



AGENDA

Meeting of the
Finance, Risk and Audit Committee

Wednesday 18 May 2022
commencing at 3.00pm

To be held:
Clocktower Chambers,
Palmerston Street, Westport

Finance Risk & Audit Committee

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

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

Venue: Via ZOOM



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FINANCE, RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM 1

Prepared by Rod Fox
Group Manager Commercial and Corporate Services

APOLOGIES

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

18 MAY 2022

AGENDA ITEM 2

Prepared by Rod Fox
Group Manager Commercial and Corporate Services

MEMBERS INTEREST

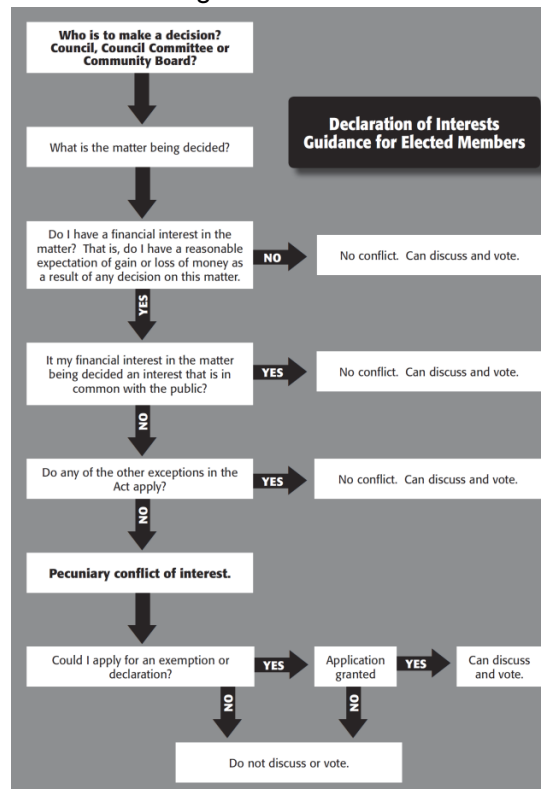
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

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

18 MAY 2022

AGENDA ITEM 3

Prepared by Rod Fox
Group Manager Commercial and Corporate Services

CONFIRMATION OF MINUTES

1. RECOMMENDATION

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

**MEETING OF THE FINANCE, RISK AND AUDIT COMMITTEE, 3:00PM ON WEDNESDAY
20 APRIL 2022, VIA ZOOM**

PRESENT: DM S Roche (Chair), Mayor J Cleine, Councillors J Bougen, D Hawes, J Howard, R Nahr, P Rutherford, R Sampson, G Weston, Iwi Representative N Tauwhare

APOLOGIES: Councillor M Montgomery

IN ATTENDANCE: R Fox (Group Manager Commercial & Corporate Services), G Martyn (Human Resources and Health & Safety Advisor), G Barrell (Governance Secretary), V Hill (Governance Assistant)

MEDIA: Ellen Curnow (Westport News)

MEETING DECLARED OPEN AT: 3.00pm

This meeting was livestreamed on YouTube

DM S Roche (Chair) began the meeting by advising councillors that Agenda Item 7 Capital Income & Expenditure Report required more information and that the Chief Executive Officer should be present when the paper was tabled.

As Chair of the Finance, Risk & Audit Committee, DM Roche deferred the paper to the next meeting 18 May 2022. This was allowed as per Standing Orders.

1. APOLOGIES (p8)

Discussion:

An apology was received from Cr M Montgomery.

RESOLVED that the Finance, Risk and Audit Committee receive apologies from Councillor M Montgomery.

DM S Roche/Mayor J Cleine

10/10

CARRIED UNANIMOUSLY

2. MEMBERS INTEREST (p9)

Discussion:

Cr R Nahr declared an interest in Item 13 - Buller Holdings Ltd/Buller District Council Governance Meeting – Confirmed Minutes.

Cr Nahr would leave the meeting when this item was discussed as it was the last item in the public excluded section of the agenda.

Mayor J Cleine declared an interest in Item 8 – Projects in Partnership Westport water supply main truck stage two.

Mayor Cleine has an interest in Utopia Farms Ltd which was an affected party and would not vote on this item.

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

Cr G Weston/CR J Howard
10/10
CARRIED UNANIMOUSLY

3. CONFIRMATION OF MINUTES (p10)

Discussion:

Cr P Rutherford would abstain from the vote as he was not present at the meeting.

RESOLVED that the Finance, Risk and Audit Committee receive and confirm minutes from the meeting of 23 March 2022.

Cr J Bougen/Cr J Howard
9/10
CARRIED UNANIMOUSLY
Cr P Rutherford abstained

4. ACTION POINTS (p27)

Discussion:

Item 189 – Bridging Finance NEMA Invoices

This item has been added to the Strategic Risk Register internally and will come to the June meeting as part of the quarterly report. Update date required by June 2022.

Item 185 – Punakaiki Campground Lease

Cr P Rutherford said the Update should read “lease the land *from* the BDC.”

Cr R Sampson was under the impression the Profit and Loss report was for the Council rather than the Lessee and that councillors should be looking at the Council position in terms of profit and loss.

R Fox (GM Commercial & Corporate Services) advised the Profit and Loss report of a number of campgrounds were being looked at and this paper would come before the Council. In this case the leasing entity was being referred to.

Cr Sampson believed it was necessary to consider the Council profit and loss position.

The rent holiday period which was allowed was discussed following a query from Cr Sampson.

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

Cr R Nahr/Cr G Weston

10/10

CARRIED UNANIMOUSLY

5. FINANCIAL PERFORMANCE – EIGHT MONTHS TO 28 FEBRUARY 2022 (p29)

Discussion:

Cr P Rutherford asked for clarification regarding the whitebait farm share purchase.

It was Cr Rutherford's understanding that \$500,000 of Government funds were to be used to purchase shares that would be written off.

Mayor J Cleine confirmed that tax payer money was part of the risk the Provincial Growth Fund (PGF) were prepared to extend to the whitebait farm. Buller ratepayers would not be out of pocket.

DM S Roche deferred the conversation to the public excluded section of the agenda when the whitebait project would be discussed.

Shortfalls in bulk shipping revenue and Orowaiti cemetery in relation to budget were discussed.

Cr R Sampson queried page 32 \$340,000 in reserves. End of year adjustment was discussed and Cr Sampson noted that this money was not really available to spend.

R Fox (GM Commercial & Corporate Services) would look into this and update councillors.

DM S Roche noted that on page 30 under Flood Event it was stated that all income to do with the floods was expected to be expended in this financial year.

Funds currently held in the Mayoral Relief Fund were not expected to be expended by the end of June. There was still quite a sum of money there.

DM Roche also noted that on page 31 Flood Event Income and Flood Event Expenditure variance should be 0 and not \$20,791.532.

Figures on the projected variance for the full year were not correct and would be amended.

Roading & Urban Development Income for Little Wanganui bridge noted that this would not be going ahead and would not be funded. DM Roche queried if there should be a corresponding amendment to Roothing & Urban Development Expenditure.

This would be referred to R Fox (GM Commercial & Corporate Services) for further clarification.

Additional Grants – Water Supply Income of \$2,600,000 should be matched with Expenditure as well.

Clarification would be sought from M Duff (GM Infrastructure Services) and the Finance team.

Cr P Rutherford would like the answers to these questions made available to the public, rather than just circulating answers to councillors.

RESOLVED That the Finance Audit and Risk Committee receive the Financial Performance - Eight Months to 28 February 2022 for information.

Cr P Rutherford/Cr R Sampson
10/10
CARRIED UNANIMOUSLY

6. INVESTMENTS AND BORROWINGS – MARCH 2022 (p33)
Discussion:

Nil.

RESOLVED that the Finance, Risk and Audit Committee receive the Investments and Borrowings report for information

Cr J Bougen/Cr R Nahr
10/10
CARRIED UNANIMOUSLY

7. CAPITAL INCOME AND EXPENDITURE REPORT (p42)

DEFERRED

8. PROJECTS IN PARTNERSHIP UPDATE REPORT (p55)

Discussion:

Cr R Sampson noted a few programmes were not in the report, for instance Waimangaroa water supply and the Toki Bridge.

DM S Roche advised that verbal reports rather than written reports were given at the last Projects in Partnership meeting.

These verbal updates would be recorded in the minutes which would be circulated to all councillors.

Cr P Rutherford queried a workshop which was to be held with insurance groups around the potential effect of climate change on future insurance and how this would be reported back to the community.

R Townrow (Deputy CEO) advised that insurance parties would be coming to Westport to deliver information to the community regarding recent public statements about a risk based approach to offering insurance.

Councillors will be able to hear that information and be aware of it when developing climate change strategy.

Cr Rutherford also pointed out the large residual amount of -\$342,020 on page 67 R&M to seawalls/wharf back sheathing and asked if this was a piece of work that was not going ahead.

R Fox responded that this work had been overtaken by flood events with the most recent flood event taking out a great deal more back sheathing.

Earlier damage had been exacerbated and it was hoped this would be covered by Tranche 2 funding.

Mayor J Cleine confirmed this saying the genesis of this funding predated the flooding and these figures related to a body of work that was planned to repair existing damage.

Clearly this work still needed to be done and if successful, the Tranche 2 funding application would cover this work.

DM S Roche noted that Phil Rossiter had indicated funds had been reallocated to site works and gravel extraction. That had been approved by and updated through the Provincial Growth Fund (PGF).

Cr J Bougen asked that the verbal report of the Projects in Partnership meeting be put onto the Council agenda for next week so these matters could be discussed in public.

Mayor J Cleine confirmed this would be possible.

Mayor Cleine also added that with regards to Cr Rutherford's insurance question, central Government had the Natural Hazards Insurance Bill in process which was seeking to replace EQC and be expanded to cover natural hazards.

An invitation had been received last week and S Mason (CEO) and the Recovery team were looking into building a case around Buller specific issues as there was no cover available for damaged land however if there had been an earthquake, there would have been.

The new legislation would enhance existing legislation and allow the Government to underwrite hazard risk insurance.

There was further discussion regarding how verbal updates from the Projects in Partnership meetings were reported.

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

DM S Roche/Cr G Weston
10/10
CARRIED UNANIMOUSLY

9. AUDIT MANAGEMENT ACTION POINTS (p86)

Discussion:

DM S Roche reported that the current draft audit management letter had been received for the latest audit. Management had updated comments and sent their draft comments back to the auditor. It was expected a final letter would be received from Audit NZ in the next week or two.

DM Roche expected this letter would be presented to council at the May Finance, Risk & Audit Committee meeting.

RESOLVED that the Finance, Risk and Audit Committee receive the existing Audit Management Action Points for information.

DM S Roche/Cr D Hawes
10/10
CARRIED UNANIMOUSLY

10. COMMERCIAL AND CORPORATE SERVICES WORK PLAN (p)

Discussion:

DM S Roche informed councillors that the Draft Annual Plan and Consultation Document was out to the public for consultation.

Planned drop-in sessions were discussed along with visibility on website.

DM Roche asked that R Fox email all councillors with a diary update for drop ins.

Cr R Nahr noted that the Work Plan says preparing 2021 should be 2022.

RESOLVED that the Finance, Risk and Audit Committee receive the Commercial and Corporate Services Work Plan for information.

Mayor J Cleine/Cr J Howard

10/10

CARRIED UNANIMOUSLY

11. PUBLIC EXCLUDED (P94)

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

Item No.	Minutes/Report of:	General subject	Reason for passing resolution Section 7 LGOIMA 1987
12	Sharon Mason, Chief Executive Officer	Project in Partnership – Whitebait Aquaculture Project	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.
13	Deputy Mayor Sharon Roche	BHL/BDC Governance Meeting Minutes August 2021	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 P Rutherford/Cr G Weston

10/10

CARRIED UNANIMOUSLY

14. MOVE OUT OF PUBLIC EXCLUDED

RESOLVED that Council move out of Public Excluded.

Cr J Howard/Iwi Representative N Tauwhare
10/10
CARRIED UNANIMOUSLY

-
- There being no further business the meeting concluded at 4.18pm
 - **Next meeting:** 3:00pm, Wednesday 18 May 2022, Clocktower Chambers, Westport
-

Confirmed: **Date:**

FINANCE, RISK AND AUDIT COMMITTEE

18 MAY 2021

AGENDA ITEM 4

Prepared by Rod Fox
Group Manager Commercial and Corporate Services

ACTION POINTS

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 to BDC.	June 2022
189	23 March 2022	<i>Bridging Finance NEMA invoices</i> Bridging finance used for payment of flood recovery invoices prior to reimbursement from NEMA to be added to Risk Register	HR & H&S Advisor		Added to Risk Register, will be included in quarterly report in June 2022	June 2022
190	20 April 2022	<i>Financial Performance – Eight Months to 28 February 2022</i> Operational Expenditure Amenities & Reserves \$340,000 EOY adjustment. More information required	GM Commercial & Corporate Services	Verbal Update - FRAC May 2022		May 2022
191	20 April 2022	<i>Financial Performance – Eight Months to February 2022</i> Rooding & Urban Development Expenditure not amended to show project not proceeding. Amendment required	GM Commercial & Corporate Services	Verbal Update - FRAC May 2022		May 2022

Finance, Risk and Audit Committee

- **CURRENT** Action Points

No.	Meeting of:	Action Point	Responsible ?	Progress:	Update:	Date required by:
192	20 April 2022	<i>Financial Performance – Eight Months to February 2022</i> Additional Grants – Water Supply Income should be matched with Expenditure. Amendment required	GM Commercial & Corporate Services	Verbal Update - FRAC May 2022		May 2022
193	20 April 2022	<i>Projects in Partnership Update – Whitebait Aquaculture Project</i> R Townrow to give verbal update at next Council meeting regarding how \$500k value for shares will be accounted for More information required	Deputy CEO/GM Commercial & Corporate Services	Verbal Update - FRAC May 2022		May 2022

FINANCE RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM 9

Prepared by: Julia Gear
Trainee Financial Accountant

Lynn Brooks
Manager Finance

Reviewed by: Rod Fox
General Manager Commercial and Corporate Services

QUARTERLY REPORT: 31 MARCH 2022

1. REPORT SUMMARY

To provide Council with a financial performance update for the nine-month period ending 31 March 2022.

2. DRAFT RECOMMENDATION

That the Finance, Risk and Audit Committee receive the quarterly report for the nine months ended 31 March 2022 for information.

3. ANALYSIS & DISCUSSION

3.1 Statement of Financial Performance

Operating Result

Council has budgeted for a nine-month deficit of \$0.033m. The actual result is a surplus of \$5.746m which is a favourable difference of \$5.779m.

Analysis of this result is detailed below.

Operating Revenue

Overall operating revenue is \$37.292m compared to a budget of \$23.73m, a positive variance of \$13.556m. The main contributor is Subsidies and Grants income which is over budget due to receipt of unbudgeted grant income totalling \$13.169m. This variance includes flood recovery grants and donations, funding from Ministry of Business Employment and Innovation for Toki Poutangata bridge, port precinct and floating jetties, Department of Internal Affairs subsidy for Three Waters projects, Tourism Infrastructure Funding for Reefton toilets and other grants relating to increasing

employment opportunities in the region. Other unbudgeted income relates to insurance proceeds from the July flood event, also building fees and contributions related to increased building activity in the district.

The increase in grant income is offset by a shortfall in NZTA Waka Kotahi roading income relating to budget phasing, which is expected to be resolved by the end of the financial year.

Operating Expenditure

Operating expenditure totals \$31.546m compared to a budget to date of \$23.769m, a variance of \$7.777m.

Employment costs are \$0.972m greater than budget to date, mainly due to emergency response and flood recovery wages which were not anticipated when setting the budget, as well as additional employees for the Buller District Libraries. Corresponding grant income offsets this expenditure.

The variance of \$6.575m for other expenses includes unplanned emergency response and recovery costs and expenditure relating to the aforementioned flood response funded by external grant revenue.

A separate report will address income and expenditure relating to the flood response and recovery and the impact on Council financial results.

Other unbudgeted expenditure relates to the increased building activity however it is mostly offset by corresponding additional income.

3.2 Statement of Financial Position

As at 31 March 2022 Council reports a sound financial position.

Current Assets and Liabilities

Cash and Cash Equivalents includes the remainder of Mayoral Relief Funds and donations not yet distributed (\$0.389m). Net debt (being external debt less term deposits) is \$15.614m. By the end of the year, it is budgeted net debt will be \$21.394m to fund assets and infrastructure additions.

Non Current Assets

Other Investments includes LGFA Borrower Notes (required to be held as part of the loan funding agreement with LGFA) and other small bonds held.

3.3 Cash Flow Statement

Net operating cash inflow of \$12.743m from operating activities was positive during the nine months to 31 March 2021, with cash inflow exceeding the full-year budget due to grants and investment income. The net Investing cash outflow of \$13.203m was the result of fixed asset purchases. Overall Council's cash position has increased by \$0.980m since 1 July 2021.

3.4 Non-Financial Key Performance Indicators

A well-balanced reporting system includes both financial and non-financial reporting measures. Ideally non-performance reporting measures should provide information on key risk areas for Council to enable it to manage those risks more effectively.

The table of non-performance measures has been collated from the key performance indicators (KPIs) which were revised in each activity section of the 2021-2031 Long Term Plan.

Just the vital key performance indicators have been included in the table, not all of the KPIs that are included in the Long Term Plan. The rationale being that these selected KPIs highlight key risk areas of Council and help monitor organisational efficiency within Council.

Of the 18 targets, 13 have been achieved in the last quarter.

Refer to the Performance section of the attached quarterly report for details.

4. CONSIDERATIONS

4.1 Strategic Impact

The quarterly financial reports provide an overview of Council's financial performance and position during the financial year. This allows Council to monitor trends and evaluate progress against the strategies, financial budgets and service delivery adopted in the 2021-2031 Long Term Plan.

4.2 Significance Assessment

The Significance and Engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant for the purpose of public consultation but is an important component of monitoring progress against the 2021-2031 Long Term Plan.

4.3 Values Assessment

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

A performance reporting system aligns most strongly with Integrity.

Public reporting of Council's performance against budgets and key performance indicators encourages open and honest discussion and decision making.

4.4 Risk Analysis

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

Council prepares financial budgets to balance income and spending for each financial year. Budgets are based on the best information available at the time, but subsequent financial performance will be affected by events outside Council's control during the year. Regular monitoring of financial performance reduces the risk of financial pressure on Council because income and expenditure variances are identified early, and mitigating actions can be put in place as required.

4.5 Policy / Legal Considerations

The Local Government Act (2002) and associated regulation govern the activities of Buller Council, including preparation of Long Term and Annual Plans, financial prudence requirements and annual financial reporting.

The terms of reference of Finance and Audit Committee include monitoring financial performance to budgets.

4.6 Tangata Whenua Considerations

Not applicable.

4.7 Views of Those Affected

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

4.8 Costs

Because this report is for information purposes it does not generate activity or any associated costs.

4.9 Benefits

The benefits of a quarterly financial reporting regime include early identification of budget variances and intervention measures at a Council wide level.

4.10 Media / Publicity

There are no media or publicity opportunities with this report.

BULLER DISTRICT COUNCIL

Financial Report (unaudited)

For the Period Ending 31 March 2022

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Parent Mar-21 Actual \$000	Parent 2021/2022 Budget \$000	Parent 2020/2021 Budget \$000
CURRENT ASSETS			
Cash and Cash Equivalents	2,822	997	837
Trade and Other Receivables	6,192	5,834	5,638
Derivative Financial Instruments	0	0	0
Inventories	16	18	16
Other Current Assets	253	186	35
Short Term Investments	17,600	15,413	17,501
Assets Held for Sale	5	0	0
Total Current Assets	26,887	22,448	24,027
NON CURRENT ASSETS			
Investment in Council Controlled Organisations	19,382	20,404	20,541
Other Investments	702		0
Investment Property	10,101	7,943	8,317
Infrastructural Assets	360,482	375,221	347,501
Other Non-Current Assets	23,602	36,041	25,723
Derivative Financial Instruments	0	0	0
Deferred Tax	0	0	0
Intangible Assets	28	199	273
Total Non-Current Assets	414,296	439,808	402,355
Total Assets	441,183	462,256	426,382
CURRENT LIABILITIES			
Cash and Cash Equivalents	0	0	0
Trade and Other Payables	6,611	6,584	4,543
Derivative Financial Instruments	0	552	0
Tax Payable	0	0	0
Employee Benefits	669	741	515
Provisions	0	41	0
Current Portion of Borrowings	0	313	5,000
Total Current Liabilities	7,280	8,231	10,058
NON CURRENT LIABILITIES			
Derivative Financial Instruments	1,668	2,404	2,122
Provisions	1,620	1,485	1,208
Bond Deposits	214	88	82
Employee Entitlements	161	161	140
Deferred Tax	0	0	0
Borrowings	33,214	36,807	31,233
Total Non-Current Liabilities	36,876	40,945	34,785

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Parent Mar-22 Actual \$000	Parent 2021/2022 Budget \$000	Parent 2020/2021 Budget \$000
EQUITY			
Accumulated Funds	180,065	179,576	171,489
Reserves	5,972	4,100	4,319
Asset Revaluation Reserve	210,989	229,404	205,731
Total Equity	397,026	413,080	381,539
Total Liabilities & Equity	441,183	462,256	426,382

**STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE
FOR THE PERIOD ENDED 31 MARCH 2022**

	Parent Mar-22 Actual \$000	Parent Mar-22 Budget \$000	Parent 2021/2022 Budget \$000
<u>CONTINUING OPERATIONS</u>			
OPERATING REVENUE			
General Rates	7,087	7,099	9,465
Targeted Rates (excluding Metered Water)	4,946	4,927	6,593
Metered Water Charges	129	141	150
Rate Penalties	121	131	232
Subsidies and Grants	19,583	6,414	8,749
Investment Income	1,458	1,449	1,449
Other Income	1	0	0
Development and Financial Contributions	70	19	52
Fees & Charges	3,896	3,663	5,203
Vested Assets	0	0	50
Gain on Revaluations of Investment Land	0	0	133
Total Operating Revenue	37,292	23,736	32,076
OPERATING EXPENDITURE			
Employment Costs	6,064	5,092	6,727
Depreciation & Amortisation	5,049	5,049	6,743
Finance Costs	821	592	818
Other Expenses	19,611	13,036	17,292
Assets Written Off	0	0	481
Total Operating Expenditure	31,546	23,769	32,061
Net Surplus (Deficit) from continuing operations	5,746	(33)	15
Net Surplus (Deficit) before Taxation	5,746	(33)	15
Income Tax Expense	0	0	0
Net Surplus (Deficit) after Taxation	5,746	(33)	15
Other Comprehensive Revenue & Expense			
Gain on Revaluations of Assets Held for Sale	0	0	0
Increase/(decrease) in Infrastructure Revaluation Reserves	0	0	12,727
Gain/(Loss) on Investment Recognised in Asset Revaluation Reserve	0	0	0
Total Comprehensive Revenue & Expense	5,746	(33)	12,742

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

	Parent Mar-21 Actual \$000	Parent Full Year Budget \$000
Equity as of 1 July	391,280	400,338
Total Comprehensive Income	5,746	12,742
Transactions with Owners recorded directly in Equity	0	0
Total Equity at End of Year	397,026	413,080
Components of Equity		
Accumulated Funds	180,065	179,576
Reserves	5,972	4,100
Asset Revaluation Reserve	210,989	229,404
Total Equity at End of Year	397,026	413,080

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022**

	Parent Mar-22 Actual \$000	Parent 2021/2022 Budget \$000
CASHFLOWS FROM OPERATING ACTIVITIES		
<i>Cash was provided from:</i>		
Rates	12,947	16,208
Other Income	26,108	14,236
Interest Received	1,474	149
Tax Received	0	0
Dividends & Subvention Payments Received	0	1,300
	40,529	31,893
<i>Cash was applied to:</i>		
Payments to Suppliers and Employers	27,067	23,376
Interest Paid	821	818
Income Tax Paid	0	0
Net GST Movement	(102)	0
	27,786	24,194
<i>Net Cash From Operating Activities</i>	12,743	7,699
CASHFLOWS FROM INVESTING ACTIVITIES		
<i>Cash was provided from:</i>		
Disposal of Fixed Assets	0	0
Investment Realised	10,229	3,160
	10,229	3,160
<i>Cash was applied to:</i>		
Purchase of Fixed Assets	14,137	10,794
Purchase of Investments	9,296	602
Purchase of Intangibles	0	0
	23,432	11,396
<i>Net Cash from Investing Activities</i>	(13,203)	(8,236)
CASHFLOWS FROM FINANCING ACTIVITIES		
<i>Cash was provided from:</i>		
Loans Raised	0	0
<i>Cash was applied to:</i>		
(Drawdown)/repayment of loans	(1,440)	230
<i>Net Cash from Financing Activities</i>	1,440	(230)
NET INCREASE (DECREASE) IN CASH	980	(767)
OPENING CASH AS AT 1 JULY	1,842	1,764
CLOSING CASH AS AT 31 MARCH	2,822	997

KPI met	●
KPI not met	■

Segment	Key performance indicator	Target	Achieved	Achievement
Regulatory services	Quality assurance requirements for building consent are met.	≥ 100% of building consents are technically correct and granted within statutory timeframes.	■	100% granted within statutory timeframes in January - February. 97.92% in March.
		≥ Continue to retain accreditation by passing the biennial IANZ Audits.	●	December 2021 Audit 'Passed'.
Roading & transport	Maintaining safety quality of the road network	No changes or reduction in the safety quality of the roading network from the previous financial year.	●	Achieved. Extra grading required due to extreme weather events. Significant traffic control required to protect public at multiple slip sites.
Water supplies	Maintain safe drinking water standards.	≥ Full compliance (100%) with part 4 (bacteria compliance criteria)	■	Not achieved. Punakaiki UV non-compliance.
		≥ Full compliance (100%) with part 5 (protozoa compliance criteria)	■	Not achieved. No water supply has met protozoa compliance.
Wastewater	Wastewater and sewerage systems provide adequate capacity in relation to dry weather overflows.	Less than five sewerage overflows per 1,000 connections.	●	Expected to have achieved and be compliant. However while there have been a lot of weather events that have had a negative impact; the dry weather performance is at adequate capacity for now, but note further developments in Westport will exceed capacity.

