



**BULLER**  
DISTRICT COUNCIL  
Te Kaunihera O Kawatiri

# Annual Report

*for the year ended  
30 June 2019*



*Photo credit (cover):*  
Richard Rossiter





# Highlights from the year!

Council has finished the 2018/2019 financial year with a \$0.89m loss against a budgeted surplus of \$0.5m. This includes \$1.1m of unbudgeted non-cash accrual accounting entries relating to the market interest rates on the fixed portion of Council's debt facility. \$1.2m in revenue that had been budgeted for the sale of the dredge 'Kawatiri' did not occur. The loss has no cash impact on the ratepayer.

Council managed its controllable expenditure well. Budget variances in employment costs and other expenses were mainly attributed to dredging works being carried out in the ports of Greymouth and Nelson, with revenue of \$1.38m from these dredging works off-setting the costs and positively contributing to Council's bottom line.

Other funding received included a successful Provincial Growth Fund (PGF) application to build a new \$2m sea wall at Westport Airport. This will provide another 10-years to deal with coastal erosion and will ensure the airport will continue to operate.

Council also received additional revenue for projects that were beneficial to the district such as more than half a million dollars from the Ministry of Business Innovation and Employment (MBIE) from its Tourism and Infrastructure Fund to go towards responsible camping in the district. Around \$500,000 more funding than expected was received from New Zealand Transport Authority (NZTA) which enabled more than 8km of planned footpaths to be renewed.

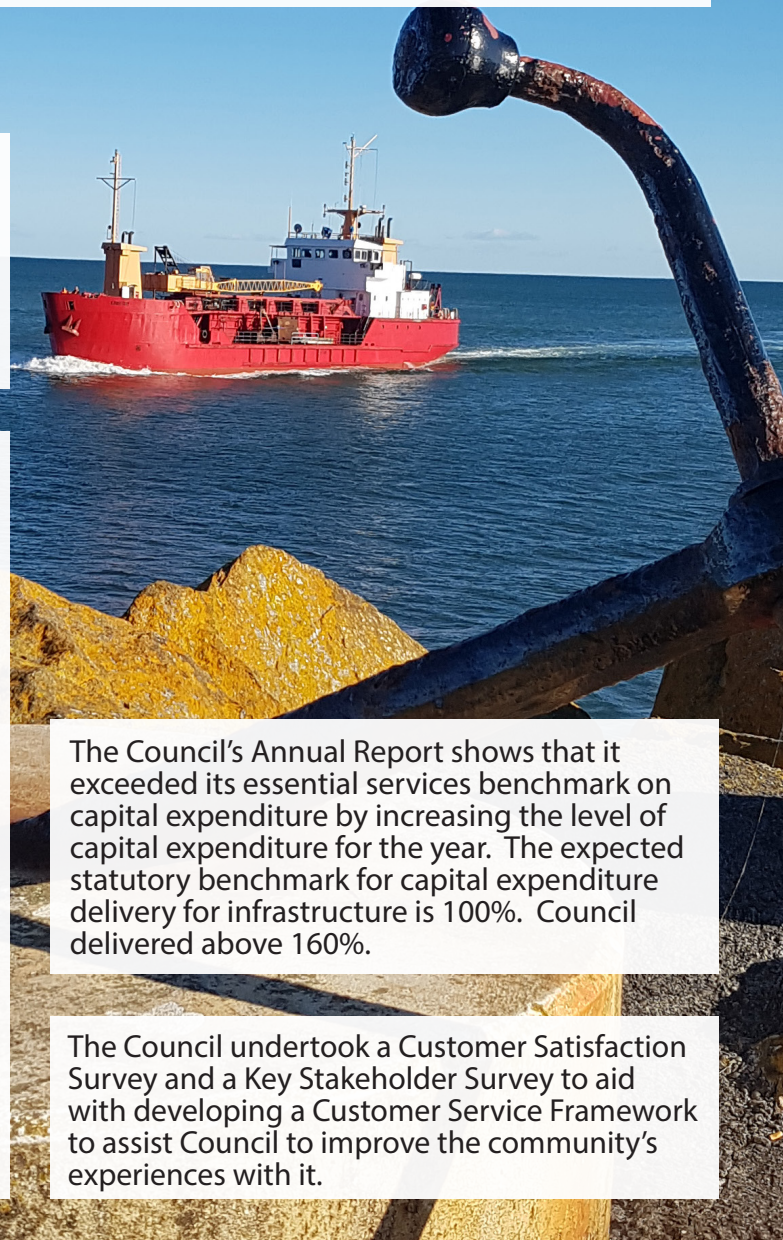
The report also shows that Punakaiki did not have a boil water notice for the last financial year.

Council-owned Buller Holdings had another good year, the cash distribution was \$1.2m in line with Council budget predictions and more than the previous financial year. In addition, the holding company paid down \$0.9m in loans to Council. Moving forward the holding company is in a strong financial position and is well poised to deliver a good result for the ratepayer in the 2019/2020 financial year.

Throughout the last financial year, Council focused on improving many of its internal processes and the way it does business. This included: separating the Community Services and Regulatory functions; introducing a new strategic and internal risk management framework and a new governance framework.

The Council's Annual Report shows that it exceeded its essential services benchmark on capital expenditure by increasing the level of capital expenditure for the year. The expected statutory benchmark for capital expenditure delivery for infrastructure is 100%. Council delivered above 160%.

The Council undertook a Customer Satisfaction Survey and a Key Stakeholder Survey to aid with developing a Customer Service Framework to assist Council to improve the community's experiences with it.





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# Message from the Mayor & Chief Executive

Dear Buller District ratepayers & residents

*He ika kai ake i raro. He rapaki ake i raro.*

*Every journey starts with the first small step forward. Working together must start somewhere.*

Our Annual Report looks back on the 2018/2019 year, which is year 1 of our 2018-2028 Long-term Plan. This report is an opportunity to reflect on the year and report to you, our community, on the progress Council has made towards achieving the plans we agreed in the Long Term Plan with the continuation on the theme “fit for the future”.

## Maori representation on Council

The inclusion of a non-elected, Iwi Councillor (non-voting) role into the Buller District Council governance structure formally recognises the importance of the crucial relationship with Maori.

The appointment of Francois Tumahai further strengthens, develops and extends the Council relationship with Te Rūnanga o Ngāti Waewae and Ngāti Apa especially across Council's wider cultural, social, economic, environmental and legal interests in regard to its district obligations, a strong and positive relationship with Te Rūnanga Ngāti Waewae and Ngāti Apa is important on every level.

## Achievements

A lot of work Council does relates to making sure that we have the infrastructure our district needs. Much of this work is not visible to residents but it is essential for us to continue to thrive as a district. This year council has undertaken its biggest works program including the key strategic Westport Water project well underway and nearing completion. The infrastructure team has really delivered a very high percentage of work as programmed for the 2018/2019 financial year with the carry-overs being restricted to work in progress on Westport water and review of Council / Civil Defence administration buildings.

Council has advocated throughout the 2018/2019 year for the district and its residents based on the premise that well-presented solutions get the attention and consideration by Government and other organisations. Council proactively worked with central government and related agencies to get the best result for the district, a few examples of Council advocacy are:

### Provincial Growth Fund

Participation in the *Provincial Growth Fund* with a number of successful applications which include the Kawatiri Cycle Trail, Oparara Arches, West Coast ports review and the Westport Airport seawall in partnership with Ministry of Transport.

### Punakaiki Master Plan

Council assumed the lead role to deliver a *Punakaiki Masterplan*, which outlines a future proof vision for the greater Punakaiki area. Council is working with the Punakaiki community and other key stakeholders including the Department of Conservation, West Coast Regional Council, Grey District Council, NZTA and the Ministry of Business Innovation and Employment and Iwi to bring the plan “to life” over a number of years.

### Freedom (responsible) Camping,

Council are seeking to work proactively and collaboratively with the community to address concerns about responsible raised through submissions made to our Annual Plan. Council are establishing local advisory groups to meet over the summer period and gauge our effectiveness, or change our approach to delivering the *Responsible Camping* Bylaw. We understand throughout the district that “one size” does not fit all when it comes to *Responsible Camping* in our district so advisory groups are planned for Karamea, Ngakawau/Hector, Westport, Reefton and Charleston/Punakaiki. Council have successfully applied for Tourism Funding to facilitate community engagement, education, employment of compliance officers and maintenance of infrastructure supporting *Responsible Camping*.

## Community

Towards the end of the financial year we undertook a community customer survey to identify what council does well and areas for improvement. We took heart that 385 people took the time to complete our survey and that being friendly, helpful and staff knowledge were common response to what council does well, balanced with better listening and communication in particular related to dealing with and responding to complaints. We appreciate the feedback as this provides a gauge to how appropriate the work Council is undertaking and are we meeting our customer (ratepayer) expectations. It allows council to focus on your priorities going forward.

The community and council lead revitalisation program has transitioned into its second year. Council have been pleased with the response from the community and have been delighted to support a number of projects through the 2018/2019 year. A number of the projects are listed below:

- *Buller Cycling Club* received funding contribution toward the change of layout around the boatsheds and to improve safety. This will enhance the look and feel of the Kawatiri River Trail;
- *Karamea Community Incorporated* received funding towards conservation and protection efforts, as well as improving the access road, building picnic tables and installing interpretation panels at the Oparara Estuary;
- *Karamea Memorial Domain Board* were granted funding towards the enhancement of the domain grounds by ways of plantings
- *Little Wanganui Recreation and Reserve Board* were granted funding towards the upgrade of the kitchen in the Little Wanganui Hall as well as for a basketball court/helipad facility in Little Wanganui;
- *Love Kawatiri* were successful with both their applications to the Community Lead Revitalisation fund being granted funding toward upgrading the outside of the Sue Thomson Casey Memorial Library and the enhancement of the Derby Street park;
- *Omau Domain Board* successfully sought funding from the fund to relocate the public turnaround and parking area as a result of erosion. Plantings and the installation of picnic tables were also part of their application;
- *Westport Disc Sports Club* received funding toward completing a nine hole disc golf course along the Buller River between the Westport Domain and Esplanade.

Council have also taken the lead on some *community revitalisation projects*, the upgrades were completed at the Westport Skate Park which also include the installation of a 3x3 basketball court.

## Challenges

### Climate Change

Coastal erosion remains a significant challenge in a number of coastal areas across the district, of immediate challenge is the Hector landfill.

### Hector landfill

The old Hector landfill is an ongoing concern for Council. Since being exposed by the sea during Cyclone Fehi in 2018 the landfill contains a considerable quantity of toxic ex-industrial State Coal waste and some municipal waste. In partnership with the West Coast Regional Council an application was submitted to the Ministry for the Environment's 'Contamination Site Remediation Fund'. Unfortunately, due to over-subscription, the application was unsuccessful. A sacrificial bund is utilised as a short term option but is not sustainable. Council will continue to advocate to Central Government for a long term solution.

### Karamea Special Purpose Road

Over a number of years NZ Transport Agency officials have been working through the potential transition of the Karamea Highway from its current status of a Special Purpose Road (SPR) with Buller District Council. We have reached a critical impasse in discussions that needs to be resolved over the next 12 months to find a way forward that respects the Governments principals of the Four Well-beings as reinstated within the Local Government Act. The only successful and acceptable transition of responsibility is that the ex-State Highway should be at no cost to our ratepayers.

### Te Tai Poutini (One District Plan)

While Buller opposed this initiative it is now law and we need to ensure we participate for the benefit of ratepayers while making every effort to minimize costs. There is little doubt this will take a number of years to complete at considerable cost.

### 3 Waters reform

Central Government has announced some significant legislative and policy change in the 3-Waters area. The change will come in different tranches with a focus on drinking water standards followed by a review of storm water and waste water. Understanding the impact for the Buller district and adapting to these changes as they are confirmed will be a major focus over the next few years

### Rates review

Council remains committed to working through this complex challenge of developing a rating framework which is fair and balanced for the district. Significant work has been undertaken by Councillor's and Council staff, with the intention of having a model which can be brought forward for public consultation.

## Financial Performance

Council has performed well this year from a financial perspective taking into account non-cash transactions that have affected the surplus. The year end result is a \$0.89m deficit compared to a budget of \$0.51m surplus. Council has also delivered on its capital expenditure program. Council budgeted to spend \$7.6m on capital expenditure in its Long Term Plan. A total of \$9.2m was spent on capital expenditure in 2018/2019. This included expenditure on the Westport water tunnel upgrade, roading and footpath upgrades and community assets including infrastructure to address the increase in tourism and responsible camping.

## IN SUMMARY . . . . .

Buller District Council has had a stable year in terms of CEO leadership which has allowed strong foundations to be put in place which will support Council building on the strong year of advocacy for the district, sound financial performance, delivery of the infrastructure programme which greatly benefits you our community and a focus on improving community engagement.



*Sharon Mason*

**Sharon Mason**  
Chief Executive Officer



*Garry Howard*

**Garry Howard**  
Mayor, Buller District



# Mayor, Councillors, Community Board

## Buller District Mayor

### Garry Howard

*Elected:* 2013

[03] 788-9684 (office)

[027] 4474-371 (mobile)

**garry.howard@bdc.govt.nz**



## Westport Ward Councillors

### Shayne Barry

*Elected:* 2016

[03] 789-6966 (home)

[022] 694-4592 (mobile)

**shayne.barry@bdc.govt.nz**



### Jamie Cleine

*Elected:* 2016

[03] 789-8060 (home)

[027] 415-8614 (mobile)

**jamie.cleine@bdc.govt.nz**



### Greg Hart

*Elected:* 2013

*Resigned:* 20 June 2019



### Robyn Nahr

*Elected:* 2013

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[03] 788-9090 (business)

**robyn.nahr@bdc.govt.nz**



### Sharon Roche

*Elected:* 2013

[03] 789-6423 (home)

[027] 659-9050 (mobile)

**sharon.roche@bdc.govt.nz**



### Phil Rutherford

*Elected:* 2013

[03] 789-7087 (home)

**phil.rutherford@bdc.govt.nz**



## Inangahua Ward Councillors

### Graeme Neylon

*Elected:* 1992

[03] 732-8382 (home)

[027] 431-4659 (mobile)

**graeme.neylon@bdc.govt.nz**



### Dave Hawes

*Elected:* 2007

[03] 732-8423 (home)

**dave.hawes@bdc.govt.nz**



## Seddon Ward Councillors

### Emily Miazga

*Elected:* 2016

[03] 782-8999 (home)

[027] 274-4370 (mobile)

**emily.miazga@bdc.govt.nz**



### Rosalie Sampson

*Elected:* 2018

[03] 782-6745 (home)

[27] 356-7388 (home)

**rosalie.sampson@bdc.govt.nz**



## Inangahua Community Board

### Susan Barnett

*Elected:* 2015

[03] 732-8440 (home)

**reefton@clear.net.nz**

### Alun Bollinger

*Elected:* 2016

[03] 732-8123 (home)

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### Simon Burke

*Elected:* 2016

[03] 732-7011 (home)

**simonariel1@gmail.com**

### Ina Lineham

*Elected:* 2016

[03] 732-8401 (home)

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# Statement of Compliance & Responsibility

## Compliance

The Council and Management of the Buller District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

### Responsibility:

The Council and Management of the Buller District Council accept responsibility for the preparation of the Annual Financial Statements and the judgments used in them. The Financial Statements are unable to be amended following issue.

The Council and Management of the Buller District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2019 fairly reflect the financial position and operations of the Buller District Council and Group.



**Jamie Cleine**

**Mayor, Buller District**

30 October 2019



**Sharon Mason**

**Chief Executive Officer**

30 October 2019





# Consultation with Maori

An opportunity for Māori to contribute to the decision making processes of the Local Authority.

The inclusion of a non-elected, Iwi Councillor (non-voting) role into the Buller District Council Governance structure formally recognise the importance of the crucial relationship with Te Rūnanga o Ngāti Waewae.

Te Rūnanga o Ngāti Waewae are already legally recognised as mana whenua by Council in regards to meeting its existing obligations under legislation around consenting.

The appointment further strengthens, develops and extends the Council relationship with Te Rūnanga o Ngāti Waewae especially across Council's wider cultural, social, economic, environmental and legal interests in regard to its district obligations.

Under the Crown's obligations arising from Te Tiriti o Waitangi, Te Rūnanga o Ngāti Waewae as mana whenua are always going to be heavily engaged in future direction setting for the West Coast Te Tai Poutini in general, and also, specifically, for the Buller district. For Council then, a strong and positive relationship with Te Rūnanga Ngāti Waewae is important on every level.

Notwithstanding, the relationship with Rūnanga, Council will consult with Ngati Apa on matters pertaining the Buller District and that the input of Māori not associated with Ngāti Waewae may from time to time be received for consideration of the Council.

Under Section 81 of the Local Government Act 2002, Council must establish and maintain processes to provide opportunities for Maori to contribute to the decision making processes of the local authority. Council is also required to look at ways to foster the development of Māori capacity to have input into these processes.



# Performance Review

## Overall Result

Total operating revenue was \$26.3 million which was greater than the anticipated budget of \$25.5 million. Council's total operating expenditure was \$27.2 million which exceeded the budget of \$24.9 million by \$2.3 million. Overall Buller District Council has a deficit of \$891,000 compared to a predicted surplus in the 2018/2019 Long Term Plan of \$513,000.

Total operating revenue was greater than predicted. Subsidies and grants income were greater than anticipated due to additional grants received for roading, responsible camping and the Punakaiki masterplan. Income for fees and charges was also greater than anticipated due primarily to additional dredging income received from outport harbour dredging activities. Operating revenue was also affected by transactions related to the Kawatiri dredge budgeted profit on sale of \$1.2m which has not occurred in 2018/2019.

Total operating expenditure was also over budget for the year. The main contributor was additional expenses incurred in providing profitable outport harbour dredging activity in Greymouth and Nelson. Operating expenses was also impacted by a significant non cash entry of over \$1.1m relating to the market interest rate movement effect on Councils fixed interest debt.

The balance of the operating expenses variances was made up of employment costs which were higher than budget, offset by financing costs which were less than anticipated. There is more detail provided in the following sections.

Total Comprehensive Revenue and Expense includes an increment for revaluation of Council infrastructure assets. This was carried out at the end of the 2018/2019 year (the previous revaluation was carried out at the beginning of the 2017/2018 year. This added significantly to Council's closing equity balances.

## Statement of Position

### Operating Revenue

#### Subsidies and grants

*(received \$1.13 million more than budgeted)*

- Council received a number of grants from external agencies which were either not budgeted for 2018/2019 or exceeded the budgeted amount.
- Subsidies received from NZTA for Roading were \$934,000 greater than budget due to the additional amount of roading works, including footpaths which was completed over the year.
- Grants were received as a capital subsidy for Responsible Camping of \$580,000 for tourism related expenditure, including infrastructure. \$200,000 was already budgeted by Council for public toilet subsidies which resulted in a \$380,000 positive variance.
- The Punakaiki area received a \$175,000 subsidy for improvements to the water supply to cope with the increase in tourism.
- This was offset by \$401,000 for the budgeted drinking water subsidy for Waimangaroa which was not received as this project has not yet been completed.

#### Investment income

*(\$100,000 less than budgeted)*

- The variance in investment income relates to interest received on Councils term investments which is lower compared to budget due to the decline in interest rates.

#### Development and financial contributions

- Reserves contribution income was affected by a slowdown in development activity which resulted in \$42,000 less income than budgeted for.

#### Fees and Charges

- The variance in Fees and charges is primarily due to \$1.38m in unbudgeted harbour dredging income for the year. This was offset by slightly less fees from property rentals and cemetery plots for the year.

