3 Government Funding

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After the July 2021 event, Central Government commissioned an independent Health Check of Buller District Council. Key conclusions (abridged) were:

- Council is competent in the management of its finances and the development and adherence to a Financial Strategy. It is managing its resources reasonably well.
- The economic wealth within the community appears to be a hurdle for the community to fund its current programme outlined in Buller District Councils 2021-31 Long Term Plan. The risk of meeting recovery costs diverts Council resources from needed community economic gains including employment opportunities.
- There is a need to further scenario model the potential for how all the work can be funded, recognising the limit on the Buller community's ability to directly contribute and to assess the long-term ability of the community to afford maintenance of its expected levels of service.

Central Government also provided Buller District Council two appropriations, an immediate advance payment of \$1,000,000 and a subsequent \$8,000,000 through Cabinet, being \$4,600,000 through NEMA and \$3,400,000 through DIA. Those appropriations were for the period through to 30 November 2021, to enable business-as-usual and recovery activities to occur whilst council assessed their longer-term needs.

Those long-term needs were still being identified at the time of the February events, where further extensive damage to 3-Waters infrastructure occurred across the district.

Further Central Government emergency funding was secured to reinstate the Westport Water Supply (\$1,685,000) and to collect and dispose of flood affected waste from both domestic premises and the Reefton landfill washout (\$270,000 has been reappropriated from the July 21 solid waste appropriation).

Buller District Council's progressed analysing the damage and determining its long-term financial and infrastructure needs. Those needs were documented in the Tranche 2 funding request, where a further \$17,144,191<sup>1</sup>, which includes \$10,636,476<sup>2</sup> of additional Tranche 2 funding, to enable normal social and economic activities to resume and to return essential infrastructure assets to pre flood functionality was requested. Cabinet considered the Tranche 2 appropriation request on 9<sup>th</sup> of June, and Council received verbal confirmation of funding on June 13<sup>th</sup> to commence from 1<sup>st</sup> July 2022.

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<sup>1</sup> The \$17,144,191 is made up of: \$6,507,715 Central Government (NEMA) 60% share of eligible 60/40 repairs and a Tranche 2 funding request of \$10,636,476 for projects outside current policy.

<sup>2</sup> The \$10,636,476 is made up of Buller District Councils 40% share (\$4,338,476) to be met by government; the cost of dredging (\$4,716,000); and betterment (\$1,582,000) subject to eligibility.

## Section 2 Programme update summary

### 2.1.1 Initial funding - July 2021

Social & Cultural items	Commentary
Community Hub and Connectors (Navigators)	Completed <ul style="list-style-type: none"> <li>The last NEMA funded Navigator report will be provided after 30 June.</li> <li>The Navigator programme and Hub have been extended to 30 September with funding from DIA Lotteries.</li> </ul>
Immediate response and recovery costs	<ul style="list-style-type: none"> <li>This appropriation has been requested to extend into FY23</li> </ul>
Initial Welfare Response Advance	Completed
Infrastructure items	Commentary
Temporary Village Infrastructure	Temporary village confirmed for Alma Road in December 2021. 3-Waters infrastructure installation has commenced. Completion is estimated at October 22 due to weather and supply delays
Flood Affected Waste Management	Completed

### 2.1.2 Emergency Activities – February 2022

Social & Cultural items	Commentary
Welfare	Completed <ul style="list-style-type: none"> <li>Navigators Co-ordinators continue to work with TAS, MSD, Health Services and RAS around client needs and identifying any new issues, ensuring people have access to the support they need. The Hub and Navigators are also becoming a place of information for people with anxieties and concerns around future community resilience.</li> <li>Elderly afternoon tea and board games afternoon – 25 attended.</li> <li>Older and Bolder – Flood Recovery Manager invited to speak to members about the flood events and give a broad perspective of resilience options going forward. Plus encouraging preparedness for future events.</li> </ul>
Rural	Completed
Infrastructure items	Commentary
Solid Waste Management	Completed <ul style="list-style-type: none"> <li>All domestic waste from the February floods / slips has been collected and disposed of to landfill.</li> </ul>

	<p>In-progress</p> <ul style="list-style-type: none"> <li>Clean up from the Reefton Historic Landfill washout into the Inangahua River continues as weather conditions permit.</li> </ul>
Westport Water Emergency Works	<ul style="list-style-type: none"> <li>Hadlee &amp; Brunton – Tunnel Pipeline (T3-T4): Pipe suspension bridge – construction complete, wet commissioning in progress (water is flowing), inspection box repairs and ongoing alignment adjustments remain. Slip clearance, final earthworks, shaping, minor concrete portal cover and swale, spoil removal and disposal to be completed.</li> <li>WestReef – Primary Intake &amp; Catchment: Ongoing intake clearing, damage repairs and securing suitable raw water source following significant rainfall events through June.</li> </ul>

## 2.2 Health and safety

All projects are managed and delivered in accordance with Council's standard Health and Safety policies, processes, and contractor requirements.

## 2.3 Environment and heritage

All works either comply with West Coast Regional Council permitted activity requirements, or resource consent, or retrospective resource consents, are obtained. All resource consents granted are currently overseen by the contractors in liaison with the West Coast Regional Council.

## 2.4 Quality

Support from the Buller District Councils Infrastructure Services team, as asset owner, is informing the design and methodology of all contracts developed by the Project Management Office.

Job specifications and design are included as part of the procurement and approval process of all contracts overseen by the Project Management Office and the Infrastructure Recovery Project Manager.

The contract supervisor (infrastructure recovery staff member) is actively monitoring contractor progress on site, and to support the as built asset data collection process.

## 2.5 Communications / community and stakeholder engagement

Ongoing communication is occurring in accordance with the Communication Strategy that covers:

- Liaison with community leaders and Community Boards.
- Publication of the BDC Newsletter
- Recovery progress summaries within the local newspaper
- The Recovery website and the Facebook page are regularly monitored and updated
- Public information sessions

## 2.6 Procurement

The Recovery work programme is highly dependent on access to resources - materials and contractors, and the management of staff during the Covid-19 pandemic. All contracts have been let in accordance with Council procurement and delegation policies.

## 2.7 Programme delivery

**Number of infrastructure projects in the programme: 4**

The table below shows the number of infrastructure projects in each phase leading to final completion (All Tranche 2 projects to be reported in next quarter)

Project phase	Number of projects (as reported for previous quarter)	Number of projects (for this quarter)
Concept Design	0	0
Detailed Design	1	0
Procurement	2	0
Construction	2	3
Handed over to Council	1	0
Defects Liability Period	0	0
<b>Total:</b>	<b>4</b>	<b>4</b>
<b>Projects completed:</b>	<b>1</b>	<b>1</b>

## 2.8 Programme completion

<b>Baseline programme completion date</b> As determined at the commencement of the programme	28 July 2022 - July Flood 30 June 2022 - Emergency Activities
<b>Programme forecast completion date</b> As reported in previous quarterly report	NA
<b>Current programme completion date</b>	28 July 2022 – July Flood 30 June 2022 – Emergency Activities

## Financials to date 30/06/22 (excl. GST) – NEMA and DIA Funding

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

Item	Appropriation Amount	Actual Spend to Date	Claims submitted to date	Current Claim	Forecast cost to complete (remaining)	Forecast cost at completion	Project Variance	Commentary
Initial Welfare Response Advance (NEMA)	\$1,000,000	\$ 322,694	\$322,694	\$0	\$0	\$322,694	(\$677,306)	July & Feb welfare claims. Variance repaid to NEMA – deducted from Infrastructure claims
Solid Waste Management (NEMA)	\$1,500,000	\$ 862,938	\$ 849,273	\$0	\$ 11,062	\$874,000	(\$626,000)	July 21 appropriation - \$380k of funding reappropriated to Westport Water and \$270k to February Waste removal
Community Hub and Connectors (Navigators) (NEMA)	\$1,000,000	\$1,230,315	\$992,002	\$0	\$279,685	\$1,510,000	\$510,000	\$500,000 funding sourced from DIA and \$10k donation. NEMA funding of \$1m complete at June 22
Temporary Village Infrastructure NEMA)	\$ 650,000	\$137,264	\$137,264	\$0	\$512,736	\$650,000	\$0	Extension of time requested to NEMA due to weather and supply issues. Forecast completion October
Immediate response and recovery costs (NEMA)	\$1,450,000	\$ 734,273	\$336,413	\$0	\$715,727	\$1,450,000	\$0	Request for extension to FY23
Interim funding to the - Recovery team, Surge BAU & Resilience (DIA)	\$3,250,000	\$ 1,305,463	\$2,745,847	\$0	\$ 1,440,384	\$2,745,847	(\$504,153)	Final advance submitted in June 22 Completion March 23
Infrastructure costs to date excluding roading (July 21 to June 22)		\$ 1,296,687	\$283,933	\$0	\$0			Eligible infrastructure costs will be claimed from 1 July from NEMA (Tranche 2 funding agreement) From July these will be split into T2 packages for report
Westport Water	\$1,685,000	\$663,163	\$663,163	\$0	\$395,322	\$1,061,485	(\$623,515)	\$380k of funding reappropriated by Cabinet from Solid Waste. 60% of cost will be eligible funding (subject to review)
<b>Total</b>		<b>\$6,552,797</b>	<b>\$6,330,589</b>	<b>\$0</b>	<b>\$3,354,916</b>	<b>\$8,614,026</b>		