Segment	Key performance indicator	Target	Achievement
Stormwater	The number of flooding events in the stormwater systems is managed to a target level of service set in the performance measure.	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected Councils stormwater system) is not more than five houses flooded for each event.	<p>There have been a lot of events relating to weather that have had a negative impact.</p> <p>■ Damage to the reticulation has meant that currently even more minor rainfall has resulted in more severe effects.</p>
Solid waste	Ensure ethical, economical, and efficient waste management service	100% compliance with regulations set in the RMA, and the resource consents and environmental national regulations.	<p>● 100% compliance to date. Operating and closed landfills, transfer stations, Material Recovery Facilities and kerbside collection services operating within the national regulations and resource consents.</p> <p>However working with Regional Council to understand environmental impacts of the Birchfield Legacy Landfill.</p>
	Concepts of sustainability and social responsibility are equally valued alongside cost.	Undertake two community engagement events, and two community education events to encourage the reduction of waste generated and increase of diversion from landfill.	<p>■ Two Sustainability projects have been developed to date (e-waste recycling in Westport and Reefton and batteries recycling in Karamea, Westport and Reefton).</p> <p>AgRecovery project to be delivered in Reefton has been delayed to Q4.</p> <p>Composting educative workshop has been completed in Q4</p>
Community services	The community feels informed, included, and empowered to access Council services and resources.	A biennial customer satisfaction survey will be carried out, and will ask how satisfied the community is with the information they receive from Council and their opportunities to engage with Council.	<p>● Survey due next year</p>
Governance, representation	Provide annual budgeting and financial planning processes.	≥ Meet statutory deadlines for councils LTP, AP before 30th June in each respective year.	<p>● In progress</p>
		≥ Meet statutory obligations for requests for information under LGOIMA, greater than or equal to 90% of the time.	<p>● 94% of requests for information provided within statutory timeframe.</p>

Segment	Key performance indicator	Target	Achieved	Achievement
		≥ To meet legislative requirements for strategic planning workshop held with Councillors.	•	Achieved
Support Services	High functioning Health and Safety committee that empowers employees, contractors, and visitors.	100% compliance with health and Safety Work Act 2015 (HSWA 2015).	•	Continuing to monitor COVID-19 requirements. Training programs delivered for working with angry and aggressive people and mental wellbeing.
Property	The district's parks, reserves, cemeteries and other amenities are maintained to ensure we are providing compliant, safe and vibrant social spaces for the Community and visitors.	Receive and review monthly reports from the Reserves and Public Amenities Contractor. An up-to-date register of Council owned and operated buildings and associated infrastructure is maintained.	•	Completed service requests in timely manner to ensure facilities are maintained upto the standard. Buildings and fleet register has been updated. WestReef monthly reports have been reviewed. Communication with contractors and sub-committees ongoing.
Commercial infrastructure- airport	An airport facility that is safe, compliant and available for use. Providing a high level of customer service and community opportunity.	Complete and annual customer survey. Retain CAA certification 100% of the time. Judged against projected income and expenses	•	CAA approval of SMS as being Present and Suitable (next 12 months to show SMS is operating and effective.) Continued positive customer feedback.
Buller Holdings Limited	Achieving budget revenue and expenditure.	Operate within budget	•	Favourable variance in operating surplus.
	Delivery of unaudited quarterly reports by due date.	Provision of quarterly reports to Council by due dates.	•	Achieved.

FINANCE, RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM 5

Prepared by Rod Fox
Group Manager Commercial and Corporate Services

Appendix A Buller DC – Report to the Council 2021

AUDIT MANAGEMENT REPORT

1 REPORT SUMMARY

At the completion of each annual report, the auditors compile a Report to Council to conclude their findings and to make recommendations on system improvements that should be made to enhance internal controls of the organisation. A copy of this report is attached as Appendix A.

Last year Audit NZ had noted nine improvements which should be made. Six of those recommendations have been implemented over the past year. Of the three remainder items, these include a long-standing item being rates review (from 2014), a minor exception to the treasury management policy which is now remedied and the update will flow through in the current financial year (from 2020), and a requirement for more frequent asset management reconciliations (from 2020).

The auditors recommended one system improvement this year. This is to ensure either the Mayor or FRAC Chair should approve sensitive expenditure related to CEO expenses. The auditors reported they were satisfied the sensitive expenditure relating to the CEO was reasonable and there were no concerns of waste and probity, however one-up approval should be documented. This recommendation has been implemented.

Audit NZ also identified that the full Infrastructure Strategy was not included in the final adopted 2021-2031 Long Term Plan . This was as the LTP includes a single page setting out an executive summary of the Infrastructure Strategy, rather than the full Infrastructure Strategy. It was suggested Council get legal advice on this administrative oversight. Advice was sought and that guidance confirmed Council's interpretation of the law, that this has no material implications for Council. However for completeness this administrative oversight should be corrected by way of a retrospective resolution. That resolution follows.

2. DRAFT RECOMMENDATIONS

That the Finance, Risk and Audit Committee:

- 1. Receive the Report to the Council on the audit of Buller District Council and Group for the year ended 30 June 2021 information.**
- 2. Notes the contents of the report, and that there were no changes to the Council's draft Infrastructure Strategy which was adopted on 14 April 2021.**
- 3. Notes that due to an administrative oversight the final Infrastructure Strategy was not formally included in the Council's adopted Long-term Plan 2021-2031.**
- 4. Adopts the final Infrastructure Strategy and directs that it be included in the Council's adopted Long-term Plan 2021-31.**

Report to the Council on the audit of

Buller District Council and Group

For the year ended 30 June 2021

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Key messages

We have completed the audit for the year ended 30 June 2021. This report sets out our findings from the audit and draws attention to areas where the Buller District Council (the District Council) is doing well and where we have made recommendations for improvement.

Audit opinion

We issued an unmodified audit report on the full Annual Report. This means we were satisfied that the financial statements and statement of service performance present fairly the District Council and group's activity for the year and their financial position at the end of the year.

Without modifying our opinion, the audit report included an emphasis of matter paragraph to draw the readers' attention to the District Council's disclosure of the Government's three waters reform programme announcement. Similar wording was included in the audit reports of all other local authorities that have responsibility for three waters assets.

Key matters

In carrying out our audit we identified the following matters that we wish to bring to your attention:

- We are satisfied that the carrying value of infrastructure assets in the financial statements did not materially differ from their fair value as at 30 June 2021.
- We have made one new recommendation being that all expenditure relating to the Mayor or Chief Executive should be approved using the one-up principle. From the work we undertook, we were satisfied that sensitive expenditure relating to the Mayor and Chief Executive was reasonable and we had no concerns of waste and probity. However, the one-up approval principle should be followed.
- The full Infrastructure Strategy was not included in the final adopted 2021-2031 long-term plan (LTP)), as required by the Local Government Act; rather the LTP includes a single page setting out an executive summary of the Infrastructure Strategy. We note that Council has obtained legal advice that this omission has no material implications for the Council's rating processes or Council's obligation to include an audit report with the LTP. The District Council has also advised us that, for completeness, it intends to rectify the administrative oversight by way of a retrospective resolution.

Thank you

We would like to thank management and staff for their assistance during the audit. We acknowledge that this has been another challenging year for everyone, and we appreciate the willingness of management and staff in providing us assistance and support during the audit.



Stephen Lucy
Appointed Auditor
4 May 2022

1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Priority	Explanation
Urgent	Needs to be addressed <i>urgently</i> These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	Address at the earliest reasonable opportunity, <i>generally within six months</i> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	Address, <i>generally within six to 12 months</i> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

1.1 New recommendations

The following table summarises our only new recommendation for the year.

Recommendation	Reference	Priority
<ul style="list-style-type: none"> The Chair of the Finance, Risk and Audit Committee (FRAC), or a Councillor of similar standing, should review any sensitive expenditure relating to the Mayor; and Either the Mayor or FRAC Chair should approve sensitive expenditure relating to the Chief Executive. 	4.2.1	Necessary

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations.
Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	-	3	-	3
Implemented or closed	-	6	-	6
Total	0	9	0	9

2 Our audit report

2.1 We issued an unmodified audit report



We issued an unmodified audit opinion on the full annual report on 22 December 2021. This means we were satisfied that the financial statements and statement of service performance present fairly the District Council and group's activity for the year and their financial position at the end of the year.

Without modifying our opinion, the audit report included an emphasis of matter paragraph referring to the District Council's disclosure of the Government's three waters reform programme announcement. Similar wording was included in the audit reports of all other local authorities that have responsibility for three waters assets.

We also issued an unmodified audit opinion on the summary of the annual report on 21 January 2022.

In forming our audit opinion, we considered the matters set out in sections 3.

2.2 Uncorrected misstatements

The financial statements, the disclosures in the notes accompanying the financial statements, and the performance information are free from material misstatements, including omissions. All misstatements we found during the audit, other than those which were clearly trivial, have been corrected by management.

2.3 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the District Council. This includes the draft annual report with supporting working papers. We provided a listing of information we required to management via the Audit Dashboard on 7 November 2021.

The annual report and the supporting information we requested were generally provided to us within agreed time frames, and the management were responsive to our requests.

We do however recommend the review and QA of the initial drafts of the financial statement and performance information as there were a number of editorial errors and missing information. This included the statement of cashflows and prior year comparative figures in the financial statements and the notes which needed updating. This did not significantly affect our efficiency and we worked closely with management during the audit in addressing this matter.

3 Matters raised in the Audit Plan



In our Audit Plan, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
Fair value assessment of PPE	
<p>The District Council periodically revalues its infrastructure assets; the revaluations of both roading and 3 waters assets were last performed as at 30 June 2019.</p> <p>PBE IPSAS 17 <i>Property, Plant and Equipment</i> requires that valuations are conducted with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>Therefore, the District Council must consider whether there has been any significant movement in the fair value of the assets between the last revaluation date and balance date. A significant variance, between the fair value and the carrying value since the last revaluation, could trigger the need for the District Council to revalue its infrastructure assets.</p> <p>The District Council is also required to assess at each balance date whether there are indicators of impairment. If there are then it needs to perform a formal impairment assessment and account for any impairment identified.</p>	<p>We reviewed the fair value assessment prepared by management as at 30 June 2021 for the infrastructure assets that were last revalued on 30 June 2019. The fair value assessment prepared by management included estimation of the costs to construct the infrastructure assets.</p> <p>Our work included the review of the cost indices applied in the estimation of the fair values of the asset classes. Based on our review, we are satisfied that the cost indices and the calculations applied were reasonable. Overall, we are reasonably satisfied that the carrying value of infrastructure assets did not materially differ from fair value as at 30 June 2021.</p> <p>We also reviewed the impairment assessment prepared by management as at 30 June 2021 for the property, plant and equipment assets. The assessment included a review for any indicators of impairment such as damage to the network or poor network performance indicating that the cost of the network is less than its current value.</p> <p>Management determined there were no impairment indicators and therefore no impairment of the assets was required to be recognised in the financial statements.</p> <p>Based on our review, we were satisfied with management's assessment and that the values of property, plant and equipment assets recognised in the financial statements did not need to be impaired.</p>

Audit risk/issue	Outcome
Impact of three waters reform	
<p>The three waters reform programme is one of the most significant policy programmes affecting local authorities. This is a three-year programme of work in three tranches.</p> <p>During 2020/21, the District Council signed a non-binding Memorandum of Understanding (MOU) with Crown. By signing this MOU, the District Council agreed to participate in the exploration of future service delivery options for the three waters services and to collaborate with agencies involved in the reform.</p> <p>On signing of the MOU, the District Council subsequently received a share of \$761 million Crown stimulus funding, which was the first tranche of funding that was provided under the reform programme. It is important that the District Council is appropriately accounting for its share of the funding and is meeting the obligations of the funding agreement.</p> <p>Much of the policy is still to be developed, with significant announcements about the form of future water services entities expected in year one of the 2021-31 long-term plan (LTP) period (2021/22).</p> <p>We would expect the District Council has taken steps to consider the implications of any government announcements about three waters reform up to the date of authorisation of the financial statements, including the Minister of Local Government's statement on 27 October 2021. This includes the impact on financial statements and disclosures, including subsequent events disclosures.</p>	<p>Due to the significance of reforms on the District Council, our audit report included an emphasis of matter paragraph to draw the readers' attention to the District Council's disclosure of the Government's three waters reform programme announcement.</p> <p>On 27 October 2021, the Local Government Minister announced that the three waters service delivery reforms will proceed using a legislated "all in" approach. This involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024.</p> <p>Notwithstanding the uncertainties around the announcement, the District Council will no longer responsible for the delivery and infrastructure of three water services from 1 July 2024 once the reform is legislated. We are satisfied that this has been appropriately disclosed in the financial statements.</p> <p>We also gained an appropriate understanding of the three waters stimulus funding received by the District Council for the year. The funding was applied to capital projects relating to the Punakaiki, Westport and Terrace Trunk Main. We are satisfied that the accounting treatment and recognition of the funding was appropriate and is presented fairly in the financial statements.</p>

Audit risk/issue	Outcome
Impact of Covid-19 pandemic	
<p>The long term impact of the Covid 19 pandemic in New Zealand, and how it might affect public entities, is unknown. However, it is likely that the uncertainties in the economic environment will increase the risk of misstatement in the financial statements.</p> <p>We expect the District Council to consider whether any additional disclosure should be included in the annual report.</p>	<p>Based on our audit work and discussions with management, we are satisfied that the Covid-19 pandemic did not have a significant impact on the District Council's operations and the district in general. There were no lockdowns during the financial year and the lockdown restrictions post balance date did not have significant impacts to the District Council as it was able to operate close to normal operations.</p> <p>We are satisfied that the disclosures relating to the impacts of Covid-19 pandemic in the financial statements are appropriate and adequate.</p>
Rates	
<p>Rates are the District Council's primary funding source.</p> <p>Compliance with the Local Government (Rating) Act 2002 (LGRA), in rates setting and collection, is critical to ensure that rates are validly set and not at risk of challenge.</p> <p>The District Council should have appropriate processes in place. Where issues or concerns arise, it should seek legal advice, to ensure compliance of its rates and rating processes with legislation.</p>	<p>We focused our review on the parts of the rates setting process that present the highest risk, namely the consistency and completeness of the rates resolution and the Funding Impact Statement (FIS). We reviewed a sample of differentially set and targeted rates to assess whether the matters and factors used are consistent with the Local Government Act 2002. Based on our review, we are satisfied that there are appropriate processes in place and that the set rates and rating processes are compliant with legislation.</p>
Investment property revaluation	
<p>The fair value of the District Council's investment properties need to be assessed annually in accordance with the requirements of PBE IPSAS 16 <i>Investment Property</i>.</p> <p>Due to the nature and value of the revaluations, any bias or errors in the inputs used or calculations performed could result in a material misstatement in the value of the investment property.</p>	<p>The revaluation resulted in an upwards revaluation movement of \$2.4 million as at 30 June 2021.</p> <p>We reviewed the valuation performed by QV including the assessment of the significant assumptions applied. Based on our review, we are satisfied that the valuations are reasonable and that the investment properties are fairly stated in the financial statements.</p>

Audit risk/issue	Outcome
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>We found no indications of management override that would result in a material misstatement in the financial statements due to fraud.</p> <p>To address this risk, during the audit we:</p> <ul style="list-style-type: none"> • tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements; • reviewed the accounting estimates for bias and evaluated if there was any risk of material misstatement due to bias; and • evaluated the business rationale of any significant transactions that were outside the normal course of business, or that otherwise appeared to be unusual given our understanding of the District Council.
Debenture Trust Deed	
<p>Local authorities are able to secure borrowings using any security (including future rates revenue). A debenture trust deed provides the benefit of the charge, through a trustee, to the lender.</p> <p>The District Council's Debenture Trust Deed requires us to provide an independent assurance report on certain matters stated in clause 10.2(g) of the Trust Deed.</p> <p>We are not a signatory to the Trust Deed, and we were not consulted about the terms of the Trust Deed.</p>	<p>As usual, we have agreed separate terms of engagement with the District Council and the Trustees relating to our work relating to the Debenture Trust Deed.</p> <p>This work is underway and we will separately provide our independent assurance report.</p>

4 Assessment of internal control



The Council (as the governing body), with support from management, is responsible for the effective design, implementation, and maintenance of internal controls. Our audit considers the internal control relevant to preparing the financial statements and the service performance information.

We review internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances. Our findings related to our normal audit work, and may not include all weaknesses for internal controls relevant to the audit.

4.1 Control environment

The control environment reflects the overall attitudes, awareness and actions of those involved in decision-making in the organisation. It encompasses the attitude towards the development of accounting and performance estimates and its external reporting philosophy and is the context in which the accounting system and control procedures operate. Management, with the oversight of those charged with governance, need to establish and maintain a culture of honesty and ethical behaviour through implementation of policies, procedures and monitoring controls. This provides the basis to ensure that the other components of internal control can be effective.

We have performed a high level assessment of the control environment, risk management process, and monitoring of controls relevant to financial and service performance reporting. We considered the overall attitude, awareness, and actions of the District Council and management to establish and maintain effective management procedures and internal controls.

We consider that a culture of honesty and ethical behaviour has been created. The elements of the control environment provide an appropriate foundation for other components of internal control.

4.2 Internal controls

Internal controls are the policies and processes that are designed to provide reasonable assurance as to the reliability and accuracy of financial and non-financial reporting. These internal controls are designed, implemented and maintained by the Council and management.

We reviewed the internal controls, in your information systems and related business processes. This included the controls in place for your key financial and non-financial information systems.

During the interim visits, we considered the following systems:

- Revenue and accounts receivable;
- Expenditure, cost allocation and accounts payable;

- Payroll;
- Cash and cash equivalents and investments;
- Property, Plant and Equipment and intangible assets;
- General ledger reconciliations and journals;
- Legislative compliance; and
- Conflicts of interest and related parties.

We also considered the systems and controls for the material performance measures that will be included in the annual report.

We are satisfied that the controls in each system are capable collectively of preventing or detecting and correcting material misstatements.

We identified the following matter that we bring to your attention.

4.2.1 Approval of expenditure incurred by the Mayor and the Chief Executive

We recommend that:

- The Chair of the Finance, Risk and Audit Committee (FRAC), or a Councillor of similar standing, should review any sensitive expenditure relating to the Mayor; and
- Either the Mayor or FRAC Chair should approve sensitive expenditure relating to the Chief Executive.

Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to staff additional to the business benefit to the organisation (e.g. travel, accommodation, and hospitality). From the work we undertook, we were satisfied that sensitive expenditure relating to the Mayor and Chief Executive was reasonable and we had no concerns of waste and probity. However, the one-up approval principle should be followed.

Good practice is that sensitive expenditure should only be approved when approval is given by a person who is senior to the person who will benefit (or might be perceived to benefit) from the sensitive expenditure. In line with this one-up approval principle, our expectation is that the Mayor's expenses should be authorised by the FRAC Chair, or a Councillor of similar standing (e.g. Deputy Mayor¹), or by two other members of the Council. Similarly Councillors' expenses and expenses incurred by the Chief Executive should be approved by the Mayor or the FRAC Chair on some regular basis.

¹ We note that currently the Deputy Mayor is the Chair of the Finance, Risk and Audit Committee.

We noted two transactions where approval did not follow the one-up principle:

- Accommodation costs for the Mayor to attend a LGNZ rural and provincial conference; and
- Air fares for the Chief Executive to attend Water New Zealand awards.

In both cases these expenses were paid for by credit card and were authorised by the Executive Assistant to the Mayor and the Chief Executive.

Management comment

We agree two expenditure transactions are valid and have no concerns about waste or probity. The Mayor and Chief Executive file monthly updates in the Council Meeting to seek endorsement for attendance at out of district meetings and events, and to report on the outcome of those visits.

The finding is noted. We will strengthen the controls around sensitive expenditure by adding a sign-off step from an appropriate one-up Council member.

5 Other matters

5.1 Legal advice on adoption of infrastructure strategy as part of the 2021-31 Long-term plan

As discussed with the Mayor, Deputy Mayor and Chief Executive in November 2021, we identified that the full Infrastructure Strategy was not included in the final adopted 2021-2031 long-term plan (LTP), as required by the Local Government Act. The LTP includes a single page setting out an executive summary of the Infrastructure Strategy, rather than the full Infrastructure Strategy.

We note that, subsequent to our discussions, the full Infrastructure Strategy has been made available on the District Council's website.

We suggested that Council should get legal advice on what steps it needs to take to correct this omission and that it would also be useful for the legal advice to consider:

- Whether there are any implications for Council's rating process?
- How does this impact Council's obligation to include an audit report with the LTP?

We note that Council has obtained legal advice from Simpson Grierson that this omission has no material implications for the Council's rating processes or Council's obligation to include an audit report with the LTP. The District Council has also advised us that, for completeness, it intends to rectify the administrative oversight by way of a retrospective resolution.

Management comment

Council did not see any reason for concern that the full infrastructure strategy was not included within the final adopted 2021-2031 Long Term Plan document, instead including a summary of the infrastructure strategy. Due to the size of the infrastructure strategy, inclusion of the whole would have made the long term plan significantly larger with this included. The Infrastructure Strategy was formally adopted with the draft long term plan 2021-2031, and the Infrastructure Strategy was adopted along with the final long term plan 2021-2031 as referred to in the summary of the Infrastructure Strategy within that final document. Council did, for the benefit of Audit NZ, seek advice and it was confirmed there were no implications for the rating processes nor any impact on obligation to include the audit report with the LTP.

For fullness, Council has included a report to the May 2022 Finance, Risk and Audit Committee Agenda to rectify any concerns over administrative oversight, by way of a retrospective resolution to formally adopt the full Infrastructure Strategy, but noting this has no impact on the validity of the Long Term Plan, and that it is just for completeness.

6 Public sector audit



The District Council is accountable to its local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also considered if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- waste being incurred as a result of any act or failure to act by the District Council;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by the Mayor or by one or more of the Councillors or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by the District Council or by the Mayor or by one or more of the Councillors or employees.

Other than the matter discussed in section 4.2.1, we identified no issues on the above matters.

7 Group audit



The Buller District Council group comprises of the District Council and its subsidiary, Buller Holdings Limited (BHL). Buller Holdings has two subsidiaries – WestReef Services Limited and Buller Recreation Limited.

- We issued a modified opinion on the BHL Group's financial statements and performance information for the reasons set out below.
- We issued unmodified opinions for the financial statements and performance information of WestReef Services and Buller Recreation.

Group – Impairment assessment of assets

One of the key areas we focused on during the audit was the impairment assessment performed by the BHL Group in compliance with the requirements of the relevant accounting standards for for-profit entities. The standards require that an impairment assessment of assets be determined on a commercial basis, generally with reference to the cash flows those assets could generate.

In the 2020 financial year, the valuation of the recreation assets was not performed on this basis and, consequently, we were unable to determine the amount of any adjustment required and the scope of our work was limited, resulting in a qualified audit opinion.

For the 2021 financial year, the BHL Group performed an impairment assessment based on forecast generated cashflows over the life of the assets and recognised an impairment of \$9,147,000. We are satisfied that the impairment recognised is in line with the requirements of the standards.

However, there was no retrospective impairment assessment performed as at 30 June 2020, so we were unable to obtain reasonable assurance over the comparative year's carrying value of recreation related assets recognised in the BHL Group's statement of financial position and consequently the impairment loss and related depreciation expense recognised in the current year in the statement of comprehensive income, and the BHL Group financial related performance measures in the statement of service performance.

As the scope of our work was limited, this resulted in a qualified audit opinion.