#### Vested Assets

- There were no vested assets accruing to Council. This was due to the low amount of property development that occurred during the year.

#### Profit on Sale of Assets

- The budgeted amount is profit on the proposed sale of the Kawatiri Dredge which is fully depreciated. The vessel was not sold in 2018/2019.





## Operating Expenditure

### Employee benefit expenses

(\$264,000 higher than budgeted)

■ The variance is a result of management structure changes, staff complement changes and remuneration movements during the year. The variance is primarily related to unbudgeted harbour/dredging salaries of \$170,000 and salaries relating to the new Council management structure of \$75,000.

### Depreciation & Amortisation

(\$113,000 lower than budgeted)

■ Depreciation was lower than budgeted mainly due to variations in the capital expenditure to budget and adjustments in infrastructure valuation.

### Finance costs

(\$117,000 less than budgeted)

■ Interest rates were slightly less than anticipated during the period which accounted for savings of \$117,000.

### Other expenses

(\$1.2m higher than budgeted)

■ The variance is primarily made up of additional harbour expenses of \$1.1m with much of this related to unbudgeted dredging work that was carried out over the period.

■ In addition there were unbudgeted expenses of \$167,000 associated with implementation of the Responsible Camping initiative.

■ Additional roading maintenance expenses including footpaths and the related Punakaiki masterplan also contributed.

■ These expenses (excluding harbour) received income subsidies to offset the increase in expenditure. There were also a number of small savings in other expense categories.

### Assets Written Off

(\$157,000 less than budgeted)

■ There was a variance in the non-cash write off of assets that amounted to \$157,000. This was due to the amount and nature of assets replaced which were written off over the period.

### Loss on derivative contracts

(\$1.1m higher than budgeted)

■ There was non cash loss on derivative contracts. This is related to market interest rate movements that had a negative effect on the fixed portion of Council's debt facility.

### Loss on Sale/Write Off of Investment Property

■ Write off of a property which did not meet the investment property criteria.

### Increase/(decrease) in Infrastructure Revaluation Reserves

■ Council carried out a valuation of its Infrastructure Assets during the period. There was a variance of \$43.6m. Council had budgeted for the revaluation in a later period.



## Statement of Performance

### Council's Net Debt Position

■ Net debt (debt less term deposits) was \$11.8m at balance date. The 2018/2019 Long Term Plan budget estimated that net debt would be \$14.3m for this period.

■ The lower net debt levels are due to projects funded by external debt that have not yet been completed or debt that has not been drawn down on some projects that were included in the LTP at balance date. This includes Westport water, Waimangaroa water supply upgrade and the Airport rock wall.

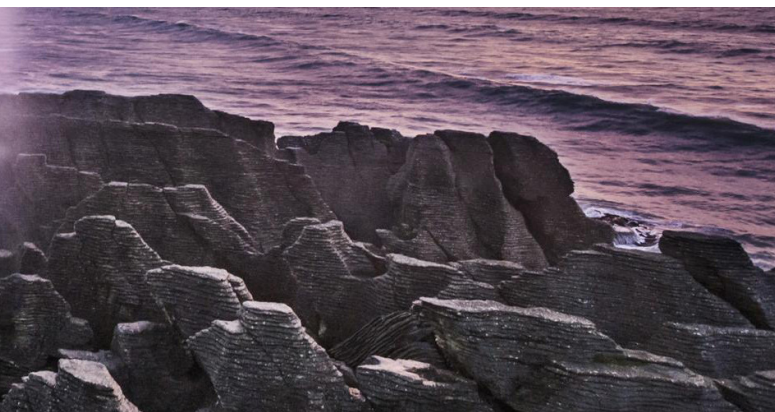
### Capital Expenditure

Council continued to maintain assets and upgrade them when required. 2018/2019 was a year where there was good progress made on upgrading capital projects. Council budgeted to spend \$7.6m on capital expenditure in its Long Term Plan. A total of \$9.2m was spent on capital expenditure in 2018/2019. Major projects this year have included:

■ Roothing capital expenditure totaled \$2.4m for 2018/2019 compared to the budgeted spend of \$1.7m. Additional expenditure was carried out that was fully funded by subsidies. This included work on the Karamea highway, additional footpath construction and work on the Punakaiki master plan.

■ Council spent funds on a number of community assets during the year. District revitalisation expenditure totaled \$0.2m. Infrastructure to cope with the increase in tourism and to promote responsible camping was constructed during the year (\$0.4m). This was fully funded by central government.

■ Drinking water supply upgrades progressed during the year. Westport water tunnel upgrades were in progress at balance date (\$4.2m) and due to be completed in 2019/2020. The Punakaiki scheme was also upgraded. Waimangaroa water upgrade is still in the planning stages.



# Financial Prudence Benchmarks

The Local Government Financial Reporting and Prudence Regulations 2014 (LG(FRP)R) require the following specific disclosures to be included in the annual report. These disclosures seek to:

- Assist in identifying local authorities where further enquiry is warranted in relation to their financial management; and
- Promote prudent financial management by local authorities.

The regulations prescribe how Council's must report these benchmarks and indicators in their Annual Plans, Annual Reports, and Long Term Plans.

The benchmarks required include:

<b>Affordability benchmarks</b>	<b>Rates Income affordability</b>	Rates income complies with the limits set in the council's financial strategy.	●
	<b>Rates increases affordability benchmark</b>	Rates increases comply with the limits set in the council's financial strategy.	●
	<b>Debt affordability benchmark</b>	Debt complies with the limits set in the council's financial strategy.	●
<b>Sustainability benchmarks</b>	<b>Balanced budget benchmark</b>	Operating revenue, excluding development and financial contributions and revenue from revaluations, exceeds operating expenditure.	●
	<b>Essential services benchmark</b>	Capital expenditure on the five network infrastructure services exceeds depreciation on those five services.	●
	<b>Debt servicing benchmark</b>	Interest expense is less than 10% of operating revenue, as defined in the balanced budget benchmark, except for local authorities with projected population growth greater than or equal to New Zealand's projected population growth. For those authorities the benchmark is 10% of operating revenue.	●
<b>Predictability benchmarks</b>	<b>Debt control benchmark</b>	Net debt is less than or equal to forecast debt in the long-term plan.	●
	<b>Operations control benchmark</b>	Net cash flow from operations equals or exceeds budget.	●

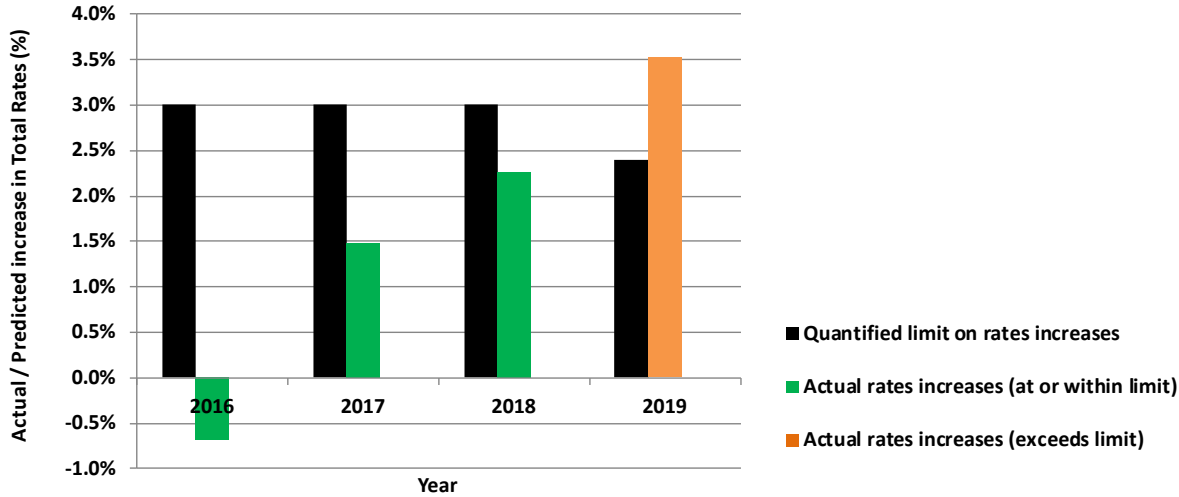
Benchmark met	●
Benchmark not met	●

## Council has met 6 of the 8 financial prudence benchmarks for the 2018/2019 Annual Report

- Council has not met the rates increases affordability benchmark. This was anticipated in the Long Term Plan. Council re-organised its management structure in 2018/2019 to better deliver services to the district and ratepayer which contributed to the rates increase.
- The minor difference in operation cashflow is primarily due to the Waimangaroa drinking water subsidy of around \$400,000 which was not received in 2018/2019.

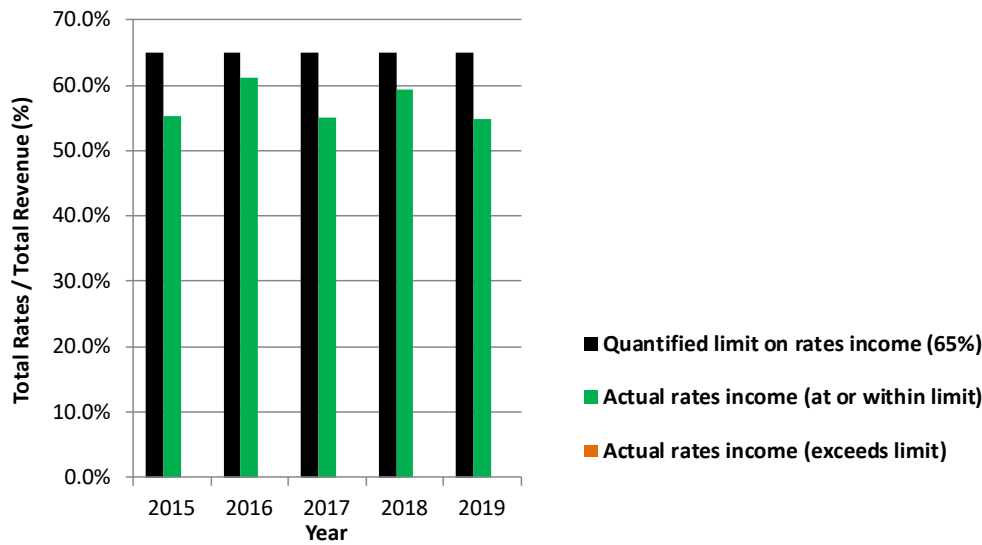


# Rates Increases Affordability Benchmark



- Council has not met the rates increases affordability benchmark. This was anticipated in the Long Term Plan. Council re-organised its management structure in 2018/2019 to better deliver services to the district and ratepayer which contributed to the rates increase.

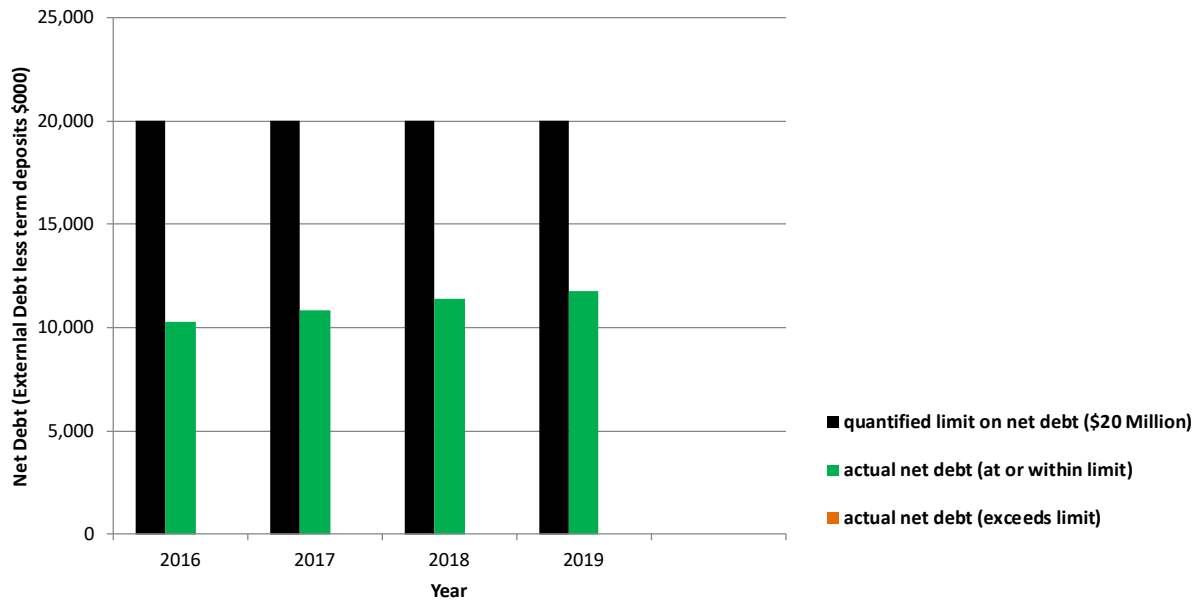
# Rates Income Affordability Benchmark



- Council has agreed that rates income would not exceed 65% of total revenue.

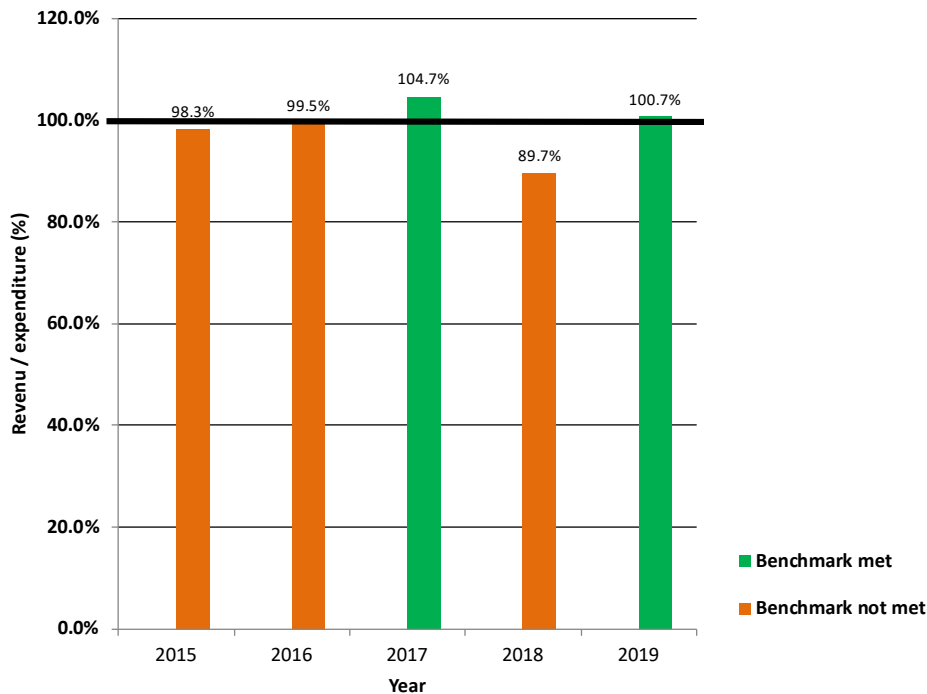


# Debt Affordability Benchmark



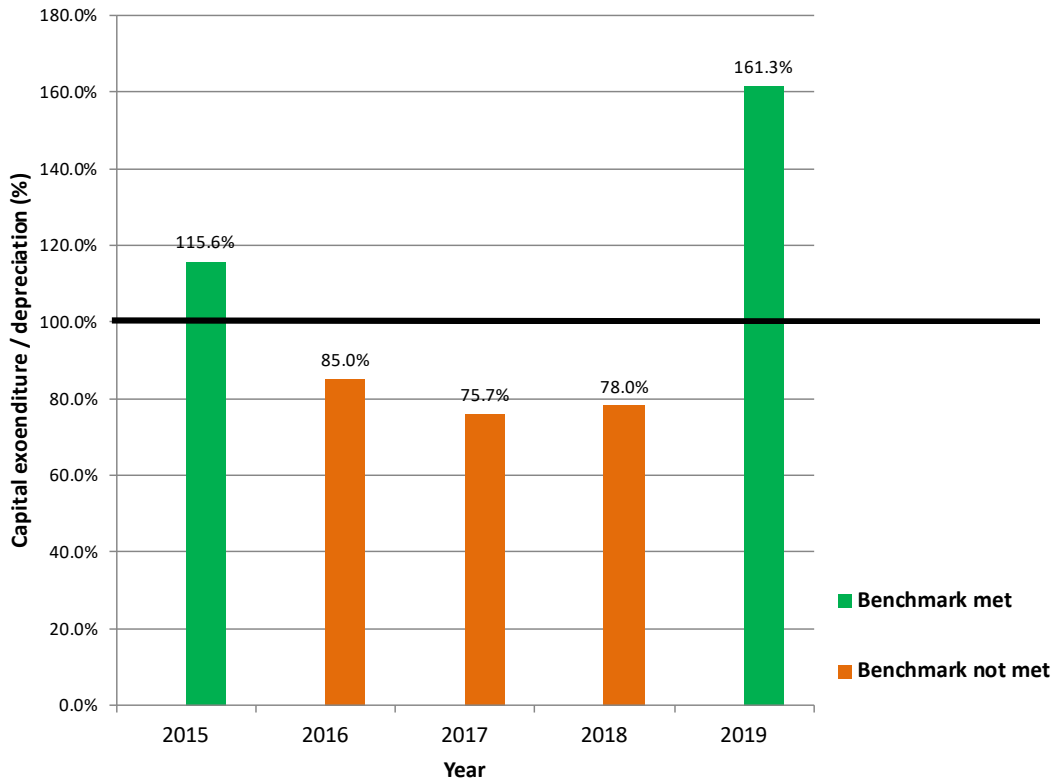
- Council continues to operate well below the Treasury Management interest cover limit of 15%.
- A new measure of debt affordability was adopted in the 2015-2025 Long Term Plan which measures net debt (external debt less term deposits) against a net debt ceiling of \$20 million.