## Section 3 Projects approved into programme

Work-scope eligibility has been agreed on the following projects:

Project name	Value of project
This section will be completed for T2 projects in next quarterly report	

## Section 4 Programme risks and issues

<b>Risks</b> ("risk" is a potential issue that may or may not happen and can impact the project positively or negatively) / <b>Issues</b> (an "issue" has already occurred)						
Key risks and / or issues arising						
Theme	Type (Risk / Issue)	Description	Controls	Residual		Risk rating
				Likelihood	Consequence	
Reputation / trust	Risk	If the community does not understand the programme of work, then Council's relationship with the community will be adversely impacted	Develop and implement communications and engagement plan <ul style="list-style-type: none"> <li>• Fact sheets and fliers</li> <li>• Newspaper updates</li> <li>• Direct communication with property owners</li> <li>• Radio updates</li> </ul>	Likely	Moderate	Moderate
	Risk	If we do not engage with Ngāti Waewae on the programme of works, then sites of significance may be disturbed and Council's relationship will be adversely impacted	<ul style="list-style-type: none"> <li>• Regular meetings with Ngāti Waewae in advance of contracts being let</li> <li>• Apply the accidental discovery protocol</li> </ul>	Not likely	Substantial	Moderate
Resource	Issue	If we do not appoint 'staff' into key roles (e.g. Project Management and contract supervision) then the programme will not be deliverable	<ul style="list-style-type: none"> <li>• Advance funding is secured and used</li> <li>• Short term contracts are let to secure resource that are rolled over / extended once ongoing funding is known</li> </ul>	Not likely	Severe	High



			<ul style="list-style-type: none"> <li>Essential Infrastructure Project Summaries are developed for all projects in advance of July 1</li> </ul>			
	Issue	If new virulent variants of Covid-19 emerge then the ability to prepare, manage and deliver activities will be challenged	<ul style="list-style-type: none"> <li>Apply Council's Health and Safety policies.</li> <li>All contracts let are required to have Covid-19 contingency management plans.</li> </ul>	Likely	Moderate	Moderate
Further floods	Risk	Due to the dominant La Nina weather pattern Buller District may experience further flood events that impact existing damaged infrastructure	Complete works in priority order based on risk and consequence.	Not likely	Substantial	Moderate
Cost	Risk	Cost of works exceed budget	<p>Work closely with NEMA, and maximize contributions from other stakeholders</p> <p>Rescope works to deliver within budget</p> <p>Ensure all works are "like for like" unless approved as betterment</p>	Likely	Severe	High
Consenting	Issue	Emergency activities have necessitated works that require retrospective resource consents from West Coast Regional Council. Without adequate funding the appointment of contractors to prepare applications will be lost.	<ul style="list-style-type: none"> <li>Seek approval to proceed as these works were undertaken in response to the initial floods</li> <li>Contract a consultant to prepare consent applications</li> <li>Advise West Coast Regional Council that the resource consent applications are in development</li> </ul>	Not likely	Moderate	Low



	Risk	<p>The Tranche 2 aggregated projects will require resource consent from West Coast Regional Council in advance of works commencing. Without obtaining the necessary consents the works will be delayed for an indefinite period.</p> <ul style="list-style-type: none"> <li>• Seek approval to appoint a consultant to scope Tranche 2 consent requirements as early as possible</li> <li>• Apply for high priority resource consents in advance of July 1 (Tranche 2 commencing)</li> </ul>	Likely	Severe	High
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## Section 5 Expected progress in the next quarter

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- All 67 faults will be packaged into 10 Essential Infrastructure Project Summaries (EIPS) for NEMA pre-approval and scoping
- EIPS work packages:
  - 1 (3W Drinking water repairs),
  - 2 (3W Stormwater repairs),
  - 3 (3W Wastewater repairs),
  - 4 (3W CCTV and Cleaning),
  - 5 (3W Inspections)
  - 6 (3W Betterment Projects),
  - 7 (Port – Wharf repairs),
  - 8 (Port -Dredging),
  - 9 (Inangahua River Projects – Reefton stopbank and landfill), and
  - 10 (Port – Tiphead repair)
- All Projects will be entered into Project Accounting to facilitate forecasting and reporting control
- Resource consents will be applied for 2 Essential Infrastructure Project Summaries
- Tendering or Direct Appointment of 8 Essential Infrastructure Project Summaries will occur
- The first Tranche 2 claim will be lodged during third quarter 2022

## Section 6 Insurance

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No insurance funds have been received.

Council has an excess on its 3 Waters policy of \$1m per claim. This is applied on the 40% of eligible costs. Council is currently finalising documentation for submission to NEMA for both the July and February events.

[illegible]

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



Reporting Period:	For the month ending 31 <sup>st</sup> July 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	MBIE via Tourism Infrastructure Fund, KiwiRail
Programme Manager:	Mike Duff (Acting)
Project Manager/s	<ul style="list-style-type: none"> <li>MBIE TIF: Connector Trails – Glenn Irving</li> <li>Council-Led AP 2022/23: Westport &amp; district-wide – Glenn Irving</li> </ul>

Project aspect	Status	Comments
Overall:	G	Work continues on MBIE-funded TIF Connector Trails for completion by 30 September 2020. South connector site works to commence early August, to be followed by north connector late. Additional riverbank landscaping can now proceed with 2022/23 AP funding via Council-led district revitalisation. Wheelchair bus parking improvements are also prioritised for Westport town precinct. Budgets for district-wide projects and opportunities reserve have been allocated from the 2022/23 AP. Continue to seek external funding for future initiatives including Riverbank placemaking (\$1.3M) and the town precinct Pedestrian Plaza (\$1.2M).
Budget:	G	MBIE TIF \$300k; 2022/23 AP \$309k; Total programme budget \$609k.
Scope:	G	TIF Connector Trails (south to Buller Bridge, north to Floating Basin), town precinct traffic flow, wheelchair bus parking improvements. Additional riverbank landscaping. Future stages subject to funding including Riverbank placemaking and the town precinct Pedestrian Plaza.
Resource:	G	All key integrated owners team appointments completed as per resource plan.
Schedule:	G	Connector Trails and wheelchair bus parking by September 2022. Riverbank landscaping by December 2022.
Risks / Issues:	G	Maintained in Risk Register, summary key risks all under management. Further Covid considerations under framework protocols.

State of Play	
Last Month (to July)	Next Month (August)
<ul style="list-style-type: none"> <li>Continuation of Phase 2 TIF connector trails:               <ul style="list-style-type: none"> <li>South trail design and procurement</li> <li>North trail route selection, wayfinding, line marking, safety design</li> </ul> </li> <li>Meetings and design options for wheelchair bus parking improvements</li> <li>Ongoing advocacy for external funding for future stages including Riverbank placemaking and the town precinct Pedestrian Plaza.</li> </ul>	<ul style="list-style-type: none"> <li>Commence south connector trail on site construction</li> <li>Complete north connector scoping, approvals and risk assessments</li> <li>Commence wheelchair bus parking and riverbank landscaping</li> <li>Commence district-wide project identification and assessments</li> <li>Ongoing advocacy for external funding for future stages including Riverbank placemaking and the town precinct Pedestrian Plaza.</li> </ul>

Financials				
Approved Budget	Spend to Date	Forecast cost at completion	Project Variance	Commentary
<i>What is the approved budget?</i>	<i>What is the project spend to date (as at Reporting date)?</i>	<i>How much will it cost to complete this project?</i>	<i>Forecast position (surplus/deficit) at completion</i>	<i>Explanation for variance and what is needed.</i>
<b>MBIE</b>				
Stage 3b TIF - \$300K	\$150K	\$300K	0	TIF Funding Agreement – Connector Trails (42135509).
<b>Council-Led 2022/23 AP</b>				
Westport & District - \$109K	\$0K	\$109K	0	Allocation from 2022/23 AP – Westport wheelchair bus parking, riverbank landscaping & district-wide projects (42255509).
Opportunities Reserve - \$200K	\$0K	\$200K	0	Opportunities reserved from 2022/23 AP – to be allocated as co-contributions required, or otherwise distributed to fund Westport & district-wide projects through financial year as approved (42255509).
<b>Total: \$600k</b>	<b>\$150K</b>	<b>\$609K</b>	<b>\$0</b>	

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comment
1) MBIE TIF (Connector Trails)	30/09/22		50	30 Sep 2022 completion date approved by MBIE
2) Council-Led (Westport & District)	30/06/23		0	Not started

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

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

**IMMEDIATE RELEASE****29 July 2022****New Connector Trails ready to start**

Construction of an all-weather, all-tide, pedestrian and cycle trail between the Buller Bridge and the Toki Poutangata Bridge is about to start. This is part of MBIE's \$300k Tourism Infrastructure Funding (TIF) which Council secured last year at no cost to ratepayers.