Impact on the District Council group

This issue does not affect either the District Council group, or Buller Recreation, as they report under public benefit entity accounting standards and a depreciated replacement cost valuation basis is appropriate.

The impairment recognised by the BHL group is reversed on consolidation into the District Council group financial statements.

Other matters

We also note that we have not identified any of the following during our audit for the year ended 30 June 2021:

- Limitations on the District Council group audit.
- Fraud or suspected fraud involving District Council group management, component management, employees with significant roles in group-wide controls, or others where the fraud resulted in a material misstatement of the group financial statements.

8 Useful publications



Based on our knowledge of the District Council, we have included some publications that the Council and management may find useful.

Description	Where to find it
Observations on the 2021-31 long-term plan consultation documents	
In December 2021 the Office of the Auditor-General published a report setting out its observations on the 2021-31 long-term plan consultation documents.	On the Office of the Auditor-General's website under publications. Consulting matters: Observations on the 2021-31 consultation documents (oag.parliament.nz)
Performance reporting	
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General's website under publications. Link: The problems, progress, and potential of performance reporting
Local government risk management practices	
The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where councils do not have effective risk management. This report discusses the current state of local government risk management practices and what councils should be doing to improve their risk management.	On the Office of the Auditor-General's website under publications. Link: Observations on local government risk management practices
Managing conflicts of interest involving council employees	
This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.	On the Office of the Auditor-General's website under publications. Link: Getting it right: Managing conflicts of interest involving council employees

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Necessary		
Breach of Treasury Management policy		
<p>The District Council should ensure that it is compliant with its Treasury Management policy either by updating the policy or by ensuring its borrowings are in line with the limits in the Treasury Management policy.</p> <p>We reviewed the District Council's compliance with its Treasury Management Policy and noted that Council is in breach of that Policy as at 30 June 2020 with regards to:</p> <ul style="list-style-type: none"> • Council shall maintain committed funding lines of not less than 110% of forecast debt over the ensuing 12 month period as detailed in the Annual Plan. Committed funding lines as at 30 June 2020 are only 101% of forecasted debt as per the annual plan. • No more than 40% of total borrowings is to be subject to refinancing in any financial year. As at 30 June 2020, 68.5% of the District Council's debt is due to be refinanced in 2020/2021 financial year. <p>The limits set out in the Treasury Management Policy enable treasury risks within the District Council to be prudently managed. Breaching these limits increases treasury risks for the District Council.</p>	<p>2020</p>	<p>We note that the total borrowings that are subject to refinancing in the 2022 financial year is 54% which is in excess of the 40% threshold of the Liability Management Policy.</p> <p>We did not note any issues regarding compliance with the LGFA covenants.</p> <p>Management comment</p> <p><i>Council borrowings that were subject to refinancing during the 2022 year have been rolled over for appropriate terms going forward to remain within treasury management policy.</i></p>

Recommendation	First raised	Status
Rates review		
Wholesale changes are needed in rates as there are antiquated differentials and many fixed amount targeted rates.	2014	<p>We note that:</p> <ul style="list-style-type: none"> the process of reviewing the rates policy has been underway for seven years with several community consultations occurring throughout that time; In March 2021 Council voted against adopting a proposed rates review policy (the third proposal in the last few years); A former Corporate Services Manager has been contracted to complete a full audit of the rates database and present recommendations to the Councillors. As at the time of our audit, Council had held a workshop on the review (November 2021) and FRAC was to receive a paper on the subject in early 2022. <p>Management comment</p> <p><i>The rates review has been ongoing and after the early 2022 paper Council has confirmed the review will be re-prioritised as part of the work programme for the year(s) ahead. This will require support from external resources and additional budget is to be included in the Annual Plan.</i></p>
Reconciliations between the general ledger and asset management systems		
We recommend that the asset management systems are reconciled to the general ledger more regularly (at least quarterly).	2020	<p>While the year-end reconciliation was performed, we understand that quarterly reconciliations have not been performed during the year due to staff turnover and shortages.</p> <p>Management comment</p> <p><i>Noted.</i></p>

Implemented or closed recommendations

Recommendation	First raised	Status
Necessary		
Evidence of year-end review of journals		
<p>The Management Accountant's review of the year-end journals should be evidenced.</p> <p>At the end of 2019/20 financial year, the Management Accountant carried out a review of all the journals posted during the year. The purpose of this review was to identify any duplicate journals or any journals which are not appropriate or incorrect. However, there was no documentation or evidence kept that showing that the Management Accountant had performed this review or what the review involved. It is best practise that the review is evidenced so that other such as senior management or auditors can review the work performed by the Management Accountant and gain an understanding of the nature of the review that has been performed.</p>	2020	All journals we reviewed had been independently reviewed.
Accuracy of traffic counts recorded in RAMM		
<p>We recommend that the District Council should determine the correct traffic count and ensure this is correctly recorded in the RAMM database.</p> <p>During our review of traffic counts we noted that for some of the traffic counts performed by WestReef the traffic counts recorded in RAMM did not agree to the traffic counts recorded in the Trafx system. This was due to the Council staff entering in the traffic counts based on reports extracted by WestReef from the Trafx system which were different from the traffic counts recorded in the Trafx database. This meant the count recorded in RAMM did not agree to the Trafx database. Accurate recording of traffic counts is important to enable the District Council to gain an understanding of the usage of its roads enabling it to make informed</p>	2020	<p>We verified and tested the traffic count performed by AgFirst. There were no issues noted and we were satisfied that the traffic count used in the performance reporting is materially correct. We also confirmed that this issue no longer exists as WestReef no longer performs the traffic count from 2021.</p>

Recommendation	First raised	Status
decisions about renewal and maintenance of roads.		
PAYE and WHT tax compliance		
The Council should seek to address the recommendations raised by PwC at the earliest opportunity.	2019	Management have addressed all high and medium risk recommendations raised by PwC.
Service requests not being recorded by WestReef		
<p>The District Council should ensure that the District Council's contractor WestReef records all requests for service in the Council's service request system along with the attendance time and resolution time for each service request.</p> <p>We reviewed six wastewater callouts that occurred during the financial year as part of our audit work over the District Council's service performance reporting. We identified two callouts where the service request, attendance time and response time had not been recorded in the service request system by the District Council's contractor WestReef.</p> <p>As the mandatory measure requires the District Council to only report on the median attendance and resolution times, we obtained sufficient supporting documentation from the contractor to estimate the attendance time and response time for these two call outs with enough accuracy to gain assurance the median response time was stated in the Annual Report was materially correct. We were however unable to determine the exact response time and attendance time as the service request had not been recorded. It is important that all service requests are recorded to enable accurate reporting and measurement of the District Council's performance during the year.</p>	2020	<p>We did not note any issues.</p> <p>Management have advised that:</p> <ul style="list-style-type: none"> WestReef actively put service requests through, and this forms part of their monthly claim check process so there is incentive for them to be done by the contractor. As the respondee, BDC checks that they have been signed off in the correct times, and there has been an improvement in this system. E.g. there are weekly reminders about service requests which can be used to follow up if any are not cleaned up.

Recommendation	First raised	Status
Performance measures		
<p>We made several recommendations to enhance the performance reporting of the District Council and reduce rework.</p> <p>We made the following recommendations for enhancements to the performance reporting of the District Council and to reduce the amount of rework required in preparing the annual report:</p> <p>Usefulness and wording of measures</p> <ul style="list-style-type: none"> Where performance is “achieved” and “not achieved”, consider providing additional information helpful to the reader to provide context for significant variances. Detail of the District Council’s actions on how to resolve “not achieved” targets would also be beneficial. Ensure the reported result is aligned with the target and the measure. Review the wording of measures to ensure they are understandable by the reader and add in any explanatory information via a footnote to clarify if required. <p>Other observations:</p> <ul style="list-style-type: none"> We encourage management to imbed a practice of upwards review of the year-end performance information. This will ensure discrepancies such as incorrect traffic light colours and other minor errors are identified and corrected early. <p>Setting of targets:</p> <ul style="list-style-type: none"> Review the targets to ensure they include realistic stretch. Review the targets to ensure they are measurable, specific and are aligned with the measure. 	<p>2019</p>	<p>We reviewed the performance measures and reported performance for the year as part of our audits of the 2021-31 LTP and the 2021 performance reporting.</p> <p>We were satisfied that improvements have been made with regards to the wording of the measures in line with prior recommendations.</p>

Recommendation	First raised	Status
<ul style="list-style-type: none"> Once the target is set, ensure there are processes in place to measure the performance. We identified that some established targets were not measurable by the District Council. 		
Landfill provision		
<p>The District Council should regularly update the inputs and cost assumptions in the calculation for the landfill provision. This could be done every three years as part of the LTP process.</p> <p>Several inputs and cost assumptions used in the calculation have not been updated since 2014.</p>	2019	<p>We reviewed the landfill provisions for closure as part of our audits of the 2021-31 LTP and 2021 financial statements. We are satisfied that the assumptions and inputs have been appropriately updated.</p>

Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>Other than the audit, we have no relationship with, or interests in, the District Council or its subsidiaries.</p>
Fees	<p>The audit fee for the year is \$122,200, as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period will be \$4,500 for the assurance review of the Debenture Trust Deed and \$81,900 for the 2021-31 Long-term plan. Separate audit fees have been agreed with the Buller Holdings group and Westport Airport Authority.</p> <p>No other fees have been charged.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council or its subsidiaries during or since the end of the financial year.</p>

AUDIT NEW ZEALAND

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BULLER DISTRICT COUNCIL

10 May 2022

Agenda Item 7

Prepared by Thushara Don
Management Accountant

Reviewed by Rod Fox
Group Manager Commercial and Corporate Services

CAPITAL INCOME AND CAPITAL EXPENDITURE REPORT

1. REPORT SUMMARY

This report presents an overview of the capital income and expenditure results compared to the annual budget for the nine months ending 31 March 2022. It also provides a forecast of the following three months capital income and capital expenditure up to 30 June 2022.

This report is presented for information and monitoring purposes, including monitoring the Chief Executive Key Performance Indicators.

The attached summary pages provide further detail of the capital income and expenditure results to date, and forecast results at end of year.

This report includes resolutions from Council seeking approval for variations to the budget.

2. RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Receive the report for information.**
- 2. Approve unbudgeted capital expenditure of \$150k for the Reefton Whole of Water Supply upgrade as follows.**
 - (a) Approve loan funding of \$100k for the Reefton Whole of Water Supply upgrade, being sunk costs (as per FRAC PIP report Dec 21) which were not included in the original project costing, and**
 - (b) Approve \$50k, which has been spent in advance on the chlorination plant not included in the project scope, be expensed against 2022/2023 budget.**
- 3. Approve loan funding of capital expenditure of \$130k from the District Revitalisation projects that will need to be funded.**

4. **Note the \$40k budget approved for the airport runway lights shortfall has since been fully funded by the Ministry of Transport. Therefore, this budget is no longer required.**

3. ISSUES & DISCUSSION

Council is asked to approve two variations to budget. Further information about these requests is shown below, and in the supporting attachments to this report.

Considering Covid-19 and the large-scale flood events of both July 2021 and February 2022, it is identified that some of the planned capital work set out in the budget and in this report may not proceed as planned. As more information is known, the details of this report will be updated. Therefore, the full year prediction is subject to review and change.

- 3.1 **Reefton Whole of Supply Upgrade:** Approve funding for the unbudgeted capital expenditure of \$150k for the Reefton Whole of Supply upgrade project is requested. This is made of up two parts:

- \$50k which has been spent in advance towards pipework for the chlorination plant. This was not included in the whole of supply project scope but was completed in advance as it will save costs in future years when this part of the supply upgrade is installed. It is proposed this overspend be deducted from the budget (if approved) included in the 2022/2023 Annual Plan (AP).
- \$100k of project costs is overspent, due to sunk costs for the Whole of Supply project not included in the original project budget.

The capital overspend will need to be loan funded and is calculated in the AP rates strike in the draft 2022 2023 AP.

- 3.2 **Revitalisation Projects:** Considering both the Riverbank and Toki Poutangata Bridge Projects and District Revitalisation Projects, total available budget is \$2.875m consisting of \$1.86m for the Riverbank project and \$1.015m for District Revitalisation four-year budget for multiple projects. The total expenditure is \$3.005m, an overrun of \$130k.

\$25k is from internal overhead. The balance of the overrun, the sum of \$105k, is historical and relates to expenditure. The history of this expenditure is that there were costs incurred for urban revitalisation, many in the year up to 2018.

This was for such things as Urban Kin, that the then CEO incurred, on the understanding these costs had been incurred for the whole of the district and could be directed towards the Council Led District Revitalisation budget.

At the end of the year, it was assessed that \$105k had been spent, but there was no budget provided/left for it, so there was no carry forward to go against it. The costs were not expensed as they did not meet the definition so were treated as WIP against the budget in the forthcoming year.

This is where they sat without causing any budget overruns until last year when the Riverbank project began in earnest, with commitments made on the basis of the accumulated budget figure of \$1.015m

- 3.3 **Information Technology:** \$41 unbudgeted expenditure has been incurred due to purchases for staff under Covid-19 requirements, as well as extra purchases for flood project staff. It is expected to spend up to \$50k at the end of this financial year. A separate paper will be submitted to the council seeking approval for the extraordinary IT cost.
- 3.4 **Punakaiki Trunk Main Renewal:** This project is now complete with \$71k overspent.
- The project budget set in conjunction with the external funders when it was signed was \$536,500 being \$496,500 funded by grants and \$40k provided for supply improvements in the 2020/2021 BDC annual budget. Later, the budget was reduced to \$502,500 because from the original budget, \$34,000 was spent during the financial year 2020/2021 for supply improvement, which is recorded in Minor Capital. The budget was subsequently revised to \$573,555 by adding \$71k.
 - The \$71k overspend is planned to be sourced from the Westport Water Trunk Main externally provided budget fund, subject to the approval of the funding agency, Department of Internal Affairs (DIA). This means that the pool of external funding for the Westport Water Trunk Main projects (of which there are two) will have \$71k less available. The Project Manager advises that the Council is waiting on the variation to be signed by DIA before actioning this.
- 3.5 **Wastewater and Stormwater** will be underspent at the end of the financial year. This is due to the timing of flood recovery works and the interrelationship of flood recovery works with the business-as-usual works. This means that it is possible that the current projects will get delayed. As much of the planned work is only achievable in the drier months of the year, it is planned there will be a \$1m underspend in Wastewater in recognition of this. This has been re-budgeted in the 2022-2023 Draft Annual Plan.
- 3.6 **Airport** Council has previously approved a budget increase of \$40k for Westport Airport runway lighting.

The \$40k budget approved for the airport runway lights shortfall has since fully funded by the Ministry of Transport. Therefore, the approval of the budget under the resolution of 17 November 2021 “That the Finance Risk and Audit Committee approve a variation to this year’s budget to allow funding of the shortfall between the insurance claim proceeds and BDC’s share of the purchase price of the upgraded system recommended. The amount required is \$40k.” is no longer required

- 3.7 **Roading works** has a significant delay due to flood recovery works and resources. Further information is shown in the capital income and expenditure details section of this report.

4 CHIEF EXECUTIVE KPIS

This report also includes details about the Chief Executive Key Performance Indicators (KPIs) which relate to capital expenditure.

The Chief Executive KPIs are in place to ensure significant capital expenditure is diligently managed.

The KPIs are:

- 1 Capital expenditure projects over \$750,000 must be achieved within +/- five percent.
- 2 Changes which are +/- five percent of a project must be approved by Council; and
- 3 The total capital expenditure budget must be achieved within +/- five percent.

The following tables show results for the KPIs number 1 to 3 above:

Table 1: KPI 1

Capital expenditure projects over \$750,000 must be achieved within +/- five percent				
Over \$750,000 Project	Project Budget	Project Expenditure to Date (March 2022)	Project Status or Percentage of Completion	Year to Date Percentage of Budget Spent
Brougham House Upgrade	\$2,405,982	\$183,170	Referral a Consultation matter in 2022/23 Annual Plan	7.6%
Waimangaroa Water Upgrade	\$2,300,000	\$517,377	Project delays due to external events.	22.0%
Reefton Whole of Supply Upgrade	\$1,440,000	\$1,546,404 to date \$1.6m forecast to complete the project	Unbudgeted capital expenditure of \$150,412 for Reefton Whole of supply	107.4%
Additional capital expenditure projects over \$750k funded from external funding sources				

Over \$750,000 Project	Project Budget	Project Expenditure to Date (March 2022)	Project Status or Percentage Completion	Year to Date Percentage of Budget Spent
District Revitalisation including MBIE Funded Riverbank Project including Toki Bridge	\$2,875,000	\$2,987,852 to date \$3.05m forecast to complete the project	Nearing Completion Projected overspend \$120k	103.92%
Westport Trunkmain Terrace project	\$1,318,011	\$1,108,738	Nearing Completion	84.12%
Westport Trunkmain Town project	\$3,500,000	\$1,942,244	Project in progress	55.49%

Table 2: KPI 2

Changes which are +/- five percent of a project must be approved by Council				
Project +/- five percent	Initial Budget	Projected Expenditure	Project Status or Percentage Completion to Date	Required Variation and Approval Status
Westport Wastewater	\$2,794,295	\$1,794,295	In progress.	Will be underspent approximately \$1m Now will be re-budgeted in the 2022-2023 Annual Plan.
Punakaiki Whole of Supply Upgrade	\$532,500	\$568,024	Unbudgeted capital expenditure of \$70,314 for Punakaiki Whole of Supply Upgrade	Unbudgeted costs of \$70k to be transferred from Westport Trunk Main Projects, subject to approval by Department of Internal Affairs.
Reefton Whole of Supply Upgrade	\$1,440,000	\$1,546,404	Unbudgeted capital expenditure of \$150,412 for Reefton Whole of supply	Overspend \$150k require Council approval.
Punakaiki Land	\$0	\$186,139	Unbudgeted legal cost on land acquisition under Public Works Act. Not yet complete.	Unbudgeted costs require Council approval when completed.
Support Activity	\$0	\$50,000	Unbudgeted expenditure \$50,000	Unbudgeted costs for computer hardware (\$50k).

Table 3: KPI 3

Total capital expenditure budget must be achieved within +/- five percent				
Project +/- five percent	Budget set by Annual Plan	Estimated Spending to 30 June 2022	Estimated Variance	Explanation
All Capital Expenditure	\$10,830,863 (AP Budget) Plus Carry Over Budget \$16,777,395 Total Planned Budget \$27,608,258 Plus \$40k for replacing Airport lights. Plus \$850k extra ordinary funding for Waimangaroa Water Supply Plus \$25k extra ordinary funding for Mokihinui Water Supply Plus \$25k extra ordinary funding for Little Wanganui Wastewater System. Less \$1.946m roading contribution from NZTA Equals Total Revised Budget \$26,601,758	\$22,520,227	(\$4,081,531) 15.34% less	Less spending than current year budget and carry overs budget is predicted due to reprioritisation of projects after flood events.

The KPI is for capital expenditure is to be within 5 percent of budget. This year the budget has been significantly altered due to additional external funding.

The original planned work and budget for this financial year at \$26.6m is a significant commitment and the additional projects from PGF funding and other government grants adds significantly to the work plan. The external funding is for large scale projects and most of this funding has a completion date of 30 June 2022. Considering impacts of Covid-19 and the large-scale flood events of both July 2021 and February 2022 it is identified that the planned capital work set out in the budget and in this report will not proceed as planned by year end.

In addition to the business as usual and specially funded projects, \$3.55m capital expenditure was incurred for flood recovery funding. Funding applications have been lodged and the final amount for flood recovery projects is yet to be determined.

5. CONSIDERATIONS

5.1. Strategic impact

The capital income & capital expenditure report provides an overview on the provision of capital expenditure projects and helps readers to understand if the position taken in the long-term plan (where the strategic overview is to build a strong economy with resilience, growth, providing quality infrastructure and investing to make our towns liveable and affordable) is apparent.

The provision of capital projects within timeframes and approved budgets provides a measure against this core strategic priority and its probable long-term impact on our community.

5.2. Significance assessment

The significance and engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant by nature as value as Council's capital program is integral to service provision.

5.3. Risk analysis

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

Capital projects are perceived to have some greater than usual potential to place council at risk as the funds involved are usually significant. The project may be an irregular or unusual kind; therefore, the costings may need to be revised as the work progresses. The scale of capital projects may result in project delays which result in Council not delivering the assets or services as envisioned in Long Term or Annual Plans.

This risk is mitigated by the Senior Management Team receiving regular reports on the projects, therefore acting on any issues that arise early on to ensure project progress is well understood by staff and governance.

There is a much higher work programme this year due to the external funding that has been received. All the budgets for the projects have included provision for external assistance and support from qualified project managers to reduce the risk of delays due to capacity constraints.

5.4. Policy / legal considerations

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

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

5.5. Values

The Buller District Council values are: We Care, Integrity, One Team, Community Driven and Future Focussed. This report aligns with those values as it presents information about the capital projects for our community.

5.6 Tangata whenua consultation considerations

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

5.7 Views of those affected

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

5.8 Costs

There are no extraordinary costs for the capital projects predicted at this stage of the financial year other than what has been included above.

5.9 Benefits

The benefits of reviewing the capital income and expenditure periodically are the capital projects and their funding are monitored at a Council wide level.

5.10 Media / publicity

There are no media or publicity opportunities with this report.