# Balanced Budget Benchmark



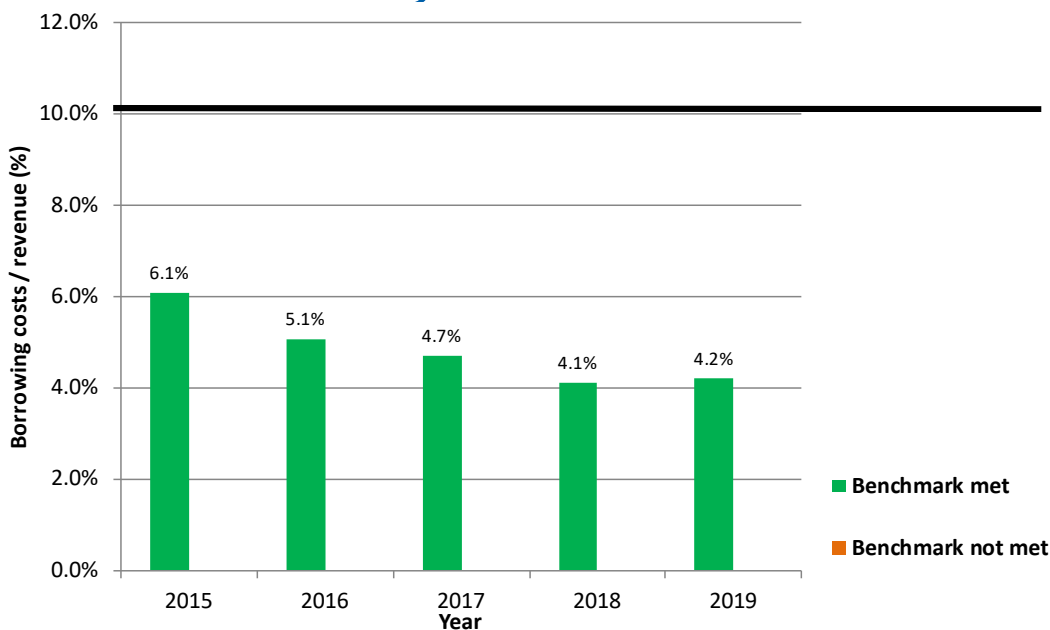
Year	Main Driver why benchmark not met
2015	<ul style="list-style-type: none"> <li>• This is attributable to the infrastructure and investment property asset disposals and the loss on the interest rate swaps.</li> </ul>
2016	<ul style="list-style-type: none"> <li>• This is principally because of the effect of lower than expected income.</li> </ul>
2018	<ul style="list-style-type: none"> <li>• This is due to increases in depreciation that were not anticipated from the infrastructure revaluation as well as additional cost that were not anticipated including costs for storm events, repairs and maintenance and additional operations such as Harbour</li> </ul>

# Essential Services Benchmark



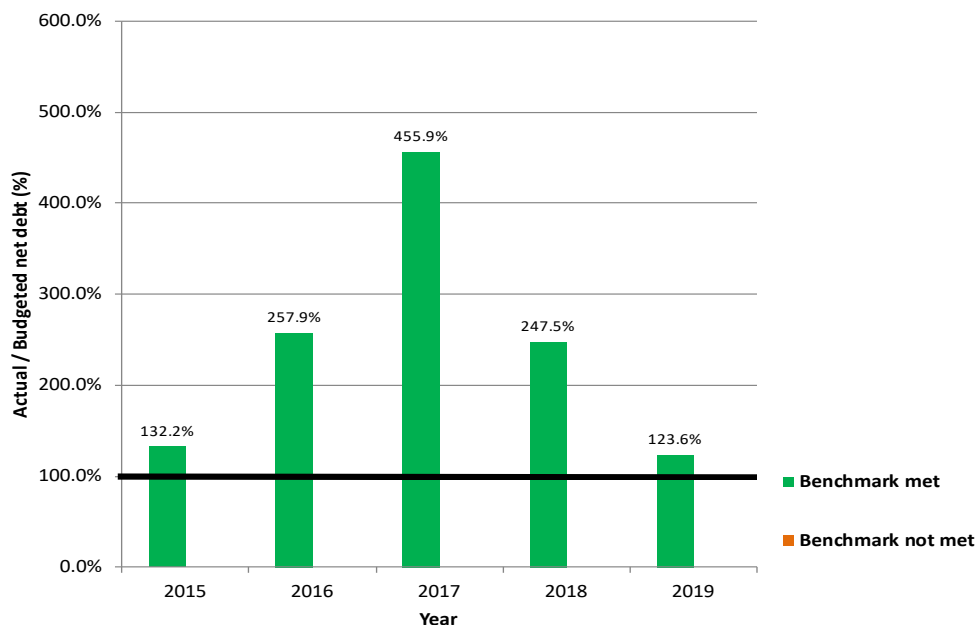
Year	Main Driver why benchmark not met
2015/2016	<ul style="list-style-type: none"> <li>The difference is attributable to the water projects which have not been completed as planned in 2015/2016.</li> </ul>
2016/2017	<ul style="list-style-type: none"> <li>A number of roading capital projects were not completed due to poor weather over the reseal period, this flowed over to a lesser extent into other infrastructure projects.</li> </ul>
2017/2018	<ul style="list-style-type: none"> <li>Depreciation has increased due to revaluation of infrastructure assets. The capital program has not been adjusted to match. This will occur in 2018/2019. Council actually spent \$650,000 more in infrastructure capex compared to 2016/2017</li> </ul>

# Debt Servicing Benchmark



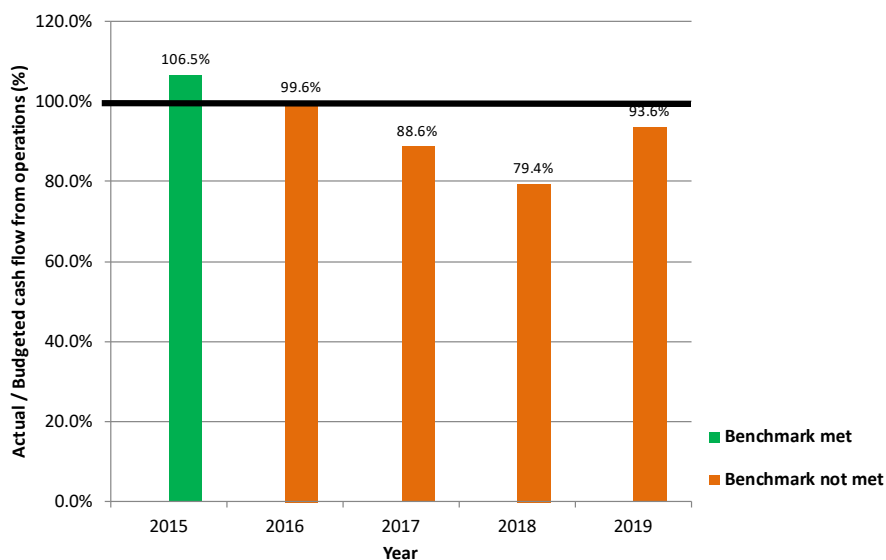
Council has continued to operate well within the low growth Council benchmark of 10%.

# Debt Control Benchmark



Year	Main Driver why benchmark not met
2017	<ul style="list-style-type: none"> <li>Council has met the Debt Control Benchmark and is in a net asset position. Council is in a more favourable net asset position (financial assets exceed financial liabilities) than predicted in the LTP due to a number of capital projects that would have been debt funded but have not been completed from what was originally proposed in the LTP. These include the Westport water trunk main renewal (\$3.9m) and tunnel replacement (\$1.5m).</li> </ul>

# Operations Control Benchmark



Year	Main Driver why benchmark not met
2016	<ul style="list-style-type: none"> <li>Due to lower income from Regulatory activity than budgeted.</li> </ul>
2017	<ul style="list-style-type: none"> <li>The operating cashflow benchmark budgeted in the LTP had higher income predicted for building and planning which has not eventuated.</li> <li>In addition rates income predictions were higher in the LTP benchmark.</li> </ul>
2018	<ul style="list-style-type: none"> <li>The operating cash flow benchmark budgeted in the LTP had higher income predicted for rates and investment income which was partially offset by greater subsidies and grants received than budgeted.</li> <li>Unbudgeted costs were incurred in relation to Westport water alternate supply, storm damage and civil defence costs from the two cyclone events and the transfer of Westport Harbour operations to Council.</li> </ul>
2019	<ul style="list-style-type: none"> <li>The minor difference in operation cashflow is primarily due to the Waimangaroa drinking water subsidy of around \$400,000 which was not received in 2018/2019.</li> </ul>



# Our Work in Detail

The following pages set out in detail the results for each of Council's activities, which have been grouped as follows:

## Council Activities:

- Regulatory Services
- Roading and Transport
- Water Supplies
- Wastewater/Sewerage
- Stormwater
- Solid Waste
- In-house Professional Services
- Community Services
- Governance and Representation
- Customer Services and Support Services
- Property

This section of the Annual Report details what activities Council has undertaken in support of the community outcomes, strategic goals and legislative requirements that we operate under.

Please note both our targets and significant projects/issues form part of the performance management framework against which actual levels of service performance has been assessed. Targets represent the levels of service to be met annually unless stated otherwise.

# Regulatory Services

## Activities in this group include:

- Animal management
- Plans, policies and guidance documents
- Processing of consents
- Building control
- Compliance and enforcement management
- Alcohol licensing
- Emergency management/civil defence
- Environmental health
- Freedom Camping

## Why are we involved in these activities?

*Council undertakes these activities to contribute to providing a safe, healthy and sustainable environment:*

- The animal and stock management service aims to provide a safer District by reducing dog-related offences through the registration of dogs, the education of their owners and the investigation of complaints.
- The planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet national legislative requirements.
- Compliance and enforcement management activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.
- Alcohol licensing ensures that the statutory requirements and the object of the Sale and Supply of Alcohol Act 2012 are being met, in that the sale and supply of alcohol is undertaken safely and responsibly and any harm caused by excessive or inappropriate consumption is minimised.
- Civil Defence Emergency Management ensures the objectives of the Civil Defence Emergency Management Act 2002 are being met, in that we provide reduction, readiness, response and recovery plans in the event of a significant emergency;
- Environmental Health ensures that operators meet required public health standards.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Well-Being

- Provide essential services to residents and businesses to support a healthy environment.
- Provide and develop safe public places.
- Emergency management is a key function in ensuring the response principles of preservation of life and prevention of escalation are followed in the event of any disaster.

### Learning

- Make information easily available about Council, its functions and services.
- Recognise and support education excellence and opportunity in the district.

### Who we are

- Provide opportunities for the community to work in partnership with Council.

### Sustainable Environment

- Develop policies and implement practices that enhance our environmental sustainability and natural diversity.

## Statement of Service Performance

### Alcohol Licensing

Council accepts and processes new and renewal licence and manager's certificate applications. A report is then provided to the District Licensing Committee who determines the applications. Any applications for which objections have been received, and all temporary authority applications, must be determined by the full committee. All other unopposed applications may be determined by the Chairperson.

### District Plan Review

Buller District Plan Changes 133-145 were publicly notified on 4 March 2016 and a hearing was held on 4-5 July 2016. Council's Hearing Committee has carried out its deliberations on the proposed changes. These changes were put on hold pending the outcome of the Local Government Commission's proposal for One District Plan for the West Coast and have subsequently remained on hold.

### Civil Defence

The Buller Emergency Management Officer provides education, tools and resources for our community to be prepared if a civil defence event was to occur. Emergency management processes are also in place so we can better respond during a civil defence event.

### Building Consent Authority Accreditation

Council passed its two yearly building consent authority accreditation assessment, carried out by International Accreditation New Zealand (IANZ), and can continue as an accredited building consent authority. The team is tracking well to meet the requirements for Accreditation which is due to be assessed in December 2019.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan (LTP)

### Payments to staff and suppliers

■ There were savings in employment costs in some areas due to positions being vacant this was offset by additional costs in contractor fees.

### Development and financial contributions



■ There were lower contributions from consents potentially due to current economic conditions.

## Key Performance Indicators

### What we plan to do and our levels of service


#### KEY PERFORMANCE MEASURE 1:

##### • to maintain quality of life through ensuring compliance with building and development regulations

<i>How we do it</i>	<ul style="list-style-type: none"> <li>Process and grant building consents</li> <li>Process and grant resource consents</li> </ul>			
<i>How we measure performance</i>	Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of the Building Consent Authorities Regulation 2006.	<i>Target</i>	<i>Performance</i>	
		Continue to retain accreditation by passing the biannual IANZ Audits.	2018/2019: Next audit is due late 2019. A pre-audit audit has been carried out. System improvements have been identified and are tracking well and on target. <i>(2017/2018: Audits are carried out biennially. The December 2017 audit was completed and accreditation is maintained until 2019 when the next audit is due.)</i>	
	Process non-notified resource consents within statutory timelines.	Continue to achieve 100% within statutory timeframes.	2018/2019: 100% achieved within statutory timeframes. <i>(2016/2017: 100% achieved within statutory timeframes.)</i>	


#### KEY PERFORMANCE MEASURE 2:



##### • to maintain quality of life through ensuring the health and safety of licenced activities

<i>How we do it</i>	<ul style="list-style-type: none"> <li>Inspect and/or audit registered food premises and health premises</li> </ul>			
<i>How we measure performance</i>	Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders, ensuring they meet the Food Hygiene Regulations 1974 and the new Food Act 2014.	<i>Target</i>	<i>Performance</i>	
		Continue to achieve 100%.	2018/2019: 82 premises have been inspected from a total of 105 - 78% of premises were inspected. Target not met.  Existing businesses (registered under the Food Act 1981 or the Food Hygiene Regulations 1974 before 29 February 2016) will move to the new Food Act 2014 between 2016 and 2019. <i>(2017/2018: 100% achieved, 100 premises inspected.)</i>	

#### KEY PERFORMANCE MEASURE 3:

##### • to establish an effective level of preparedness for Civil Defence disasters

<i>How we do it</i>	<ul style="list-style-type: none"> <li>Monitor and train volunteers</li> </ul>			
<i>How we measure performance</i>	Maintain three teams of trained volunteers, 30 trained volunteers.	<i>Target</i>	<i>Performance</i>	
		Maintain 3 teams of trained volunteers.	2018/2019: 75 community volunteers throughout the Buller district.  10 staff are currently trained for an Emergency Operation Centre activation. In total there are 85 volunteers which is made up of 75 community volunteers and 10 staff. Community volunteers and Council staff from throughout Buller are trained to effectively provide response in the event of an emergency. <i>(2017/2018: 100 community volunteers.)</i>	

KPI met	
KPI not met	



## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		1,015	1,022	1,022
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	5
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		1,093	880	856
<b>Total Operating Funding</b>	<b>A</b>	<b>2,108</b>	<b>1,903</b>	<b>1,883</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		1,489	1,398	1,233
Finance costs		9	6	6
Internal charges and overheads applied		577	452	430
Other operating funding applications		13	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>2,088</b>	<b>1,856</b>	<b>1,669</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>20</b>	<b>47</b>	<b>214</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	3
Development and financial contributions		105	50	8
Increase/(decrease) in debt		(2)	(7)	(7)
Gross proceeds from sale of assets		0	0	11
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>103</b>	<b>43</b>	<b>15</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		54	2	8
Increase/ (decrease) in reserves		69	89	221
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>123</b>	<b>90</b>	<b>229</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(20)</b>	<b>(47)</b>	<b>(214)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Roading and Transport

## What do we do?

- Roothing and Transport carries out the planning, operations, maintenance, development and improvements to the transport network so that it is affordable, integrated, safe, responsive and sustainable.
- Providing, maintaining and renewing sealed and unsealed roads, bridges and culverts, footpaths, seats and shelters to enable people and businesses to move around for employment, recreation, shopping, social activities and business purposes. It also provides road signs, markings and street lighting to ensure that travel is safe and convenient. Improvements to the road network to meet changing needs are made and developed plans ensure the road network is able to cater for future growth. Council also provides support for the continued operation of Westport Taxi services.
- Urban Development is continually undertaken to provide a more pleasant environment for our communities by use of plantings, street treatment and decorative measures

## Why are we involved in these activities?

- Providing people with access to employment, services, education and recreation, as well as providing for the movement of goods to support the local economy. The road corridor also provides access for critical services such as electricity, telecommunications, water supply and waste disposal.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Sustainable Environment

- By providing a safe roading system.
- By helping reduce energy consumption in our community.

### Prosperity

- By providing everyone with easy access to the roading network by providing links to sustain rural communities.

### Learning

- By providing education programmes.

## Statement of Service Performance

### Roothing funding

- Buller is a large district with numerous settlements and small towns along its coastline and in the hinterland. It is only able to function economically and socially because of a vital local roading network maintained by Council. Just 604km of Council roads link into the main State Highways. Only half of those local roads are sealed, with the other half unsealed. These local roads incorporate 153 bridges and large culverts.

- The Local Roads financial assistance rate that has been determined by the New Zealand Transport Agency is 66% for the 2018/2019 year, with this rate until at least 2020/2021.

- The financial assistance rate of 100% is guaranteed for Special Purpose Road's until 2020/2021. A business case assessment has been completed and Council is negotiating a Transition Plan with NZTA to determine if the Karamea SPR should be re-classified as State Highway.

- Council has undertaken a classification of all the roads in the network in accordance with the guidelines developed by the New Zealand Transport Agency. The classification of the roading network will lead to levels of service being developed for each road category, this may impact on our customer's expectations.

### Major Projects

- This year remedial upgrades to the Karamea Highway included drainage facilities, pavement rehabilitation and reseals.
- Emergency works were undertaken district-wide to address drainage work and remedial structures, caused by adverse weather events.
- Footpaths in Westport, Reefton and Karamea were progressively renewed/resurfaced to provide a safe environment. A total of 11,910m<sup>2</sup> of footpath renewals in the district were completed in the 2018/2019 financial year.
- Local road improvements were at Mirfins Bridge to protect the bridge approaches.
- Reseals throughout the district were also undertaken.

## Customer level of service 2018-2028: linkage with Council outcomes

**Objective:** To provide and maintain a network of roads for the movement of vehicles, goods and people in a safe and efficient manner throughout the District in accordance with Council and NZTA Standards.

**Roading Contribution to the achievement of the outcomes defined:** Provide a safe, reliable, economic and efficient roading and pedestrian network in harmony with the natural environment and representing best values.

Council Outcome		Key Role of the Roding Activity	Partial Role of the Roding Activity	Key Service Criteria
Well-being	<i>A vibrant, healthy and safe community with access to quality facilities and services.</i>	Roding provides residents access across the district to facilities and services.	Roding provides opportunities for active transportation.	Are the roads safe?
		Road safety is an integral part of the roading activity.		Are the Footpaths comfortable to walk on?
				Are the roads 'fit for purpose'?
Learning	<i>A district that values and supports learning with accessible relevant education and training opportunities.</i>	Roding provides access across the district to learning opportunities.		Are the footpaths comfortable to walk on?
Who we are	<i>A happening district with a strong community spirit and distinctive lifestyle.</i>	Roding connects communities.		Are the roads 'fit for purpose'?
Sustainable Environment	<i>The distinctive character of the environment appreciated and retained.</i>	Roding provides access for residents and visitors while not adversely affecting the environment	Roding provides opportunities for active transportation.	Are the footpaths comfortable to walk on?
				Is the environment being harmed?
Prosperity	<i>Thriving, resilient and innovative economy creating opportunities for growth and employment.</i>	Roding supports the economy through the provision of a quality network.		Are the roads safe?
				Are the roads comfortable to drive on?
				Are the footpaths comfortable to walk on?
				Are the roads 'fit for purpose'?

### Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

**Subsidies and grants for operating purposes**

■ The variance is made up of \$140,000 received from central government for the Punakaiki master plan. The remaining variance was for funding for additional roading maintenance.

**Payments to staff and suppliers**

■ The variance is made up of \$125,000 additional expenditure on the Punakaiki master plan which was subsidised by central government, as well as additional maintenance expenditure for local roads and the Karamea Highway.

**Internal charges and overheads applied.**

■ This is due to the decrease in expenses in areas that allocated overheads.

### Significant Capital Expenditure

**Subsidies and grants for capital expenditure**

■ The variance is primarily related to additional 100% subsidy from NZTA for safety improvements on the Karamea Highway and for footpath capital expenditure.

**To replace existing assets**

■ The variance is primarily related to additional 100% subsidy from NZTA for safety improvements on the Karamea Highway and for footpath capital expenditure.