The new south trail will create a high-quality alternative to the existing Millenium Track from the Kawatiri Coastal Trail (KCT) carpark into Westport's town precinct via the new Toki Bridge.

This will deliver a safe, enjoyable and easy to follow route for pedestrians and cyclists along The Esplanade and the Buller River, to complete the link to Carters Beach, Tauranga Bay and beyond.

Future integration with flood protection infrastructure, including stops banks and flood walls has been considered in the alignment and trail construction, as well as potential implications of increased traffic movements along The Esplanade.

Council's group manager infrastructure services Mike Duff says: "The south trail is a key connection for both pedestrians and cyclists to experience a better end-to-end journey. The new route will have immediate safety and wayfinding improvements, whilst mindful of future developments along the riverbank."

Also included in the \$300k TIF project is the north connector from the Toki Bridge pedestrian plaza up to the Floating Basin, Kawatiri River Trails (KRT) and ultimately North Beach. This route will follow established footpaths and streets through town with new line marking and signage for improved wayfinding and user safety.

"Both trails are integral to Westport's master plan and our district revitalisation strategy to position Buller as an attractive place to live, explore and invest. We are very grateful to MBIE for providing full funding for this project."

Construction of the connector trails will commence early August for completion in September. Work will be conducted on weekdays during normal working hours.

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

**-ENDS-**

For more information please contact:  
Group Manager Infrastructure Services  
Michael Duff  
[Michael.Duff@bdc.govt.nz](mailto:Michael.Duff@bdc.govt.nz)

**Image: New South Connector Trail alignment**



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

### Project Details

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

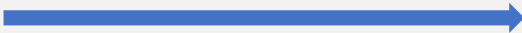
### Project Overview (High-Level Summary)

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

## State of Play

Last Month	Next Month
<ul style="list-style-type: none"> <li>Component A (dredging) has been completed, with on-going dredging to occur as part of the flood recovery programme (and not this project).</li> <li>Procurement and initiation of the harbourmaster office upgrade to address seismic, waterproofness, and asbestos concerns was completed. Long-lead materials have been ordered.</li> <li>Procurement and initiation of the upgraded site entry/exit was concluded with electronic security providers to ensure a modern, fit-for-purpose, and futureproof system.</li> <li>A contract variation (time extension) with MBIE to December 2022 (from August 2022) was finalised and secured.</li> </ul>	<ul style="list-style-type: none"> <li>Initiate construction of harbourmaster office upgrade and repair.</li> <li>Initiate construction of Port entry/exit redevelopment.</li> <li>Progress a payment claim to maintain cashflow.</li> </ul>

## Project Road Map/Schedule

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

Milestones				
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
<b>Work Programme A: Westport gravel removal and seawall repairs</b>				
Award design contract	30/09/2020	21/12/2020	100	Engineer (WSP ChCh) appointed for expert input and advice on wharf structures. Hydrological and survey input appointed for gravel extraction
Award procurement contract	30/10/2020	1/04/2021	100	Gravel extraction is river based; therefore, dredge is required and will be used
Obtain all consents	30/11/2020	1/04/2021	100	Consents in place for river-based dredging
Award construction contract	30/11/2020	30/04/2021	100	Gravel extraction is river-based; therefore, dredge is required
Complete construction	30/04/2021	30/06/2022	100	Complete. 150,495m <sup>3</sup> of gravel removed
Opening event	31/03/2022	31/08/2022	0	To be determined
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>				
Award detailed design contract	30/10/2020	31/01/2021	100	Innumerable design tasks – not one design contract
Award procurement contract	30/10/2020	30/06/2022	100	Final tasks (harbourmaster office upgrade and site entry/exit upgrade) assigned to contractors
Obtain all consents	31/12/2020	30/06/2022	75	Building consent underway for harbourmaster office upgrade
Obtain all property rights	31/12/2020	31/05/2021	100	No issues
Award construction contract	28/02/2021	10/07/2022	100	Final construction elements awarded
Complete construction	28/02/2022	20/12/2022	5	Current estimate is December 2022 for completion of all tasks
Opening event	31/03/2022	20/01/2023	0	To be determined

## Financials

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

Programme/Project Item	Indicative Cost	Actual Spend	Forecast (remaining) cost to complete	Project Variance	Commentary
<b>Work Programme A: Westport gravel removal and seawall repairs</b>					
Project management and coordination	\$75,000	\$108,580	\$2,500	-\$36,080	Additional planning and task coordination required
Engineering assessments and design	\$35,000	\$36,945	\$0	-\$1,945	Minor positive variance forecast
Consents	\$10,000	\$0	\$0	\$10,000	No consents identified as required
Procurement, legal and tenders	\$20,000	\$0	\$0	\$20,000	Less legal/procurement input likely to be required (than forecast)
Civils works/site works for gravel extraction	\$1,400,000	\$1,820,000	\$0	-\$420,000	Significant gravel volumes identified requiring extraction
R&M to seawalls/wharf back-sheathing	\$460,000	\$17,980	\$0	\$442,020	Positive variance forecast
<b>Component Total</b>	<b>\$2,000,000</b>	<b>\$1,983,505</b>	<b>\$2,500</b>	<b>\$13,995</b>	<b>Positive variance forecast for Component A</b>
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>					
Project management and coordination	\$40,000	\$21,460	\$30,000	-\$11,460	Additional planning and task coordination required
Procurement, legal and tenders	\$20,000	\$15,829	\$0	\$4,171	Less legal/procurement input forecast
Design and engineering assessment and consents	\$30,000	\$99,977	\$20,000	-\$89,977	Intensive engineering design and assessment input required
Civil works/site works	\$1,210,000	\$509,104	\$615,000	\$85,896	Positive variance (surplus) forecast at this stage.
<b>Component Total</b>	<b>\$1,300,000</b>	<b>\$646,370</b>	<b>\$665,000</b>	<b>-\$11,370</b>	<b>Negative variance forecast for Component B</b>
<b>PROJECT Total</b>	<b>\$3,300,000</b>	<b>\$2,629,875</b>	<b>\$667,500</b>	<b>\$2,625</b>	<b>Minor positive variance (surplus) forecast for total project</b>

## Employment Outcomes

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

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type (Full-time; Part-time; Contractor; Consultant)
A (Gravel extraction)	0	0	0	0	0	0	0	
B (Bulk and Fishing Precinct)	9	0	7	0	0	0	1	2 BDC staff; 7 contractors/ consultants
<b>Total</b>	<b>9</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	

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

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future
9	Nil (for the reporting period)	Approximately 15-20 further roles/jobs are forecast for the remaining project tasks.

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

Nil

## Risks/Issues/Opportunities

Key risks and/or issues arising are detailed below

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

## Social Procurement Outcomes

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

Outcome	Measure	Status/Comments
Employment of targeted workers	Prioritising workers identifying as: 1) Local (in-region) workers; 2) Māori or Pasifika; 3) Employment of women prioritised where possible	7 of the 9 personnel involved in the project for the reporting period were local. One identified as a targeted worker in relation to gender. The extent to which the measure can be controlled by the project is somewhat limited and is significantly influenced by contractor workforce composition.
Local businesses	75% of the direct contracts and sub-contracts associated with the project will be awarded to businesses owned and operated by people who reside and operate in the region	Local business involvement is tracking above the target threshold.
Worker conditions	100% of workers engaged on the project will be paid the living wage or greater and 100% of employees will be covered and managed by a fit-for-purpose and current health and safety system	Target fully met to date and is expected to be achieved for project duration. This measure will be monitored and reported as the project progresses
Environmental responsibility	Adoption of practises that enable the project to be delivered sustainably, including by: - protecting or enhancing the local ecosystem and its indigenous biodiversity - actively seeking to minimise the carbon impact of project delivery, to support the transition to a net zero emissions economy - minimising waste, re-using materials, and where possible incorporating the principles of the circular economy - using water resources efficiently - using low-impact, sustainably and locally sourced materials and products; and/or - including resilience to the impacts of a changing climate	In-progress. Biggest impact and contribution to environmental responsibility will be delivered via the construction (and operational) phase of the project. Several planned works relate specifically to environmental risks. This measure will be monitored and reported as the project progresses

## Communications

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

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

## Additional/Other Information

Nil.