BULLER DISTRICT COUNCIL

Capital Projects External Contributions Income for the period ended 31st March 2022
(Actual to 31 March 2022, Forecast from 1 April 2022 to 30 June 2022)

Activity	BUDGET	INCOME - EXTERNAL CONTRIBUTIONS				VARIANCE ANALYSIS			Significant Variance Details
		Contributions Received	Further Contributions Expected to 30 June 2022	Total Projected	Projected Variance	Project Timelines	Funding Sources	Total Variance	
					over/(under)			over/(under)	
Airport	0	129,691	0	129,691	129,691	0	129,691	129,691	Ministry of Transport contribution for Airport Light Replacement. Capital spending related to the light replacement is available in Capital Expenditure report.
Community Services									
NBS Theatre	34,700	34,783	0	34,783	83	0	83	83	Sponsorship agreements in place continue to March 2022
Pulse Energy Recreation Centre	0	200,000	0	200,000	200,000	0	200,000	200,000	Sponsorship agreements in place continue to April 2022, not included in Yr1 of the LTP, final grant received.
Regulatory & Environmental Services	0	0	0	0	0	0	0	0	
Property, Amenities & Reserves									
Ministry of Innovation & Employment - Provincial Growth Fund Community Halls and War Memorials Upgrade	0	240,619	160,412	401,031	401,031	0	401,031	401,031	Central Government created a NZ wide Provincial Growth Fund (PGF) to support productivity potential in the provinces. This funding was provided for Westport War Memorial Gates and War Memorial Statues, Inangahua Junction Hall, Ngakawau Hall, NBS Theatre, Carters Beach Hall, Reefton Community Centre, Mokihinui Hall, Maruia Hall, Little Wanganui Hall and Reefton Race Course Tearooms and Grandstand which were completed last financial year. Waimangaroa Reserve Hall is yet to be completed. The funds were for various upgrades and developments at each site. \$802k in total has been approved subject to milestones being met. To date \$641k has been received including \$401k in the prior financial year and the balance \$160k to be invoiced.
Ministry of Innovation & Employment - Tourism Infrastructure Fund for Reefton Toilet Enhancement	0	0	140,000	140,000	140,000	0	140,000	140,000	Government established the Tourism Infrastructure Fund (TIF) for the development of tourism-related public infrastructure. The purpose of the TIF is to provide financial support for local tourism-related infrastructure where tourism growth (domestic and international) is placing pressure on, or potential growth is constrained by, existing infrastructure and where the local community is unable to respond in a timely way without assistance. Tourism Infrastructure Fund (TIF) has approved \$200k for Reefton Toilet enhancement (and a further \$40k for operating expenses, (\$40k does not show in this report as it is for opex) and expected to receive \$140k during this financial year.
Community Revitalisation									
Ministry of Innovation & Employment - Provincial Growth Fund Westport Waterfront Redevelopments	0	1,260,000		1,260,000	1,260,000	0	1,260,000	1,260,000	Central Government created a NZ wide Provincial Growth Fund (PGF) to support productivity potential in the provinces. This funding is for the construction of an elevated pedestrian and cycle bridge between the town centre of Westport near Brougham Street over the rail tracks to the riverfront, construction of a set of terraced steps along the Buller/Kawatiri River and Associated landscaping. \$1.86m in total has been approved subject to milestones being met. To date full funding has been drawn down including \$1.6 million in the current financial year.
Ministry of Innovation & Employment - Tourism Infrastructure Fund	0	100,000		100,000	100,000	0	100,000	100,000	Government established the Tourism Infrastructure Fund (TIF), providing \$25 million per year for the development of tourism-related public infrastructure. The purpose of the TIF is to provide financial support for local tourism-related infrastructure where tourism growth (domestic and international) is placing pressure on, or potential growth is constrained by, existing infrastructure and where the local community is unable to respond in a timely way without assistance. A grant of \$300k has been approved from the Tourism Infrastructure Fund for the Pathways Project and \$100k has been drawn down to date.
Roading and Transport									
NZ Transport Agency - Capital Funding for Roothing and Transport	3,812,200	864,771	1,381,679	2,246,450	(1,565,750)	0	(1,565,750)	(1,565,750)	The capital Income budget has been adjusted downward by \$1.95m to take into account New Zealand Transport Agency (NZTA) confirming their allocation of budgets for the three year roading programme after the LTP budget was set in June 2021. The reduction in budget was for the Little Wanganui Bridge (\$1.6m) and reduction of Local Road Corner Reshaping works (\$346k) which were not approved for funding by NZTA. Low capital grant funding is shown for the year to February because the capital program is usually commenced later in the financial year as weather conditions for these projects more suitable over summer. Therefore the majority of contributions are usually received in the last half of the financial year. However, there is a significant delay in most of the projects due to recent flooding events in February which resulted in postponing up to 90 % of the works worth of \$1.5m to the next financial year. Also refer to Roothing Capital Expenditure for more details.
Solid Waste					0				

Activity	BUDGET	INCOME - EXTERNAL CONTRIBUTIONS				VARIANCE ANALYSIS			Significant Variance Details
		Contributions Received	Further Contributions Expected to 30 June 2022	Total Projected	Projected Variance	Project Timelines	Funding Sources	Total Variance	
					over/(under)			over/(under)	
Ministry of Innovation & Employment - Provincial Growth Fund Hector Landfill	0	114,696	0	0	0	0	0	0	Central Government created a NZ wide Provincial Growth Fund (PGF) to support productivity potential in the provinces. This funding is for design and construction of a seawall to protect an historic landfill at Hector from coastal erosion. This includes all ancillary works necessary for safe reinstatement of the site. \$1m in total has been approved subject to milestones being met. \$750k was received in the prior financial year and the remainder is to be received by end of June 2022. Project was completed last financial year \$136k under budget.
Water					0				
Department of Internal Affairs- Water Trunkmain Replacement	0	1,512,456	1,365,000	2,877,456	2,877,456	0	2,877,456	2,877,456	\$4.54m external funding was secured for three Trunkmain projects from The Department of Internal Affairs (DIA). \$3.5m for the Westport Trunkmain Town project, \$497k for Punakaiki Trunkmain project, and \$543k for Westport Trunkmain Terrace project. \$3.175m has been received up to January 2021 including \$1.89m received in the prior financial year. A further \$1.365m is due to be received in this financial year as the project progresses.
Harbour					0				
Ministry of Business Innovation & Employment - Port Project Total	0	3,967,001	2,130,500	6,097,501	6,097,501	0	6,097,501	6,097,501	Central Government approved a \$3b NZ wide infrastructure fund to support economic recovery as part of the Covid-19 Response and Recovery Fund. PGF funding (\$11.3m in total) was approved for Buller District Council and Grey District Council for the Port Project. This includes gravel removal from the Buller River and seawall repairs at the river mouth, wharf repairs, as well as upgrade to the Westport port precinct. It also includes a joint project being floating jetty renewal at both Westport Port and Greymouth Port, with expenditure of \$4.0m in each of the Buller and Grey districts. \$8.72m has been received to date, \$7.7m in the past financial year. Only some of this funding is for capital, and some for expenditure but for completeness the total grant funding information is included.
Flood recovery	0	0	0	0	0	0	0	0	Funding applications have been lodged and the final amount for flood recovery projects is yet to be determined.
Whitebait Farm					0				
Ministry of Business Innovation & Employment	500,000	500,000	0	500,000	0	0	0	0	Grant money \$500k from MBIE for the purchase of shares in New Zealand Whitebait Limited. The company has recently advised it shall not proceed and the shares will require write down out of the Council books to reflect their accurate value as at balance date. This will not however, mean a reduction in the Council's asset values as the contra credit by way of the grant off set this.
TOTAL	4,346,900	8,924,017	5,177,591	13,986,911	9,640,011	0	9,640,011	9,640,011	

BULLER DISTRICT COUNCIL
Capital Expenditure for the Year Ended 31 March 2022
Including Forecast to 30 June 2022

	BUDGET					EXPENDITURE			PROJECTED VARIANCE	VARIANCE ANALYSIS					SIGNIFICANT VARIANCE DETAILS
	Total Carry Over from 2020/2021	Budget Set for 2021/2022	Combined Budget and Carry Over for 2021/2022	Budget Adjustment Approved by Council Resolution/ NZTA Adjustment	Final Budget For 2021/2022	Expenditure to 31 March 2022	Further Expenditure Expected to 30 June 2022	Total Projected Expenditure to 30 June 2022		Projected Budget Under Spend	Projected Budget Over Spend	Unbudgeted Expenditure	Projects to Re- budget or Carry Over into 2022/2023	TOTAL VARIANCE over budget (under) budget	
Airport	22,000	72,300	94,300	40,000	134,300	169,847	113,453	283,300	149,000	0	149,000	0	0	149,000	Carry Over \$22,000 for fence replacement and works has been completed by April 22. Approved Budget Variance: Approval given at November 2021 Council meeting for budget increase of \$40k to meet runway light costs. Budget: \$112k in total planned to spend during the current financial year. Projected Budget Over Spend: After the July 2021 flood it was agreed to replace the airport runway lights for a total cost of \$189k. \$130k was funded by Ministry of Transport (MOT) and balance \$59k recovered from insurance. Council approved budget \$40k cover shortfall for the light replacement which was initially planned is no longer required for Airport light replacement as the total cost was fully covered by insurance and MOT funding.
Community Services	156,700	250,590	407,290	0	407,290	82,722	129,536	212,258	(195,032)	0	0	0	(195,032)	(195,032)	Carry Over: \$156k for Carnegie Library & Sue Thompson Casey Westport Library Strengthening. Budget: \$250k includes website upgrade, Reefton pool heating system upgrade, NSB theatre upgrade, library books and library furniture. Project to Carry Over into 2022/2023: Will not have Carnegie Library or Westport Library projects completed by year end and will need to carry over \$160k into the next financial year. \$35k Website Development budget to be carried over to next year.
Regulatory & Environmental Services	0	130,780	130,780	0	130,780	1,989	121,791	123,780	(7,000)	0	0	0	(7,000)	(7,000)	Budget: \$120k on replacing vehicles for planning and inspection departments. Project to Carry Over into 2022/2023: \$7k Civil defence budget will be carry over to next financial year.
Property, Amenities & Reserves	2,654,582	1,603,449	4,258,031	0	4,258,031	473,805	26,433	500,239	(3,757,792)	0	0	0	(3,757,792)	(3,757,792)	Carry over: includes \$1.9m Brougham House upgrade which is presently on hold, \$400k Reefton Toilets upgrade, \$154k Punakaiki camp effluent system upgrade & \$168k Victoria Square stage 2 of 3 turf upgrade. Budget: Includes further \$473k Brougham House upgrade, \$180k Victoria Square stage 3 of 3 upgrade, \$225k Westport library upgrade & \$145k Carters Beach Drainage & Karamea Water. Projects to Carry Over into 2022/2023 year: Brougham House Upgrade \$2.2m will not be completed by end of year 30 June 2022, so this budget is being revised in the 2022-2023 draft annual plan. Punakaiki Camp \$192k effluent system, Victoria Square \$161k prior year budget + \$180k for this year budget for ground works, \$106k for Clocktower capital, \$216k Westport Library upgrade, \$145k Carters beach drainage, \$282k for reefton Toilet upgrade, \$78k Reefton Service Centre for roof, windows and renewals, \$60k pensioner housing units at Reefton & Westport, \$44k Coal town museum, \$67k Reserves including Gardens & Playgrounds and \$1.2k Cemeteries budgets will not completed by June 2022
Community Revitalisation-District Wide	2,701,802	353,164	3,054,966	0	3,054,966	3,140,775	45,100	3,185,876	130,910	0	130,910		0	130,910	Carry over: \$2.7m for a series of District Wide Revitalisation projects. A significant portion of this carry over includes the Toki Bridge and Riverbank project, the remainder being smaller revitalisation projects many which were delayed due to Covid-19. Budget: \$300k for Council Led district wide revitalisation and \$53k Community Led district wide revitalisation projects. \$300k for Council Led district wide revitalisation current year budget allocated to Toki Bridge and Riverbank project. The Toki Bridge and Riverbank project is funded by a mixture of external funding from DIA (\$1.86m) and BDC budgets. Overspend: \$130k expenditure after combining District Wide Revitalisation budget and MBIE Funded Riverbank Project budget and including \$105k from previous Urban Revitalisation spent, which approval is being sought to loan fund.
Roading & Urban Development	20,000	5,758,700	5,778,700	-1,946,500	3,832,200	1,216,171	1,050,279	2,266,450	(1,565,750)	(2,015,750)	450,000	0	0	(1,565,750)	Carry over: \$20k for BDC share of footpath capital required to complete prior year project. Budget: The Long Term Plan original budget was \$5.76m. This was revised down to \$3.81m by NZTA Waka Kotahi. The difference is that Waka Kotahi did not agree to fund the Little Wanganui Bridge renewal (\$1.6m) and Reduction of Local Road Corner Reshaping works (\$346k) for this financial year. Underspend: \$1.565m of the budget will be underspent during the current financial year. This is made up of \$2m of various projects that will be completed next financial year, offset by a greater resealing programme (~\$450k greater than budget) to gain efficiencies with the budget. The reason up to \$1.565m will not be spent this year is because up to 90% of the roading works will be delayed due to flood recovery works and resources. NZTA provide a 3-year roading budget for which Council has discretion on the timing of draw down on that budget. Road resurfacing will have greater efficiency if this budget is spent in advance, and \$450k extra for this activity is scheduled in the next two years NZTA budget. Completing this work now provides efficiencies of scale with the benefit of greater work completed at lesser cost. Similarly the budget underspend for this year will be picked up in the next two financial years.
Solid Waste	38,248	170,000	208,248	0	208,248	20,531	39,958	60,488	(147,760)	(147,760)	0	0	0	(147,760)	Carry over: \$39k for litter bin purchases. \$18k expected to spend out of this and \$21k excess balance not required to carry over to next Financial Year. Budget: \$80k land fill transfer station capital at Westport and \$80k for Karamea site. Underspend: \$148k budget will not be spent during this financial year due to February 22 Flood and delays caused by Covid 19. \$127k will be carried over to next financial year and \$21k not required to carry over to the next financial year.
Water Supplies	8,560,671	1,097,880	9,658,551	875,000	10,533,551	6,573,399	2,257,150	8,830,548	(1,703,003)	0		336,552	(2,039,554)	(1,703,003)	Carry over: \$5.69m for DIA Funded Trunk main renewal as well as town reticulation work, \$1.45m Waimangaroa Water Supply Upgrade, \$1.44m Reefton Whole of Supply upgrade, and \$502k Punakaiki Water Supply Upgrade. Budget: Significant items include \$150k backflow prevention programs, \$170k Westport Main renewal, and \$253k for Westport Water Treatment Plant renewal and Assessments, strategies & modelling. Approved Variation to Budget: \$850k extra funding was approved by Council for Waimangaroa Water Supply during August 2021, increasing the initial budget of \$1.45m to a total budget to \$2.3m. \$25k extra funding was approved by the Council for Mokihiniui water supply during April 2022, including \$5k for the replacement supply pump and \$20k for establishing an easement and track. Overspend: \$186k unbudgeted capital cost for Punakaiki land acquisition. \$150k for Reefton Whole of Supply Upgrade: being \$100k overspending on agreed project plan, plus \$50k spent in advance for installation efficiency and reduction of overall cost for the chlorination upgrade which was not included in the scope of work for the budget of \$1.44m. Punakaiki Trunkmain project will exceed the budget by \$71k. This will be transferred from Westport Trunk Main to Town external grant. Projects to Carry Over into the 2022-2023 Year: \$1.8m Waimangaroa Water Supply to be completed in a future financial year. \$128k Westport Water Assessment Strategy, \$62k Punakaiki Water, \$64k Cape Foulwind water & \$2.3k Nagaku-Hector water will carry over to next financial year. Costs to date: \$3.46m Westport Water, \$1.65m Reefton Water, \$519k Waimangaroa Water, and \$794k Punakaiki Water.
Wastewater	2,148,539	932,000	3,080,539	25,000	3,105,539	1,098,937	2,105,539	2,105,539	(1,000,000)	0	0	0	(1,000,000)	(1,000,000)	Carry over: includes Westport Scheme \$2.039m, Reefton Scheme \$109k. Current year budget: \$755k for Westport Wastewater. \$150k Reefton Wastewater, plus \$7k for Little Wanganui Wastewater. Projects to Carry Over to Next Year: Step screen renewal, mixers, transfer pumps no.1 and 2. \$1m Wastewater works will be delayed due to flood recovery works in Westport. Many of these projects are weather related and this needs at least two weeks of good weather to start the projects. Approved Variation to Budget: \$25k extra funding was approved by the Council during April 2022 for establishing connections to the Little Wanganui Waste Water System. Costs to date: \$1m Westport Wastewater, and \$66k Reefton Wastewater.

	BUDGET					EXPENDITURE				VARIANCE ANALYSIS					SIGNIFICANT VARIANCE DETAILS
	Total Carry Over from 2020/2021	Budget Set for 2021/2022	Combined Budget and Carry Over for 2021/2022	Budget Adjustment Approved by Council Resolution/ NZTA Adjustment	Final Budget For 2021/2022	Expenditure to 31 March 2022	Further Expenditure Expected to 30 June 2022	Total Projected Expenditure to 30 June 2022	PROJECTED VARIANCE	Projected Budget Under Spend	Projected Budget Over Spend	Unbudgeted Expenditure	Projects to Re-budget or Carry Over into 2022/2023	TOTAL VARIANCE over budget (under) budget	
Stormwater	169,745	200,000	369,745	0	369,745	145,037	134,708	279,745	(90,000)	(90,000)	0	0	0	(90,000)	Budget: \$200k includes \$150k other capital works, \$30k Minor Capital and \$20k Condition assessment using CCTV technology. Underspend: \$90k will not be completed this financial year and carried over to next financial year due to the flood recovery works which caused delays in some of the projects.
Support	305,108	262,000	567,108	0	567,108	370,096	247,012	617,108	50,000	0	50,000		0	50,000	Carry over: mainly includes \$238k Information management project, \$40k Information Technology Projects , and \$26k LIDAR photography. Budget: \$90k Information Management Project, \$62k for Systems, and \$50k for hardware and software including computer systems and GIS Overspend: \$50k overspent for computer hardware including laptops, unplanned expenditure due to Covid-19 to allow more staff to work from home. Unbudgeted Expenditure: \$34.9k due to purchase of vehicles where budgets did not account for subsequent price raise and in the case of insurance pay-out, was insufficient to cover new replacements. Approval is being sought to transfer \$35k of budget from Regulatory Vehicle purchases to cover deficit.
Harbour	0	0	0	0	0	181,362	318,638	500,000	500,000	0	0	500,000	0	500,000	MBIE grants of \$11.3m have been approved. This grant is for Westport bulk shipping & fishing project and enhancement & ablation blocks. Some of the grant income and associated costs are for Westport Port, and some are for Greymouth Port. Only a small portion of the costs are recognised as capital expenditure under reporting standards. The project will be completed by June 2022. Unbudgeted Expenditure: The majority remainder of the grant funding and associated costs are related to expenses. It is estimated up to \$500k of the grant due this year would be for capital purposes.
Recovery	0	0	0	0	0	3,554,896	0	3,554,896	3,554,896	0	0	3,554,896	0	3,554,896	Unbudgeted Expenditure : \$3.55m spent on flood recovery works due to July 21 flooding event which consists of \$51k for the Recovery Office equipment and \$3.50m for the reinstatement of infrastructure. Funding applications have been lodged for this expenditure.
Total Buller District Council	16,777,395	10,830,863	27,608,258	(1,006,500)	26,601,758	17,029,567	6,589,597	22,520,227	(4,081,531)	(2,253,510)	779,910	4,391,447	(6,999,379)	(4,081,531)	

FINANCE, RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM 8

Prepared by Rod Fox
Group Manager Commercial and Corporate Services

COMMERCIAL AND CORPORATE SERVICES WORK PLAN

1. DRAFT RECOMMENDATION

That the Finance, Risk and Audit Committee receive the Commercial and Corporate Services Work Plan for information.

WORK PLAN
- Commercial and Corporate Services

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
FRAC Reports												
- BDC Quarterly Financials		Quarterly			Half yearly BDC & WAA			Three quarterly				
- BDC Investments and Borrowings												
- BDC Treasury												
- BDC Debtors												
- BDC Capital Income and Expenditure												
- BHL Quarterly Financials		Quarterly			Half yearly			Three quarterly				
- Risk Register and Report					Quarterly		Quarterly			Quarterly		
- Health and Safety Report					Quarterly		Quarterly			Quarterly		
- Budget Carry Overs		2021 Carryovers										
- CCO Statements of Intent			Letter of expectation			Draft			Final			
Flood Recovery												
Flood Recovery monthly financials												
2022/2023 Annual Plan												
- Annual Plan	Strategic Planning for Annual Plan	Workshop, budgets templates open	complete budgets, workshop	Workshop, including BHL inputs to AP	Final review of draft estimates, budget result workshop	Adopt draft Annual Plan and Consultation Document	Submissions open, community consultation	Submissions close, hearing and deliberations	Adopt final Annual Plan			
2020/2021 Annual Report												
- BDC Annual Report	Preparation of Annual Report	Final Audit	Adopt and publish Annual Report						Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report
- BHL Annual Report			Receive CCO Annual Report's									
Rating Policy Review												
- Rating Policy Review	Under Review	Review database and workshop	Under Review	Under Review	Paper to FRAC	Under Review	Under Review	Under Review	Update Paper to FRAC	Under Review	Under Review	Under Review
Other Operating Projects												
- Insurance					Finalise						Workshop	Valuation complete
- 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

FINANCE RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM: 9

Prepared by Julia Gear
Trainee Financial Accountant

Lynn Brooks
Manager Finance

Reviewed by Rod Fox
General Manager Commercial & Corporate Services

Attachment 1 Buller Holdings Limited Quarterly Report March 2022

BULLER HOLDINGS LTD - FINANCIAL REPORT TO 31 MARCH 2022

1. REPORT SUMMARY

This report presents the quarterly (unaudited) financial statements for the nine-month period ended 31 March 2022 including the budget for this period. The report also presents results against the Statement of Intent targets which are non-financial measures.

2. DRAFT RECOMMENDATION

That Council accepts the quarterly Financial Report for the period ending March 2022.

3. ISSUES AND DISCUSSION

This report is presented to Council to monitor Buller Holdings Limited (BHL) financial results.

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

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

The Group posted a surplus of \$846K for the nine months to 31 March 2022 against a budgeted surplus of \$491K.

4. CONSIDERATIONS

4.1 Strategic Impact

BHL is a holding company that was set up to provide a commercial focus in the governance and management of the Council's commercial assets. The aim of the group is to operate as a successful company and provide a competitive rate of return on the investments of the company.

4.2 Significance Assessment

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

4.3 Values

The Council values are future focussed, community driven, one team, integrity and we care. Monitoring the performance of BHL is important. The strong performance of BHL is integral to ensuring Council can fund current and future services for the community.

4.4 Risk Analysis

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

This report provides oversight of the financial operations of BHL but does not elaborate on other risks which may be present with those operations. Risk is mitigated by engaging suitably qualified Directors to oversee the operations of the group and having a dedicated Committee of Council to oversee and report on the operations of the group.

Financial risk is mitigated when the results of operations are reported on and understood by staff and governance, and provision of the interim report to the Finance and Risk & Audit Committee.

4.5 Policy / Legal Considerations

BHL is required to provide quarterly financial results by Council as stipulated in Council's Long Term Plan or Annual Plan.

4.6 Tangata Whenua Consultation Considerations

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

4.7 Views of Those Affected

The provision of services through the holdings company model and the type and nature of those services are consulted upon annually as part of the Annual Plan of Council.

4.8 Costs

There are no extraordinary costs included in the attached reports, nor is there any additional costs raised due to the submission of this report.

4.9 Benefits

The benefits of reviewing a quarterly report is the financial results are monitored at on a regular basis.

4.10 Media/Publicity

There are no media or publicity opportunities with this report.

BULLER Holdings Ltd

Financial Report (unaudited)

For

Buller Holdings Ltd
and the Group

For the Period Ending 31 March 2022



	Page
Contents	2
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Statement of Financial Performance	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Statement of Financial Position	13

Directors Report to the shareholders of Buller Holdings Ltd on the financial performance for the Nine months to 31 March 2022:

Commentary:

We have now completed nine months of the financial year. Trading conditions have been difficult for Buller Recreation Ltd as we continue to navigate our way through Covid-19 and recent flood events.

We continue to see the impacts of the flood event on the community in July 2021, as well as the recent February floods. The Buller District has shown a lot of resilience with the challenges faced with Covid-19, and the flood events. We will be dealing with the impacts of Covid-19 for a long term. We are attempting to mitigate the risks by adapting the way we operate and trade. We shut the Pulse Energy Recreation Centre for five days during February as a result of the floods.

WestReef Services Ltd (WRSL) has performed extremely strongly during this period. Work volumes remain very strong. The financial performance has been exceptional.

We have tendered for a number of projects recently and we continue to look for opportunities that can grow the WRSL business. Some of this work is out of the district, as we look to grow certain parts of the business.

The Kawatiri to Charleston trail continues to progress very well. We have secured some additional stages of this successful project. There have been many positive comments regarding the work we have completed.

Buller Recreation Ltd continues to see strong use in the fitness area which is well up on the previous year. We are looking forward to moving to the new system of operation from April 5th – this removes the need for people to be vaccinated to enter the building. It is very pleasing to see swim lessons grow in numbers as we continue to provide an excellent learning environment. Less school bookings have significantly impacted the aquatic area. The impacts of Covid-19 have been the main factor, as schools could only have vaccinated people enter the building. As staff tested positive or were forced to self-isolate, we were really pleased how staff covered for each other to ensure delivery of service for the community.

The group now employs approximately 135 staff and is one of the biggest employers within the district, providing social and economic well-being spread throughout the district.

Kieran Sweetman and Vanessa van Uden to the Board have started as directors. Unfortunately, due to Covid we have not been able to meet in person yet.

A commentary against key indicators is contained in the next section of the report.