## Mandatory Performance Measures

### What we plan to do and our levels of service

#### KEY PERFORMANCE MEASURE 1:

##### • provide a safe roading network

<i>How we do it</i>	<ul style="list-style-type: none"> <li>• Provision of a safe sealed roading network</li> <li>• Provision of a sealed roading network that is fit for purpose</li> <li>• Provision of footpaths that are comfortable to walk on</li> </ul>		
<i>How we measure performance</i>	<p><i>Mandatory performance measure one: road safety.</i></p> <p>The reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</p>	<p><i>Target</i></p> <p>No change or reduction in the safety quality of the roading network.</p>	<p><i>Performance</i></p> <p>2018/19: A total reduction of 1 fatal and 1 serious accident (0 fatal and 4 serious accidents)</p> <p>2017/18: A total of 1 fatal and 5 serious accidents.</p>



#### KEY PERFORMANCE MEASURE 2:

##### • provide a comfortable road network

<i>How we do it</i>	<ul style="list-style-type: none"> <li>• Provision of a safe sealed roading network</li> <li>• Provision of a sealed roading network that is fit for purpose</li> <li>• Provision of a well maintained sealed roading network</li> </ul>		
<i>How we measure performance</i>	<p><i>Mandatory performance measure two: condition of the sealed road network.</i></p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure (STE).</p> <p>Traffic counts are not carried out frequently, a program has been set up to address this.</p> <p>Traffic counts form part of the STE formula but the reported STE is correct because it aligns with the state highway counts (which has also not shown any major movement) over the last five years, excluding roads affected by the Kaikoura earthquake.</p>	<p><i>Target</i></p> <p>≥ 90 STE count/km road roughness testing (allow for some decrease on low hierarchy roads).</p> <p>* Note: the 2018-2028 LTP measure was incorrect, the target should be ≥90 STE, not ≤90 STE count.</p>	<p><i>Performance</i></p> <p>2018/2019: current smooth travel exposure (STE) is 95% with the two-year average being 95%. (2017/2018: 95%).</p>
	<p><i>Mandatory performance measure three: maintenance of a sealed local road network.</i></p> <p>The percentage of the sealed local road network that is resurfaced.</p>	<p><i>Target</i></p> <p>Continue to achieve ≥ 5.8% 10 year average (allow for some decrease on low hierarchy roads).</p>	<p><i>Performance</i></p> <p>2018/2019: 5.4% with the 10 year average being 5.5%. This was not achieved because the latest reseal programme focused predominantly on urban roads which have a greater width than rural roads therefore lane kilometres sealed are less. (2017/2018: 5.5%).</p>
	<p>Unsealed network - metal on unsealed roads lost due to weather, usage and other factors will be replaced.</p>	<p>2,200m<sup>3</sup> of metal per annum replaced on unsealed roads.</p>	<p><i>Performance</i></p> <p>2018/2019: 3,116m<sup>3</sup> of metal per annum replaced on unsealed roads. (2017/2018: 2,986m<sup>3</sup> per annum).</p>



## Mandatory Performance Measures

### What we plan to do and our levels of service

#### KEY PERFORMANCE MEASURE 3:

##### • provide usable footpaths

<i>How we do it</i>	• Provision of footpaths that are comfortable to walk on		
<i>How we measure performance</i>	<i>Mandatory performance measure four: maintain the condition of footpaths within the local road network.</i>	<i>Target</i>	<i>Performance</i>
		Continue to achieve 75% of footpaths ranked as grade 1 and 2 (satisfactory) by MWH.	2018/2019: 89% of the footpath is ranked as grade 1 and 2 (satisfactory) by MWH. (2017/2018: 82%).
	The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, Activity Management Plan, Asset Management Plan, annual works program or Long Term Plan).	Continue to achieve ≥ 95% of footpaths ranked as grade 1-3 (satisfactory or deficient) by MWH.	2018/2019: 99% of the footpath is ranked as grade 1-3 (satisfactory or deficient) by MWH. (2017/2018: 99%).

#### KEY PERFORMANCE MEASURE 4:



##### • provide roads with the minimum environmental impact

<i>How we do it</i>	• Provision of roading network with minimal impact to the environment		
<i>How we measure performance</i>	Ensure compliance of Resource Consent conditions through monitoring records and West Coast Regional Council correspondence.  Ensure no prosecutions take place.	<i>Target</i>	<i>Performance</i>
		Continue to achieve no prosecutions	2018/2019: no prosecutions, 100% compliant. (2017/2018: no prosecutions).

#### KEY PERFORMANCE MEASURE 5:

##### • Customer Service Satisfaction

<i>How we do it</i>	• Provision of customer service request system		
<i>How we measure performance</i>	<i>Mandatory performance measure five: road safety.</i>	<i>Target</i>	<i>Performance</i>
	Ensure that the percentage of customer service requests relating to roads and footpaths to which the territorial authority responds to within 15 days.	Achieve 80%	2018/2019: 73% - 35 service requests out of a total of 48 were responded to within 15 days. Performance achieved was lower than target due to the current system. Service requests are now being overseen by a Customer Services Manager to improve response time.  (2017/2018: 64% - the customer service request model was under review to improve the process).

KPI met	
KPI not met	

## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		2,275	1,941	1,941
Targeted rates		0	0	0
Subsidies and grants for operating purposes		2,134	2,176	2,406
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		181	150	141
<b>Total Operating Funding</b>	<b>A</b>	<b>4,590</b>	<b>4,267</b>	<b>4,488</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		3,328	2,763	3,060
Finance costs		6	5	5
Internal charges and overheads applied		696	846	761
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>4,030</b>	<b>3,614</b>	<b>3,826</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>560</b>	<b>653</b>	<b>662</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		1,414	1,067	1,771
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(3)	(5)	(5)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>1,411</b>	<b>1,063</b>	<b>1,766</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		192	246	261
- to replace existing assets		1,779	1,438	2,145
Increase/ (decrease) in reserves		0	32	22
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>1,971</b>	<b>1,716</b>	<b>2,428</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(560)</b>	<b>(653)</b>	<b>(662)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Core Asset Disclosures	2018				2019			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Roads and footpaths	210,484	1,857	0	306,668	254,162	2,331	0	348,902
<b>Total</b>	<b>210,484</b>	<b>1,857</b>	<b>0</b>	<b>306,668</b>	<b>254,162</b>	<b>2,331</b>	<b>0</b>	<b>348,902</b>

# Water Supplies

## What do we do?

■ Council provides the management of the water supplies to support the health and well-being of the community.

## Why are we involved in this activity?

■ Water is an essential need for individuals and commercial operations.

■ Council provides sufficient quantities of potable water for domestic and commercial needs, public amenities and to avoid the risk of public borne diseases affecting public health.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Well-being

■ By providing a reticulated water supply to support a health community.

■ By providing water for sanitary services.

■ By maintaining sufficient water for firefighting purposes.

### Environment

■ By conserving water and encouraging others to do the same.

### Learning

■ By providing water conservation education.

### Prosperity

■ By meeting commercial water needs and meeting community needs at affordable costs and equal access to water.

## Statement of Service Performance

### Westport water supply

■ Council has resolved to defer the immediate replacement of the trunk main until the performance of the main deteriorates to the extent that the optimal time to replace the main is obtained. A 600 metre section from the top of the terrace to the bottom is scheduled to be completed in 2019/2020 due to ongoing leakage issues.

■ During the summer of 2016/2017 the Westport water supply ran extremely low resulting in water restrictions. This was exacerbated by a leak on the raw water line which compounded the supply problem, this has subsequently been replaced. The water supply for Westport and Carters Beach has relied on pumping from Westport's Alternative Pump Station since early January 2017 to maintain supply. This will continue until the completion of the Westport Water Tunnel project which will reinstate the gravity fed raw water supply.

### Waimangaroa Rural Drinking Water Upgrades

■ Investigation into a new source for the Waimangaroa Water supply continues with consultation between the Buller District Council and the Waimangaroa water board and community ongoing. A Council meeting resolved in July 2019 that a connection to the Westport supply was the preferred option. Further information on consultation with Westport / Carters Beach ratepayers was sought by Council before a final decision is made.

### Ngakawau-Hector

■ Discussions between the Ngakawau-Hector Water Society, the Buller District Council and the Ministry of Health (MoH) have been ongoing with respect to establishing the correct registration for the water supply. The registration of the Ngakawau-Hector water supply has now been divested from BDC and officially re-registered to the Ngakawau Hector Water Society.

### Punakaiki

■ Improvements made to the water treatment plant in Punakaiki has meant no boil water notices have been in place since early 2018. Additional water storage for the Punakaiki community has also been established.

## Levels of Service

■ The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards. These are summarised below:

■ To ensure that all supplies have sufficient water at the source, and within the system, to meet the reasonable needs of the consumers.

■ To ensure that connections are provided with adequate water pressure under normal use.

■ To ensure that fire hydrants provide an adequate firefighting supply.

■ To ensure the quality of the water supplies shall meet the expectations of each community and all legal requirements.

■ To maintain the service to the consumer with a minimum of disruption and inconvenience to the public.

■ To minimise the quantity of unaccounted for water.

■ To ensure that supplies are managed in a cost-effective manner.

■ To ensure that supplies are managed in an environmentally sensitive manner.

■ The corresponding levels of service that have been established as a means of achieving the performance standards, as set out above.



## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### Payments to staff and suppliers

■ There have been saving in repairs and maintenance over the period particularly for Westport water. This has been offset by additional expenses for electricity with the additional pumping of water that was required while the Westport tunnel upgrades were carried out.

### Finance costs

■ Savings in interest expenses are related to the decrease in interest rates over the period as well as the timing of debt drawdowns related to capital expenditure.

### Increase/(decrease) in debt

■ The increase in debt is primarily related to expenditure on the Westport water tunnel project.

## Significant Capital Expenditure

### Subsidies and grants for capital expenditure

■ Council received additional grant funding of \$175,000 for Punakaiki water. This was offset by budgeted grant subsidies of \$401,000 for Waimangaroa water which was not received due to delays in finalising the project.

### To improve the level of service

■ Waimangaroa water scheme (\$474,000) is still in the planning stage.

■ Punakaiki water upgrades accounted for \$136,000.

### To replace existing assets

■ The majority of the variance to the LTP budget relates to upgrades to the Westport water supply tunnels which were not included in the LTP budget but subsequently approved by Council \$3.5m. This is offset by a small amount of renewals that were not carried out in the period.

## Mandatory Performance Measures

Key Service Criteria	Target Level of Service	Measurement	Target	Current Performance
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### MANDATORY PERFORMANCE MEASURE 1:

- provide an adequate quality of water (see tables 1 and 2, page 27)

Is the water safe to drink?	Performance measure one (safety of drinking water):	The extent to which Council's water supply complies with: a) Part 4 of the Drinking Water Standards (bacteria compliance criteria). b) Part 5 of the Drinking Water Standards (protozoa compliance criteria)	Full compliance (100%) Bacteria	<table border="1"> <thead> <tr> <th>2018/ 2019</th> <th>Bacteria Compliance</th> <th>Protozoa Compliance</th> </tr> </thead> <tbody> <tr> <td>Westport</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Carters Beach</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Reefton</td> <td>No</td> <td>No</td> </tr> <tr> <td>Punakaiki</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Ngakawau-Hector</td> <td>No</td> <td>No</td> </tr> <tr> <td>Mokihinui</td> <td>No</td> <td>No</td> </tr> <tr> <td>Little Wanganui</td> <td>No</td> <td>No</td> </tr> <tr> <td>Waimangaroa</td> <td>No</td> <td>No</td> </tr> <tr> <td>Inangahua</td> <td>Yes</td> <td>No</td> </tr> </tbody> </table> <p>Bacterial compliance was achieved for Westport and Carters Beach, Punakaiki and Inangahua, but protozoal compliance was not achieved for any water supplies.</p>	2018/ 2019	Bacteria Compliance	Protozoa Compliance	Westport	Yes	No	Carters Beach	Yes	No	Reefton	No	No	Punakaiki	Yes	No	Ngakawau-Hector	No	No	Mokihinui	No	No	Little Wanganui	No	No	Waimangaroa	No	No	Inangahua	Yes	No
			2018/ 2019		Bacteria Compliance	Protozoa Compliance																												
Westport	Yes	No																																
Carters Beach	Yes	No																																
Reefton	No	No																																
Punakaiki	Yes	No																																
Ngakawau-Hector	No	No																																
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2017/ 2018	Bacteria Compliance	Protozoa Compliance																																
Westport	Yes	No																																
Carters Beach	Yes	No																																
Reefton	No	No																																
Punakaiki	No	No																																
Ngakawau-Hector	No	No																																
Mokihinui	No	No																																
Little Wanganui	No	No																																
Waimangaroa	No	No																																
Inangahua	No	No																																

### MANDATORY PERFORMANCE MEASURE 2:

- provide a reliable supply of water - maintenance of reticulation network (see table 3, page 27)





Maintenance of reticulation network.	Performance measure two (maintenance of reticulation network):	The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this)	20% water loss from the water reticulation system.	<p>2018/2019: 58% in Westport only. A replacement programme continues to be in place to address areas of significant water loss. Most of the leaks are related to the trunk main, there will be a focus moving forward on a staged replacement of the trunk main which is one of the main contributors to water loss. A Pressure Reduction Valve (PRV) to be installed in future years will also reduce the amount of water leakage. <b>Refer to page 27 for further details.</b></p> <p>(2017/2018: 58% in Westport only. A replacement programme was in place to address areas of significant water loss)</p>
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## Mandatory Performance Measures

Key Service Criteria	Target Level of Service	Measurement	Target	Current Performance
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### MANDATORY PERFORMANCE MEASURE 3:

- provide a reliable supply of water - fault response time







Fault Response Times	Performance Measure three (fault response times):	Where Council attends to a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:			
		a) Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site within 2 hours; and	2 hours	2018/2019: There were 2 urgent requests based on Council's Service Request System, both of which were resolved within 2 hours. <i>(2017/2018: there were no urgent requests based on Council's service request system.)</i>	
		b) Resolution of urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	5 hours	2018/2019: There were 2 urgent requests based on Council's Service Request System, both of which were resolved within 2 hours. <i>(2017/2018: there were no urgent requests based on Council's service request system.)</i>	
		c) Attendance for non-urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	1 working day	2018/2019: 242 callouts were received in total. Of these, 28 callouts were attended within 1 working day, 65 were within 2-4 days notifications. The remaining 149 callouts were responded to within 5 working days with the median resolution time being 1 working day. <i>(2017/2018: 168 call outs were received in total with 6 of these call outs attended to within 1 working day and 22 call outs attended to within 2-4 days of notification. The remaining 140 call outs were responded to within 5 working days with the median resolution time being 3 working days.)</i>	
	d) Resolution of non-urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	5 working days	2018/2019: 242 callouts were received in total. Of these, 28 callouts were attended within 1 working day 65 were within 2-4 days notification. The remaining 149 callouts were responded to within 5 working days with the median resolution time being 5 working days. <i>(2017/2018: 168 call outs were received in total. Of these 140 were resolved within 5 working days with the median resolution time being 3 working days. 28 call outs were not resolved within 5 working days - these were very minor leaks and contractors were given extra time to repair due to other commitments.)</i>		

## Mandatory Performance Measures

Key Service Criteria	Target Level of Service	Measurement	Target	Current Performance
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### MANDATORY PERFORMANCE MEASURE 4:

- provide water with the minimum environmental impact

Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:				
		a) Drinking water clarity	Less than 5 complaints per 1,000 connections.	<b>No. of complaints</b> 2018/2019: 0. (2017/2018: 2).	<b>No. of complaints per 1,000 connections</b> 2018/2019: 0.0 2017/2018: 0.5	
		b) Drinking water taste	Less than 5 complaints per 1,000 connections.	2018/2019: 1. (2017/2018: 2).	2018/2019: 0.25 2017/2018: 0.5	
		c) Drinking water odour	Less than 5 complaints per 1,000 connections.	2018/2019: 0. (2017/2018: nil).	2018/2019: 0.0 2017/2018: 0.0	
		d) Drinking water pressure	Less than 5 complaints per 1,000 connections.	2018/2019: 3. (2017/2018: 4).	2018/2019: 0.75 2017/2018: 1.0	
		e) Continuity of supply	Less than 5 complaints per 1,000 connections.	2018/2019: 2. (2017/2018: 3).	2018/2019: 0.5 2017/2018: 0.75	
		f) Council's response to any of these issues.	Less than 5 complaints per 1,000 connections.	2018/2019: From the 6 complaints Council received, all have been addressed and resolved.  (2017/2018: Council received 11 complaints which have all been addressed and resolved).	2018/2019: 1.49 2017/2018: 2.74	



### MANDATORY PERFORMANCE MEASURE 5:



- provide a reliable supply of water - fault response time

Demand management	Performance measure five (demand management).	The average consumption of drinking water per day per resident within the Buller district.	700 litres	2018/2019: 414 litres per person, per day for the Westport water supply with 716 litres being used per person, per day for the Reefton supply.  2017/2018: 380 for Westport and 770 for Reefton).	
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### OTHER KEY PERFORMANCE MEASURES:

- provide a reliable supply of water

Can you rely on the water supply to be available?	To provide water into the system virtually all of the time.	Proportion of time that water is supplied into the reticulation.  <b>Targets:</b> • Water supplied 99% of the time	Water supplied for at least 360 days per year (99% of the time).	2018/2019: 10 supplies had water available for 100% of the time, with one supply (Waimangaroa) having water available 99.7% of the time. Overall water was supplied at 99.97% of the time.  (2017/2018: 10 supplies had water available for 100% of the time, with one supply (Waimangaroa) having water available 99.8% of the time. Overall water was supplied at 99.98% of the time).	
Is the use of water restricted?	To permit gardens to be maintained in a healthy state all year.	Number of days that water restrictions are in place.  <b>Targets:</b> • 100% compliance	100% compliance  The target in the 2018-2028 Long Term Plan is not specific.	2018/2019: 26 days for the Westport water supply. 0 days for other supplies.  (2017/2018: target met).	

KPI met	
KPI not met	



**Table 1: Drinking Water Standard NZ Compliance**

Water Supply (plant compliance)	Population (WINZ)	Bacterial Compliance		Protozoal Compliance (%)	
		Current Performance	Target	Current Performance	Target
South Granity Tank Supply (administered by Council)	30	No *	Yes	No *	Yes
Hector/Ngakawau	219	No *	No	No *	No
Inangahua Junction	70	Yes	Yes	No **	Yes
Little Wanganui	150	No *	No	No *	No
Mokihinui	100	No *	No	No *	No
Punakaiki	230	Yes	Yes	No ****	Yes
Reefton	951	No **	Yes	No **	Yes
Waimangaroa	300	No *	No	No *	No
Westport (including Carters Beach)	4,974	Yes	Yes	No ***	Yes

\* No treatment plant to enable compliance  
 \*\* E.Coli detection in supply  
 \*\*\* Poor water quality due to 2018 water shortage  
 \*\*\*\* Data collection and reporting errors

**Table 2: Drinking Water Standard NZ Compliance**

Water Supply (zone compliance)	Population (WINZ)	Bacterial Compliance	
		Current Performance	Target
South Granity Tank Supply (administered by Council)	30	No *	Yes
Hector/Ngakawau	219	No *	No
Inangahua Junction	70	No **	Yes
Little Wanganui	150	No *	No
Mokihinui	100	No *	No
Punakaiki	230	Yes	Yes
Reefton	951	No **	Yes
Waimangaroa	300	No *	No
Westport	4,617	Yes	Yes
Carters Beach	357	Yes	Yes

\* No treatment plant to enable compliance  
 \*\* E.Coli detection in supply  
 \*\*\* Poor water quality due to 2018 water shortage

**Table 3: Water Leakage**

Water Supply	Connections	Actual Performance	Target	Method
South Granity Tank Supply (administered by Council)	23	2018/2019 : not measured (2017/2018: not measured).	30%	MNF
Hector/Ngakawau	176	2018/2019 : not measured (2017/2018: not measured).	30%	MNF
Inangahua Junction	33	2018/2019: 32% (2017/2018: 32 %).	30%	MNF
Little Wanganui	78	2018/2019 : not measured (2017/2018: not measured).	30%	MNF
Mokihinui	50	2018/2019 : not measured (2017/2018: not measured).	30%	MNF
Punakaiki	93	2018/2019: 41% (2017/2018: 41%).	30%	MNF
Reefton	663	2018/2019: 39 % (2017/2018: 39%).	30%	MNF
Waimangaroa	137	2018/2019 : not measured (2017/2018: not measured).	30%	MNF
Westport	2,694	2018/2019: 58% (2017/2018: 58%).	30%	MNF

MNF = Minimum Night Flow

Water leakage is not measured in some supplies as those supplies have no treatment plant therefore there is no way of determining leakage.

## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		2,629	2,632	2,638
Subsidies and grants for operating purposes		0	0	0
Fees and charges		199	204	226
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	2
<b>Total Operating Funding</b>	<b>A</b>	<b>2,828</b>	<b>2,836</b>	<b>2,866</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		971	1,192	1,100
Finance costs		617	386	188
Internal charges and overheads applied		368	433	408
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>1,956</b>	<b>2,012</b>	<b>1,696</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>872</b>	<b>824</b>	<b>1,170</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	401	175
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(222)	(39)	(106)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(222)</b>	<b>361</b>	<b>69</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		159	859	360
- to replace existing assets		379	741	4,415
Increase/ (decrease) in reserves		112	(415)	(3,536)
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>650</b>	<b>1,185</b>	<b>1,239</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(872)</b>	<b>(824)</b>	<b>(1,170)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Core Asset Disclosures	2018				2019			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Treatment plants and facilities	8,095	375	0	12,142	8,460	257	0	12,919
Other assets	20,091	943	0	50,130	19,176	535	0	48,926
<b>Total</b>	<b>28,186</b>	<b>1,318</b>	<b>0</b>	<b>62,272</b>	<b>27,636</b>	<b>792</b>	<b>0</b>	<b>61,845</b>

# Wastewater / Sewerage

## What do we do?

Council provides these activities to support the health and well-being of the community and the environment.

- Council currently provides for the collection and transportation of the wastewater from residential and commercial properties of the townships of Westport, Little Wanganui and Reefton through the underground piping infrastructure and treatment facilities. The rest of the district is serviced by on-site disposal systems that property owners maintain.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Well-being

- Provision of a sanitary wastewater collection and treatment service.
- Provision of water for sanitary services.

### Sustainable Environment

- Protection of the environment through the treatment of wastewater.

### Learning

- Provision of wastewater education via newsletters and other publications

### Prosperity

- By meeting commercial wastewater needs and meeting community needs at an affordable cost.

## Statement of Service Performance

- Monitoring and reporting of the Wastewater Treatment Plants has been undertaken in accordance with the resource consents.
- The composting of bio-solids from the Wastewater Treatment Plant with green waste has continued at Westport.
- The sewer and stormwater system modelling and separation is continuing. This work assesses the level of stormwater infiltration into the network and allows for planning to reduce the amount of stormwater entering it, therefore improving capacity across the network.
- The ongoing upgrade of Derby Street has continued with the block between Mill Street and Disraeli Street being completed.

## Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards:

- To maintain the systems so that there are no significant blockages.
- To maintain the service to the consumer with a minimum of disruption and inconvenience to the public.
- To ensure that services are managed in a cost effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### Internal charges and overheads applied

- This is due to the decrease in expenses in areas that allocated overheads.

## Significant Capital Expenditure

### To improve the level of service

- The variance relates to additional renewal work to complete the Derby Street upgrade.

### To replace existing assets


- The variance primarily relates to renewals to The Westport reticulation system which will be completed in 2019/2020.

## Mandatory Performance Measures

Key Service Criteria	Target Level of Service	Measurement	Targets	Current Performance	
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### MANDATORY PERFORMANCE MEASURE 1:

• provide adequate capacity

How often does the sewer overflow?	Performance measure one (system and adequacy):	The number of dry weather sewage overflows from Council's sewerage system expressed per 1,000 sewerage connections to Council's system.	≤5 sewerage overflows per 1,000 connections.	2018/2019: 3. (2017/2018: 1).	
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### MANDATORY PERFORMANCE MEASURE 2:

• provide sewer collection and disposal with minimal environmental impact

Is the environment being harmed?	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of:			
		a) Abatement notices;	<5	2018/2019: 0. (2017/2018: 0).	
		b) Infringement notices;	0	2018/2019: 0. (2017/2018: 0).	
		c) Enforcement orders; and	0	2018/2019: 0. (2017/2018: 0).	
		d) Convictions received by Council in relation to those resource consents	0	2018/2019: 0. (2017/2018: 0).	


### MANDATORY PERFORMANCE MEASURE 3:



• provide sewer collection and disposal with minimal environmental impact

Fault Response Times	Performance Measure three (fault response times):	Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the following median response times are measured:			
		a) Attendance time: from the time that Council receives notification to the time that service personnel reach the site; and	Within 2 hours	2018/2019: 8 overflows were attended within the 2 hour timeframe. Median attendance time was 1 hour. (2017/2018: 5 overflows attended within timeframe. Median attendance time was 1 hour.)	
		b) Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Within 1 day	2018/2019: 8 overflows were resolved within timeframe of 1 day. Median resolution time was 1 day. (2017/2018: 5 overflows resolved within 1 day. Median resolution time was 1 day.)	

### MANDATORY PERFORMANCE MEASURE 4:

• provide sewer collection and disposal with minimal environmental impact

Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:				
		a) Sewerage odour;	≤5 complaints	<b>No. of complaints</b>	<b>No. of complaints per 1,000 connections</b>	
				2018/2019: 3. (2017/2018: 0).	2018/2019: 0.8. (2017/2018: 0.)	
		b) Sewerage system faults;		2018/2019: 0. (2017/2018: 0).	2018/2019: 0. (2017/2018: 0.)	
c) Sewerage system blockages, and	2018/2019: 7. (2017/2018: 4).	2018/2019: 2.3. (2017/2018: 1.3.)				
	d) Council's response to issues with its sewerage system (expressed per 1,000 properties connected to Council's sewerage system).	2018/2019: 1. (2017/2018: 1).	2018/2019: 0.3. (2017/2018: 0.36.)			

KPI met	
KPI not met	



## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		2,573	2,606	2,586
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		5	5	26
<b>Total Operating Funding</b>	<b>A</b>	<b>2,578</b>	<b>2,611</b>	<b>2,612</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		946	894	884
Finance costs		249	233	233
Internal charges and overheads applied		343	337	295
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>1,538</b>	<b>1,463</b>	<b>1,412</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>1,040</b>	<b>1,148</b>	<b>1,200</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(285)	(301)	(301)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(285)</b>	<b>(301)</b>	<b>(301)</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		168	20	71
- to replace existing assets		485	871	701
Increase/ (decrease) in reserves		102	(44)	127
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>755</b>	<b>847</b>	<b>899</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(1,040)</b>	<b>(1,148)</b>	<b>(1,200)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Core Asset Disclosures	2018				2019			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Treatment plants and facilities	12,881	74	0	20,951	12,930	110	0	21,337
Other assets	15,790	153	0	29,014	15,076	453	0	29,287
<b>Total</b>	<b>28,671</b>	<b>227</b>	<b>0</b>	<b>49,965</b>	<b>28,006</b>	<b>563</b>	<b>0</b>	<b>50,624</b>

# Stormwater

## What do we do?

■ Stormwater management systems are an integrated set of procedures and physical assets designed to manage the surface runoff from urbanised catchments.

■ Council manages open drain stormwater systems in Hector, Ngakawau, Seddonville, Granity, Waimangaroa, Westport, Carters Beach and Reefton. In addition there is a piped stormwater system in Westport.

■ Sections of the Westport piped sewer system and all of the Reefton piped sewer system also convey stormwater.

■ In Punakaiki, the only stormwater drain is maintained by NZTA as part of their roading network. In other townships, such as Mokihinui or Little Wanganui, there are no formal stormwater systems at all - stormwater simply soaks to ground naturally.

## Why are we involved in this activity?

■ Council provides stormwater systems to manage surface water runoff from urbanised catchments in a way that achieves a balance between the level of protection and the cost to the community.

## How do we contribute to Strategic Goals and Community Outcomes?

■ The most significant outcome supported by the provision of stormwater systems is a healthy community. Uncontrolled stormwater runoff can be destructive and represent an immediate risk to life.

■ Stormwater systems promote prosperous and sustainable communities, through the minimisation of stormwater damage and the protection of the environment.

## Statement of Service Performance

■ Stormwater that is disposed of in the wastewater pipes have resulted in areas of Westport where wastewater systems could not be used during rainfall events. Modelling of the wastewater system will determine areas of the town where additional stormwater separation will be required. No residential houses were inundated.

■ Reconstruction of Derby Street involving upgrades of the stormwater system began in March 2011. This upgrade was a long term project and Council planned to upgrade underground services and reconstruct the road two blocks per annum to ensure that the costs are spread out over a period of time for the ratepayers. This project has now been completed.

■ During the year an additional stormwater system in Gladstone Street was begun as well as an open drain in Eastons Road to be piped, with both completed this financial year.

■ Following the Cyclone Fehi storm surge, a significant amount of waterblasting was undertaken to ensure stormwater mains and laterals were clear.

## Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards:

■ To ensure that all stormwater systems have sufficient capacity to meet the reasonable needs of the consumers.

■ To ensure that stormwater within urbanised areas does not contribute to cross boundary flooding for events up to 10% AEP (1 in 10 year event).

■ To ensure that stormwater within urbanised areas does not enter dwellings for events up to 2% AEP (1 in 50 year event).

■ To ensure that secondary flow paths are identified for events exceeding the capacity of the primary systems.

■ To ensure that stormwater systems are maintained at or beyond the minimum capacity required.

■ To ensure that stormwater systems are managed in a cost-effective manner.

■ To ensure that stormwater discharges are managed in an environmentally sensitive manner.

It can be costly to undertake the necessary investigations to quantify what the capacity of an existing system actually is, and there can be significant costs associated with upgrading that capacity. Therefore, while it is appropriate to apply these performance standards to all new stormwater systems, a more pragmatic approach is taken towards the management of existing stormwater systems.

Specifically, all existing stormwater systems are simply maintained to their original design capacity. Additionally, when all of the following conditions exist, the actual capacity of existing stormwater systems need not be calculated:

■ The system has operated for over 30 years without significant flooding or damage and to the satisfaction of the community.

■ Site specific investigations are undertaken when the existing capacity is not considered acceptable to the individual community. Any upgrade options are considered based on risk and benefit/cost considerations.

## Significant Variance Explanations in Comparison to the 2018-2028 Long Term Plan

### Increase(decrease) in debt

■ Debt has not been drawn down for the Stormwater Separation Project which is work in progress at balance date

### Significant Capital Expenditure

#### To improve the level of service




■ The Stormwater Separation Project has not yet been completed but is expected to be completed in 2019/2020.

## Mandatory Performance Measures

Key Service Criteria	Target Level of Service	Measurement	Target	Current Performance	
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### MANDATORY PERFORMANCE MEASURE 1:

#### • provide adequate stormwater capacity

Is there adequate stormwater drainage?	Performance measure one (system and adequacy):	a) The number of flooding events that occur in Council's systems.	No target has been established as flooding events are outside of Council's control.	2018/2019: there were 3 stormwater flooding events recorded from service requests (stormwater ponding within roadways is a regular occurrence because they are secondary flow paths - target not met.  <i>(2017/2018: there was 1 stormwater flooding event recorded from service requests (stormwater ponding within roadways is a regular occurrence because they are secondary flow paths - target met).</i>	
		b) For each flooding event, the number of habitable floors affected (expressed per 1.000 properties connected to Council's stormwater systems).	No more than 5 houses flooded for each event	2018/2019 : no houses inundated - target met.  <i>(2017/2018: no houses inundated - target met).</i>	
	The system can contain and dispose of stormwater, without ponding or overflow.	All new systems are designed with a minimum 10% Annual Exceedance Probability (AEP) capacity, without ponding, and a minimum 2% AEP capacity, without inundation of dwellings.	No deficient designs found in any year.	2018/2019: No deficient designs were found.  <i>(2017/2018: No deficient designs were found).</i>	

### MANDATORY PERFORMANCE MEASURE 2:

#### • dispose of stormwater with the minimum environmental impact - is the environment being harmed?


Is the environment being harmed?	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of:			
		a) Abatement notices;	Nil	2018/2019: nil.  <i>(2017/2018: nil).</i>	
		b) Infringement notices;	Nil	2018/2019: nil.  <i>(2017/2018: nil).</i>	
		c) Enforcement orders; and	Nil	2018/2019: nil.  <i>(2017/2018: nil).</i>	
		d) Convictions received by Council in relation to those resource consents	Nil	2018/2019: nil.  <i>(2017/2018: nil).</i>	

## Mandatory Performance Measures

Key Service Criteria	Target Level of Service	Measurement	Target	Current Performance	
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### MANDATORY PERFORMANCE MEASURE 3:



#### • dispose of stormwater with the minimum environmental impact - fault response time

Fault Response Times	Performance Measure three (fault response times):	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	1 hour	2018/2019: Three service requests for flooding events were attended to within 1 hour, with the median response time being 1 hour - target met.  <i>(2017/2018: four service requests for flooding events were attended to within 1 hour, with the median response time being 1 hour - target met.)</i>	
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### MANDATORY PERFORMANCE MEASURE 4:

#### • dispose of stormwater with the minimum environmental impact - customer satisfaction

Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to Council's stormwater system.	≤5 complaints per 1,000 properties	2018/2019: 0.39 complaints per 1,000 properties were received, all regarding surface flooding – target met.  <i>(2017/2018: 0.63 complaints per 1,000 properties were received, all regarding surface flooding – target met.)</i>	
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KPI met	
KPI not met	



## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		483	499	499
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		5	5	15
<b>Total Operating Funding</b>	<b>A</b>	<b>488</b>	<b>503</b>	<b>514</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		131	149	153
Finance costs		25	23	22
Internal charges and overheads applied		97	100	99
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>253</b>	<b>272</b>	<b>274</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>235</b>	<b>231</b>	<b>240</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(24)	124	(26)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(24)</b>	<b>124</b>	<b>(26)</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	150	28
- to replace existing assets		211	205	170
Increase/ (decrease) in reserves		0	0	16
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>211</b>	<b>355</b>	<b>214</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(235)</b>	<b>(231)</b>	<b>(240)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Core Asset Disclosure

	2018				2019			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Stormwater drainage	10,993	47	0	21,999	10,541	172	0	22,881
<b>Total</b>	<b>10,993</b>	<b>47</b>	<b>0</b>	<b>21,999</b>	<b>10,541</b>	<b>172</b>	<b>0</b>	<b>22,881</b>

# Solid Waste

## What do we do?

- The Solid Waste activity provides for the collection, transfer and final disposal of waste materials generated by households and businesses within the district.
- Smart Environmental Ltd (SEL) provide Solid Waste services. This includes the collection and disposal of residual refuse and recycling, the management of the transfer stations and the transportation of residual waste to a landfill. The contract provides for wheelie bins encouraging recycling and thereby reducing residual refuse. The bag, wheelie bin and crate system are a more environmentally sustainable waste system for Zone 1 residents.
- Continuing to provide two active landfills at Karamea and Maruia.
- Provide the aftercare of Council's closed landfill sites (Birchfield, Westport, Charlestown, Inangahua, Reefton, Springs Junction and Ikamatua) and monitors groundwater quality at these sites as required under resource consent conditions.
- Facilitating waste minimization behaviours within communities. This is put into effect by providing resources for education programmes into schools about sustainability and waste minimization. Support is also provided to businesses to develop more sustainable practices.

## Why are we involved in this activity?

- A kerbside collection for household refuse and recycling, as well as providing waste disposal and materials diversion services helps maintain the quality of life in the District, facilitates waste minimisation through re-use, recycling and recovery protecting the environment.
- Provision of the service also minimises illegal dumping of refuse.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Well-being

- By facilitating the collection and disposal of refuse.

### Environment

- By facilitating collecting and disposing of refuse in a safe, efficient and sustainable manner that maintains district natural and aesthetic values.
- The solid waste disposal minimises risk of waste being inappropriately or dangerously disposed of.

### Learning

- Provide programmes to schools and the community on waste care and reduction.

### Prosperity

- By meeting commercial needs for dealing with waste.

## Statement of Service Performance

### Contracted approach to Solid Waste

- The contracted approach to Solid Waste has reduced the amount of refuse being transported to Nelson by 30%.
- Continued education around recycling regularly reminding residents as to what can be recycled via the bin and glass crate.

### Karamea and Maruia

- Karamea and Maruia continue to operate within budgets.
- There is a very effective solid waste community group formed at Karamea who work in conjunction with Council staff to optimise the use of the landfill and recycling opportunities.

### Bulk Recycling Containers

- Bulk recycling containers are in place at Ngakawau, Springs Junction and Punakaiki. This has allowed for more proactive recycling efforts in our smaller communities.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### Payments to staff and suppliers

- An increase in the contractor fees of around \$30,000 and the increase in waste minimisation costs of \$35,000 contribute to the LTP budget variance.

### Finance costs

- The variance is related to the unbudgeted movement in Councils landfill provision which has increased over the period.

## Significant Capital Expenditure

### To replace existing assets

- The increase in capital expenditure compared to the LTP budget related to recycling bins which were budgeted in the 2017/2018 Annual Plan but carried over and expended in 2018/2019.

## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		350	272	272
Targeted rates		693	627	626
Subsidies and grants for operating purposes		37	42	39
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		90	95	97
<b>Total Operating Funding</b>	<b>A</b>	<b>1,170</b>	<b>1,036</b>	<b>1,034</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		840	783	849
Finance costs		79	61	135
Internal charges and overheads applied		162	119	150
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>1,081</b>	<b>963</b>	<b>1,134</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>89</b>	<b>73</b>	<b>(100)</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(65)	(66)	(66)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(65)</b>	<b>(66)</b>	<b>(66)</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		8	35	146
Increase/ (decrease) in reserves		16	(28)	(312)
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>24</b>	<b>7</b>	<b>(166)</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(89)</b>	<b>(73)</b>	<b>100</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# In-house Professional Services

## What do we do?

■ The In-house Professional Services Unit provides engineering services to support the maintenance and development of Council infrastructure.

■ This includes the preparation of contracts for roading, water, wastewater, solid waste and property, amenities and reserves. They monitor the performance of contractors and issue instructions for work found necessary as a result of requests for service and comments from ratepayers.

## Why are we involved in this activity?

■ An in-house professional services unit allows Council to access engineering services on a cost effective basis. In-house expertise assists the efficient management of Council roading and other infrastructure assets.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Well-being

■ Monitoring the condition of Council assets and issuing requests for maintenance on time.

### Sustainable Environment

■ Monitoring landfills and wastewater treatment plants.

### Prosperity

■ Requesting necessary maintenance on time.

## Statement of Service Performance

■ The professional services business unit provides monthly updates to Council on contracts under their jurisdiction in a timely manner.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### Internal charges and overheads recovered

■ The variance is related to the level of activity and expenses on-charged to projects within Council.



## Key Performance Indicators

### What we plan to do and our levels of service

#### KEY PERFORMANCE MEASURE 1:

- provide engineering advice to Council and administer contracts

How we do it	• Provision of Asset Management Plans		
How we measure performance		Target	Performance
	Provide monthly reports on annual work programmes, monitor contract works. Prepare monthly contract progress. Prepare annual work programmes.	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.	2018/2019: Programme reports were provided to the Chief Executive Officer and all delays and overruns have been explained.  2017/2018: monthly reports were provided through Work Programme Plans - target met.

KPI met	
KPI not met	



## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		832	915	845
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	0
<b>Total Operating Funding</b>	<b>A</b>	<b>832</b>	<b>915</b>	<b>845</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		598	737	732
Finance costs		0	0	0
Internal charges and overheads applied		144	158	144
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>742</b>	<b>896</b>	<b>876</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>90</b>	<b>20</b>	<b>(31)</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(4)	0	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(4)</b>	<b>0</b>	<b>0</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	20	0
Increase/ (decrease) in reserves		86	0	(31)
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>86</b>	<b>20</b>	<b>(31)</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(90)</b>	<b>(20)</b>	<b>31</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Community Services

## What do we do?

### Community Grants and Funding

■ Council provides funding directly to community organisations, as well as managing the distribution of various government funding for the arts, sporting and youth initiatives.