# MONTHLY REPORT



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

## 1. Project Updates

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

<b>Project Milestone</b>	<b>Details of progress</b>
Commercial Kitchen Fit-Out	The commercial kitchen equipment from 'Southern Hospitality Limited' is on site. The extractor has been installed and once the flooring in the kitchen is completed, the rest of the equipment will be fitted.
Carpentry- Building	All the Building/Carpentry work has been completed by various builders as mentioned below.
Plumbing	All the major plumbing work has been completed, once the flooring is done all the fittings such as Sinks and toilet bowls will be fitted. Expected completion – 30 <sup>th</sup> September
Gas fitting	Main gas works have been completed.
Electrical	All the internal wiring has been completed. New fittings will need some minor work done once in place. Expected completion – 30 <sup>th</sup> August
Flooring	Kitchen and Bathroom flooring are expected to be completed by 19 <sup>th</sup> August.

## 2. Redeployment Outcomes

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

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

Project Milestone	No. prev Unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women
Commercial Kitchen		0				
Carpentry		1				
Plumber		0				
Gas Fitter		0				
BDC Staff		2				
Flooring		0				
Electrician		0				
Total		3				

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

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

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

<b>Total Created Roles</b>	
Number of roles created by this project (add together contractors plus consultants).	
1	

<b>Contractor*</b>	<b>Consultant*</b>
Non-Employee providing contractor services (such as a fencing contractor, builder, fixed term contractor, etc.)	Non-Employee providing professional advisory services (such as an engineering consultant or architect, etc.)
1	0
<b>Full-time</b>	<b>Part-Time</b>
How many of the Total Created Roles worked over 30 hours a week throughout the reporting month	How many of the Total Created roles worked under 30 hours a week throughout the reporting month
1	0

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

People previously but no longer employed on the project	Expected jobs in the future
11 Contractors + 1 Project Manager + 2 BDC Staff	3 Contractors

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

This project is coordinated with community-based volunteers (Hall Subcommittee) and Council. Once the flooring is completed & fittings are in place, Volunteers will help to do minor works such as painting given the budget constraints.
--

### 3. Supplier Diversity Outcomes

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

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

Architect Allan Walters	Local	Direct	Architectural services	1 week	\$3,450	
Southern Hospitality Ltd	Christchurch	Direct Contractor	Supply of commercial kitchen package	8 weeks	\$42,650	
John Moro Builders	Local	Direct Contractor	Building repairs and upgrade including commercial kitchen install	6 month	\$12,330	
WLS Electrical	Local	Direct Contractor	Supply and install upgraded electrical service and fittings	1 month, completed over 6 month period	\$8,876	
Craft Plumbing & Gas	Local	Direct Contractor	Supply and install gas fittings for commercial kitchen	3 weeks - completed over 6 month period	\$2,510	
Lightbown Plumbing	Local	Direct Contractor	Supply and install plumbing and drainage to building	6 weeks - completed over 6 month period	\$18,899	
Mitre 10 - Building materials, including timber framing/ linings, carpentry fixtures and fittings, paint and the supply and install of smaller area of floor coverings to meet BC compliance	Local supplier – Mitre 10 plus local flooring contractor/installer (TBC) and volunteer labour for painting task	Suppliers	Building materials	Completed over 6 month period	\$44,862	
Chris Enoka - Builder	Local	Direct Contractor	Building repairs and upgrades	4 Months	\$7,600	
RC Maintenance Ltd	Ex Christchurch	Direct Contractor	Builder/Forman	5 Weeks	\$11,865	1

#### 4. Social Procurement Objectives

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

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

## 5. Financials

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

Budget Area	Received from PGF	Budgeted	Actual	Co-funding spend if any	Note
	\$146,795				
Architect Allan Walters	\$3,450	\$3,450	\$3,450		
Buller District Council	\$2663	\$2,663	\$2,663		
Fire Safety Solutions	\$1,450	\$1,450	\$1,450		
PC Productions Asbestos	\$9,105	\$9,105	\$9,105		
Southern Hospitality Ltd	\$42,650	\$42,650	\$42,647		
John Moro Builders / Chris Enoka / RC Maintenance	\$12,330	\$12,330	\$45,891		
WLS Electrical	\$8,876	\$8,876	\$1824		
Craft Plumbing & Gas	\$2,510	\$2,510	\$524		
Lightbown Plumbing/Mico Plumbing	\$18,899	\$18,899	\$8082		
Martins Mitre 10 Westport	\$44,358	\$44,358	\$12,086		
WestReef waste skip hire	\$504	\$504	\$504		
Avant Building			\$240		
Trade Safety			\$67		
Westport Hire			\$95		
<b>Total</b>	<b>\$146,795</b>		<b>\$128,629</b>		

## 6. Forward Work Programme

Outline forward work to be completed in the next month

Project Element	Outline of Planned Work (for next month)
Flooring	The contractor will be on-site mid-July to install flooring in the kitchen and toilets.
Plumbing/Gasfitting	To install the fittings after flooring.
Electrician	To install the fittings after flooring.

## 7. Risks/Issues

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

Risks / Issues	Likelihood (Low / Medium / High)	Potential Impact (Low / Medium / High)	Mitigation
Natural Disaster	High	High	Civil Defense protocols are to be followed when required. The project can be delayed depending on the impact of the disaster on the structure/ equipment/ staff.
H&S - Working in a public space – public safety and well as workers safety.	Low	Medium	Clearly mark the work zone, workers to stay aware of surroundings at all times, use a spotter during higher risk work to mitigate unauthorised people entering the work zone. Contractors are trained and competent and will use all the appropriate PPE, plant and equipment for the various tasks, including some height work.
Issues arising from Fire Safety access/ egress	Low	Low	Site access and pathways are to be kept clear of blockages and trip hazards

## 8. Communications

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

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

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

Unfortunately, the project is still behind the estimated timeline due to the shortage of staff/contractors. Depending on the budget, BDC might hire individuals or involve contractors to carry out minor works such as painting and setting up the furniture. BDC has applied to extend the deadline to achieve the agreed targets. Expected Outcome – All the fittings are in place and Hall is compliant.

## 10. Impact of COVID-19

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

<b>Have any of the following been <u>negatively</u> impacted by the August 2021 COVID-19 Alert Level change?</b>	<b>Yes/ No</b>	<b>Provide additional narrative on the negative impacts</b>
Costs	Yes	Material costs and changes of material used.
Milestone delivery in the next month	Unknown at this stage	N/A
Availability of labour	Yes	Contractors/ staff isolating or sick
Availability of materials and equipment	Unknown at this stage	N/A
Cashflow	Unknown at this stage	N/A
On-site productivity	Unknown at this stage	N/A

**Definitions**

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

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

## Project Status Report - Westport Water Supply – Stage 2 Trunk Main Renewal – July 2022



### Programme/Project Details

<b>Location and Region:</b>	Westport Trunk Main to Town – West Coast
<b>Project Budget:</b>	\$3,500,000
<b>Reporting Period:</b>	For the month ending 31 July 2022
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	Hadlee & Brunton
<b>Project Manager:</b>	Gia Kristel Algie, Calibre Consulting Ltd – Project Manager
<b>Programme Outcomes:</b>	Upgrade the Trunk Main from the PRV to Westport

Project Overview/Traffic Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)		
Aspect	Status	Comments
Overall:	G	<p>DIA-funding scope physical works completed with final clean-up works remaining and flushing of lines. This has not been completed due to heavy rainfall events.</p> <p>(Note: <i>DIA-funded (end 30 June 2022) scope of works include:</i></p> <ul style="list-style-type: none"> <li>• System design and overall project delivery</li> <li>• Procurement and installation of a new pressure reduction valve (PRV) assembly</li> <li>• Procurement and installation of 1710m of DN450 PE and 380m of DN400 PE pipework and fittings</li> <li>• Procurement of 1920m of DN400 PE pipework and fittings (for later Council-funded installation))</li> </ul> <p>Procurement exemption for installation of remaining Stage 1 scope (Replacement of the portion of the existing trunk main from the Stephen Road / Unformed Road intersection to the intersection of Stephen Road and Kew / McKenna Road), which will be funded by Council, has been prepared and awaiting BDC approval.</p> <p>Westport Trunk Main Stage 2 - Survey and design underway. Timeframe for delivery to be confirmed with H&amp;B</p>
Budget:	G	\$3,500,000 (Note: <i>DIA-funding only</i> )
Scope:	G	Design and Construction to replace the existing Trunk Main from the PRV to the Westport township.
Resource:	G	David Brunton (Hadlee & Brunton ECI), Gia Kristel Algie (Calibre) Project Manager, Fletcher Vautier Moore (S Ritchie), Review legal status of land parcels for proposed alignment.
Schedule:	G	<p>DIA-funded Stage 1 works completed, awaiting notice of Practical Completion.</p> <p>Remaining Stage 1 works installation to be confirmed after procurement approach has been approved by council.</p> <p>Noted delays were incurred with Westport Water Emergency works and various high rainfall works which affected availability of all local resource.</p>
Risks / Issues:	G	Risk & opportunities register updated and included as part of this report.