On behalf of the Board

Steve Grave

Chair

Statement of Intent Targets:

The targets as set out in the individual statements of intent for each subsidiary are shown below with an update of progress:

Buller Holdings Limited

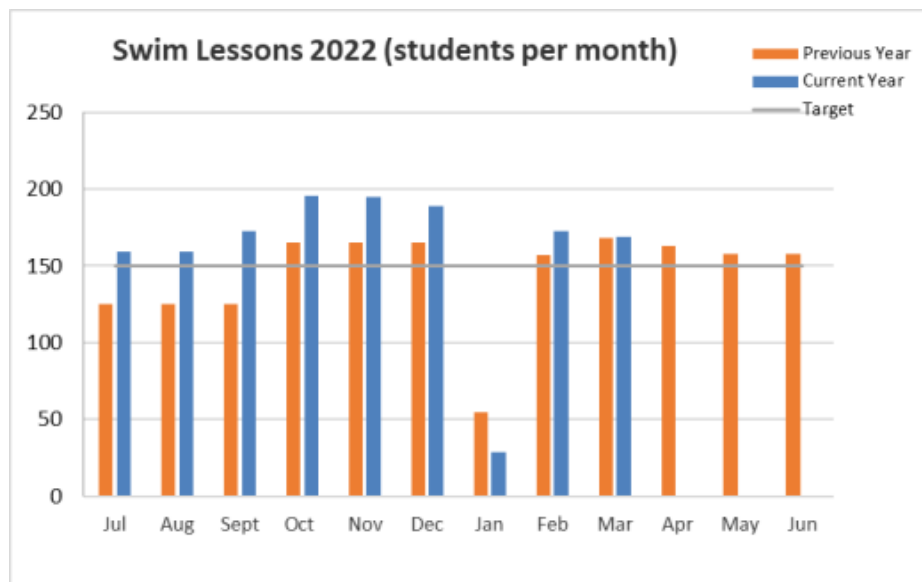
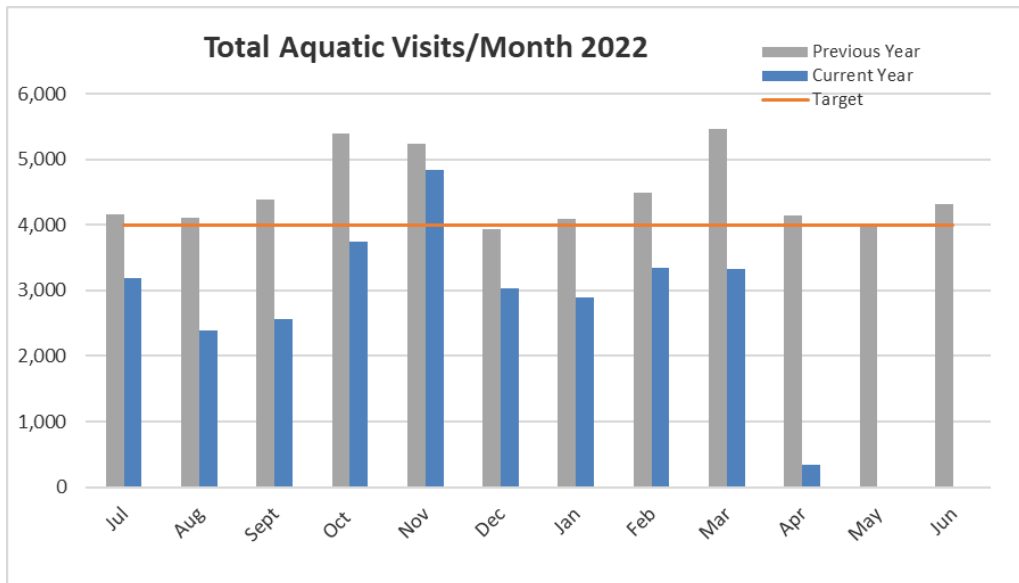
	Key Performance Measure	Annual target	Achieved to date
Health & Safety	Medical Treatment Injury	Nil	Nil
	Serious harm accidents	Nil	Nil
	LTI Target	Nil	Nil
Operational	The board of directors will meet with the BDC, CCTO Committee on a formal basis: (per/year)	3	1
	The Buller Holdings Ltd Chief Executive will provide a formal and or informal report to Council as requested.	As requested	3 Achieved
	The Chief Executive of Buller Holdings Ltd will meet with the Chief Executive of Buller District Council when requested.	As requested	Five meetings have been held
PARENT Financial (\$000's)	Revenue	\$517	\$428 YTD
	Expenditure	\$514	\$442 YTD
	Net Operating Surplus	\$3	(\$16) YTD
	Ratio of Shareholders Funds to Total Assets	60%	79%
GROUP Financial (\$000's)	Group Revenue	\$15,449	\$15,984 YTD
	Group Expenditure	\$14,789	\$14,613 YTD
	Group Operating Surplus	\$660	\$1,371 YTD
	Provision for capex	\$3.5m	\$1,324 YTD
	Forecasted distribution to Shareholders	\$1,300	On Track

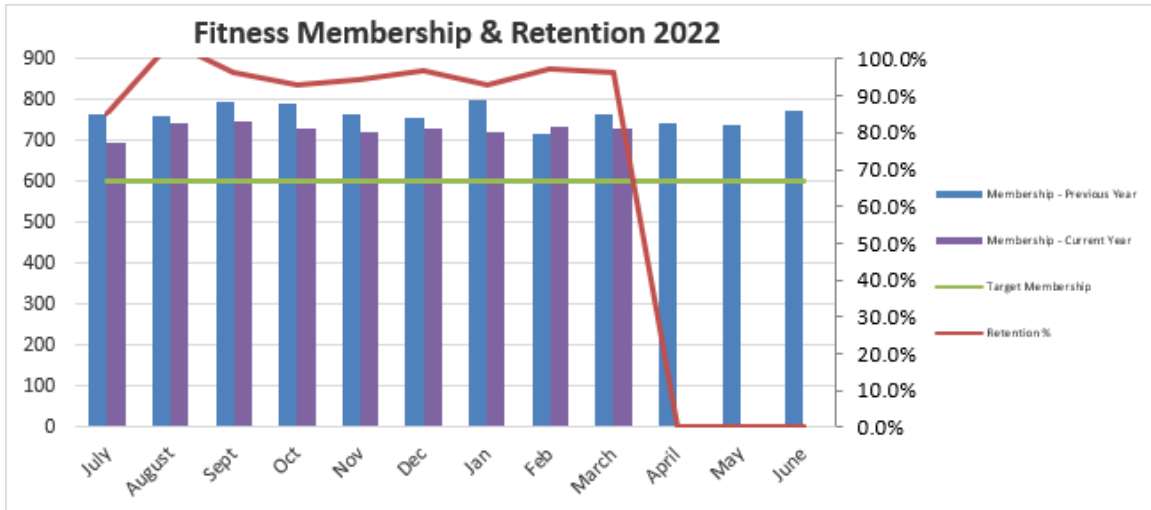
WestReef Services Ltd

	Key Performance Measure	Annual target	Achieved to date
HEALTH & SAFETY	Medical Treatment Injuries	Nil	5
	Serious Harm Accidents	Nil	0
	LTI Target	Nil	3
	ISO 45001 Accreditation	Maintain	Achieved January 2022
OPERATIONAL	Employee Satisfaction – Staff turnover excluding retirement, redundancy and internal transfers	Within the range of +/- 5% of the national benchmark	Achieved
	Client Satisfaction – Min 12 meetings per year	12	9
	Renewal of TQS1 certification	Achieve	Achieved July 2021
EMPLOYEE DEVELOPMENT & SATISFACTION	Undertake staff satisfaction survey (2 yearly)	Not required	Achieved - next survey Sept 2022
	Regular department staff meetings	Achieve	Achieved
FINANCIAL (\$ 000)	Revenue (\$ 000)	\$13,403	\$14,792 YTD
	Expenditure	\$12,036	\$12,836 YTD
	Net Operating Surplus	\$1,367	\$1,956 YTD
	Provision for Capex	\$3.5m	\$1,265 YTD
	Competitively Procured Revenue	45%	84%
	Ratio of Shareholders Funds to Total Assets	60%	78%
ENVIRONMENTAL	Number of Enforcement notices	Nil	Nil - Achieved
COMMUNITY	Support Minimum 15 community activities	25	17

Buller Recreation Ltd

	Key Performance Measure	Annual target	Achieved to date
Financial (\$000's)	Revenue (\$000's)	\$678	\$525
	Expenditure (\$000's)	\$2,239	\$1,732
	Ratio of Shareholders Funds to Total Assets	60%	95%
Fitness membership	Average membership over 12-month period.	700	731
	Average retention rate over 12-month period	>75%	94%
Aquatic centre usage	Average visits per month over 12 months	4,080	3478
	Achieve number of students over 4 swimming terms	140	160
Safety	MTI	Nil	Achieved
	Serious Harm Accidents	Nil	Achieved
	LTI	Nil	Achieved
Work Environment	Maintain regular communication with all employees through weekly emailed updates and meetings with all staff every 4 months.	Achieved	Achieved. Weekly meetings with management and quarterly meetings with each department
	Review the succession plan for key positions and identify training needs and actions for the next 12 months	Achieved	Achieved. Consideration given at management meetings to skills and training if personnel in key positions leave
	Complete annual review process with all staff	Achieved	Achieve by 30th June 2022
	Undertake staff satisfaction survey every second year	Survey	Achieve by 30th June 2022
	Undertake client satisfaction survey every second year.	Nil	Not required until June 2023
Asset Management	Review of the Asset Replacement Schedule annually	Achieved	Completed comprehensive Asset Management Plan in place
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieved	Ongoing
Financial Forecasts (\$000's)	Revenue	\$678	\$525
	BDC Service level fee	\$851	\$639
	Expenditure	\$2,239	\$1,732
	Net operating surplus (deficit)	(\$710)	(\$568)
	Provision for capex	\$102	\$58





January, February, March			
	2020	2021	2022
Pool	9,219	14,040	9,478
Gym	2,913	5,762	5,617

STATEMENT OF FINANCIAL PERFORMANCE

For the period ending 31 March 2022

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	15,984	11,587	428	388
Expenses	14,613	11,092	442	386
OPERATING SURPLUS/(DEFICIT) before taxation	1,371	495	(16)	2

STATEMENT OF FINANCIAL PERFORMANCE

For the period ending 31 March 2021

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	14,426	9,094	380	384
Expenses	13,580	8,603	401	382
OPERATING SURPLUS/(DEFICIT) before taxation	846	491	(21)	2

STATEMENT OF CHANGES IN EQUITY

For the period ending
31 March 2022

Actual

Actual

Group

Parent

	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2021	19,832	(9,876)	9,956	19,832	(13,938)	5,894
Profit for the period (after prov tax payment)	-	1,257	1,257	-	(16)	(16)
	19,832	(8,619)	11,213	19,832	(13,954)	5,878
Transactions with owners, recorded directly in equity						
Issued capital	102	-	102	102		102
Closing balance 31 March 2022	19,934	(8,619)	11,315	19,934	(13,954)	5,980

For the period ending
31 March 2021

Actual

Actual

Group

Parent

	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2020	19,609	(3,509)	16,100	19,609	(3,869)	15,740
Profit for the period	-	846	846	-	(21)	(21)
	19,609	(2,663)	16,946	19,609	(3,890)	15,719
Transactions with owners, recorded directly in equity						
Issued capital	223	-	223	223		223
Closing Balance 31 March 2021	19,832	(2,663)	17,169	19,832	(3,890)	15,942

STATEMENT OF CASH FLOWS
For the period ending 31 March 2022

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
	2022	2022	2021	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Management fees	638	400	734	406
Receipts from Customers	15,137	27	16,064	337
Sponsorship	0	0	78	0
Interest received	19	1	26	1
	15,794	428	16,902	744
Cash was distributed to:				
Payments to suppliers and employees	12,854	354	14,596	636
Taxes paid	1,180	53	1,105	47
Interest paid	34	34	48	48
	14,068	441	15,749	731
Net cash inflow/(outflow) from operating activities	1,726	(13)	1,153	13
CASH FLOWS FROM INVESTING ACTIVITIES				
Realisation of term investments	3,228	121	2,740	120
Proceeds from Sale of Fixed Assets	127	0	0	0
	3,355	121	2,740	120
Cash was applied to:				
Purchase of term investments	2,575	122	2,127	120
Purchase of fixed assets	1,324	-	844	-
	3,899	122	2,971	121
Net cash inflow/(outflow) from investment activities	(544)	(1)	(231)	(1)

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
	2022	2022	2021	2021
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Share Issue	102	102	223	223
	102	102	223	223
Cash was applied to:				
Share Issue	-	102	-	223
Subvention payment made	1,300	-	1,223	-
	1,300	102	1,223	223
Net cash inflow/(outflow) from financing activities	(1,198)	-	(1,000)	-
Net increase in cash held	(16)	(14)	(78)	12
Add opening cash as at 1 July 2021	1,296	127	1,469	95
Closing cash balance	1,280	113	1,391	107
Made up of:				
Bank	1,280	113	1,391	107
Closing cash balance	1,280	113	1,391	107

STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
EQUITY	2022	2022	2021	2021
Share capital	19,934	19,934	19,832	19,832
Accumulated Funds	1,257	(16)	846	(21)
Retained earnings	(9,876)	(13,938)	(3,509)	(3,869)
Total Equity	11,315	5,980	17,169	15,942
ASSETS				
Current assets				
Cash and short-term deposits	1,280	113	1,391	107
Receivable and prepayments	3,474	54	2,653	48
Inventories	66	0	145	0
Short-term Investments	2,575	121	2,127	121
Total current assets	7,395	288	6,316	276
Non-current assets				
Deferred tax	220	12	245	13
Fixed assets	8,106	408	14,537	412
ROU Assets	88	0	0	0
Goodwill	389	0	389	0
Investment in Subsidiaries	0	6,892	0	16,865
Total non-current assets	8,803	7,312	15,171	17,290
Total Assets	16,198	7,600	21,487	17,566

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
LIABILITIES				
Current liabilities	2022	2022	2021	2021
Payables and accruals	2,008	67	1,549	96
Employee entitlements	790	53	631	28
Total current liabilities	2,798	120	2,180	124
Non current liabilities				
Deferred Tax	585	0	638	0
Buller District Council Loan	1,500	1,500	1,500	1,500
Total non-current liabilities	2,085	1,500	2,138	1,500
Total liabilities	4,883	1,620	4,318	1,624
Net Assets	11,315	5,980	17,169	15,942

FINANCE, RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM 10

Prepared by Julia Gear
Trainee Financial Accountant

Lynn Brooks
Manager Finance

Reviewed by Rod Fox
General Manager Commercial and Corporate Services

Attachment 1 Non Financial Performance March 2022

INVESTMENTS AND BORROWINGS – April 2022

1. REPORT SUMMARY

This report summarises Council's cash investments and borrowings for the month ending April 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 Investments

Investments have decreased by \$300K since 31 March 2022. This is reflected in a decrease in the Call Account.

3.2 Bank Balance

Council's trading bank balance closing balance was \$228k.

3.3 Interest Revenue

Interest revenue to the end of April is \$293k with a full year budget of \$359k.

Council will continue to reinvest term investment funds at the most favourable interest rate when deposits are available for renewal. The

interest rates are improving, and this will be reflected in interest revenue as term deposits are reinvested at maturity.

3.4 Borrowings and Net Debt Position

Total borrowings increased by \$1.5M at the end of April via the extraordinary loan facility approved for the purpose of paying flood recovery costs. Net debt (borrowings less term investments and call account balance) has increased by \$1.8M to \$15.351M.

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 Councils 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

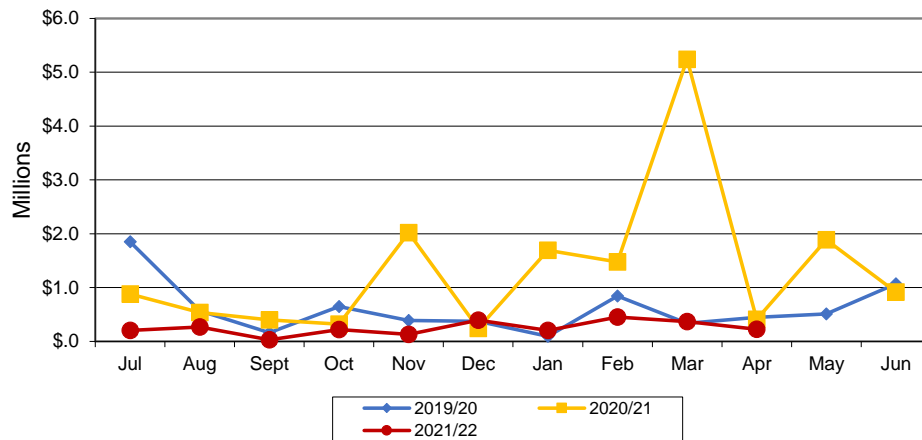
None identified.

INVESTMENTS AND BORROWINGS REPORT

1. BANK BALANCE

	This Month 30-Apr-22	Last Month 31-Mar-22	Last Year 30-Apr-21
Council	\$227,947	\$368,519	\$408,255

2. MONTH END BANK BALANCE



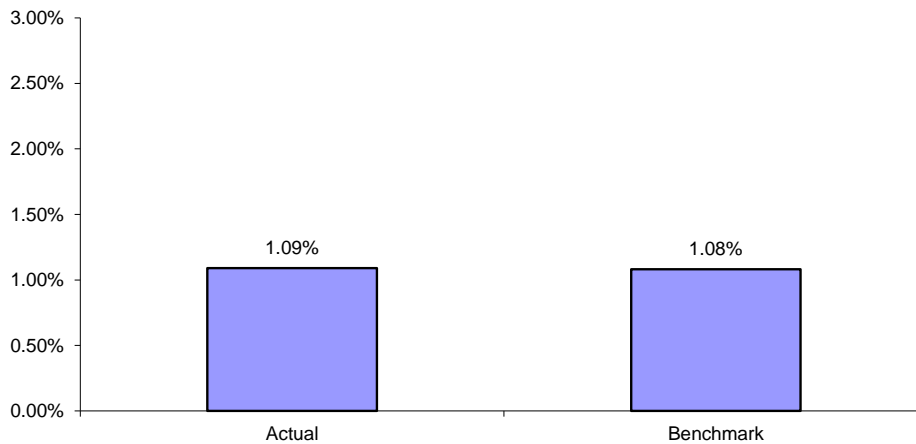
3. SUMMARY OF INVESTMENTS

	This Month 30-Apr-22	Last Month 31-Mar-22	Last Year 30-Jun-21
Term deposits (includes Call Account)	19,362,141	19,662,141	19,614,121
Other loans (includes loan to Holding Company)	1,500,809	1,500,809	1,503,596
Total Investments	\$20,862,950	\$21,162,950	\$21,117,717

4. SOURCE OF FUNDS

	This Month 30-Apr-22	Last Month 31-Mar-22	Last Year 30-Jun-21
Depreciation Funds	1,530,000	1,530,000	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)	6,034,038	6,034,038	5,834,038
Reserves Contribution Funds	1,214,500	1,214,500	1,214,500
Short Term Funds - rates income plus term deposits pending debt reduction	1,500,000	1,800,000	600,000
LGFA Borrower Notes	455,000	410,000	410,000
	\$19,362,141	\$19,617,141	\$19,614,122

5. INVESTMENTS PORTFOLIO PERFORMANCE (12 Month Average)



6. INTEREST REVENUE

	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$293,228	\$183,718	\$359,546

7. COMPLIANCE WITH INVESTMENT 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.

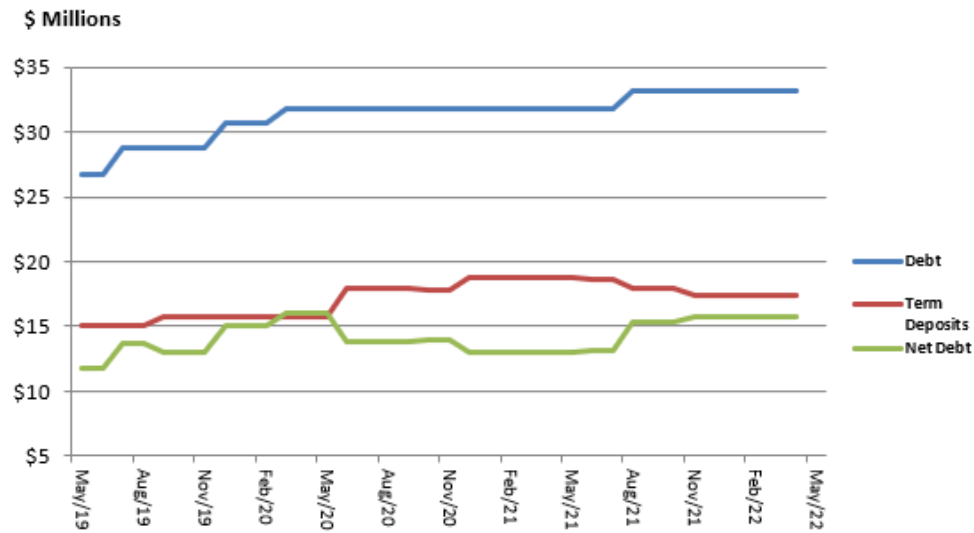
Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base. Currently investments in NBS total \$3.468m which represents 17.9% 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.

8. SUMMARY OF BORROWINGS

	This Month 30-Apr-22	Last Month 31-Mar-22	Last Year 30-Jun-21
External Debt			
Westpac Loan Facility	14,713,860	13,213,860	11,773,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	\$34,713,860	\$33,213,860	\$31,773,860
Weighted Average Interest Cost	2.69%	2.69%	3.90%

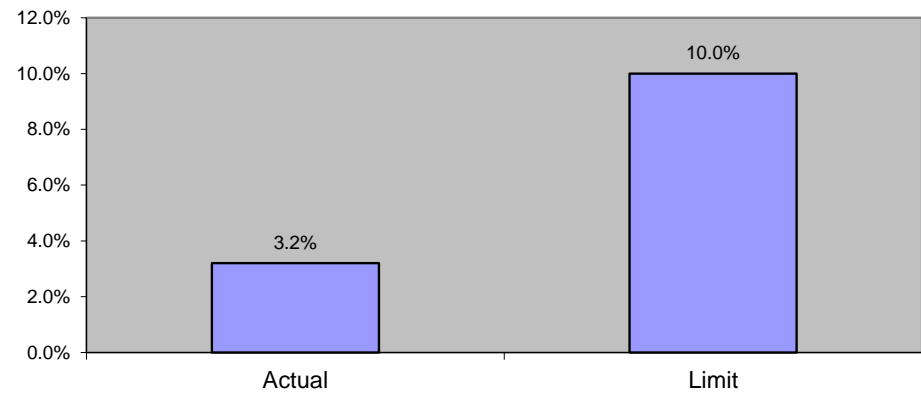
Net Debt			
Total Borrowings	34,713,860	33,213,860	31,773,860
Less: Term deposits (including Call Account)	19,362,141	19,662,141	19,317,292
	\$15,351,719	\$13,551,719	\$12,456,568

9. DEBT AND INVESTMENTS 3-YEAR TREND

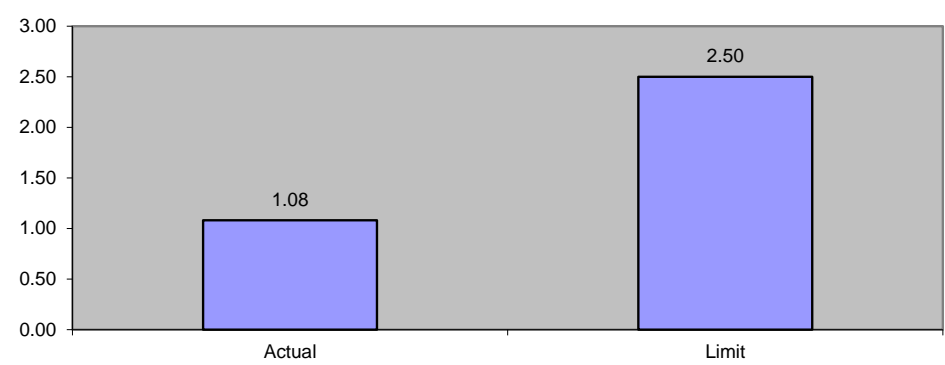


10. COMPLIANCE WITH TREASURY POLICY

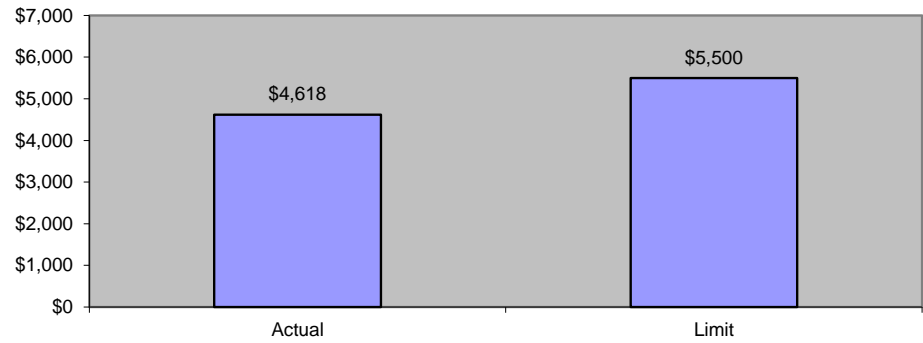
10.1 Interest Expense / Total Income



10.2 Gross Debt / Total Income



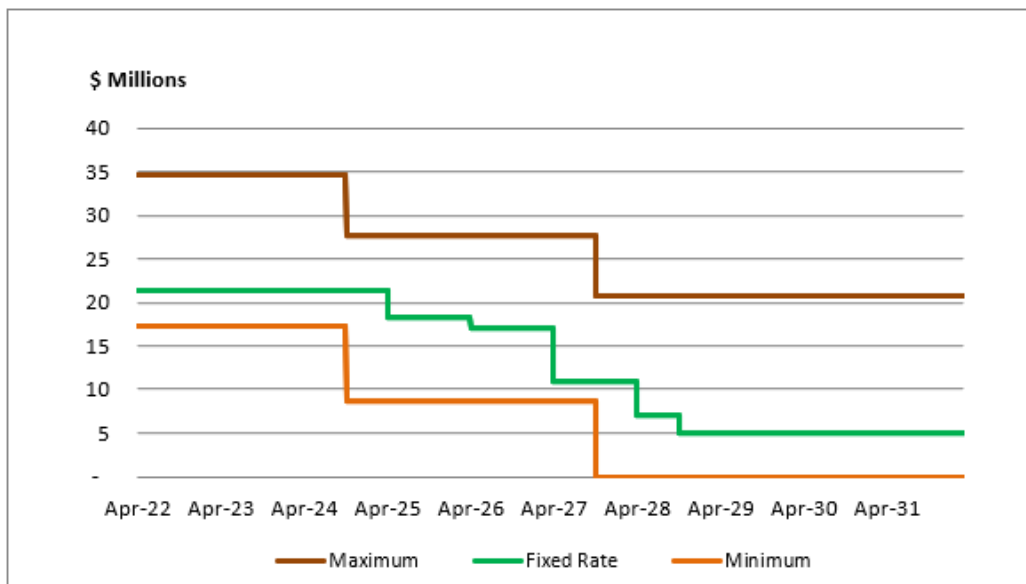
10.3 Gross Debt per Rateable Property



10.4 Debt and Net Debt per Rateable Property



10.5 Fixed Rate Debt - Compliance with Treasury Policy



Investments are in breach of The Council Treasury Management Policy in respect that there is more than 10% of the portfolio invested in Building Societies. Council ratified this breach via resolution to obtain ongoing sponsorship proceeds for the NBS Theatre.