### Sports, recreation & cultural facilities & services

■ Council transferred ownership of the Pulse Energy Recreation Centre (formerly the Solid Energy Centre) to Buller Recreation Ltd on 01 July 2009 for improved commercial focus. Council continues to contribute towards the provision of recreation and aquatic facilities for Buller.

### Libraries

■ Access to information is in a variety of formats including books, media and electronic databases. Buller District libraries promote life-long learning and support literacy. Information services are available during all opening hours with qualified staff available to help users to find the information they seek. Westport library operates 6 days a week and Reefton 5 days a week. Free internet access is provided through Aotearoa People's Network while downloadable audio books and eBooks are available via a library consortium.

### NBS Theatre

■ NBS Theatre is Buller's Premiere Entertainment Venue with a live theatre auditorium and 2 cinemas. The venue is open 7 days a week with multiple movie screenings and the auditorium is a great venue for live performances and many other options, including meetings, weddings, cabaret venue and even funerals. The outdoor stage area has been well used over the summer months and looks to continue with multiple groups using the area.

### Reefton Cinema

■ The Reefton Cinema screens a minimum of 4 days per week and increases during the school holiday period. The Reefton Cinema is also a great venue for meetings and live performances, providing the Reefton Community with a number of options.

### Communications

■ Council continued to produce a bi-monthly newsletter that is delivered to all households in the Buller. The website is regularly updated to provide the most up-to-date information for our customers.

## Why are we involved in this activity?

■ Our community is enhanced through the provision of services that deliver to the cultural and recreational needs of our residents. These services are vital for quality of life and provide the infrastructure that enables the building of social, cultural and sporting associations within the community. The community also has a vital role to play in contributing to the district's success by being proactively informed about and involved in decisions and projects.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Well-being

- Facilities allow people to play sport and achieve their fitness and recreational goals.
- Developing the community cohesion which supports mental and social well-being.

### Learnings

Libraries assist with the development of lifelong learning and literacy.

- By providing performance space for use in artistic and cultural performance.
- By working with educational institutions on collaborative projects.

### Prosperity

- By providing high quality community facilities to attract people to live and work in the Buller.
- By providing opportunities and funding that assist with tourism development and district promotion.

### Who we are

- By the provision of community grants to support community organisations.

### Sustainable Environment

- By providing an environment that reflects the lifestyle that is expected by residents, visitors and Central Government.

## Statement of Service Performance

### Grants

■ A total of \$258,314 was distributed from Council administered grants in the 2018/2019 financial year. \$13,428 was distributed from the Creative Communities Scheme, \$9,500 from the Sports New Zealand Rural Travel Fund, this is the full allocation from Sports New Zealand. \$95,836 was granted through Councils Community Grants Fund, \$4,600 through the Events Support Fund and \$134,950 through the Community-Lead Revitalisation Fund. Facilities Hire Grants to the value of \$4,890.

### NBS Theatre

■ The NBS Theatre continues to be the venue of choice for a number of travelling shows as well as local groups, schools and the community as a whole with entertainment of all genres such as film and live events.

■ Long-term annual users are continually supportive of the Theatre. Groups such as the Buller Country Music Club, Buller Community Singers and Westport Performing Arts Society, which hold their week long competitions each year at the theatre bringing many visitors to our district.

■ A local theatre group provides weekly acting and theatre lessons at the Theatre, which ensures that the young people of the district have the opportunity to experience theatre etiquette and opportunities that a theatre can offer.

■ NBS Theatre is continuing to see overseas acts perform at the venue for the district, through its membership with Events Venues Association of New Zealand (EVANZ)

■ The Fred Gregory Screen room now has upgraded cinema equipment which mean we are able to ensure both cinemas can cater to a wider audience.

### Libraries and Aotearoa Peoples Network (APNK)

■ The Library continues to be a place that is well used and visited by the community. This year APNK has rolled out new hardware including; Chromebooks, printers and scanners. Customers have had to make the shift to cloud computing and the Librarians are supporting them in this change.

■ Library staff have also been supporting customers through our 1:1 ICT support session in Westport and Stepping Up classes in Reefton. This has enable library users to learn how to use our app based services; Libby, Borrow Box and Press Reader. We have seen a substantial take up of PressReader, our online Newspaper and Magazine app, on average this is being accessed 32 times a day by library readers.

■ Computers and Wi-Fi are still being used regularly and the 24/7 Wi-Fi service is popular. The Library in Westport will be adding outside seating to allow customers to be more comfortable when using the Wi-Fi outside.

■ The library has outsourced some of its cataloging saving time and money. This has freed up staff time to create a Community Engagement Librarian role. Over the last year we have seen an increase in activities and events happening in the library and feedback about these events have been very positive. These have included; a regular knitting group, author talks, writing workshops and themed week long events. Both libraries have also recommenced its Summer Reading Programme and Westport trialled a Summer Reading Treasure Hunt. Life Long Learning for Curious Minds continues to be a very popular monthly event along with two book clubs. Our kids club also has on average 25 children attend weekly. During this time Children are exposed to literacy activities and also have the opportunity to engage with digital literacy toys.

■ Whilst 'active user' statistics have decreased slightly from 2,628 to 2,603. Monthly statistics show that the library is still being used just as much as ever with visitors in the door reaching 76,499 up from 70,454 in 2017/2018. Our librarians are also fielding more reference and inquiry questions these have risen from 8,887 inquiries in 2017/2018 to 11,377 in 2018/2019. Staff are fielding more technology related questions than ever before. This shows the community need to be able to access content online and the role that the library has in helping community members to do this.

■ The meeting room at the library is an affordable space for community groups and individuals to use. Internally it is used for Library activities including book clubs and Tuesday kids club. It is also available for the wider Council staff to book and use. Externally the meeting room is used by a range of NGOs and recently we have had Dementia Canterbury setup a monthly meeting in the space.

■ We regularly communicate with our customers. We have moved our bi-monthly newsletter to a monthly newsletter. Facebook is being used much more proficiently than it has in the past. We have also created an Instagram account. The libraries weekly column in The News has been improved and the District Librarian has a weekly spot on the local radio station. Customers still have access to the suggestions box which is attended to every week.

### Community and Economic Development

■ An Economic Development framework has been established with a shift of focus to include Community Development.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### General rates, uniform annual general charge, rates penalties

■ The rates budget allocation from the 2018/2019 Annual Plan was less than Long Term Plan.

### Local authorities fuel tax, fines, infringements fees and other receipts

■ Variance is due to a number of small savings in a range of expense categories.

### Lump sump contributions

■ Variance is an additional unbudgeted grant received for NBS theatre equipment.

## Significant Capital Expenditure

### To replace existing assets






■ The variance in capital expenditure to budget is mainly \$100,000 of revitalisation expenditure which relates to responsible camping. This is now included in the Amenities and Reserves area rather than Community Services.

## Key Performance Indicators

### What we plan to do and our levels of service


#### KEY PERFORMANCE MEASURE 1:



- provide services and facilities that meet information, learning, recreational and cultural needs.

<i>How we do it</i>	<ul style="list-style-type: none"> <li>• Provision of sport and recreation facilities</li> <li>• Provision of library facilities</li> <li>• Provision of theatre and cinema facilities</li> </ul>			
<i>How we measure performance</i>	Provide sport and recreation facilities through the Pulse Energy Recreation Centre and the Reefton swimming pool.	<i>Target</i> Continue to submit Statements of Intent annually for Council approval by statutory deadlines (draft, February and final in June).	<i>Performance</i> 2018/2019: Statements of Intent were submitted and approved by Council February 2019 (draft) and June 2019 (final SOI) . <i>(2017/2018: Statements of Intent were submitted and approved by Council - target met.)</i>	
	Provide library facilities through the Sue Thompson-Casey Memorial Library in Westport.	Continue to achieve active library members by maintaining or increasing by 0-4% per annum,	2018/2019: 2,603 active members (a decrease of 0.95%). <i>(2017/2018: 2,628 members a decrease of 0.3%.)</i>	
		Continue to achieve at least 80% respondents are 'satisfied' or 'very satisfied' with the library services.	2018/2019: 97% of respondents to the Library Survey are 'satisfied' or 'very satisfied' with library services. <i>(2017/2018: 96.23%.)</i>	
	Provide theatre and cinema facilities through the NBS Theatre in Westport.	Continue to provide performing arts events, exhibitions and shows and at least 26 cinema screenings per week to be maintained.	2018/2019: 40 screenings per week on average - target met. <i>(2017/2018: 29 screenings per week, on average - target met.)</i>	
		Continue to hire out the auditorium for shows and performances for more than 30 days per year.	2018/2019: 45 days per year - target met. <i>(2017/2018: 30 days per year - target met.)</i>	

#### KEY PERFORMANCE MEASURE 2:

- to keep the community informed

<i>How we do it</i>	<ul style="list-style-type: none"> <li>• Provision of information to the community</li> </ul>			
<i>How we measure performance</i>	Continue to engage with the community and keep them informed through the distribution of communications as required.	<i>Target</i> Continue to engage with the community through the distribution of bi-monthly newsletters, emails and media releases as required.	<i>Performance</i> 2018/2019: Printed newsletters are distributed to every household in Buller every two months and are available on Council's website. Media releases are distributed as required. Information and public notices are actively posted to Council's Facebook page. A proactive communication approach has been taken on the Westport Water Tunnel project with monthly newsletters being produced. There will be a consistent approach for all major Council projects going forward. <i>(2017/2018: printed newsletters are distributed to every household in Buller every two months and available on Council's website, media releases are distributed as required.)</i>	

KPI met	
KPI not met	

## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		3,929	3,871	3,871
Targeted rates		0	0	0
Subsidies and grants for operating purposes		21	21	23
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		450	346	302
<b>Total Operating Funding</b>	<b>A</b>	<b>4,400</b>	<b>4,237</b>	<b>4,196</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		1,892	1,935	1,920
Finance costs		1,185	842	874
Internal charges and overheads applied		532	507	472
Other operating funding applications		469	640	635
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>4,078</b>	<b>3,924</b>	<b>3,901</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>322</b>	<b>314</b>	<b>295</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		377	(125)	(101)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		400	435	475
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>777</b>	<b>310</b>	<b>374</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		421	0	0
- to replace existing assets		166	112	21
Increase/ (decrease) in reserves		512	511	648
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>1,099</b>	<b>623</b>	<b>669</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(322)</b>	<b>(314)</b>	<b>(295)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Governance and Representation

## What do we do?

- Council is an elected body that provides a governance structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources.
- Council is made up of ten elected Councillors, the Mayor and the Inangahua Community Board. They are supported by a Chief Executive and staff.

## Why are we involved in this activity?

Council provides systems for making decisions for the overall benefit of the community, for both current and future generations, and supports:

- The decision making process
- Monitoring of performance
- The functions of the Inangahua Community Board
- The way in which the community can have input into the Council's decisions
- Representation of the community's interests

Under the Local Government Act 2002, our statutory roles are:

- To enable democratic local decision making and action by and on behalf of the people of the Buller District.
- To promote the social, economic, environmental and cultural wellbeing of the Buller District, in the present and in the future.
- Council develops strategies and policies which set the direction for the future of the Buller District Council by including the democratic and decision making processes of Council such as informing the public, generating feedback and involving people in the decision making process.

## Statement of Service Performance

### Advocating for the District

■ Council identified the importance of advocating for the district and its residents based on the premise that well-presented solutions get the attention and consideration by Government and other organisations. Proactively working with central government and related agencies to get the best result for the district during the year. Participation in the Provincial Growth Fund with a number of successful applications which include the Kawatiri Cycle Trail, Oparara Arches and the Westport Airport Seawall in partnership with Ministry of Transport, Punakaiki Master Plan, Freedom Camping, Hector landfill, Karamea Highway and One District Plan are a few examples of Council advocacy in 2018/2019.

■ During the year Council established a strategic business advisory group and overhauled its risk management framework. Council also refreshed its economic development framework.

### Representation Review

■ During 2018/2019 Council carried out a representation review for the district. This involved examining and consulting options for representation by elected representatives as well proposed changes to electoral boundaries. As a result of the review there were no changes to the current system, however Council will work more closely with residents from the Punakaiki and Southern Buller area so that their views are incorporated into Council decisions.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### Payments to staff and suppliers

■ The variance is primarily \$20,000 more for audit fees, for the 2018-2028 LTP, with the remainder attributed to elected member and governance support remuneration.

### Internal charges and overheads applied

■ The variance in overhead allocation is attributed to allocation of expenses attributed to providing an interim CEO and current CEO recruitment.

## Significant Capital Expenditure

■ There was no capital expenditure during the year.

## Key Performance Indicators

### What we plan to do and our levels of service

#### KEY PERFORMANCE MEASURE 1:

- to co-ordinate annual budgeting and financial planning processes

<i>How we do it</i>	• Provide annual budgeting and financial planning processes		
<i>How we measure performance</i>	Ensure annual budgeting and financial planning processes are adhered to in preparation of Long Term Plans, Annual Plans and Annual Reports within statutory timeframes with an unqualified audit opinion being gained.	<i>Target</i>	<i>Performance</i>
		Continue to meet statutory deadlines for adoption of Council's Long Term Plan and Annual Plan before 30 June in each respective year.	2018/2019: Council met required statutory deadlines for the adoption of the 2019/2020 Annual Plan before 30 June 2019. <i>(2017/2018: Council met required statutory deadlines for the adoption of the 2018-2028 Long Term Plan.)</i>

#### KEY PERFORMANCE MEASURE 2:

- to maintain customer satisfaction

<i>How we do it</i>	• Provide a satisfactory level of customer service		
<i>How we measure performance</i>	Ensure at least 85% of residents are satisfied with the information they receive from Council	<i>Target</i>	<i>Performance</i>
		Continue to ensure at least 85% of residents are satisfied with the information Council distributes (Council intends to survey residents)	2018/2019: Council conducted a customer satisfaction survey in June 2019. This KPI was not directly measured but 32% of respondents related their satisfaction with Council's customer service overall at 9 or 10, out of 10, and 27% rated it between 6 and 8, out of 10. <i>(2017/2018: a customer satisfaction survey was carried out in December 2017 with 75% of residents satisfied with the information they receive from Council.)</i>

#### KEY PERFORMANCE MEASURE 3:



- to maintain transparency, accountability and accessibility to the public

<i>How we do it</i>	• Provide Council remain accountable through transparency and accessibility		
<i>How we measure performance</i>	Ensure each Council meeting allows the opportunity for public participation through speaking rights and public forum, providing accountability, transparency and public accessibility to information provided.	<i>Target</i>	<i>Performance</i>
		Continue to provide a full opportunity for public participation in Council meetings through availability of speaking rights and the public forum.	2018/2019: public forum participation is advertised in advance of each monthly Council meeting - target met. <i>(2017/2018: public forum participation is advertised in advance of each monthly Council meeting - target met.)</i>
	Ensure at least 90% of Council business is conducted in open forum.	Continue to conduct at least 90% of Council business in open forum.	2018/2019: 82.89% of Council's agenda items were discussed in the public arena. <i>(2017/2018: 92% of Council's agenda items were discussed in the public arena.)</i>
	Ensure at least 90% of residents are satisfied that Council consults with them on important issues.	Continue to ensure at least 90% of residents are satisfied that Council consults with them on important issues.	2018/2019: Council conducted a customer satisfaction survey in June 2019. This KPI was not directly measured but 32% of respondents related their satisfaction with Council's customer service overall at 9 or 10, out of 10, and 27% rated it between 6 and 8, out of 10. <i>(2017/2018: 67% of residents are satisfied that Council consults with them on important issues.)</i>

#### KEY PERFORMANCE MEASURE 4:

- to co-operate with other agencies

<i>How we do it</i>	• Participate in shared services		
<i>How we measure performance</i>	Ensure full participation in the Mayors, Chairs and CEO meetings with the other West Coast Council's.	<i>Target</i>	<i>Performance</i>
		Continue to attend 100% of West Coast Mayors, Chairs and CEO meetings.	2018/2019: 100% - 4 meetings held per year. <i>(2017/2018: 100% - 4 meetings held per annum).</i>

KPI met	
KPI not met	

## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		1,273	1,210	1,210
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	3
<b>Total Operating Funding</b>	<b>A</b>	<b>1,273</b>	<b>1,210</b>	<b>1,213</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		606	465	523
Finance costs		0	0	0
Internal charges and overheads applied		667	745	819
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>1,273</b>	<b>1,210</b>	<b>1,342</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>0</b>	<b>0</b>	<b>(129)</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		0	0	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	0	0
Increase/ (decrease) in reserves		0	0	(129)
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>0</b>	<b>0</b>	<b>(129)</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>0</b>	<b>0</b>	<b>129</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Customer Services and Support Services

## What do we do?

The goal of Customer Services and Support Services is to be efficient, service orientated and accountable to Council and includes the following functions:

- Customer Service functions in Westport and Reefton
- Corporate Planning
- Financial and accounting operations
- Generation of Annual Plans, Long Term Plans and Annual Reports
- Rating operations and Rates Review Project
- Human Resources management
- Information Technology management
- General administration
- Health and safety compliance and legal counsel
- Monitoring and compliance of all Council Controlled Organisations
- Guidance and monitoring of Holding Company performance
- Asset management
- Management functions

## Why are we involved in these activities?

- The activity supports the functioning of all Council's activities and service provision.

## How do we contribute to Strategic Goals and Community Outcomes?

- Support Services covers all the community outcomes as it provides the administrative and operational capacity to achieve them.

## Statement of Service Performance

### Restructure of Management Portfolios

■ During 2018/2019 Council worked on a structure to best deliver improvements in service delivery to the community and to better support staff in this outcome. From April 2019 a change proposal was introduced for a 12 month trial where Community and Environment has been split into two portfolios (Community Services and Regulatory Services) with a manager allocated to each of these areas. In addition the reporting lines have been changed so that Amenities and Reserves which includes property reports to the Community Services manager and is included in that portfolio. Previously this was included under the management role for Assets and Infrastructure. Also Corporate Services management now includes more of a commercial focus with the addition of the airport and the harbour as well as key liaison with Councils holding company. Financial reporting lines are the same as set out in the Long Term Plan which will simplify reporting of performance until this can be changed via a LTP process if the 12 month trial is successful.

### Rates Policy Overhaul

■ Council continued to work on a land based rating model during 2018/2019. Although the rating model was close to being completed there was additional work required before this could be released for consultation with the public and ratepayers. The process will continue in 2019/2020 with a goal of introducing the proposal for consultation in the 2020/2021 Annual Plan.

### Health & Safety

- During the year Health and Safety administration moved to new the Business Support Services Group within Council's internal reporting structure. As with the portfolio structure changes set out above, financial reporting lines have not changed.
- During the year the Health and Safety Software system 'Vault' was utilised for reporting accidents, incidents and observations.
- Regular Health & Safety Committee meetings were held throughout the year. In addition there was a workshop held to help staff deal with bullying & harassment in the workplace.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### Internal charges and overheads recovered

- The increase in overheads recovered is related to additional expenditure that was incurred in the areas explained below.

### Payments to staff and suppliers

The additional expenditure in this area, compared to the LTP budget, is as follows:

- Expenses associated with providing an interim CEO and recruitment of a new CEO \$153,000,
- Salary expenses which included re-organisation of the management structure \$181,000.
- There were also costs of upgrading asset management systems and planning of \$50,000.
- The remainder was offset by minor savings in other areas.