Current Updated Programme	
Last Month July	Next Month August
<ul style="list-style-type: none"> <li>Disestablished welding equipment and trencher from site.</li> <li>Installation of PRV completed</li> <li>Survey and geotechnical investigation for Stage 2 has been completed</li> <li>Stage 2 design underway (80% complete)</li> <li>Some weather delays over July.</li> </ul>	<ul style="list-style-type: none"> <li>Practical Completion for DIA-funding scope</li> <li>Practical Completion inspection for DIA-funding scope of works, particularly PRV installation</li> <li>Review of all Contractor Quality Assurance documentation related to DIA-funding scope of works</li> <li>Review of all design documentation for remaining Stage 1 works to ensure up to date information is available for Stage 1 remaining works</li> <li>H&amp;B to handover procured materials - flow meters and pressure transducers (for Stage 2 works or spare for Stage 1 or for maintenance works)</li> <li>Project planning for remaining Stage 2 works (TBC)</li> </ul>

Updated Project Road Map/Schedule																								
	2020		2021											2022										
Project task	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Comments
Contractor Optioneering																								
Design Optioneering Workshop																								
Contractor Developed Design																								
BDC Approval of Developed design																								
Resource Consents and Easements and access Agreement																								One easement agreement remaining to be formalised (in-principal agreement)
Detailed Design																								Open trench design complete. PRV Design complete. Bridge design complete.
Construction																								Some design to continue with construction (drill shot works, in particular)
Commissioning																								Pipe Install Only.
Draft Completion Date																								◆ DIA Funding Scope - 30 June 2022 Remaining works to McKenna Road (TBC)

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comments
1) Signed ECI Contract	18 Dec 2021		100%	
2) Design Optioneering Workshop with BDC	12 Feb 2021	29 Jan 2021	100%	
3) Confirmation of Preferred method and material type	26 Feb 2021	30 March 2021	100%	
4) BDC Approval of Developed Concept design	5 March 2021	30 March 2021	100%	
5) Detailed Design Commences	8 March 2021	01 April 21	95%	Note design process will continue beyond construction start date as work will be delivered in sections.
6) Design Process Complete	13 Aug 2021	(Open Cut Sections) Dec 2021 Drilling TBC	100%	Note design process will continue beyond construction start date as work will be delivered in sections (Drilling Design is part of remaining works to McKenna Road, that is TBC, subject to BDC Approval)
7) Resource Consents lodged	15 March 2021	NA	N/A	Not required
8) Construction	12 April 2021	Dec 2021	100%	DIA scope completed, remaining works funding by BDC
9) Sequential testing and commissioning	June 2022	TBC	0%	To be completed as part of the new scope
9) Construction completion	June 2022	June 2022 *	30 June 2022	*DIA-funding scope completion: 30 June 2022 Remaining works to McKenna Road (TBC, subject to BDC Approval)
10) Final Commissioning and Testing	June 2022	TBC	0%	To be completed as part of remaining works to McKenna Road

Financials							
A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.							
Programme/Project Item	Project Budget	Original Budget Estimate	Actual Spend to 31 July 2022	Accruals to 31 July 2022	Forecast cost to complete	Project Variance	Commentary
Funding	\$3,500,000.00						From Three Waters Reform Grant (DIA-funded scope)
		-\$70,000.00					\$70k budget transfer to Punakaiki Water Upgrade
Westport Trunk Main Project		\$2,900,000.00	\$2,900,000	\$0	\$0	\$0	H&B Scope for DIA Funding Scope ONLY. Actual Spend covers up to Payment Cert 13 (including Retentions).
Project Delivery		\$530,000.00	\$487,023.99	\$9,577.23	\$31,499.02	\$0	Remaining forecast is for PMO costs not yet captured for May and June.
<b>Total</b>	\$3,500,000.00	\$3,430,000.00	\$3,387,023.99	\$9,577.23	\$31,499.02	\$0	

Risks/Issues/Outcomes			
Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)			
Risk/Issue	Magnitude	Likelihood	Mitigation
Damage to existing watermain when installing new main	medium	low	Narrow Easements, use of temporary above ground jumper main, work in sections and isolate work, Renew in section and pressure test. New Alignment proposed to avoid Stephens Road and Kiwi Rail Land
Ground Conditions – High Water table/organics	medium	low	Equipment Selection, Selection of Wrapped Ballast/bedding material, Pumping and Dewatering.
Environmental Management Plan	low	low	Dewatering Issues and handling of super chlorinated water included in Assessment of Environmental Effects.
Resource Consenting	medium	low	Early involvement of WCRC in Optioneering workshop to promote collaboration.
Traffic Management /Rail Corridor	low	low	Investigation and suitable planning.
Cost Escalation	medium	low	Estimates during Optioneering. May be mitigated by reduction in overall length of pipe or termination point under this project. Note current plan includes new pipe to Derby Street.
Difficult Land Access	medium	low	Early consultation interaction by Council to enable mitigation through discussions with landowners / Iwi/ Kiwi Rail
Archaeological	low	low	Check records and determine impact on consenting.
Existing Easement Status	medium	medium	Early assessment of the Status of Easements requires confirmation and mitigated through Council assistance in clarifying existing status.
Weather / Rain	medium	medium	Significance of Wet Weather will be determined by choice or method of construction. Open trench more significant than Lining Option or Trenchless Installation method.
Earthquake-risk	medium	low	Additional geotechnical investigation conducted to refine assessments and provide options for best alignment shift and depth of pipeline. Review critical areas and review construction methodology. Pipe material performance in this type of event will also be considered. Build resilience in network design.
H&S Heavy plant and equipment	medium	medium	Ensure Contractor has a comprehensive plan of their construction methodology that shows how they will be moving plant to site and then conduct regular Principal audits to ensure compliance with plan. Closer review of Contractor Health and Safety processes - ensure health and safety documentation and work permits have been received by Engineer to the Contract (ETC). Contractor to improve works planning and execution on site. Contractor to reassess JSAs when things change.

## Redeployment Outcomes

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

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - <i>Full-time</i> - <i>Part-time</i> - <i>Contractor</i> - <i>Consultant</i>
BDC Council Staff	1	0	1	0	0	0	1	Fulltime
Hadlee & Brunton (H&B)	2	0	0	0	0	0	0	Contractor Note: Updated Details to be confirmed with H&B* Subcontractors not included
Calibre Group	2	0	0	0	0	0	1	Consultant
<b>Total</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	

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

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future
5	0	5

## Communications

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

Project included in previous Council Newsletters.

*Note: Last easement agreement yet to be formalized. This will likely be completed as part of the next stage of works (Three easement agreements signed and completed, one remaining with in-principal approval. Remaining agreement is not located in (DIA funded) scope of works after 30 June 2022*