FINANCE, RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM: 11

Prepared by - Sharon Mason
- Chief Executive

MONTHLY REPORT – PROJECTS IN PARTNERSHIP UPDATE REPORT

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 RECOMMENDATION

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

3. REPORTS

- 1. Whitebait Aquaculture Project**
- 2. Westport Flood Recovery Programme**
- 3. Infrastructure Services Portfolio Reports**
 - District Revitalisation Programme
- 4. Commercial & Corporate Services Portfolio Report**
 - Buller District Port Package
- 5. Community Services Portfolio**
 - Buller Planting Project (verbal update to Steering Committee)
 - Community Halls and Memorials

4. THREE WATERS REFORM PROGRAMME UPDATE

- 1. Three Waters Reform Funded:**
 - Westport Water Supply Trunk Main Stage 1
 - Westport Water Supply Trunk Main Stage 2
 - Punakaiki Water Supply Trunk Main Renewal
- 2. Council Funded:**
 - Reefton Water Supply Upgrade
 - Waimangaroa Water Supply Upgrade

FINANCE, RISK AND AUDIT COMMITTEE

18 MAY 2022

AGENDA ITEM: 11.1

Prepared by - Sharon Mason
- Acting Chief Executive

**MONTHLY REPORT – PROJECTS IN PARTNERSHIP UPDATE -
WHITEBAIT AQUACULTURE PROJECT**

1 REPORT SUMMARY

This is the final report for the Whitebait Aquaculture Project. It provides the final update presented to the Projects in Partnership Steering Committee. There will be no further reports to the Finance Risk and Audit Committee.

2 DRAFT RECOMMENDATION

That the Finance, Risk and Audit Committee receive the Projects in Partnership Whitebait Aquaculture Project final report for information.

MONTHLY JOB NUMBERS REPORT



Project Title	<i>West Coast Whitebait Aquaculture Project – Final Report</i> <i>Prepared by John Selby, Chair Stakeholder Governance Group</i>
Reference Number	<i>R07.00362.002</i>
Report Date:	<i>3 May 2022</i>

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.

Project Milestone	<p>Project overview</p> <p><i>Kānoa – RDU supported a proposal led by Buller District Council for New Zealand Whitebait Limited (NZWL) to develop an environmentally sustainable whitebait farm in Westport with the potential of creating a nationwide industry.</i></p> <p><i>The venture had the backing of both the Buller District Council and local iwi, Ngāti Waewae.</i></p> <p><i>While the farming science and technology were sound, due to COVID and the current economic environment NZWL was unable to secure the private capital needed for the proposal to succeed notwithstanding genuine local and international investor interest.</i></p> <p><i>This week the founders Francis Day and Robert Hutton elected not to wind the company up to enable them to focus on other whitebait opportunities and West Coast projects. While the company remains solvent there are no residual assets.</i></p> <p>Statement of funding</p> <p><i>Kānoa – RDU provided \$200,000 of funding to Buller District Council to oversee the development of the aquaculture project and establish a steering group that included iwi, to provide oversight of the project.</i></p> <p><i>This funding was spent on project management, legal and financial advisory costs.</i></p> <p><i>Kānoa – RDU also provided Buller District Council \$500,000 to match NZWL's contribution to stand up the company and help with initial business costs and brood stock management arrangements, which included keeping the whitebait alive and ready for breeding.</i></p>
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	<p><i>The initial business costs included strict legal and compliance costs, business advisory costs relating to shareholder agreements, funding arrangements, founder transactions, information memoranda and related business plans. The ongoing business costs included brood stock costs to keep the fish safe and ready for farming once the facilities had been established.</i></p> <p><i>All this funding has been spent.</i></p> <p><i>No ratepayer funding was received by NZWL.</i></p> <p>Key project outcomes</p> <p><i>Whilst the project was ultimately unsuccessful it did demonstrate a Buller region capability and community support for future aquaculture projects.</i></p> <p><i>The lessons learned will underpin the success of future projects.</i></p> <p>Next steps BDC</p> <p><i>BDC's CEO will confirm in writing to Warren Gilbertson, Kanoa that</i></p> <ol style="list-style-type: none"> <i>1. the shares will be transferred back to the NZWBL Ltd shareholders,</i> <i>2. that the Funding agreement with the provincial growth fund is formally terminated and,</i> <i>3. that BDC has no further obligations.</i> <p>Communications</p> <p><i>Late January 2022 Buller District Council gave a media release advising the unsuccessful capital raise and the intention of the NZWL board to wind up the company.</i></p> <p><i>This report includes key parts of this media release and the recent decision of the founders to not wind up the company.</i></p>
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	<p>Lessons learned</p> <p>(1) NZWL board learned negotiating commercial contracts involving Government funding can take more time than initially forecasted in the original Application and Funding Agreement.</p> <p>(2) The science, compliance, technology and infrastructure risks could be mitigated. However, a successful capital raise was impacted by unforeseen risks of COVID restricting investor access to New Zealand creating uncertain economic conditions.</p> <p>(3) More time could have been spent at the start of the project to ensure the people involved could work well as a team and collectively had the experience of standing up a company ready for Government and private capital investment.</p> <p>(4) Legal costs incurred by all parties were significant. In hindsight to establish the company the same independent lawyer should have been used by all parties other than the NZWL board. This approach would have also streamlined the capital raise process.</p> <p>Conclusion</p> <p>While there was genuine investor interest COVID significantly impacted the capital raise and therefore the success of the project.</p>
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2. Redeployment Outcomes

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

Table 1: Please complete the following table for the number of people working to deliver the project for the previous month.

Total People Working
<i>Few Westport jobs were created due to the unsuccessful capital raise.</i>

Table 2: 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.

Total Created Roles
<i>Few Westport jobs were created due to the unsuccessful capital raise</i>

Contractor*	Consultant*
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.)

Full-time	Part-Time
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

Table 3: Please complete the following table with total numbers for previous jobs and expected jobs in the future. This table should be calculated excluding existing employees.

Total number of people previously but no longer working on the project	Total number of expected jobs in the future of the project

Table 4: Please provide any additional information that is not able to be captured in the tables above e.g. providing numbers of volunteers that may also be working on your project.

NA

3. Impact of COVID-19

COVID-19 Alert Level Changes and Lockdown Restrictions:	Scale of impact (1 -no impact; 2 - small; 3 - moderate; 4 - major; 5 - severe)	Provide additional details on the impact, especially those not covered by following question
To what extent has COVID-19 impacted this project?	4	Engaging international investors and inability to visit West Coast/New Zealand to see the business first hand.
To what extent do you expect COVID-19 Alert to impact this project in the coming months?		
Have any of the following been negatively impacted by COVID-19?	Yes/ No	Provide additional narrative on the negative impacts
Costs		
Milestone delivery in the next month		
Availability of labour		
Availability of materials and equipment		
Cashflow		
On-site productivity		

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).

Whitebait Acquaculture Project - Costs

Brood Stock Management Costs	130,000
Build design, equipment specifications, supplier selection, build plan, site identification and project management.	344,000
SGG fees	30,000
Accounting, forecasting and advisory fees.	76,000
Legal fees readying the company for investment.	170,000
Administration costs incurred since the company was established 1 April 2019	250,000
TOTAL	1,000,000

The MBIE grant to BDC was spent as follows

BDC administration cost allocation	20,000
BDC project management contract costs	130,000
Legal advice to BDC relating to shareholder agreement and other capital raising documents.	35,000
Financial assurance relating to forecasts.	15,000
TOTAL	200,000

The company is anticipated to have no residual assets on wind up as the brood stock will be returned to the founders per the shareholders' agreement and the remaining assets represent goodwill.

Westport Flood Recovery Programme

Project Details

Location and Region:	Westport, Buller District, West Coast
Reporting Period:	For period ending April 2022
Programme Principal/Recipient:	Buller District Council
Programme Partner(s):	NEMA, DIA, Ministry for Business, Innovation & Employment (MBIE), Ministry for Primary Industries, MSD, TAS, RAS, Ngai Tahu, WCDHB, DWC, Homebuilders, Ministry of Health, Insurance Council NZ, TPK, Te Ha O Kawatiri, Ngati Waewae, Buller REAP, No. 37, Poutini Waiora.
Recovery Manager:	Bob Dickson
Programme goal:	To restore and enhance our place by rebuilding our communities in a future focused way as we move towards a strong, resilient, and successful Buller District.
Event Context:	<p>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.</p> <p>The flow breached Westport's flood defences, with 826 properties and over 2,000 people requiring evacuation.</p> <p>Out of 1983 dwellings in Westport town, 23% of the housing stock will need repair to make them habitable.</p> <p>The event response moved to recovery phase in August 2021.</p> <p>A further "Red Flagged" flood event took place on 2nd – 4th February 2022. An emergency declaration was enforced and an evacuation plan for at risk portions of the town enacted.</p> <p>A third flood event occurred on 9th -11th February. Again an emergency declaration was enforced and mandatory evacuations were carried out. This event also caused widespread infrastructure damage across the Buller District and resulted in significant damage to rural farms.</p> <p>A further event of localised rainfall occurred at Granity early March causing slips, debris flows, houses at risk (2 red, 1 yellow) and loss of property.</p> <p>The goal of the recovery programme is to restore and enhance our place by rebuilding our communities in a future focused way as we move towards a strong, resilient, and successful Buller District.</p>

Project Overview/Traffic Light Status/High-Level Summary

Key

G = Green; On time, meeting budget and no significant risks or issues

A = Amber; Some delay, risk, or issue. R = Red; Needs attention, delay, risk, issue, or budget situation that threatens completion or is cause for concern

↑ indicates improving, ↓ indicates deteriorating

Aspect	Status	Comments
Overall:	A ↑	Sound inter-agency support continues, the programme actions will continue to be met, the rebuild has a positive momentum (noting constraints of supply issues) and the Community Hub remains the focal point of the overall programme. Welfare and social support needs remain as a priority. Navigator programme extended for a further 6 months with contributing community groups and Poutini Waiora.
Budget:	A ↑	A changing picture that reflects the recent events and work underway to carry out rapid assessments and build an understanding of the extent of damage and QS likely costs to reinstate .
Scope:	G	As per the revised Recovery Plan. This plan now reflects the changed circumstance of additional floods plus slips. By May the exit process will be under action with contributing agencies and community groups to ensure a smooth transition.
Resource:	A ↑	Revised to meet the immediate needs of the programme. Additional communications support and infrastructure support in place.
Schedule:	G	Timings as per the RAP with links to staff exiting the programme, workshops with supporting groups and building a picture of what the transition from Recovery to BAU looks like within an agreed time span.
Risks / Issues:	R	The extent of the Covid spread within our community is increasing and the potential implications for contributing community groups leading the Community Hub have yet to impact. We need to understand what demands may arise on those teams and the flow on effect on the social recovery for people in close proximity accommodation should a Covid outbreak occur. (no change)

State of Play – key activities

Last Month	Next Month
<p>Summary – programme has been impacted by additional flood events and a stocktake of damage and resources to reinstate / repair is underway.</p> <ul style="list-style-type: none"> 3 x TAS Queen Street houses and 5 x BDC Stafford Street Houses are occupied with very happy tenants. Requests for water supply assistance from affected Granity residents (noting this is a private supply). Referred to MRF. Support provided to NIWA as part of their flood river behaviours modelling project. ICNZ confirm 85% of Westport flood home claims are either fully settled or near completion. 85% of home content claims and 97% of motor claims are fully settled. Michael Hempstead (Mental Health specialist) delivered a series of business and community workshops with a key focus on “Working with Angry People”. Alma Road site stage 1 planning workshops held with MBIE & BDC team 	<p>Summary :</p> <ul style="list-style-type: none"> RAP team workshops will continue to measure delivery progress, resourcing, and processes for the exit planning. Liaise with ICNZ and RAS to plan for a workshop in Westport with insurance companies around climate change effects and risk assessments leading to premium adjustments Alma Road site – infrastructure design, consenting and consultation work continues. WestReef Services (main contractor to MBIE/BDC under NZ3910 contract) commencing early earthworks (access and site set up) under WCRC permitted activity rules. Construction of the first South Peak home expected this month (to be stored at Factory site) Work with MSD and MPI on EFTG outcomes, rapid assessments and quantify the level of rural support required. Geotechnical assessments of the Granity slips will be delivered. (tbc) The successful community kitchen weekly meals will continue (778 delivered to date) Options assessments for Westport alternative water supplies will be work shopped given

- ETFG contract in place with WestReef to deliver.
- Tower Insurance hosted a presentation to the Recovery members highlighting their new risk tools to measure natural disaster risks and their risk zone modelling. This leads to how they arrive at householder premiums in a climate change environment.
- Stafford Street houses have received their blessing from Ngati Waewae and are presently being occupied.

the present state of the existing catchment.

- The communications team will continue with plans to update the web page and Facebook pages.
- As a follow up from the Michael Hemstead mental health workshops, 196 local flood affected children are to receive copies of the book “How do I Feel” as part of a mental health support project. Distributed.
- Remaining driveway chip sealing and landscaping tasks to be carried out at Queen and Stafford Houses. Options to formalise a subdivision at 177 Queen are progressing.
- Operation Outreach 3 – Navigators and Recovery Team will endeavour to contact all affected households through phone, email or door knocking to gauge the current rebuild/repair status of homes and future housing needs.
- Wellbeing – DIA/Lotteries funding – a comprehensive survey of the Buller Community to gauge the current well-being status of the community. This will be useful in identifying gaps in services and give a general indication of how people are coping.
- Cultural Community Hub Feasibility Study – (DIA funded) – to gauge the feasibility of a permanent Cultural Community Hub that houses our NGOs under one roof. The hub will deliver a wide range of inclusive services that focus on well-being, education, health and diversity.

Milestones

Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
Review entire data presentation documents	April	May 22	45%	Reporting processes aren't well coordinated or useful in present formats.
Granity slips geo assessments	April	May	10%	Will inform risk profile of properties below the slips
Events programme delivered	November/Dec	May/June 22	Planning 60%	On target, plan in preparation
Community Kitchen (one free hot meal weekly)	Mid November	February	100%	Strong demand and working very well. (continues)
MBIE consent process for temp village.	Late November	May 22	90%	Requires limited notification/ full notified process decision
8 Temp Houses in Westport occupied	December	March	98%	Occupancy underway, some landscaping remains.
Re-build ramp up continues with projected peak in February 22.	Monitor by month (but securing insurance data is challenging)	Late February and through 2022, early 2023.		Although progressing well and ICNZ suggesting that around 10% of remaining homes are either awaiting homeowner agreement or are in resolution with the insurer. What isn't well understood is the number of homes where owners have either managed the repair

				themselves or engaged their own contractor.
Covid Planning for Hub traffic light system	Prior to December 3	January 2022	100%	Teams fully briefed on traffic light system. Systems in place. Still active.

National Emergency Management Agency (NEMA) and Department of Internal Affairs (DIA) Funding

A summary of funding received and expenditure to end of April 2022 against budget 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
Solid Waste Management (NEMA)	\$1,500,000	\$ 878,687	\$ 840,347	\$0	\$0	\$878,687	(\$621,313)	All waste from the July event removed from the District.
Community Hub and Connectors (Navigators) (NEMA)	\$1,000,000	\$ 940,232	\$ 631,367	\$284,381	\$569,768	\$1,510,000	\$510,000	\$510,000 funding sourced from elsewhere.
Temporary Village Infrastructure (NEMA)	\$ 650,000	\$0	\$0	\$0	\$650,000	\$650,000	\$0	Temporary village confirmed, will be spent this financial year.
Immediate response and recovery costs (NEMA)	\$1,450,000	\$ 468,433	\$233,080	\$0	\$981,567	\$1,450,000	\$0	
Interim funding to the Recovery team, Surge BAU & Resilience (DIA)	\$3,250,000	\$ 1,044,759	\$1,721,819	\$0	\$2,205,241	\$3,250,000	\$0	
Initial Welfare Response Advance (NEMA)	\$1,000,000	\$ 256,482	\$1,000,000	\$0	\$0	\$256,482	(\$743,518)	Infrastructure claims to NEMA to be deducted from balance of this \$1m advance.
Infrastructure costs to date excluding roading		\$ 956,183	\$283,993*	\$0	N/A	N/A	N/A	*\$283,993 has been offset against the \$743,518 balance from the initial welfare response advance, leaving a balance of \$459,525. Further claims are pending.
Total	\$8,850,000	\$4,544,776	\$4,710,607	\$284,381	\$5,246,923	\$7,995,169		

Costs to date to be met by Council – estimate:

Emergency Operating Centre – July and February
 NEMA Threshold – July and February
 NZTA Threshold – July
 NZTA Threshold – February
Total

\$426,000 (some costs may be reimbursable under existing NEMA policy)
 \$348,000
 \$213,000
 [To be confirmed, currently working through the process with NZTA]
\$987,000 [plus any NZTA Threshold – February]

Risks/Issues/Opportunities

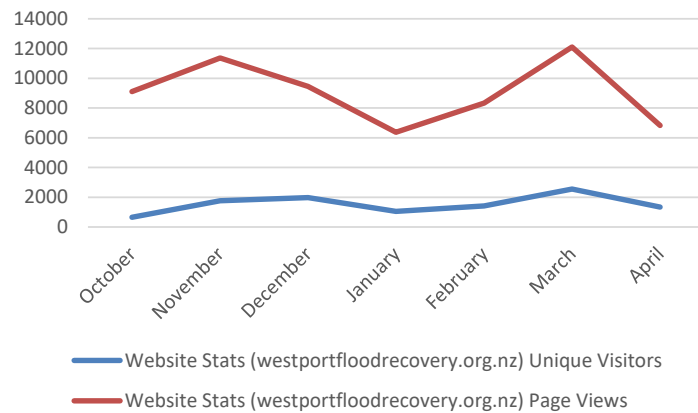
Key risks and/or issues arising are detailed below

Risk/Issue	Magnitude	Likelihood	Mitigation
Full, detailed risk register is maintained by the project team, the following are the most significant risks or issues, or those that have communications implications			
Another significant flood or crises event	High	Moderate	WCRC have released a letter to the community on planned flood protection for the town. Given recent events levels of anxiety within the town are high
Supply chain seems to be generally holding although bathroom and some internal mouldings difficult to obtain.	Moderate	Moderate	Letters of support requesting assistance from Winstone's for supporting our local M10 with wallboard supplies have been sent by the mayor and local MP. M10 advise that Gib supplies aren't likely to be resolved until late September.
COVID pandemic - general	Moderate	High	Processes and hygiene systems in place to enable work continuity to continue.
COVID traffic light system potential to cause problems accommodating unvaccinated displaced residents	High	High	TAS has made alternative arrangements to accommodate (no change)
Community anger and increasing social and health issues	Moderate	High	Increasing communications and engagement activity in place.

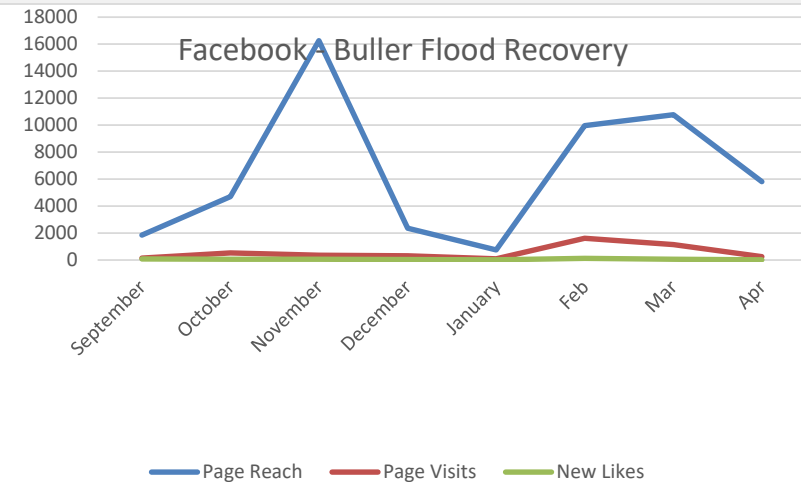
Communications

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

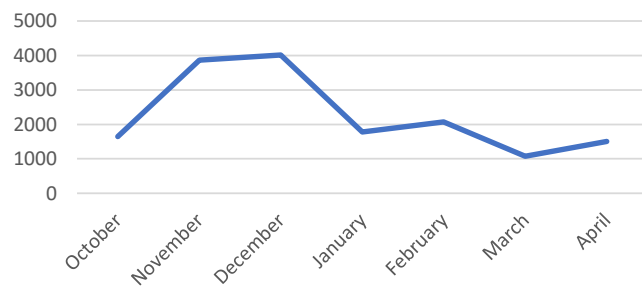
Website Stats - Buller Flood Recovery



Facebook Buller Flood Recovery



TXT Burst subscribers



- Fortnightly one page insertion in Westport News on Flood Recovery updates
- Weekly Flood recovery updates on Website through Txt Burst
- Frequent updates on Facebook page
- Regular bulletins in local newsletters
- Information Sharing event – Tuesday 17 May

Recovery Plan Outcomes

The five environments (or paths to recovery)

Environment	Outcome	Status/Comments
Community	<ul style="list-style-type: none"> Essential needs of individuals and whānau are met and community health and wellbeing are supported. Community spirit, pride and resilience is strengthened. Families/whānau have healthy homes to move into. 	Delivery of these outcomes are based upon the Social / Rural Recovery plan and strong support is evident from Ngai Tahu, Buller REAP, Homebuilders, Te Ha O Kawatiri, No 37, Potikohua Trust, DSW, Mayoral Fund and volunteers. Other key contributors are Salvation Army, Rotary and Red Cross.
Natural/Rural	<ul style="list-style-type: none"> The impact of the flood and its recovery does not leave lasting negative environmental effects on our land, water, and coastal environments. The primary sector is fully supported and functioning. 	<p>MPI and Rural Support network have been very active here along with MSD, Fed Farmers, Dairy NZ.</p> <p>ETFG is now beginning to work across the rural landscape with 36 properties identified for assistance.</p>
Built	<ul style="list-style-type: none"> Homes are re-built and re-occupied. Temporary accommodation support is provided. Three waters infrastructure and services are restored. The community understands and supports the level of flood protection provided 	3 Waters infrastructure has been impacted. Assessments and remedial activity in progress.
Economic	<ul style="list-style-type: none"> Support is targeted to help restore businesses and to provide certainty around business and employment continuity. Opportunities for future economic growth and resilience are fully explored and implemented. 	<p>DWC have taken the lead role for business needs analysis and consequential support packages. Recovery are promoting this further to extend the available support. However, it appears that present insurance spend within the local business area is providing a major boost and may prove sufficient stimulation.</p> <p>Recovery business lead is working closely with DWC to gauge what (if any) further support is required (no change)</p>
Partnerships	<ul style="list-style-type: none"> Appropriate account is given to the principles of the Treaty of Waitangi and foster opportunities to maintain and improve Māori contribution in the recovery programme. Nurture the special relationship tangata whenua have with te taiao (the environment) and their economic, cultural, and spiritual values, including their role as Kaitiaki 	<p>Poutini Waiora is the lead agency for the Navigator programme. This is proving to be a very good support model and uptake is high. Its value is evident in the wrap around social support available and positive client commentary.</p> <p>TPK continues to provide support to affected Māori households and families</p> <p>Ngāti Waewae member is a key part of the Recovery Team and continues to provide good support and advice.</p>

Infrastructure Programmes – District Revitalisation – Monthly Status Report – April 2022



Reporting Period:	For the month ending 30 th April 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	MBIE via Provincial Development Unit & Tourism Infrastructure Fund, KiwiRail
Programme Manager:	Mike Duff (Acting)
Project Manager/s	<ul style="list-style-type: none"> Westport Waterfront “The Riverbank”: <ul style="list-style-type: none"> Phase 1: <ul style="list-style-type: none"> Stages 1, 2a & 2b – Glenn Irving Stage 3a – Vanessa Anderson & Brendan Hills Phase 2: <ul style="list-style-type: none"> Stage 3b – Glenn Irving

Project aspect	Status	Comments
Overall:	G	Toki Bridge opening and E Toru Ngā Mea unveiling successfully held 30 th March which completes Phase 1 (Stages 1, 2 and 3a of the Westport Riverbank project). Work has also commenced on Phase 2 including MBIE-funded TIF Stage 3b Connector Trails, and have sought extension of time for south trail to integrate with WCRC stop banks between Buller and Toki bridges. Also seeking external funding opportunities for future stages including Riverbank placemaking (\$1.3M) and the town precinct Pedestrian Plaza (\$1.2M).
Budget:	G	Phase 1 – BDC 2018 LTP Stage 1 \$305K (to be adjusted down to \$160k to reconcile cost code 42255509), Stage 2a \$260k, BDC 2021 LTP Stage 2b \$300k and PGF Stage 3a \$1.86M for Toki Bridge, Phase 2 – TIF Stage 3b \$300k. Total available budget \$2.880M.
Scope:	G	Phase 1 – Toki Bridge and embankment, riverside site establishment, landscaping and town precinct preliminary works. Phase 2 – Connector Trails (south to Buller Bridge, north to Floating Basin), town precinct traffic flow, parking and future stages subject to funding including Riverbank placemaking (\$1.3M) and the town precinct Pedestrian Plaza (\$1.2M).
Resource:	G	All key integrated owners team appointments completed as per resource plan.
Schedule:	G	Phase 1 – completed. Phase 2 connector trails by September 2022 (subject to MBIE extension of time request so south trail can be integrated with WCRC flood protection stop banks)
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 April)	Next Month (May)
<ul style="list-style-type: none"> Toki Bridge opening and E Toru Ngā Mea unveiling successfully held 30th March Phase 1 completed. Continuation of Phase 2 TIF connector trails 	<ul style="list-style-type: none"> Continuation of Phase 2 TIF connector trails Obtain MBIE extension of time to integrate south trail with WCRC stop banks Seek external funding for future stages including Riverbank placemaking (\$1.3M) and the town precinct Pedestrian Plaza (\$1.2M).