### Internal charges and overheads applied

- There was a variance in this area due to savings in some areas that allocate overheads within the Support activity including IT.

## Significant Capital Expenditure

### To replace existing assets

The variance is due to:

- Replacement of the IT server at \$70,000 which was completed after balance date.
- In addition a vehicle replacement of \$37,000 was also delayed until after balance date.
- The remainder of the variance relates to a number of smaller IT projects which were not carried out.

## Key Performance Indicators

### What we plan to do and our levels of service

#### KEY PERFORMANCE MEASURE 1:



- to prioritise and manage operating expenditure and capital expenditure

How we do it	• Provide timely and accurate information		
How we measure performance		Target	Performance
	Ensure accountability to provide sound governance and financial management.  Compliance with stated strategies in Annual Plan and Long Term Plan.	Continue to provide timely and accurate reports to the Finance and Audit Committee on all key financial operations for further action, and to monitor and proactively address variances.	2018/2019: 100% monthly reports were provided to the Finance and Audit Committee and the Senior Leadership Team in a timely and accurate manner – target met.  <i>(2017/2018: monthly reports are provided in a timely and accurate manner - target met.)</i>

#### KEY PERFORMANCE MEASURE 2:

- to reduce the incidence of work-related accidents to ensure that Council complies with Health and Safety legislation

How we do it	• Provide a satisfactory level of health and safety advice and support		
How we measure performance		Target	Performance
	Ensure Council has systems, procedures and policies in place to comply with Health and Safety polices and legislation:  - Health and Safety at Work Act 2015  - Safety and Health in Employment Legislation 1995  - Employment Relations Amendment Act 2018	Continue to update systems, procedures and policies to comply with legislation.	2018/2019: Software system 'Vault' now utilised for reporting accidents, incidents and observations. Regular Health & Safety Committee meetings held. Held a staff workshop covering bullying & harassment  <i>(2017/2018: policies and management systems reviewed and updated, new software system 'Vault' introduced for reporting accidents, incidents and observations under Health and Safety legislation.)</i>

KPI met	
KPI not met	



## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		221	280	280
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	1
Fees and charges		0	0	0
Internal charges and overheads recovered		4,401	3,734	4,014
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		87	67	77
<b>Total Operating Funding</b>	<b>A</b>	<b>4,709</b>	<b>4,081</b>	<b>4,372</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		3,308	3,155	3,518
Finance costs		147	132	99
Internal charges and overheads applied		981	949	853
Other operating funding applications		0	0	7
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>4,436</b>	<b>4,237</b>	<b>4,477</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>273</b>	<b>(156)</b>	<b>(105)</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(45)	0	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(45)</b>	<b>0</b>	<b>0</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		139	240	85
Increase/ (decrease) in reserves		89	(396)	(190)
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>228</b>	<b>(156)</b>	<b>(105)</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(273)</b>	<b>156</b>	<b>105</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What do we do?

### Amenities and Reserves

- Council provides and maintains active and passive recreational facilities in the Buller District to meet community and environmental needs.
- These include parks, reserves and sports facilities.

### Public Toilets

- Public toilet facilities are provided by Council at Westport, Carters Beach, Tauranga Bay, North Beach Reefton, Fox River, Springs Junction and Waimangaroa.
- Council assists in the provision of toilet facilities in Karamea, Granity, Inangahua Junction, and Ikamatua.

### Property Management

- Council owns and manages a number of properties and buildings throughout the district, providing sites, services and venues for community needs.

### Cemeteries

Council operates the following cemeteries:

- Orowaiti
- Mokihinui
- Reefton – suburban
- Council assists the Karamea Cemetery Trust
- Council maintains closed cemeteries at Charleston and Boatmans - Reefton
- Council provides adequate land and plots to meet the district's burial needs.

### Punakaiki Beach Camp

- The Punakaiki Beach Camp is located in a picturesque setting on the beach, and adjoins the Paparoa National Park.
- The camp provides 10 various sized cabins, 32 powered sites and 30 tent sites. The camp has now been leased to a private operator for a term of twenty years. BDC are working with the Lessee to improve the facilities for expected tourism growth and demand on the camp.

### Pensioner Housing

Council provides 45 housing units for the elderly:

- 4 in Karamea
- 15 in Reefton (1 unit currently placed into care and maintenance).
- 26 in Westport

### Westport Harbour

- During the year the Kawatiri Dredge successfully completed contracts in Nelson and a PGF funded dredging contract in Greymouth harbour. This contributed positively to Council revenues and profit.
- Westport Harbour's Maritime Transport Operators plan was audited by Maritime New Zealand in February 2019.
- A Westport Harbour Business Case was put to Council in May 2019. The report identified a number of out port dredging options for the Kawatiri and opportunities for upgrading some of the Harbour assets, including the berthage for the fishing fleet.

## Why are we involved in these activities?

- The provision and maintenance of parks and reserves create a pleasant environment in which to live, work and play, which is an important part of the vision for the district.
- The provision of public toilet facilities assists with promoting the health and well-being of the district and environment for the public and visitors.
- Jointly funding with other agencies allows the public access to facilities at an acceptable cost.

## How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

### Well-being

- By ensuring our parks and reserves are attractive, healthy and safe.
- By offering opportunities for people to contribute to projects that improve our district's environment.

### Environment

- By offering opportunities for people of all fitness levels to enjoy our district's environment.

### Learning

- By providing the opportunity to learn through social interaction and recreation.

### Prosperity

- By contributing to the district's image and attracting businesses, skills and tourism, and focusing on future growth for the district and community.

### Who are we?

- By supporting and organising community events and providing people with opportunity to interact with different communities. By creating a unique and positive image of the district and respecting all cultures and diversities in our community.

## Significant Variance Explanations in comparison to the 2018-2028 Long Term Plan

### Local authorities fuel tax, fines, infringements fees and other receipts

■ The variance in income is made up of the following items; There was additional unbudgeted income of \$1.38m generate by harbour dredging contracts in Greymouth and Nelson. This was offset by less fees from property rentals and cemetery plot fees.

### Payments to staff and suppliers

The variance is primarily made up from:

■ Additional harbour expenses of \$1.28m, with much of this related to unbudgeted dredging work that was carried out.

■ There were also unbudgeted expenses of \$167,000 associated with implementation of the Responsible Camping initiative. This was offset by savings in a number of other areas particularly in property and reserves repairs and maintenance.

### Other operating funding applications

■ This variance relates to District Revitalisation expenditure which was budgeted as capital expenditure but because the expenditure was not on Council controlled land or assets it was not capitalised

## Significant Variances to Capital expenditure

### Subsidies and grants for capital expenditure.

■ Council had budgeted \$200,000 for subsidies for public toilet capital expenditure but received \$580,000 from the Responsible Camping fund for infrastructure for the increase in tourist numbers in the region.

### Increase/(decrease) in debt

■ The variance primarily relates to the loan to fund the upgrade to Brougham House which was not drawn down during the period.

### Gross proceeds from sale of assets

■ This variance is the sale of leasehold properties during the period.

### To improve the level of service

■ There was \$138,000 of Reserve Capital expenditure that was incorrectly categorised in the LTP budget as improving the level of service instead of replacing existing assets. Once this is taken into account the variance is a \$106,000 underspend Included in the variance is \$431,000 of capital expenditure on Responsible Camping infrastructure that was not originally included in this activity but in the Community Services activity.

■ Capital expenditure on Toilets of \$350,000 did not occur in 2018/2019 as it was partially addressed in the Responsible Camping spend.

■ The majority of the remaining variance relates to timing on expenditure for the Revitalisation projects of \$167,000.

### To replace existing assets

■ Taking into account the \$138,000 error in asset classification the variance primarily relates to expenditure on Brougham House upgrade that was delayed.

## Key Performance Indicators

### What we plan to do and our levels of service

#### KEY PERFORMANCE MEASURE 1:

- to provide and manage parks and reserves

How we do it	• Provide parks and reserves that meet the community and environmental needs		
How we measure performance		Target	Performance
Ensure checks on contractors standard of maintenance on active recreation areas are carried out.		Checks are undertaken on the maintenance contract for the whole period.	2018/2019: 100% checks were undertaken on the maintenance contracts and defects were notified to and/or by the contractor and re-mediated. (2017/2018: 100%)
Conduct weekly safety and maintenance inspections on playground equipment.		Weekly safety checks are undertaken by the maintenance contractor for the whole period.	2018/2019: 100% safety checks were completed on all playground equipment and defects notified to and/or by the contractor and re-mediated. The contractor provided records weekly checks. (2017/2018: 100%)

#### KEY PERFORMANCE MEASURE 2:

- to provide and manage housing for the elderly



How we do it	• Provide affordable and well maintained elderly housing		
How we measure performance		Target	Performance
Ensure at least 90% occupancy of elderly persons housing.		Occupancy rate of elderly persons housing to be 90% or greater.	2018/2019: 98% occupancy. (2017/2018: 98.5% occupancy.)
Ensure at least 80% satisfaction on elderly housing provided.		Satisfaction rate of elderly housing provided to be at least 80%.	2018/2019: 37 questionnaires were returned from 45 units, with a satisfaction rate of 82% received. (2017/2018: 37 questionnaires from 45 units, a satisfaction rate of 83.5%)

## Key Performance Indicators

### What we plan to do and our levels of service


#### KEY PERFORMANCE MEASURE 3:

##### • to provide and manage cemeteries

<i>How we do it</i>	<ul style="list-style-type: none"> <li>• Provide and manage cemeteries that meet community needs.</li> <li>• Provide adequate plots and land to meet the districts burial needs.</li> </ul>			
<i>How we measure performance</i>	Ensure provision and management of cemeteries to provide for community health. Maintain cemetery facilities to the appropriate national standard, with public records available on request.	<i>Target</i> Continue to provide and maintain cemetery facilities to the appropriate national standard, with public records available on request.	<i>Performance</i> 2018/2019: cemetery facilities have been maintained to the appropriate national standard and public records are available on request. <i>(2017/2018: cemetery facilities have been maintained to the appropriate national standard and public records are available on request. A new eco burial site was established at the Orowaiti Cemetery, Westport.)</i>	
	Ensure sufficient burial plots are available in all wards to meet current and future demands.	Continue to provide adequate plots and land to meet the district's burial needs.	2018/2019: no extensions were required to meet the target. <i>(2017/2018: no extensions were required. Council is investigating options for a new eco burial site in Karamea.)</i>	


#### KEY PERFORMANCE MEASURE 4:



##### • to provide and manage sufficient public toilets to meet the needs

<i>How we do it</i>	<ul style="list-style-type: none"> <li>• Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations</li> </ul>			
<i>How we measure performance</i>	Ensure facilities are cleaned, inspected and maintained to a serviceable standard.	<i>Target</i> Continue to clean, inspect and maintain toilet facilities to a serviceable standard.	<i>Performance</i> 2018/2019: facilities were inspected, cleaned and maintained to safe and acceptable standards. Contracts are in place for appropriate monitoring, cleaning and servicing of all Council toilet facilities throughout the Buller district. <i>(2017/2018: target met. New facilities were established at North Beach, Westport and Fox River.</i>	

#### KEY PERFORMANCE MEASURE 5:

##### • to provide and manage Council's properties

<i>How we do it</i>	<ul style="list-style-type: none"> <li>• Provide property management of Council's properties to enable service delivery and safety for its users.</li> </ul>			
<i>How we measure performance</i>	Ensure Council's properties are maintained and safe by responding to service requests 100% of the time in 10 working days or less.	<i>Target</i> Continue to maintain Council's properties and respond to 100% of service requests within 10 working days.	<i>Performance</i> 2018/2019: 58% of service requests were responded to within 10 working days. 42% of service requests were not completed within 10 working days but may have been responded to within the 10 working day target, however this target was not measured. As the target of responding to requests within 10 working days was not measured this target cannot be met. <i>(2017/2018: 100% of service requests were responded to within 10 working days. Council properties providing public services are managed to ensure compliance and safety for the users.)</i>	

KPI met	
KPI not met	

## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		1,427	1,906	1,906
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		401	406	373
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		1,181	1,442	2,773
<b>Total Operating Funding</b>	<b>A</b>	<b>3,009</b>	<b>3,754</b>	<b>5,052</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		1,986	2,479	3,785
Finance costs		76	121	110
Internal charges and overheads applied		391	456	471
Other operating funding applications		0	0	38
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>2,453</b>	<b>3,056</b>	<b>4,404</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>556</b>	<b>698</b>	<b>648</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	200	580
Development and financial contributions		0	0	0
Increase/(decrease) in debt		1	49	(80)
Gross proceeds from sale of assets		0	0	214
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>1</b>	<b>249</b>	<b>714</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		63	858	614
- to replace existing assets		183	651	667
Increase/ (decrease) in reserves		311	(562)	81
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>557</b>	<b>947</b>	<b>1,362</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(556)</b>	<b>(698)</b>	<b>(648)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Council Controlled Organisations

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The following pages set out in detail each of Council's Controlled Organisations:

## Council's Controlled Organisations

Westport Airport

Buller Holdings Limited

WestReef Services Limited

Buller Recreation Limited

Tourism West Coast (Associate)

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# Westport Airport

The Airport is owned jointly by the Crown and the BDC. The BDC operates the airport, under the provisions of the Airport Authorities Act 1966, on behalf of the partnership as a business unit of the BDC which is set up as the Westport Airport Authority.

## Objective

- To operate a safe and efficient airport facility and assist in the provision of air services for visitors and stakeholders alike.
- To maintain the Airport's assets and infrastructure at a level compliant with our CAA Part 139 certification status.
- To operate as close as possible to a commercial business offering cost effective value for the ratepayer investment.
- To pursue any commercial undertakings at the Airport that will complement the Airport operation and increase the level of economic activity

## Nature and Scope of Activities

Under the Joint Venture Deed for Buller District Council is responsible for:

- The general management, administration and maintenance of the airport.
- Compliance with all relevant legislation, including the Airport Authorities Act, the Civil Aviation Act, the Health and Safety at Work Act and all related Acts and Regulations.
- Regular reviews and development of landing charges and submission to the Minister of Transport for approval.
- Collection of landing charges.
- The close liaison with airport users to meet their requirements.

**The commentary below is a summary of the Westport Airport Authority's 2018/2019 audited financial statements:**

## Performance Commentary (against Statement of Intent)

- Operating Revenue for the Westport Airport Authority was \$28,729 higher than budgeted, predominately due to a greater number of flights than anticipated in the budget including flights and service charges by the principal service provider, Sounds Air Travel and Tourism Limited.
- Operating Expenditure was \$41,745 more than budgeted. This was primarily attributed to increases in employment related costs due to turnover in flight servicing staff. There were minor variances in maintenance and running costs that offset each other.
- The Capital Budget allowed for \$1,061,550 of capital expenditure. This budget was not spent during the year as part way through the financial year it was discovered that the budget of \$797,000 was insufficient to complete the Rock Protection Wall and work did not start in the timeframe initially planned (this was subsequently revised to cost \$2,400,000). A Debris Fence was required to protect the airport runway and this was wholly unbudgeted capital expenditure. The airport runway required periodic capital expenditure for sealing, this work exceeded budget by \$57,234, however the quality of the seal and work done should provide a longer life to this asset, therefore extending the capital maintenance timeframe.

## Significant variance explanations in comparison to the 2018-2028 Long Term Plan

### Payments to staff and suppliers

- Higher wages of \$25,000 were due to staff turnover including the training component required for new staff.
- The remainder of the \$11,000 variance was made up of a number of minor expense items.

## Significant Capital Expenditure

### To replace existing assets

- The capital expenditure budget included Councils share of upgrades to the Airport seawall which was \$399,000.
- Councils share of preliminary design works (\$86,000) was carried out during the year but the project is expected to be completed in 2019/2020. This results in a budget variance of positive \$313,000. The project scope is now larger and is now expected to be fully funded by a PGF application which will cover Councils share of the project which is around \$1.2m.
- The remainder of the \$84,000 of unbudgeted variance is mainly attributed to Councils share of capital expenditure required to ensure airport operation over the period this includes a debris exclusion fence (\$60,000 unbudgeted), airport runway additional costs (\$29,000, unbudgeted) due to increases in the price of petroleum based products used in resealing which were not anticipated when the budget was approved.

## Performance Targets

The joint venture performance is judged against the following measures:

Financial Performance	Actual 2018/2019 \$	AP Budget 2018/2019 \$	Actual 2017/2018 \$	AP Budget 2017/2018 \$
Operating revenue	229,229	200,500	241,762	188,750
Operating expenditure	410,500	368,755	405,967	355,796
Net profit (loss)	(192,080)	(168,255)	(169,861)	(167,044)
Capital expenditure	517,467	1,061,550	18,842	5,000

## Ratio of Shareholder Funds to total assets

The forecast ratio of shareholder funds to total assets:

Actual 2018/2019	AP Budget 2018/2019	Actual 2017/2018	AP Budget 2017/2018
85%	99%	99%	94%

Shareholder funds are represented by Total Equity. Total assets is total current and non current assets not including any liabilities.

## Funding Impact Statement

		2017/2018 LTP Budget \$000	2018/2019 LTP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>				
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		57	84	84
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		100	100	115
<b>Total Operating Funding</b>	<b>A</b>	<b>157</b>	<b>184</b>	<b>199</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		88	116	152
Finance costs		0	0	6
Internal charges and overheads applied		15	14	11
Other operating funding applications		0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>103</b>	<b>131</b>	<b>169</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>54</b>	<b>54</b>	<b>30</b>
<b>Capital Funding</b>				
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		0	0	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Expenditure</b>				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	531	302
Increase/ (decrease) in reserves		54	(477)	(272)
Increase/ (decrease) in investments		0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>54</b>	<b>54</b>	<b>30</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(54)</b>	<b>(54)</b>	<b>(30)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Buller Holdings Limited

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

Buller Holdings Limited provides a commercial focus in the governance and administration of these assets, enabling more effective management of Council's commercial activities therefore allowing for maximum returns on behalf of the ratepayers..

## Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relations; and
- Safety and environment.

## Nature and Scope of Activities

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

## Financial Targets and Results

Description	Budget 2018/2019 \$000	Actual 2018/2019 \$000
Group revenue	12,717	15,343
Group expenditure	11,983	14,491
EBITDA	1,917	2,222
Provision for capex	450	824
Return on revenue	15.0%	(1.7%)
Distribution	1,000	1,227

## Financial Results

### Group:

■ In the 2018/2019 year the group generated an EBITDA (earnings before interest, taxation, dividends and amortisation) of \$2.2m (2017/2018: \$2.2m). This is consistent compared to last years good result.

■ A subvention payment of \$1.227m was payable on 30 June 2019 (2017/2018: \$450,000).

### Subsidiary Companies:

■ WestReef Services Ltd has had another strong year generating revenue of \$14.1m (2017/2018: \$14.6m).







■ In the past WestReef has had a strategy of continually growing competitively tendered works, this now paying off with 66% of total revenue competitively procured this year (2017/2018: 64%).



■ Buller Recreation Ltd again performed better than the previous year and generated a loss before taxation of \$575,000 (2017/2018: \$539,000).

■ Membership numbers increased slightly from the previous year in the fitness centre with an average of 453 members at year end - target not achieved (2017/2018: 449 - achieved).

■ The aquatic centre membership remained strong with all targets achieved (2017/2018: achieved).