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



### Programme/Project Details

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

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

Aspect	Status	Comments
<b>Overall:</b>	A	The project is in its delivery readiness phase. Scenario 3 approved by Council covering the Raw Water Component that encompasses Alternative C - Value Engineered Option and \$900k Resilience works with total budget of (\$2.3M). Procurement exemption documentation will be completed and tabled to Council at the August meeting to approve procurement of the \$900k works with one or both of the existing contractors for completion by the end of Dec 2022.
<b>Budget:</b>	R	Council Funded. Budget approved by the Council at the meeting on the 25 <sup>th</sup> of August 21 confirmed an approved total project inclusive of sunk costs to date of up to \$2.3M. Going forward from the 31 Aug 22 there is \$1.95M allocated and is comprised of a \$250k allowance (contingency) for estimate and event risk, \$145K project delivery (project management & owner's costs), \$405K will be invested into the most critical elements of the raw water system, and up to \$900k to resilience improvements to the existing Waimangaroa WS network. Additional MoH subsidy funding of \$206,739 was received and completed and used for replacing the existing PVC water main within the sealed section of Conns Creek Road.
<b>Scope:</b>	G	Waimangaroa Water Supply Conns Creek Upgrade - Raw water scope confirmed, and the Resource Consent has been received. Total max value of the of raw water components to enable of raw water scope to meet current budget of \$422K (includes a contract contingency) has been agreed with WRSL. Council have approved the scope of works for what the \$900K can afford in relation to resilience improvements now that the Water Treatment Plant is no longer proceeding. These works will be procured and will aim for completion by the end of Dec 2022.
<b>Resource:</b>	A	David Chung (Calibre) Project Manager, CJ Colls (surveying), West Reef Services ECI Contractor (Raw Water Upgrade), W2 Subconsultant to WRSL, WSP Opus (Planning Consultants for consenting) & Tru-Line Civil (MoH funded section). Options of using both TLC and WRSL for the \$900K resilience works will help overcome resourcing availability of sole reliance on WestReef Services Ltd.
<b>Schedule:</b>	R	Original timeline for Raw Water contract is now at risk as Conns Creek Road has been severely damaged in two main areas to make the road non trafficable, which prevent WRSL from being able to use the road to deliver materials and personnel to site. Current indications from DOC and Fulton Hogan are that the road is unlikely to be sufficiently repaired to enable vehicle access until at the earliest the end of Oct 2022. WRSL have and will continue to request extensions of time for this event- latest EOT provides recommencement on site on 01 Nov 22 on the proviso that the road is repaired sufficiently for them to use. Draft BDC project timeline supplied and updated to reflect Conns Creek Road repairs on the critical path. Physical works to replace 530m of pipeline in the sealed section of Conns Creek Road was completed by 30 June 22. BDC are now in receipt of the MoH subsidy of \$206,739. The \$900K phase of works are programmed in for completion by end of Dec 2022.

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

State of Play	
Last Month's July 2022	Next Month August 2022
<ul style="list-style-type: none"> <li>Completed procurement exemption for the \$900K Waimangaroa resilience works to be tabled at the July 22 Council Meeting</li> <li>Continue to push DOC and Fulton Hogan for urgent repairs to Conns Creek Road</li> <li>All consents in place for the remaining proposed works down Conns Creek Road</li> </ul>	<ul style="list-style-type: none"> <li>Council endorses procurement exemption</li> <li>Complete any designs required for the \$900K resilience work packages</li> <li>Commence award of contracts for the construction of the \$900K resilience work packages</li> </ul>

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

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

## Financials

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

Programme/Project Item	Indicative Budget	Actual Spend to 30 July 22	Accruals to 30 July 22	Estimated Forecast cost to complete	Estimated Project Variance -ve (over) +ve is (under)	Commentary
Conns Creek Sealed Road – 530m Pipeline replacement MoH Subsidy	\$206,739.00					
Waimangaroa WS Capital Budget allocation FY 21/22	\$15,000.00					
Conns Creek WS Upgrade WTP & Storage & Rising/ Falling Mains - Alternative C (Value Engineered) Scope Changed to Improved network resilience and no Water treatment	\$900,000.00					Scenario 3 selected – Options 1-8 approved
Conns Creek WS Upgrade Raw Water Component - Alternative C (Value Engineered)	\$420,000.00					
Project Delivery	\$550,000.00					Contract Timeframes for the Raw Water components construction completion could extend to end Dec 2022 – Mar 2023, which is 6 – 8 months more than originally programmed. Additional consenting costs for additional works within Conns Creek Road
Contingency – Estimate & Event Risk	\$430,000.00					
<b>Total</b>	<b>\$2,521,739.00</b>	<b>\$785,488.43</b>	<b>\$16,836.00</b>	<b>\$1,719,414.57</b>	<b>\$0</b>	<b>Estimated Cost at Completion is \$ 2,521,739.00</b>

## RISK MATRIX DEFINITIONS AND PARAMETERS

Consequence	Risk Assessment Matrix						Risk Rating		Action, Escalation & Review Timeframe Needed
	Catastrophic (5)	5	10	15	20	25	20 – 25	<b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
	Major (4)	4	8	12	16	20			
	Moderate (3)	3	6	9	12	15	10 – 16	<b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
	Minor (2)	2	4	6	8	10			
	Insignificant (1)	1	2	3	4	5	4 – 9	<b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)			
	Likelihood						1 – 3	<b>Low</b>	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

**Table 5: Likelihood of Occurrence**

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

**Table 6: Risk Event Consequence**

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

**Table 6: Risk Event Consequence**

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

Risk ID	Risk Title	Risk Description & Impact	Change			Risk Owner	Control Owner	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating			Control Plan	Treatment date due	Escalation Pathway
Unique code for easy identification	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Change in risk rating since last review			Person accountable for ensuring the risk is monitored and controlled, and, where necessary, escalated	Person accountable for ensuring the control plan for the risk is implemented	Based on the 8 risk categories in Tables 2 and Table 6	Based on consequence options listed in Table 6	Based on the likelihood options listed in Table 5	Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account			Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
Reference		CONSEQUENCES SCORING Catastrophic (5) Major (4) Moderate (3) Minor (2) Insignificant (1)	Consequence	Likelihood	Risk Rating				Consequence	Likelihood	Risk Rating	LIKELIHOOD SCORING Rare (1) event occurs > 5 years Unlikely (2) event occurs 3 to 5 years Possible (3) event occurs in 2 years Likely (4) event occurs once a year Almost Certain (5) event occurs more than once a year	Consequence	Likelihood	Residual Risk Rating	Description		
			1-5	1-5					1-5	1-5			1-5	1-5				
Risks																		
Buller District Council Specific Risks - July 2022																		
Design																		
D04	Design	Slips along pipe route	4	3	12	Project Manager	BDC / designer / Mfce Contractor	Operations and Service Delivery	4	3	12	Provide resilient design- repairs carried out within 24 hrs	2	1	2	Ensure new design supports are robust and replace vulnerable sections with PE pipe	30 June 2022	BDC Working Group
D08	OPS and Service Design	Alternative C : Ensure that the WTP design is fit for purpose and meets DWSNZ water quality requirements	4	3	12	Project Manager	BDC / designer	Operations and Service Delivery	4	3	12	WTP design will meet DWS treatment but not the resilience requirements of the network	3	3	9	Continue detailed raw water sampling to provide data to tenderers	30-Sep-21	BDC Working Group
D14	OPS and Service Design	Final Design provides no increased resilience in the network, which may affect level of service	4	4	16	Project Manager	BDC	Operations and Service Delivery	4	3	12	Design relocatable process plant to provide resilience in event of future catchment variability Continue to repair network when breakages occur. Ensure intake works are easily assessable and repairable	3	3	9	Complete full Raw Water reticulation network & head water upgrade , and ensure it is included within the Annual Plan process	30-Jun-24	BDC Water Coordinator
Approvals																		
A01	Approvals	Resource consent approvals includes DOC and Heritage NZ	3	3	9	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	3	3	9	Early engagement with affected parties Sufficient information and investigation provided for evaluation and approval by WCRC	2	1	2	Heritage, DOC included in RC process, and Specialist Consultant WSP-OPUS engaged to carry out the application	30-Oct-21	BDC Working Group
Procurement																		
P01	Procurement	Risk Challenge Value for money and ability to undertake ECI Raw water and intake structure components on a direct engagement	3	3	9	Project Manager	BDC	Financial / Economic	3	3	9	Procurement plan details procedure in accordance with BDC procurement policy	2	1	2	Ensure this is explained in Council report		BDC Working Group
Construction																		
C02	Construction	Material and equipment supply chain cannot deliver to programme	4	3	12	Project Manager	BDC	Financial / Economic	4	3	12	Current supply chain is stretched and will need to consider pre-purchase of materials and providing early notice	2	2	4	Get feedback from suppliers on what elements may need pre-purchase by Council, not delay the procurement process		BDC Working Group
C03	Construction	ECI Raw Water Contractor lacking resourcing , due to other Council commitments	4	3	12	Project Manager	BDC	Human Resources	4	3	12	Ensure Contractor commits resources and provides advance notice of any resourcing issues to enable them to engage sub contractors Look at splitting work packages up to other available Contractors	2	2	4	Continuous tracking of Contractors resourcing to know in advance if resourcing will be an issue and raise with Contractor		BDC Working Group
C04	Construction	Inclement weather disrupts construction and causes access issues	3	3	9	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	3	3	9	From H&S stop work until site is safe to work	2	2	4	Ensure adequate allowance within Contract period for inclement weather so Contractor has resourced sufficiently to meet completion date		BDC Working Group
C05	Construction	Difficult construction Access and Sensitive Heritage area	2	3	6	Project Manager	BDC	Environmental	2	3	6	Environmental assessment and Contractor supplies an Environmental Mgmt. Plan	2	2	4	Ensure audits conducted by Principal that Contractor is adhering to EMP's and Methodology	30-Sep-21	BDC Working Group
C06	Construction	Steep topography/difficult terrain	3	3	9	Project Manager	Contractor	Environmental	3	3	9	Where required use Helicopters to airlift materials to the site to reduce risks of damage to surroundings or hazards to workers	2	2	4	Comprehensive methodology to be supplied by Contractor along with H&S plan and contingency plans		BDC Working Group
C08	Construction	H&S of Movement of heavy plant and equipment to remote site	3	3	9	Project Manager	Contractor / BDC	Environmental	3	3	9	Ensure Contractor has a comprehensive plan of their construction methodology that shows how they will be transporting plant to site and then conduct regular Principal audits to ensure compliance with plan	3	1	3	Current strategy sufficient to mitigate risk		BDC Working Group