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>
Phase 1				
Stage 1 - \$305K (part)	\$145K	\$160K	0	2018 LTP Part Years 1 & 2 (42255509 total \$455k) Current actuals -\$160k under budget, will zero out with (i) final invoices to pay and (ii) -\$145k budget adjustment to reconcile 42255509 cost code, hence \$0 variance
Stage 2a - \$260K	\$260K	\$260K	0	2018 LTP Year 3 (42255509) Fully Spent
Stage 2b - \$300K	\$300K	\$300K	0	2021 LTP Year 1 (42255509) Fully Spent
Stage 3a PGF - \$1.86M	\$1.84M	\$1.86M	0	PGF Funding Agreement – Toki Bridge (4225558001) Current actuals -\$20k under budget, will zero out with final invoices to pay hence \$0 variance
Subtotal: \$2.725M	\$2.545M	\$2.580M	\$0	Forecast underspend (\$2.580M - \$2.725M) = -\$145k will be offset by budget adjustment so overall \$0 variance
Phase 2				
Stage 3b TIF - \$300K	\$60K	\$300K	0	TIF Funding Agreement – Connector Trails (42135509) In Progress
Total: \$3.025M	\$2.605M	\$2.880M	\$0	Forecast on budget (adjusted down to \$2.880M)

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comment
1) Phase 1 (Stages 1, 2a, 2b & 3a)	30/03/22	30/03/22	100	Toki Bridge opening and E Toru Ngā Mea completed
2) Phase 2 (Stage 3b)	30/06/22		20	South trail to be incorporated with WCRC stop banks

	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	
Phase 1 (Jun 20 – Mar 22)																				
Phase 2 (Jul 21 – Jun 22)																				

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 PGF funding?	30
How many of these are Contractors – building, construction, project management	25
How many of these are Consultants – advisory services, feasibility studies	5
How many of these are part time (Less than 30 hours per week)	20
How many of these are full time? (30 + hrs per week)	10

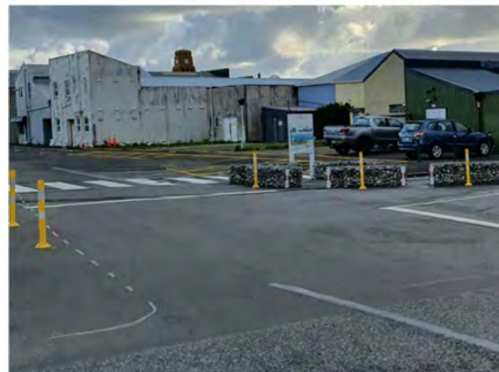
Project Images



Toki Bridge (photo credit Nomad A&V)



Toki Bridge Opening Day & E Toru Ngā Mea Unveiling (photos credit Nomad A&V)



North & South Connector Trails underway (photos credit Glenn Irving)

From: [Michael Duff](#)
To: [Kirstin McKee](#); [Krissy Trigg](#); [Mayor Jamie Cleine](#); [Ned Tauwhare](#); [Ned.Tauwhare@ngatiwaewae.org.nz](#); [Phil Rossiter](#); [Rachel Townrow](#); [Deputy Mayor Sharon Roche](#); [Sharon Mason](#); [Warren Gilbertson](#); [Shelley Jope](#)
Subject: RE: Projects in Partnership - Monday 9 May - Agenda Meeting Pack
Date: Monday, 9 May 2022 9:28:55 am
Attachments: [image008.png](#)
[20308 - Westport Waterfront – The Riverbank Stage 3 - Provisional Payment Schedule 10.pdf](#)
[image002.png](#)
[Infrastructure Programmes - Westport Waterfront - PSR - April 2022.pdf](#)

Kia ora team, as supplementary information for this afternoon's PIP meeting regarding the District Revitalisation Programme PSR for Westport Waterfront Riverbank project:

Phase 1:

With Phase 1 now complete, please refer attached last payment schedule for Stage 3a Toki Bridge confirming verified final outturn for contract CN2020-0142 of \$1,837,529, which together with minor non-contracted works lands final PGF component of the Riverbank project on budget at \$1.86M. I can expand further during the meeting how this complements the Council contribution to the Riverbank project of \$720k over last 4 years for a total estimated spend to date of \$2.58M.

Phase 2:

The programme is now seeking external funding to continue "shovel-ready" Phase 2 scope including:

- **Town Precinct – Pedestrian Plaza: \$1.2M**

- Creates a new shared space linking the town centre to the Toki Bridge
- Provides a safe and relaxing meeting place for journeys to the Riverbank and beyond
- Connects the retail and business precinct with recreational routes and pathways
- Improves parking and pedestrian and mobility access



- **The Riverbank – Placemaking: \$1.3M**

- Landscaping and recreational developments including:
 - Restored or replaced jetty & fishing platform
 - Riparian & native plantings
 - Pop-up markets & kiosk zone
- Potential feature interests including:
 - Waka whare (canoe display in collaboration with Ngāti Wawae)
 - Heritage railway (rail display in collaboration with KiwiRail & Railway Society)



Ngā mihi
Mike

From: Kirstin McKee <kirstin.mckee@bdc.govt.nz>

Sent: Thursday, 5 May 2022 11:41 am

To: Krissy Trigg <krissy.trigg@bdc.govt.nz>; Mayor Jamie Cleine <jamie.cleine@bdc.govt.nz>; Michael Duff <Michael.Duff@bdc.govt.nz>; Ned Tauwhare <ned.tauwhare@bdc.govt.nz>; Ned.Tauwhare@ngatiwaewae.org.nz; Phil Rossiter <phil@dextera.co.nz>; Rachel Townrow <Rachel.Townrow@bdc.govt.nz>; Deputy Mayor Sharon Roche <sharon.roche@bdc.govt.nz>; Sharon Mason <sharon.mason@bdc.govt.nz>; Warren Gilbertson <Warren.Gilbertson@mbie.govt.nz>; Shelley Jope <shelley.jope@bdc.govt.nz>

Subject: Projects in Partnership - Monday 9 May - Agenda Meeting Pack

Hi All

Please find attached agenda meeting pack for Projects in Partnership meeting to be held on Monday 9 May.

This will also be uploaded for Diligent users, you will be advised by email when this is available.

Please advise any apologies to myself.


Kind regards

Kirstin McKee | EA to Chief Executive Officer & Mayor
DDI 03 788 9650 | Email kirstin.mckee@bdc.govt.nz

Buller District Council | Phone 0800 807 239 | bullerdc.govt.nz
PO Box 21 | Westport 7866

Community Driven | One Team | Future Focused | Integrity | We Care

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Final Payment Schedule						
Project:	Westport Waterfront - Toki Poutangata Bridge			<div>The certified sum for payment specified shall be the provisional scheduled amount until the expiry of 12 working days after the date of service, that being the 13/04/2022 after which time the sum certified shall become the scheduled amount unless within that time a replacement Progress Payment Schedule is provided for.</div>	<div></div>	
Client:	Buller District Council					
Contractor:	Westreef Services Ltd					
Contract No:	CN2020-0142					
Claim No:	10					
Claim Period (Calendar Month):	Mar-22					
Claim Received:	2022-04-13					
PPS Prepared by:	Amelia Law					
PPS Reviewed by:	Brendan Hills					
Claim Payment Due Date:	Wednesday, 11 May 2022					
TRADE BREAKDOWN ITEM	CONTRACT VALUE	TOTAL CLAIMED (\$)	Less PREVIOUSLY CLAIMED (\$)	CLAIMED THIS PERIOD (\$)	% Complete	Description of work completed
PRELIMINARY & GENERAL	\$ 66,701.75	\$ 61,301.75	\$ 53,836.75	\$ 7,465.00	92%	
EARTHWORKS	\$ 254,798.72	\$ 270,141.55	\$ 270,141.55	-	106%	
BRIDGES	\$ 911,094.46	\$ 965,227.20	\$ 961,727.20	\$ 3,500.00	106%	
RETAINING WALLS	\$ 107,577.03	\$ 118,368.28	\$ 118,368.28	-	110%	
LANDSCAPING	\$ 239,132.70	\$ 161,722.31	\$ 129,167.39	\$ 32,554.92	68%	
PROVISIONAL ITEMS	\$ 40,000.00	\$ -	\$ -	-	0%	
PROVISIONAL ITEMS	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	-	100%	
OTHER	\$ 80,411.85	\$ 82,414.50	\$ 74,053.09	\$ 8,361.41	102%	
Contract Sum	\$ 1,704,716.51	\$ 1,664,175.59	\$ 1,612,294.26	\$ 51,881.33	98%	
VARIATIONS		\$ 173,353.58	\$ 163,729.98	\$ 9,623.60		
			\$ -			
			\$ -			
SUBTOTAL	\$1,704,716.51	\$1,837,529.17	\$1,776,024.24	\$61,504.93		
Gross Claim Value	\$1,704,716.51	\$1,837,529.17	\$1,776,024.24	\$61,504.93		
Retentions Claimed to Date		-74,656.76	-73,580.42	-1,076.34		
Half Retention release				37,328.38		
Net Claim Value		\$1,762,872.41	\$1,702,443.82	\$97,756.97	103%	
Certified Sum for payment:		\$97,756.97				

Buller District Port Package (R07.02907.02/03)

Project Details

Location and Region:	Westport, Buller district, West Coast
Contracted Amount:	\$3,300,000 excl. GST
Reporting Period:	For period ending 30 th April 2022
Project Principal/Recipient:	Buller District Council
Project Partner(s):	Ministry for Business, Innovation & Employment (MBIE)
Project Manager:	Phil Rossiter
Programme Outcomes:	(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.

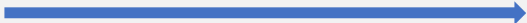
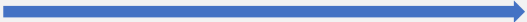
Project Overview (High-Level Summary)

Aspect	Status	Comments
Overall:	A	The project is following its planned trajectory, albeit with delays in several key project components due to Covid-19 and Westport flood factors.
Budget:	G	\$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 expected to follow this catalyst funding.
Scope:	A	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.
Resource:	A	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.
Schedule:	A	The project schedule has been extended until August 2022, however on-going constraints on contractor availability still poses uncertainty to timely completion.
Risks / Issues:	G	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"> Intensive gravel extraction (via the Kawatiri dredge) occurred in the Buller River, bringing the total extracted volume to date to over 130,000m³ and the expected final extraction volume (when the task is complete) to over 150,000m³. The dredge crew are rostered off in May and will resume in June. Security fencing was installed around the Ablutions Facility. Conceptual upgrade designs were developed for the harbourmaster office to address seismic, waterproofness, and asbestos concerns. On-going liaison with suppliers and a site visit to Port Nelson was undertaken to scope work for upgraded port entry/exit civil works and security gate and access arrangements. Further security fencing was planned to provide clear operational demarcation between Port tenants. 	<ul style="list-style-type: none"> Progress concept for new Port entry arrangements off Bright Street (contractor availability allowing). Rae Engineering to meet with Gallagher Security to scope Port entry/exit gate. Plan procurement requirements for the same when scope confirmed. Receive timing and estimate for repair of harbourmaster office. Progress discussions with NEMA about bulk wharf repair/reinstatement to determine scope and nature of potential repairs in the bulk precinct. Progress security fencing extension.

Project Road Map/Schedule

Programme/Project task	Apr '22	May '22	Jun '22	Jul '22	Aug '22	Sep '22	Comments
Work Programme A: Westport gravel removal and seawall repairs							Project scheduled (and on target) for completion by September 2022.
Work programme B: Westport bulk shipping and fishing precincts							Project scheduled for completion by September 2022, subject to contractor availability for remaining tasks.

Milestones				
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
Work Programme A: Westport gravel removal and seawall repairs				
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	85	Underway and on-going. >130,000m ³ of gravel removed – targeting 150,000m ³ plus
Opening event	31/03/2022	31/08/2022	0	
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
Work Programme B: Westport bulk shipping and fishing precincts				
Award detailed design contract	30/10/2020	31/01/2021	100	Innumerable design tasks – not one design contract
Award procurement contract	30/10/2020	30/04/2022	50	Innumerable tasks and therefore not setting up for one procurement contract. Tasks being procured in-line with scale and complexity and procurement guidelines. Milestone may need to be redefined
Obtain all consents	31/12/2020	31/05/2021	0	Yet to be defined/commence
Obtain all property rights	31/12/2020	31/05/2021	0	Yet to be defined/commence
Award construction contract	28/02/2021	30/04/2022	50	Some construction/repair/maintenance tasks already underway
Complete construction	28/02/2022	31/07/2022	0	
Opening event	31/03/2022	31/08/2022	0	This timeframe is potentially at risk and is subject to monitoring

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
Work Programme A: Westport gravel removal and seawall repairs					
Project management and coordination	\$75,000	\$92,860	\$30,000	\$47,860	Additional planning and task coordination required
Engineering assessments and design	\$35,000	\$16,945	\$15,000	-\$3,055	Minor positive variance forecast
Consents	\$10,000	\$0	\$0	-\$10,000	No consents identified as required
Procurement, legal and tenders	\$20,000	\$0	\$5,000	-\$15,000	Less legal/procurement input likely to be required (than forecast)
Civils works/site works for gravel extraction	\$1,400,000	\$1,400,000	\$280,000	\$280,000	Significant gravel volumes identified requiring extraction
R&M to seawalls/wharf back-sheathing	\$460,000	\$17,980	\$100,000	-\$342,020	Positive variance forecast
Component Total	\$2,000,000	\$1,527,785	\$430,000	-\$42,215	Positive variance forecast for Component A
Work Programme B: Westport bulk shipping and fishing precincts					
Project management and coordination	\$40,000	\$21,410	\$35,000	\$16,410	Additional planning and task coordination required
Procurement, legal and tenders	\$20,000	\$15,689	\$3,000	-\$1,311	Less legal/procurement input forecast
Design and engineering assessment and consents	\$30,000	\$92,912	\$30,000	\$92,912	Intensive engineering design and assessment input required
Civil works/site works	\$1,210,000	\$360,097	\$780,000	-\$69,903	Positive variance (surplus) forecast at this stage.
Component Total	\$1,300,000	\$490,108	\$848,000	\$38,108	Negative variance forecast for Component B
PROJECT Total	\$3,300,000	\$2,017,893	\$1,278,000	-\$4,107	Minor positive variance (surplus) forecast for total project

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)	6	0	1	0	0	0	0	Dredge completed intensive roster in April
B (Bulk and Fishing Precinct)	15	0	14	0	1	0	1	2 BDC staff; 13 contractors/ consultants
Total	21	0	15	0	1	0	1	

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
21	Nil (for the reporting period)	Approximately 15 further roles/jobs are forecast for the life of the project.

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
(Risk – Schedule Slippage) – A schedule delay is possible given key remaining tasks for Component B require contractors that are very stretched due to the knock-on effect of local flooding events and Covid.	Low-Moderate	High	Maintain close communication with contractors and communicate and report outcomes.
(Issue – Flood Damage to Bulk Wharves) – Flood damage has impacted the bulk precinct wharves and planned improvements are no longer prudent unless larger structural repair/reinstatement can be undertaken (beyond the means and scope of this project). This has impacted on planned works in the bulk precinct.	Moderate	High	Continue discussions with NEMA to determine whether associated flood repairs can be funded and undertaken to enable work to proceed.

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	15 of the 21 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: <ul style="list-style-type: none"> - 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. A number of 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

Communications planned for June 2022 to mark practical completion of gravel extraction and commissioning of ablutions facility.

Additional/Other Information

Nil.

MONTHLY REPORT



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

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.

Project Milestone	Details of progress
Project Manager Change	Following the redeployment of staff due to the Westport flooding event, a project manager has now been appointed to complete this project. An extension has been granted. Change to the agreement extending out the end date to 31 March 2022
Commercial Kitchen supply and fit-out	Commenced - The commercial kitchen package from supplier 'Southern Hospitality Limited' is organized for site fitting once the internal linings in the kitchen are completed
Carpentry - building repairs	The Builders – Johnny Morrow/Chris Enoka have completed the internal timber framing and the subcontractors have completed pre-piping services. The Builder is ready to commence gib linings. The first BC inspection is completed, including framing/Pre-wrap and Preline, wall bracing, foul water.
Plumbing – Pre-pipe	Plumber – Barry Lightbown has completed the plumbing pre-piping.
Gas fitting – pre-pipe	Craft Plumbing and Gas has completed the gas pre-pipe.
Electrical – Pre-wire	WLS Electrical has completed the pre-wiring.
Carpentry- Building Upgrade	<p>Chris Enoka and new builder RC Maintenance have lined and plastered all the walls in the kitchen, due to the unavailability of GIB, the open hall area has been lined with Ply. New doors have been installed.</p> <p>Extractor has been installed and just waiting for flooring to be installed for appliances to be fitted.</p>

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 period.

Project Milestone	No. prev Unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women
Commercial Kitchen		0				
Carpentry		2				
Plumber		1				
Gas Fitter		0				
Electrician		1				
Total		4				

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

Total People Working
Number of people working on the project throughout the reporting month (you can include existing employees here such as finance team members etc).

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.

Total Created Roles
Number of roles created by this project (add together contractors plus consultants).

Contractor*	Consultant*
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.)
2	0
Full-time	Part-Time
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
2	0

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

People previously but no longer employed on the project	Expected jobs in the future
1	4

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.

The kitchen fabrication and delivery is complete along with the joinery fabrication. This project is coordinated with community based volunteers (Hall Subcommittee) and Council and the nature of the locally employed trade's people has been pragmatic and important to the local community. Progress has been slow, however the one builder is making progress. A second builder is still being sort to assist building progress, however the local plumber has offer to help the builder with gib lining installation in the meantime so this may meet the shortfall. This project will move a bit quicker once the internal linings, plastering and undercoat painting have been completed and then the kitchen, toilet, plumbing, gas and electrical fittings and fixtures can be installed by the multiple subcontractors and builder.

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.

Name of business	Business type (Māori, Pasifika, local)	Contract type (direct, sub-contract)	Contract purpose (briefly describe)	Length of contract (months)	Total value of contract (\$)	No. new employees (as a result of contract)
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	1
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).

State your Social Procurement Objectives (as agreed during contracting)	State your Social Procurement Measures (as agreed during contracting)	Show achievements to date against each of the Social Procurement Objectives
Social Procurement Outcome - Employment of targeted workers	Six local 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	This project was originally coordinated by a community based Reserve hall volunteer group, with the intent to employ local people struggling to find work. The approach has been challenging and to remain as pragmatic as possible, progress has been slow.
Social Procurement Outcome - Environmental Responsibility	All work will be carried out in a responsibly manner to tradesmen standards and all waste materials will be managed and disposed of responsibly	The Buller DC project lead is working with the community volunteers and trades people to arrange a good tidy up of the hall, to enable clearer and safer access for this work to progress
Social Procurement Outcome - Local Businesses	Engaged local Trades to deliver upgrade work on this local Waimangaroa	BDC project lead is with the community volunteers and trades people to achieve this upgrade

	Community Hall, to provide a safe and usable venue for the local community.	work in agreement with the community
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 have been used to date
Social Procurement Outcome - Skills and Training	The builder – John Morrow is utilising skilled volunteers where possible	A second local builder is being approached to help on this project
Social Procurement Outcome - Worker Conditions	The builder & 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 identifying 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 / JC Maintenance	\$12,330	\$12,330	\$21,925		
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		
Total	\$146,795		\$104,662.54		

6. Forward Work Programme

Outline forward work to be completed in the next month

Project Element	Outline of Planned Work (for next month)
Builder / Forman	Has been employed to help move the process forward.
Project Manager to recommence work	Project manager to finalise plans and restart works as described below, a change in resourcing and new staff coming on board means this will now be prioritised.
Building work	Continue the internal framing and lining, ceilings being replaced
BC Inspection	Arrange port-line inspection
Building work	Commence external concrete entrance ramp/steps. Measure and order safety handrails
Sub Contractors	Arrange subcontractors for fit-out and connection of the service; for when the internal linings, plastering and undercoat painting have been completed and then the kitchen, toilet, plumbing, gas and electrical fittings and fixtures can be installed

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
Westport Floods	High	High	Project manager has been redirected to work on Westport flood recover programme which has put this project on hold. Extension to programme granted and will begin towards the end of November
H&S - Working in a public space – public safety and well as workers safety.	Low	Medium	Clearly mark 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
Consent requirements	Low	Medium	Volunteer labour to be inducted and assigned tasks and management according to competency and experience.

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.

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

This project was originally coordinated by a community based Reserve hall volunteer group, with the intent to employ local people struggling to find work. This approach has been challenging and for the project works to remain as pragmatic as possible, the progress has been slow. Unfortunately this project has past the target date of 31st March'21 and is likely to take up to 12

additional months due to the nature of the work and currently available suitable resources. BDC project lead is currently investigating options to engage a 2nd local builder to assist. A new project manager has been on boarded to progress the project and complete in 2022. A second builder has been engaged and project is progressing well. Still behind estimated timeline.

10. Impact of COVID-19

All of New Zealand entered COVID-19 Alert Level 4 at 11.59pm on Tuesday 17 August, 2021:	Scale of impact (1 - no impact; 2 - small; 3 - moderate; 4 - major; 5 - severe)	Provide additional details on the impact, especially those not covered by following question
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

Have any of the following been negatively impacted by the August 2021 COVID-19 Alert Level change?	Yes/ No	Provide additional narrative on the negative impacts
Costs	Yes	Material costs and changes of material used.
Milestone delivery in the next month	Unknown at this stage	N/A
Availability of labour	Unknown at this stage	N/A
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 Reports Report – Westport Water Supply – Stage 1 Trunk Main Renewal (Terrace) – 30th April 2022



Programme/Project Details

Location and Region:	Westport Trunkmain - Terrace Section – West Coast
Project Budget:	Current budget \$1,040,980. Original budget was \$1,070,980, reduced by \$30,000 as a result of budget transfer to Punakaiki with DIA approval. Additional \$165K added to cover transferred costs giving total budget of \$1,206,363.00.
Reporting Period:	For the month ending 30 April 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	WestReef Services Ltd
Project Manager:	Gia Kristel Algie, Calibre Consulting Ltd – Project Manager
Programme Outcomes:	New PE Trunkmain from water treatment plant to bottom of escarpment

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

Aspect	Status	Comments
Overall:	G	<p>Separable Portion 1 (SP1), Original Contract works completed. Separable Portion 2 (SP2), extension of the pipeline from the base of the terrace to the start of the Giles Creek crossing physical works completed. Separable Portion 3 (SP3) which includes pipeline and remediation required for Giles Creek pipe bridge (design and construction) and Giles Creek to the PRV including concrete slab for vehicle crossing are yet to be completed. Design review and value engineering currently ongoing for pipe over Giles Creek.</p> <p>WestReef currently subcontracted to Trunkmain Design. After finalising value engineering and design review of pipe bridge crossing design, programme of construction for SP3 works to be confirmed with WestReef.</p>
Budget:	G	Changes tracked and reviewed by The Engineer.
Scope:	G	Separable Portion 1 (SP1), Original Contract works completed. Separable Portion 2 (SP2), extension of the pipeline from the base of the terrace to the start of the Giles Creek crossing physical works completed. Separable Portion 3 (SP3) which includes pipeline and remediation required for Giles Creek pipe bridge (design and construction) and Giles Creek to the PRV including concrete slab for vehicle crossing are yet to be completed. Design review and value engineering currently ongoing for pipe over Giles Creek.
Resource:	G	(WestReef) Design and Build Contractor. Gia Kristel Algje (Calibre) Project Manager. John Black technical advisor (WSP)
Schedule:	A	Awaiting revised programme from WestReef for SP3.
Risks / Issues:	G	Risk & opportunities register included within report.