Risk ID	Risk Title	Risk Description & Impact	Change			Risk Owner	Control Owner	Risk Category	Risk Consequence	Risk Likelihood	Inherent Risk Rating	Key controls in place	Residual Risk Rating			Control Plan	Treatment date due	Escalation Pathway
Unique code for easy identification	Brief and uncomplicated	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Change in risk rating since last review			Person accountable for ensuring the risk is monitored and controlled, and, where necessary, escalated	Person accountable for ensuring the control plan for the risk is implemented	Based on the 8 risk categories in Tables 2 and Table 6	Based on consequence options listed in Table 6 - ?	Based on the likelihood options listed in Table 5	Level of risk in the absence of controls	Description of existing controls	Level of risk that remains after taking the existing controls into account			Description of further controls (if required) from the detailed control plan developed by the risk owner	Due date that treatment from control plan must be in place	To whom the Risk Owner / Control owner should escalate the risk should it exceed tolerance level
Reference		CONSEQUENCES SCORING Catastrophic (5) Major (4) Moderate (3) Minor (2) Insignificant (1)	Consequence	Likelihood	Risk Rating				Consequence	Likelihood	Risk Rating	LIKELIHOOD SCORING Rare (1) event occurs > 5 years Unlikely (2) event occurs 3 to 5 years Possible (3) event occurs in 2 years Likely (4) event occurs once a year Almost Certain (5) event occurs more than once a year	Consequence	Likelihood	Residual Risk Rating	Description		
<b>Ops/Maintenance</b>																		
OM01	Ops/Maintenance	Damage to assets - slips or natural events	4	2	8	Project Manager	Designer / Mctc Contractor	Operations and Service Delivery	4	2	8	Addressed through resilient design, and also Geotech investigations to select new intake site	2	2	4	Ensure Mctc Contractor provides input into how easy the design is to repair or put back into operation		BDC Working Group
OM08	Ops and Service Delivery Maintenance	Potential change in catchment conditions requiring relocation of intake and new source	4	3	12	Project Manager	BDC / Mctc Contractor/ Technical Water Advisor	Operations and Service Delivery	4	3	12	Current option has a low cost but easy to repair or relocatable intake if the catchment conditions change	2	3	6	Regular inspections of intake and continued water testing and sampling	30-Jun-24	BDC Water Coordinator
<b>Financial</b>																		
F03	Financial	MOH funding reduced if Raw Water reticulation replacement not carried out	3	3	9	Project Manager	BDC	Financial / Economic	3	3	9	Confirm key conforming parameters from MOH to retain funding and implement if possible	1	3	3	Provide timeline for full Raw Water Line replacement for MOH to consider approving funding. Note WTP will be installed to ensure compliant drinking water		BDC Working Group
F04	Financial	Final design option exceeds allocated budget	3	3	9	Project Manager	BDC	Financial / Economic	3	3	9	Prioritise construction stages to meet initial budget then allow within LTP for a gradual upgrade	2	3	6	Current strategy sufficient to mitigate risk	30-Sep-21	BDC Working Group
F05	Financial	Annual opex is high, rates impact	2	4	8	Project Manager	BDC	Financial / Economic	2	4	8	Opex budget to be confirmed during Contractor procurement process	2	2	4	See if there are alternative ratepayer funding models that can be used i.e. All water supplies could be brought in a single "water club", rather than having each water supply ringfenced. This is how the new water entity will work, and moving the schemes to a single club now will be beneficial later		BDC Working Group
F07	Financial	Available funding will not cover full asset replacement so may require priority items leaving residual risk	3	3	9	Project Manager	BDC	Financial / Economic	3	3	9	Ensure key areas are funded that will provide a compliant drinking water to minimise H&S risk to residents	2	2	4	Make sure that MOH understand that safe drinking water is 1st priority and resilience of network is next		BDC Working Group
<b>Environmental</b>																		
E01	Environmental	Adverse effects to the environment during heavy rains and storms.	4	3	12	Project Manager	All parties.	Environmental	4	3	12	Contractor to develop, Environmental Management Plan to manage run off from the site	2	3	6	Implementation of the plan to be audited at agreed intervals by the Contractor's independent auditor.		BDC Working Group
<b>Programme</b>																		
<b>Stakeholder engagement</b>																		
S01	Reputational	Perception of 'wasted time & money'	3	4	12	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	3	4	12	Comprehensive technical & economic review	2	1	2	Proactive status reports, updates		BDC Working Group
S03	Reputational	Waimangaroa Stakeholders Group	4	4	16	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	4	4	16	Current strategy of regular communications	1	2	2	Meet with Ratepayers Association with specific consultation		BDC Working Group
S04	Reputational	Community makes a challenge to the proposed scheme	2	3	6	Project Manager	BDC	Reputational / Stakeholder Engagement / Political	2	3	6	Current strategy of regular communications	2	2	4	Make Community aware of what is non negotiable with respect to drinking water compliance		BDC Working Group
<b>Legislative Risk</b>																		
L01	Legal/regulatory	Compliance with current legislation and DWNZ standards	5	5	25	Project Manager	BDC	Legal / Regulatory	5	5	25	Permanent boil water notice	1	1	1	Design and implement proposed upgrade of WTP to ensure drinking water quality compliance	30-Jun-22	BDC Working Group

Redeployment Outcomes								
The following table shows the number of people working to deliver the project in the current reporting period.								
Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - <i>Full-time</i> - <i>Part-time</i> - <i>Contractor</i> - <i>Consultant</i>
Waimangaroa Water Supply Upgrade								
Buller District Council	2	0	2	0	0	0	1	Full Time
Contractor	3	0	3	0	0	0	0	Consultant
Calibre Group	1	0	0	0	0	0	0	Consultant
WSP OPUS	1	0	0	0	0	0	1	Consultant
Total	7	0	5	0	0	0	2	
The following table shows total current, past, and expected future jobs								
Current Jobs		No. of people previously but no longer employed on the project			Expected jobs in the future			
7		4			5			
An update on media, marketing, and communication activity for the programme/project								
A newsletter was produced last month and distributed to the community, another one is in the works and will be distributed once completed. A community meeting to be arranged when appropriate to inform them of the progress of the project.								

## Conns Creek Road Wishaw to Neighbours Street replacement

A new pipeline connecting Wishaw Street to Neighbours Street has been installed and connected to the reticulation. This work included the installation of 540m of PE pipeline, and associated hydrants and valves.

This work was funded by the Ministry of Health Capital Assistance Programme (CAP) Subsidy and physical works were completed by TruLine Civil Ltd.

## PERC showers and bottled water

Due to the recent frequency of water shutdowns in Waimangaroa, in the case of a water outage local residents are invited to use:

- Showers at the Pulse Energy Recreation Centre (PERC)
- Collect bottled drinking water locally (to be distributed from the Fire brigade by Council staff) for any outage over 8hrs.

Please bring your ID with you and provide the reception staff at the PERC with your name. The staff will be aware of this offer and welcome you.

Buller District Council (BDC) encourages residents to keep their own 24-hour emergency water supply in case of unplanned outages.

This support offer was made possible through a partnership between Buller District Council, Pulse Energy Recreation Centre and Civil Defence.

## Monitoring hub

A monitoring hub is proposed to be installed. This will include measurements of flow and turbidity with potential for future additions. The installation of a turbidity meter will provide further information for future treatment plant investigation, and the installation of a flow meter will assist with demand management.



## Conns Creek and township pipeline replacement

Upgrades to the Conns Creek and township reticulation are proposed. The existing Conns Creek PVC Rural pipeline will be replaced by a Polyethylene (PE) pipe. This section has experienced several breakages in the last year, and the installation of new infrastructure will ensure a reliable supply to Waimangaroa. Critical sections within the Waimangaroa network will be selected for replacement. This will include replacement of laterals and Tobies in these key areas.

## Leak detection and remote connections

A leak detection survey will be undertaken in Waimangaroa. This will build on existing demand management work undertaken in 2021. Exploring the removal of remote water connections removes a potential source of leakage and illegal connections to the supply.