State of Play

Last Month April	Next Month
<ul style="list-style-type: none"> Detailed Design of Pipeline at Bridge Crossing undergoing design review and value engineering. WRSL on getting price comparison for stainless steel fittings. 	<ul style="list-style-type: none"> Issue Practical Completion for Separable Portion 2– after documentation (as-built drawings) received from WestReef Receive pricing comparison for pipeline over Giles Creek bridge Close-out design review and value engineering comments for the pipe bridge section (including BDC approval) Receive revised programme and contractor documentation for Separable Portion 3

Updated Project Road Map/ Schedule																			
Project task	May	Jun - Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar - Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Comments
Tender																			
Design																			Design Completed. SP3 Review Underway
Site Establishment																			Completed
Construction																			SP1 and SP2 Construction Awaiting Revised Programme for SP3 (TBC) – Window of work anticipated to be between April to May
Commissioning, Testing Closeout																			SP1 and SP2 completed in February Awaiting Revised Programme for SP3 (TBC)

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comments
0) Letter of intent		14 April 2020	100%	
1) Contract awarded		21 May 2020	100%	
2) Planning and initial site investigations			100%	Site Investigation (Inc. two Geotech visits) Complete
3) Finalise design		18 December 2020	100%	Updated Detailed design approved
Pipeline Extension, Bridge Crossing Design		23 February 2022	80%	Awaiting BDC Approval
4) Commence work on site	24 Nov 2020	11 Jan 2021	100%	
4) Pipeline Installation Complete	April 2021	Oct 2021	90%	Separable Portion 1 (Original Contract pipeline installation complete). Separable Portion 2 (Extension of Pipeline works to bridge crossing) completed Separable Portion 3 (bridge crossing and remaining pipe to PRV) bridge crossing design and specification awaiting approval
5) Commissioning & Practical Completion	30 April 2021		N/A	Separable Portion 1 – Practical Completion achieved 30 Dec 2021 Separable Portion 2 – Practical Completion (awaiting notice from WRSL) Works Completed 28 February 2022 Separable Portion 3 - TBC

Financials (GL 7301556015)

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	Indicative Cost	Actual Spend to 30 April 2022	Accruals to 30 April 2022	Forecast cost to complete	Project Variance	Commentary
Funding	\$543,500.00						\$543,500 from Three Waters Reform Grant
Funding	\$527,480.00						\$527,480 from BDC annual plan 2020/21
Internal Budget Transfer	-\$30,000.00						\$30,000 Transferred to Punakaiki
Internal budget transfer	\$165,383.00						Internal cost transfer to cover transferred costs
Westport Terrace Section Trunkmain Contract		\$778,172.00	\$673,629.90	\$0.00	\$77,142.94	\$0	Contract Costs excl Contingency + V09 via NTC31 - Increase in Price to Testing \$27,307.90 from \$10,963.00 in Original Tender.
Project Delivery		\$262,808.00	\$435,108.89*	\$1,221.34	\$18,000.00	+\$1,259	
Total	\$1,206,363.00	\$1,040,980.00	\$1,108,738.79	\$1,221.34	\$95,142.94	+\$1,259	

Risks/Issues/Opportunities

Key risks and/or issues arising are detailed below

Risk/Issue	Magnitude	Likelihood	Mitigation
Environmental	medium	low	Contractor has submitted an environmental plan as part of their submissions.
Slope Stability through site	medium	low	Design has been updated by WestReef to remove any supports from the Terrace Face Geotech and Designer to attend site to confirm design parameters still applicable.
Increased risk of losing control of PE pipe when laying down the terrace PE pipe	medium	low	WR to lay pipe from top down and will have detailed, methodology plan and H&S plan for installation down the terrace. H&B to provide constructability review of WR methodology
Delay due to weather	low	low	Works undertaken in Summer months.
Poor quality Welds to Pipe	medium	low	Comprehensive QA systems and regular testing of welds & reporting
High Pressure Watermain – causing injury or damage	low	low	WestReef submitted Project Plan confirms staff are trained, qualified and experienced in maintaining /working with high pressure water reticulation systems.
New Pipeline fails Commissioning testing	medium	low	Addressed in Contractors submitted Methodology - Contractor consideration to pressure testing in section, note complex testing regime for large diameter PE pipes due to pipe expansion.
Chlorination, surface water contamination	low	low	Addressed in Contractors submitted Methodology - Contractor to control large volumes of discharge of super chlorinated water.
Construction delay resulting from defective welding machine	low	low	Contractors early reaction to unsatisfactory weld QA data. Machine sent to Christchurch for repair.
Risk: Change of NZS4129 meaning tendered PE fittings no longer can be certified at the required PN	Medium	Medium	Contractor has proposed alternative fittings. This has been reviewed by John Black of WSP and approved by BDC.
Risk: Contract at large	Medium	Medium	For variation works, separable portions undertaken. Estimated completion date TBC
Pipeline over Giles Creek Bridge Crossing	Medium	Medium	Scope and pipeline design awaiting approval.

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>
Westport Trunkmain Terrace								
Buller District Council	1	0	0	0	0	0	0	Full Time
Calibre Group	2	0	0	0	0	0	1	Consultant
WestReef	2	0	2	0	0	0	1	Contractor Fulltime Consultant
Total	5	0	0	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 Note Considering July only
5	0	9

Communications

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

Nothing at this stage.

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



Programme/Project Details

Location and Region:	Westport Trunk Main – West Coast
Project Budget:	\$3,500,000
Reporting Period:	For the month ending 30 April 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	Hadlee & Brunton
Project Manager:	Gia Kristel Algie, Calibre Consulting Ltd – Project Manager
Programme Outcomes:	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>PRV and Bridge Design complete, awaiting final documentation from H&B.</p> <p>Three easement agreements signed and completed, one remaining with in-principal approval. <i>Remaining agreement is to located in scope of works after 30 June 2022 (DIA funded).</i></p> <p>Service locates completed. All pipe delivered to site.</p> <p>Trenching works commenced first week of April and ongoing.</p> <p><i>Project programme revised to align with revised scope with DIA funding and target end date (30 June 2022).</i></p>
Budget:	A	\$3,500,000
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:	A	<p>Target Completion end of June 2022 for DIA funded scope. Revised programme (Rev 4) received from H&B.</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 included within report.

Current Updated Programme	
Last Month April	Next Month May
<ul style="list-style-type: none"> • PE welding of strings complete. <i>Further welding will occur installation progresses.</i> • PRV design and Bridge Design is completed. Awaiting final documentation from H&B. • Service locate and GPS control points set-up for trenching works. • Trenching, backfill and compaction done at Hateley's Paddock - approx. 380m DN400 Open Cut (Ch 1890 (McKenna Rd) to Ch 2280 (Excelsior Rd) • Currently working at Cresswells DN450 Open Cut <ul style="list-style-type: none"> ○ Trenched 200m and Installed S-Bend (located bet Ch 3840 to 3920) WestReef and GP completed dressing and compacting tracks around dairy shed. ○ WestReef installed Valve and tee complex M (at Ch 4000) including concrete anchor. ○ Excavated around existing trunk main. ○ Repaired several leaks to the existing mains alongside the remaining alignment installation. 	<ul style="list-style-type: none"> • Last easement agreement <i>expected to be</i> formalized. • Awaiting revised estimates of construction cost, noting reprice for PRV and bridge was held up. • Bridge section design and PRV final design documentation to be received • Continuing to work Open Cut Sections at Ch. 5300 (PRV) to Ch. 3590 (Stephens Road Interface with DN400) and tidy up Hateley's Paddock

	2020		2021																		
Project task	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	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																				
Draft Completion Date																			♦	♦DIA Funding Scope - 30 June 2022

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		Note design process will continue beyond construction start date as work will be delivered in sections
7) Resource Consents lodged	15 March 2021	NA		
8) Start Construction	12 April 2021	Dec 2021	30%	PE Pipe welding complete. Open trenching works ongoing
9) Sequential testing and commissioning	June 2022	TBC		
9) Construction completion	June 2022	TBC		
10) Final Commissioning and Testing	June 2022	TBC		

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 30 April 22	Accruals to 30 April 22	Forecast cost to complete	Project Variance	Commentary
Funding	\$3,500,000						From Three Waters Reform Grant
Westport Trunk Main Project		\$2,680,000	\$1,526,666.45	\$211,088.97	\$899,956.66	\$0	Includes allowance for \$70k budget transfer to Punakaiki, H&B Scope for DIA Funding Scope ONLY. Awaiting revised estimates from H&B. *Awaiting April Claim.
Project Delivery		\$750,000	\$259,648.23		\$263,364.87	\$0	
Total	\$3,500,000	\$3,500,000	\$1,786,314.68	\$211,088.97	\$1,541,731.48	\$0	Includes allowance for \$70k budget transfer to Punakaiki. Still awaiting approval.

Risks/Issues/Outcomes			
Key risks and/or issues arising are detailed below			
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-induced liquefaction (settlement and lateral spreading) based on a 1:500 ULS event	Medium	Medium	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.

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	
Hadlee & Brunton (H&B)	2	0	0	0	0	0	0	Contractor Note: Updated Details to be confirmed with H&B* Subcontractor s not included
Calibre Group	2	0	0	0	0	0	1	Consultant
Total	5	0	0	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			
5		0			5			
Communications								
An update on media, marketing and communication activity for the programme/project								
Project included in previous Council Newsletters. Three easement agreements signed and complete, one easement agreement left agreed in principle awaiting signed documents to register formally.								

Project Status Report – Punakaiki Water Supply – Trunk Main Renewal - 30 APRIL 2022



Programme/Project Details

Location and Region:	Punakaiki – SH6 – West Coast
Project Budget:	\$532,500 (Increased by \$30K from a DIA funds transfer)
Reporting Period:	For the month ending 30 April 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	West Reef (Early Contractor Involvement model), PDP with H&B as Integrated Owners team for design and constructability review
Project Manager:	David Chung Calibre Group – Project Manager
Programme Outcomes:	Stage 2 & 3 (1.3km) portion of 1.7km of Upgraded trunk main from existing treatment plant to township

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

Aspect	Status	Comments
Overall:	G	Practical completion issued 22 March 2022 – Currently in Defects Period
Budget:	A	\$532,500 confirmed (\$526,500 from Three Waters Reform Grant, \$6,000 remaining from Original Council Annual Plan of \$40,000).
Scope:	G	Replace critical sections totalling 1.3km of the existing 2.3km pipeline, between Existing Treatment Plant near Hartmount Place to Bullock Creek Bridge. No creep of scope observed to date
Resource:	G	Pipe Sizing Design (PDP). Lloyd Gauntlett (Calibre) Project Manager. Hadlee & Brunton as Owners Engineers for Alignment Design. WestReef as ECI contractors and construction.
Schedule:	G	Physical works now complete Practical Completion on 22 Mar 22, approximately 5 weeks of EOT observed over contract period.
Risks / Issues:	G	Project now completed so no Risk & opportunities register to update within this report.

State of Play

Last Month March

- Draft As builts received
- Producer Statements PS3
- Practical completion Certificate

Next Month April

- Enter Defects liability period
- Final PSR issued

Updated Project Road Map/Schedule													2021				2022			Comments
Project task	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Planning																				
Design																				Designers engaged November. First design submitted to BDC 22 nd December 2020
Approvals																				As ECI
Procurement																				Construction Contract to be Undertaken by WestReef as ECI
Site Establishment																				As per NZTA and ECI
Construction																				Commence Early April 2021, completion stage 2 early August 2021. Contract completion delayed due to Flooding and Covid-19 (Contract completion end October 2021)
Closeout																				Defects Notification Period and as-builts will follow Construction Completion

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comments
1) Planning and initial site investigations	22 Sep 2020		100%	PDP and H&B engaged; site meetings held
2) Principals Requirements	18 Dec 2020		100%	Pipe size confirmed by PDP memo 17/12/2020 BDC requirements confirm in email dated 24/11/2020
3) Submitted Design	19 Jan 2021	19 Jan 2021	100%	100 % of the pipeline designed and reviewed by BDC
4) Design approved by BDC	26 Jan 2021	28 Feb 2021	100%	
5) Contractor to Start Construction	1 Feb 2021	03 May 2021	100%	Pipes purchased commence install early May
6) Complete construction	1 June 2021	29 October 2021	100%	Stage 3 complete
7) Project closeout	03 Mar 2022	22 March 22	100%	Initial Defects walkover Friday 5th November. Follow up defect's walkover 29 th November. PC 22 March 22

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 Final Cost Estimate	Actual Spend+ Accruals to 31 Apr 22	Forecast cost to complete	Project Variance - ve (over) + ve (under)	Commentary
Funding					\$496,500 from Three Waters Reform Grant
Funding					\$6,000 from BDC Annual Plan 2020/21 (\$34K not available due to overspend on account)
Funding					\$30,000 Transferred from DIA funding, awaiting additional approval to transfer \$66,216 to zero out project. No more anticipated costs as project is 100% complete.
Site works	\$437,445	\$437,445			Actual includes approx. \$60K pre contract physical works to install 300 metres of a new rider main underneath the new NZTA footpath, to allow for future connection
Project Delivery	\$132,804	\$130,579	\$2,225		
Total	\$570,249	\$568,024	\$2,225	-\$66,216	Current Budget is \$532,500

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>
Punakaiki Trunk Main Renewal								
Buller District Council	1	0	1	0	0	0	0	Part Time
Calibre Group	2	0	0	0	0	0	0	Consultant
WestReef	3	0	3	0	0	0	1	Contractor
Hadlee and Brunton	0	0	0	0	0	0	0	Contractor
Total	6	0	4	0	0	0	1	

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 Note Considering May only
6	0	0

Communications

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

Practical Completion issued so everything is now operational, draft manuals, asset register and commissioning results received and provided to BDC, contract now in the defects period. Final report, no further reports after this one.

Project Status Report – Reefton Water Supply Upgrade – April 2022



Programme/Project Details

Location and Region:	Reefton – Township – West Coast
Project Budget:	\$1,440,000
Reporting Period:	For the month ending 30 April 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	ERPRO, Tru-Line Civil
Project Manager:	David Chung, Calibre Group – Project Manager
Programme Outcomes:	Four work packages; (B) Renew existing large reservoir, (D) Construct a Dedicated Rising main, (E) Construct a new Falling Main and (F) Construct a New Pressure Water Main and Pressure Controlling Infrastructure

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

Aspect	Status	Comments
Overall:	G	Commissioning of full system completed . Defects list is completed and Practical Completion issued 31 st March 22
Budget:	R	A number of desirable variations not carried out due to funding constraints.
Scope:	G	Project completed. Further power and telemetry upgrades required at time of chlorination works.
Resource:	G	TLC physical works completed.
Schedule:	G	Practical completion issued 31 st March 2022.
Risks / Issues:	G	Updated Risk & opportunities register included within report.

State of Play

Months April

- Defects Period
- Minor defects to complete

Next Month May

- Defects Period
- Acceptable as-builts to be received

Project Road Map/Schedule

Project task	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Comments
Planning																		Ongoing throughout design build project
Design																		Ongoing – Design #3 submitted and reviewed.
Approvals																		Ongoing – Design changes being tracked
Site Establishment																		Establish for work packages B, D and E on acceptance of design
Construction																		Work packages B, D and E anticipated to start mid-July
Closeout																		PCC & Disestablishment 31 st March 22

Milestones				
Milestone	Baseline Date	Actual Date	% Complete	Comments
0) Contract awarded	06 October 2020	06 October 2020	100%	
1) Planning and initial site investigations		March 2021	100%	Site Investigations including Geotechnical investigations of Donovan Street completed
2) Finalise design	01 July 2021	14 July 2021	100%	Design Revision 3 submitted and reviewed by ERPRO. BDC to approve complete design package
3) Construction through Campground area	8 Dec 2020	18 Dec 2020	100%	
4) Construction Buller Road Main	18 Jan 2021	April 2021	100%	Infrastructure installed and sealed between Elizabeth Street and Potter Street. Pressure and Chlorine testing completed and passed.
5) Construction Reservoir Improvements (Package B)	1 Nov 2021	Nov 2021	100%	Bladder placed and reservoir operational. Some outstanding remediation works
6) Construction of watermains up Donovan St to reservoir (Package D & E)	09 Sept 2021	Dec 2021	100%	Remediation works to be complete
7) Construction of boosting pump station and retention vessel (Package F)	8 Nov 2021	Dec 2021	100%	Booster pumps commissioned. Some remediation works
8) Project Close Out	09 Dec 2021	31 st March 2022	100%	Date based on TLC Programme. Target Practical Completion early March 22. As-builts still required

Financials (~10019~ GI 7311556009)

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 Final Cost EAC	Actual Spent to 31 April 2022	Accrual Spend to 31 April 2022	Forecast cost to complete	Project Variance to Budget -ve (over) +ve (under)	Commentary
Financial						\$1.44 M BDC 2020/21 budget
Reefton Water Supply Upgrade Contract	\$1,107,271	\$1,084,980		\$22,291		11 progress claims to date. Practical completion issued and 50% release of contract retentions back to contractor. Minor costs expected next month as project closes and final documentation handed over to BDC. No more anticipated costs other than those forecast.
Project Delivery	\$376,980	\$374,480	\$88,180	\$2,500		Includes Physical Electrical & telemetry work done by C Dodd's to commission pumps. \$50K for future chlorination works. \$137K of accrued costs before project implementation.
Total	\$1,582,430.96	\$1,459,460	\$98,180	\$24,791	-142,430.96	Project Budget Approved \$1,440,000

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>
Reefton Water Supply Upgrade								
Buller District Council	1	0	1	0	0	0	1	Part Time
Tru-Line Civil	1	0	1	0	0	0	0	Contractor
Calibre Group	1	0	0	0	0	0	0	Consultant
ERPRO	0	0	0	0	0	0	0	Consultant
Total	3	0	2	0	0	0		

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
6	4	2

Communications

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

Project procurement is underway to manage the introduction of chlorination. High public profile due to perception. Currently E de Boer is in communications with adjacent residents next to the access track.

Project Status Report – Waimangaroa Water Supply Upgrade – 30th April 2022



Programme/Project Details

Location and Region:	Waimangaroa Water Supply Upgrade, West Coast
Project Budget:	Current revised budget approved by Council of \$2.3M
Reporting Period:	For the month ending 30 th April 2022
Project Principal:	Buller District Council (BDC)
Project Partner(s):	ERPRO, Terra Forma, Colls Surveying, Stantec - ECI – Raw Water Main- West Reef Services Ltd ,W2,WSP Opus
Project Manager:	David Chung, Calibre Group – Project Manager
Programme Outcomes:	Upgrade the existing raw water supply and replace elements of pipe work and reticulation to improve resilience

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

Aspect	Status	Comments
Overall:	A	<p>The project is in its delivery readiness phase. Tender awarded to WestReef Services Ltd for the Raw Water component that encompasses Alternative C Value Engineered Option reduced budget of \$400K. WTP Request for Tender in the open market closed on the 18 November 2021, and tender prices received > \$2.5M exceed the allocated budget of \$900K. Council resolved on the March 2022 Council meeting to not proceed with any award of the Water Treat Plant contract.</p> <p>BDC staff have been asked: 'what can the \$0.9M afford in relation to resilience improvements' and 'to proceed with some investigation and providing options on how to use the remaining \$900K budget in lieu of providing a water treatment plant. These options have been presented to Council at its April 2022 Council Meeting. Resource Consent has been issued for the raw water components construction. Major delays have been incurred to WRSL Raw Water contract due to the significant storm damage caused along Conns Creek Road and the subsequent loss of access to the site from the Feb 2022 storm event.</p> <p>Council at its April 2022 Meeting endorsed a work package of pipe and reticulation replacement and improvements to utilise the \$0.9M previously set aside in Alternative C for the water treatment. Council at this stage only endorsed Scenario 3 (\$2.3M) and the staff recommended options for \$900k subject to a final resolution for the rating implications of this scenario to be brought to next Council meeting by CCS.</p>
Budget:	R	<p>Approved budget includes:</p> <p>Accrued Costs to Date (as at April 2022) - \$550,000</p> <p>Raw Water Supply - \$405,000</p> <p>Resilience Improvements (Additional raw water scope identified and resolved at April 2022 Council Meeting) - \$900,000</p> <p>Project Delivery - \$195,000</p> <p>Allowances, Estimate & Event Risk - \$250,000</p>
Scope:	G	<p>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 \$405K (includes a contract contingency) has been agreed with WRSL. Council has resolved the remaining items and pipe replacement and reticulation improvements that will be funded from the \$0.9M</p>
Resource:	A	<p>David Chung (Calibre) Project Manager. ERPRO & Stantec (process engineers), Terra Forma (geotechnical), Colls (surveying) West Reef Services ECI Contractor, W2 Subconsultant to WRSL, WSP Opus (Planning Consultants for consenting). WestReef have advised that they have significant resourcing challenges that need to be resolved. Meeting has been held with WRSL to understand how we can collectively mitigate this risk and commit to a forward works programme.</p>
Schedule:	R	<p>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 will prevent WRSL from being able to use the road to deliver materials and personnel. Current indications from DOC and Fulton Hogan are that the road is unlikely to be sufficiently repaired to enable vehicle access until after 30 June 2022. WRSL have and will continue to request extensions of time for this event, until 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.</p>

Risks / Issues:	A	<p>Risk & 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 WRSL are unable to proceed with the Raw water Contract until the road is repaired.</p>
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State of Play

Last Month's April 2022	Next Month May 2022
<ul style="list-style-type: none"> • Council elected to proceed with the \$900k of resilience improvements • Work with WRSL on ways to enable parts of the Raw water contract to commence on site without Conns Creek Road access • Work with WRSL to understand and collectively resolve resource issues 	<ul style="list-style-type: none"> • Continue to push DOC and FH for urgent repairs to Conns Creek Road • Continue to work with WRSL to understand and collectively resolve resource issues to establish realistic timeline • Procure materials required for the supply pipe upgrade

Project Road Map/Schedule Update as of 31 April 22																			Comments
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	
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 Resource Consent adjusted to allow for remediation of Conns Creek Road
Construction WTP & Resource Consent																			Implement options to spend \$900k for resilience improvements to the existing Waimangaroa WS network. This will be reliant on any additional Resource Consent approvals
Commissioning																			Commission resilience works
Closeout																		◆	DEC 2022

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 to Conns Creek Road
8. Complete Raw Water Contract		Sept 2022		Indicative Date Only
9. Commence Procurement – WTP	August 2021	September 2021	100%	Indicative Date Only
10. Start Construction work- Additional Resilience Works	May 2022			Indicative Date Only
11. Complete construction of all works	October 2022			Indicative Date Only
12. Project closeout - Commissioning and Testing	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 31 Apr 22	Accruals to 31 Apr 22	Estimated Forecast cost to complete	Estimated Project Variance -ve (over) +ve is (under)	Commentary
Scope Changed to Improved network resilience and no Water treatment	\$900,000			\$900,000		This budget is very dependent on what Scenario the Council will select from the April 22 Council report
Conns Creek WS Upgrade Raw Water Component Alternative C (Value Engineered)	\$420,000	\$15,000		\$405,000		
Project Delivery	\$550,000	\$504,000	\$11,360	\$333,640		Contract Timeframes for the Raw Water components construction completion could extend to end Dec 2022 – Feb 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			\$130,000		
Total	\$2,300,000	\$519,000	\$11,360	\$1,768,640	\$0	Estimated Cost at Completion is \$ 2,300,000

RISK MATRIX DEFINITIONS AND PARAMETERS

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

Risk Rating		Action, Escalation & Review Timeframe Needed
20 – 25	Extreme	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
10 – 16	High	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4 – 9	Moderate	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1 – 3	Low	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
Almost certain	5	Event is expected to occur more than once in the next year
Likely	4	Event is expected to occur once in the next year
Possible	3	Event could occur at least once in the next two years
Unlikely	2	Event could occur at least once in the next 3 to 5 years
Rare	1	Event is unlikely to occur in the next 5 years

Table 6: Risk Event Consequence

Risk Category	Low 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Financial / Economic	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.
Health and Safety	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.
Human Resources	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.
Legal / Regulatory	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.
Reputational / Stakeholder Engagement / Political	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

Risk Category	Low 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Operations and Service Delivery	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.
Environmental	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.
Information Technology / Management	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.

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	1	Consultant
Calibre Group	1	0	0	0	0	0	0	Consultant
WSP OPUS	2	0	0	0	0	0	1	Consultant
Richard Nichol Ecology	1	0	1	0	0	0	0	Consultant
Stantec	2	0	0	0	0	0	1	Consultant
Total	11	0	6	0	0	0	4	
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			
11		2			5			
An update on media, marketing, and communication activity for the programme/project								
BDC (Eric De Boer) to maintain contact with Matt Creedon who is the contact for Waimangaroa CSG .								