## Waimangaroa Water Supply Upgrade Project Update

Newsletter 4 • June 2022



Kia ora koutou

*This newsletter is one of a series providing updates to the Waimangaroa Community on the progress of the upgrades to the Waimangaroa Water Supply.*

## Summary of upgrades

The Buller District Council 2022/23 Annual Plan has budgeted for the Council Resolved \$2.3M Scenario 3 (improved resilience) which includes \$900k of priority reticulation and trunk main renewals. The Waimangaroa Water Supply upgrade works now includes: upgrades to the intakes and settling tanks; replacement of the Conns Creek Pipeline; replacement of sectors of township reticulation; a monitoring hub and leak detection work. This is summarised on the following pages.

As resolved by Council these upgrades will not include a Water Treatment Plant or storage tanks. Hence the upgrades will achieve improvements in resilience but not compliance. The repair of significant damage to Conns Creek Road is the responsibility of the Department of Conservation (DOC). Until DOC have completed the road repairs, access to the raw water system remains limited.

## Recent outages

The Conns Creek Road water line has suffered from some recent outages due to breakage and splitting. In addition to this the re-living of the main, after sections were replaced by Council's contractor, did not go as planned and caused elevated levels of cloudiness and sedimentation in the consumers water supply. The Waimangaroa township reticulation network has had a long history of raw water flowing through it, so re-living procedures can stir material. Staff reduce this by a regime of hydrant flushing. Council apologies for the inconvenience caused.

## Intake upgrades

Upgrades to the intake have been designed, however, construction has been delayed due to the washout on Conns Creek Road preventing access to the site. This upgrade includes installation of the new Conns Creek primary intake, an upgrade of the existing secondary (Unnamed Creek) intake and installation of storage and sedimentation tanks.

Works are being undertaken by WestReef Services Limited and will be able to commence once the Conns Creek Road repairs are complete.



FOR MORE INFORMATION

email: [info@bdc.govt.nz](mailto:info@bdc.govt.nz) or visit Council's website [www.bullerdc.govt.nz](http://www.bullerdc.govt.nz)



## Why water tanks are not an option

The community has asked about the opportunity to have self supply water tanks. Council has resolved that it isn't practical for the following reasons:



Size of the population served puts it outside of the Local Government Act Section 131 Subclause 2 (a), allowing for the dissolution of the water supply.

– And even if it did meet that requirement it would then still need to then meet all other requirements of the remainder of Subclause 2, including the Regulators (Taumata Arowai) support and approval.



The restrictions of self-supply in relation to physical lot size and catchment parameters of each and all residents is not equal. Not every property can fit tanks.



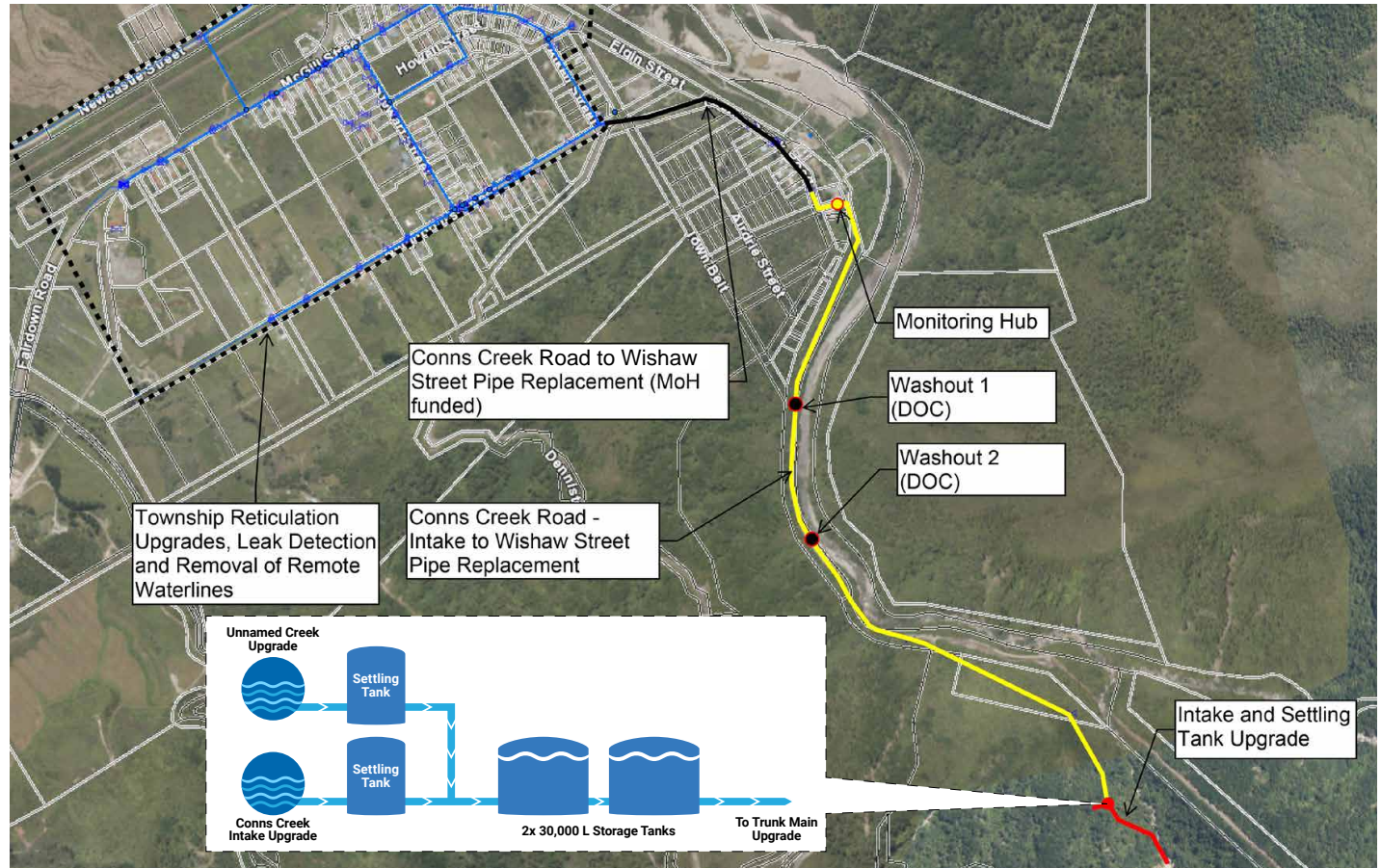
The need to remain a Urban Fire District FW2 compliant under SNZ PAS 4509:2008 New Zealand Fire Service firefighting water supplies code of practice.



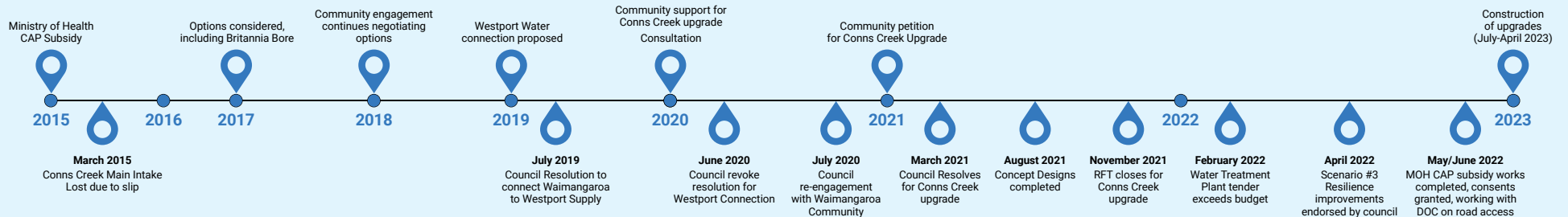
Houses with roofing material inappropriate for rainwater harvesting.



Initial set up costs of \$4,000 per 30,000L tank, pump and filter / UV combo. \$2,000 on site and POS plumbing at \$2,000. An average of \$8,000 each x 139 connections = \$1.1m, plus maintenance for existing reticulation.



## Project timeline



## FINANCE, RISK AND AUDIT COMMITTEE

17 AUGUST 2022

### AGENDA ITEM 11

**Prepared by** Rod Fox  
Group Manager Commercial & Corporate Services

#### PUBLIC EXCLUDED

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#### 1. REPORT SUMMARY

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

#### 2. DRAFT RECOMMENDATION

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

Item No.	Minutes/Report of:	General Subject	Reason For Passing Resolution Section 7 LGOIMA 1987
12	Douglas Marshall Chief Financial Officer	Rating System Legal Review Report	<b>Section 7(2)(f)(i) -</b> the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom <a href="#">section 2(5)</a> applies, in the course of their duty
13	Deputy Mayor Sharon Roche	Chief Executive Annual Salary Review	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