## Key Performance Indicators

Performance Measure	Target	Achievement 2019	Achievement 2018	Achieved
Operational	The Board of Directors will meet with the Buller District Council CCO Committee on a formal basis a minimum of three times per year and at other times by request.	The Board met with the CCO Committee seven times on Board meeting days: 28 September 2018; 30 October 2018; 12 December 2018; 19 February 2019; 17 April 2019; 14 May 2019; and 25 June 2019.	The Board met with the CCO Committee five times on board meeting days: 15 August 2017, 27 September 2017, 12 December 2017, 18 February 2018 and 27 June 2018.	
	The Buller Holdings' Chief Executive will provide a formal and/or informal report to Council as requested.	Three quarterly reports were provided as scheduled.	Three quarterly reports were provided as scheduled.	
	The Chief Executive of Buller Holdings will meet with the Chief Executive of Buller District Council when requested.	Regular monthly meetings with the CEO and BDC have been completed.	Although no formal meetings were requested, the Chief Executives were in regular contact.	
Safety	Total recordable injury frequency rate per 1,000,000 hours	0.0 injury frequency rate.	0.0 injury frequency rate.	
	Nil serious harm incidents to customers or staff	0 - achieved.	0 - achieved.	
Statement of Intent	The Directors shall provide a Statement of Intent (SOI) by 1 March for approval by Council	Achieved	Achieved	

KPI met	
KPI not met	



# WestReef Services Limited

WestReef Services Limited is 100% owned by Buller Holdings Limited.

## Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relations; and
- Safety and environment.

## Nature and Scope of Activities

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

- Roads and bridges;
- Parks and reserves (including associated facilities);
- Rural fire emergency response;
- Landfill sites;
- Roadside vegetation control;
- Response for road and civil defence emergencies;
- Utility services (water and sewerage reticulation);
- Vehicle workshop repairs;
- Refuse collection and kerbside recycling;
- Property maintenance.

## How WestReef Services Limited performed?

- 2018/2019 was a year of achievement in terms of both financial accomplishment and business development with pleasing results achieved.
- Health, Safety, Quality and Environment (HSQE) was identified as a key area of focus for the business due to the cessation of the company's ACC H&S Accreditation in February 2019, with the company successfully achieved ISO 45001:2018 accreditation.
- Financially the company performed well with operating revenue generated for the period exceeding budget (\$10.71m) at \$14,06m.
- A net operating surplus of \$1.45m vs a budget of \$1.23m was realised. This represented a 10% margin in terms of bottom line.
- Unbudgeted expenses relating to required company HSQE improvements and ISO 45001:2018 accreditation had a noticeable impact on the profit margin.
- It is pleasing to note that 66% of total revenue was competitively procured. This was a 5% increase from the 2017/2018 financial year and reinforces the sustainability and resilience of the company.
- Operating revenue generated for the period was \$14.06m, exceeding the budget of \$10.72m.
- The profit margin of 10% did not meet the target of 12% (2017/2018: 14% achieved).
- All departments performed well throughout the year and the company continued to remain active and successful in a tendering capacity. Notable contracts won included the Karamea Low Cost Low Risk Safety Improvements and the BDC Footpath Renewals contracts.
- The Environmental Projects Team continued to work extremely hard over the past 12 months with the department going from strength to strength, with works having proceeded on three separate project fronts (Paparua Track, Queen Charlotte Track and the Old Ghost Road). This department has made an outstanding contribution to the success of WestReef over recent years and the company's reputation in this field continues to build momentum throughout the industry.

## Key Performance Indicators

Performance Measure	Target	Achievement 2019	Achievement 2018	Achieved
Financial	Revenue, expenditure and provision for Capex in line with the budget.			
	Revenue over budget - \$10.718m.	\$14.061m.	\$14.606m.	
	Expenditure over budget - \$9.418m.	\$12.633m.	\$12.581m.	
	Provision for Capex - \$450,000.	\$769,000. Additional capex spend was required due to project requirements and unforeseen plant upgrades.	\$1,039,000. Additional spend required due to new projects and unforeseen plant upgrades.	
	EBITDA > \$1.781m.	\$2.079m.	\$2.571m.	
	Net operating surplus >\$1.301m.	\$1.453m.	\$2.025m.	
	Gross revenue before subvention payment 12%.	10% - not achieved.	14%.	
	Ratio of shareholder funds to total assets >60%.	75%.	73%.	
	40% of revenue to be competitively procured.	66%	64%.	
Quality	Renewal of TQS1 certification.	Achieved 23 March 2019.	Achieved.	
Client satisfaction	Meet monthly with major clients and BDC engineers to obtain feedback on specific contract performance. Minimum of 12 meetings per year.	Meetings held: - 12 x BDC contract meetings. - 7 x DOC contract meetings. - NOC contract meetings, held as required.	Meetings held: - 10 BDC contract meetings . - 11 DOC contract meetings. - NOC contract meetings, held as required.	
Community support	Support at least 15 community activities.	53 community activities were supported. Target is conservative.	53 communities activities were supported. Target is conservative.	
Environmental	Receive no enforcement notices.	No enforcement notices were received.	Nil.	
Employee satisfaction	Undertake a staff satisfaction survey every two years to provide feedback on staff engagement and to use as a benchmark for future years.	Staff satisfaction survey was completed and presented to all staff on 10 December 2018. Positive feedback was received from staff.	Staff engagement survey to be completed in September 2018. Survey format prepared.	
	Employee turnover < 15% per annum.	9.2% staff turnover, below the national average of 18.1%.	11.8% turnover - achieved. Relatively low turnover compared to national average of 18.8%.	
	Hold weekly staff meetings with minutes kept.	Weekly 'toolbox meetings' were held with all departments.	Weekly 'toolbox meetings' were held with all departments.	
Safety	Medical treatment injuries, target Nil.	7 - not achieved	New standard, not measured	
	Lost time incidents target of zero.	6 LTI's - not achieved.	1 - not achieved.	
	Nil serious harm incidents to customers or staff.	0 serious harm incidents.	0 - achieved.	

KPI met	
KPI not met	

# Buller Recreation Limited

Council incorporated a Council Controlled Organisation, Buller Recreation Limited, which is 100% owned by Buller Holdings Limited.

In the Council meeting held on 24 June 2009, Council agreed to transfer the Pulse Energy Recreation Centre to Buller Recreation Limited effective 1 July 2009.

In the meeting of 23 September 2009 Council ratified the purchase and sale documents for the sale of the assets to Buller Recreation Limited. The sale was concluded and Council received 17,570m shares in Buller Holdings Limited, valued at \$17.57m, and transferred the assets to Buller Recreation Limited.

## Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relations; and
- Safety and environment.

## Nature and Scope of Activities

The nature and scope of the company's activities are to provide accessible sport, recreation and event services and facilities to residents and visitors to the Buller District of New Zealand.

Its activities will include provision of services for:

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

The Directors will consider opportunities from time to time with regard to other types of activities or expanding the reach of the Buller Recreation Limited for the provision of services outside of the centre's physical location.

## How Buller Recreation Limited performed?

- An excellent financial year all round for Buller Recreation Ltd (BRL), with key KPI's such as memberships, grew during the year, and the budget was also achieved. This was mainly due to a strong focus on expenses and other efficiency gains.
- A key achievement was the completion of the Asset Management Plan (AMP) for the Pulse Energy and Recreation Centre (PERC). This will enable improved financial budgeting and asset replacement moving forward.
- The aquatic centre continues to deliver quality programmes educating young children in and around the water.
- Level of services being provided in the fitness area continue to be reviewed to ensure customer's expectations are being exceeded and an appropriate level of service is being delivered.
- The Reefton pool had another good season, with the facility delivering a good level of service for the community.
- Staff are focused on improving the marketing distribution and ensuring better utilisation of social media to keep up to date with technological mechanisms. This will result in improved awareness of PERC and the services that it delivers.

## Key Performance Indicators

Performance Measure	Target	Achievement 2019	Achievement 2018	Achieved
Financial	Revenue, expenditure and provision for Capex in line with the budget.			
	Revenue budget - \$704,000 (excluding management fees).	\$611,000	\$751,000	
	Expenditure budget - \$2.146m.	\$2.037m	\$2.191m	
	Capex budget - \$73,000.	\$54,000	\$145,000	
	Net operating surplus (deficit) <(\$576,000).	(\$575,000)	(\$476,000)	
	BDC service fee - \$851,000.	\$851,000	\$901,000	
	Ratio of shareholder funds to total assets >60%.	84%	81%	
Fitness membership	Average membership over 12 months of 455 members.	453	449	
	Average retention rate over 12 months >75%.	96%	93.5%	
Aquatic centre usage	Average 4,080 visits per month over 12 months.	4,653	4,594	
	Achieve 150 swimming students averaged over four swimming terms.	153	140	
Safety	Medical treatment injuries, target Nil.	0 - achieved	0 achieved	
	Nil serious harm incidents to customers or staff.	Nil - no serious harm incidents (as defined by Worksafe NZ) were recorded in the incident register during the year.	Nil	
	Lost time incidents target of zero.	Nil	Nil	
Work environment	Hold meetings with all staff every four months.	Weekly meetings held with Management and quarterly meetings with each department.	Weekly meetings held with management and quarterly meetings held with departments.	
	Review the succession plan for key positions and identify training needs and actions for the next 12 months.	Achieved. Consideration is given at Management meetings to skills and training if personnel in key positions leave.	Achieved - staff needs identified in annual reviews.	
	Complete annual review process with all staff to ensure staff are working to their full potential.	Achieved by July 2019.	Achieved by July 2018.	
	Undertake a staff satisfaction survey every second year.	Achieved during September 2018.	Due September 2018.	
Asset Management Plan (AMP).	Complete review of the Asset Replacement Schedule annually.	Each area working through comprehensive asset stocktake .	Review not completed but expected to be by March 2019	
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Major Assets purchased included: Pool thermal blankets, pool vacuum, safety frames, hockey nets, co2 bank/Ezitrol feeder, heat pump water heater	Major Assets purchased: Pool Heat Pump with other investments in netball, soccer, gym gear and pool equipment	

KPI met	
KPI not met	

# Tourism West Coast

Tourism West Coast is the official regional tourism organisation for the West Coast region.

Tourism West Coast is the official Regional Tourism Organisation for the West Coast Region. From 1 April 2019 its activities were integrated into the wider economic development role of Development West Coast. Council control of the organisation ceased on 30 June 2019. From 1 July 2019 the current Board will change into an Advisory Board with membership from each of the three districts and an independent chair.

Council currently provides annual funding to the organisation and signaled in the 2019/2020 Annual Plan that tourism funding will continue but will be paid to Development West Coast.



## Objective



- Enhance the West Coast's basic promotional capabilities;
- Co-ordinate the work of development and promotional agencies.
- Secure long term funding; and
- Provide advisory and support services for the local tourism industry.

## Nature and Scope of Activities

- Tourism promotional at a regional level.

## Key Performance Indicators

Target	Result	Achieved
The Chairperson of the Board and Chief Executive of Tourism West Coast will address Council on an annual basis.	2018/2019: TWC did not address Council during the financial year. <i>2017/2018: presentation completed to Council during Long Term Plan process.</i>	
The Annual Report is to be presented to Council within two months of adoption.	2018/2019: TWC's Annual Report was not received within two months of adoption <i>2017/2018: not achieved within deadline.</i>	

KPI met	
KPI not met	



# Financial Statements

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## Contains

- Statement of comprehensive revenue and expenses
  - Statement of changes in equity
  - Statement of financial position
  - Statement of cashflows
  - Council's funding impact statement
-

## Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2019

	Notes	Parent			Group	
		2018/2019 Actual \$000	2018/2019 LTP Budget \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>CONTINUING OPERATIONS</b>						
<b>Operating Revenue</b>						
General Rates	1	8,354	8,379	8,232	8,343	8,131
Targeted Rates (excluding Metered Water)	1	5,850	5,866	5,489	5,845	5,483
Metered Water Charges		226	204	217	226	217
Rate Penalties	1	139	150	121	139	121
Subsidies and Grants		5,474	4,342	5,044	5,474	5,044
Investment Income	2	1,856	1,956	1,091	630	618
Other Income	2	3	0	8	3	8
Development and Financial Contributions		8	50	52	8	52
Fees & Charges		4,406	3,090	3,146	12,115	11,179
Gain on Sale of Investment Property		28	0	0	28	0
Vested Assets		0	50	0	0	0
Profit on Sale of Assets		0	1,200	65	17	65
Gain on Derivative Contracts	3	0	0	0	0	0
Gain on Revaluations of Investment Land	3	3	169	0	0	0
Share in Profit (Loss) of Associate		0	0	0	7	3
<b>Total Operating Revenue</b>	<b>3</b>	<b>26,347</b>	<b>25,456</b>	<b>23,465</b>	<b>32,835</b>	<b>30,921</b>
<b>Operating Expenditure</b>						
Employment Costs		5,037	4,773	4,756	11,517	10,775
Depreciation & Amortisation		6,340	6,453	6,306	7,728	7,646
Finance Costs		1,110	1,222	963	1,101	963
Other Expenses		13,228	11,995	13,323	12,354	13,189
Loss on Sale of Assets	4	30	0	17	31	48
Assets Written Off		344	501	735	344	735
Loss on Derivative Contracts	4	1,072	0	294	1,072	294
Loss on Revaluations of Investment Land		0	0	26	17	26
Loss on Revaluations of Assets Held for Sale		2	0	0	2	26
Loss on Sale/Write Off of Investment Property		75	0	6	75	6
<b>Total Operating Expenditure</b>	<b>4</b>	<b>27,238</b>	<b>24,943</b>	<b>26,426</b>	<b>34,241</b>	<b>33,682</b>
<b>Net Surplus/(Deficit) from Continued Operations</b>	<b>5</b>	<b>(891)</b>	<b>513</b>	<b>(2,961)</b>	<b>(1,406)</b>	<b>(2,761)</b>
<b>DISCONTINUED OPERATIONS</b>						
Surplus (deficit) for the year from discontinued operations		0	0	0	0	(143)
Net Surplus (Deficit) before Taxation		(891)	513	(2,961)	(1,406)	(2,904)
Income tax expense	6	0	0	0	(53)	(73)
<b>Net Surplus/(Deficit) after Taxation</b>		<b>(891)</b>	<b>513</b>	<b>(2,961)</b>	<b>(1,353)</b>	<b>(2,831)</b>
<b>Other Comprehensive Revenue and Expenses</b>						
Gain on Revaluations of Assets Held for Sale		0	0	0	0	0
Increase / (decrease) in infrastructure revaluation reserves		43,554	0	26,350	44,086	27,722
Gain / (loss) on investment recognised in asset revaluation reserve		2	0	0	0	0
<b>Total Comprehensive Revenue and Expense</b>		<b>42,665</b>	<b>513</b>	<b>23,389</b>	<b>42,733</b>	<b>24,891</b>

■ Explanations of major variances against budget are provided in Note 29.  
 ■ The accompanying notes form part of these financial statements.

## Statement of Changes in Equity for the year ended 30 June 2019

	Parent			Group		
	Notes	2018/2019 Actual \$000	2018/2019 LTP Budget \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Equity as at 1 July		341,865	328,986	318,476	339,177	314,285
Total Comprehensive Income		42,665	513	23,390	42,733	24,891
Transactions with Owners recorded directly in Equity		0	0	0	0	0
<b>Total Equity at End of Year</b>		<b>384,530</b>	<b>329,499</b>	<b>341,866</b>	<b>381,910</b>	<b>339,176</b>
<b>Components of Equity:</b>						
Accumulated Funds	20	165,752	169,432	166,340	160,185	161,233
Reserves	21	5,650	5,812	5,549	5,650	5,549
Asset revaluation reserve	22	213,128	154,255	169,976	216,075	172,394
<b>Total Equity as at 30 June</b>		<b>384,530</b>	<b>329,499</b>	<b>341,865</b>	<b>381,910</b>	<b>339,176</b>

- Explanations of major variances against budget are provided in Note 29.
- The accompanying notes form part of these financial statements.

		Parent			Group	
	Notes	2018/2019 Actual \$000	2018/2019 LTP Budget \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Statement of Financial Position as at 30 June 2019</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	8	2,725	1,515	3,119	5,837	6,008
Trade and Other Receivables	9	5,243	5,020	4,088	4,871	4,421
Derivative Financial Instruments	16	0	0	0	0	0
Inventories		13	15	17	140	146
Other Current Assets	10	208	35	38	236	1
Short Term Investments		15,017	16,204	13,364	15,976	14,218
Assets Held for Sale	11	276	0	322	276	322
<b>Total Current Assets</b>		<b>23,482</b>	<b>22,789</b>	<b>20,948</b>	<b>27,336</b>	<b>25,116</b>
<b>Non Current Assets</b>						
Investment in Council Controlled Organisations	12	18,820	20,123	19,609	45	43
Other Investments	12	440	0	2,065	478	2,102
Investment Property	12	7,546	8,223	7,793	6,986	7,253
Infrastructural Assets	13	346,815	293,963	300,724	346,814	300,421
Other Non Current Assets	13	22,759	21,798	22,210	37,231	37,252
Derivative Financial Instruments	16	0	0	0	0	0
Deferred Tax	6	0	0	0	0	0
Intangible Assets	14	12	179	55	711	754
<b>Total Non Current Assets</b>		<b>396,392</b>	<b>344,286</b>	<b>352,456</b>	<b>392,265</b>	<b>347,825</b>
<b>Total Assets</b>		<b>419,874</b>	<b>367,075</b>	<b>373,404</b>	<b>419,601</b>	<b>372,941</b>
<b>Current Liabilities</b>						
Cash and Cash Equivalents	8	0	0	0	0	0
Trade and Other Payables	15	3,723	4,303	3,239	4,023	3,404
Derivative Financial Instruments	16	0	60	0	0	0
Tax Payable		0	0	0	0	0
Employee Benefits	17	595	488	585	1,212	1,165
Provisions	19	259	0	87	259	87
Current Portion of Borrowings	18	5,000	157	5,000	5,000	5,000
<b>Total Current Liabilities</b>		<b>9,577</b>	<b>5,007</b>	<b>8,911</b>	<b>10,494</b>	<b>9,656</b>
<b>Non Current Liabilities</b>						
Derivative Financial Instruments	16	2,122	700	1,050	2,122	1,050
Provisions	19	1,633	1,281	1,558	1,633	1,558
Bond Deposits		82	82	83	82	82
Employee Entitlements	17	156	140	163	184	188
Deferred Tax	6	0	0	0	1,402	1,457
Borrowings	18	21,774	30,366	19,774	21,774	19,774
<b>Total Non Current Liabilities</b>		<b>25,767</b>	<b>32,569</b>	<b>22,628</b>	<b>27,197</b>	<b>24,109</b>
<b>Equity</b>						
Accumulated Funds	20	165,752	169,432	166,340	160,185	161,233
Reserves	21	5,650	5,812	5,549	5,650	5,549
Asset Revaluation Reserve	22	213,128	154,255	169,976	216,075	172,394
<b>Total Equity</b>		<b>384,530</b>	<b>329,499</b>	<b>341,865</b>	<b>381,910</b>	<b>339,176</b>
<b>Total Liabilities and Equity</b>		<b>419,874</b>	<b>367,075</b>	<b>373,404</b>	<b>419,601</b>	<b>372,941</b>

■ Explanations of major variances against budget are provided in Note 29.  
 ■ The accompanying notes form part of these financial statements.

## Statement of Cashflows for the year ended 30 June 2019

	Parent			Group		
	Notes	2018/2019 Actual \$000	2018/2019 LTP Budget \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Cashflows from Operating Activities</b>						
<b>Cash was provided from:</b>						
Rates		14,294	14,395	14,016	14,278	13,910
Other Income		10,252	7,432	7,941	18,141	17,099
Interest Received		612	756	671	612	648
Tax Received		0	0	0	0	0
Dividends & Subvention Payments Received		458	1,454	1,195	0	0
		<b>25,616</b>	<b>24,037</b>	<b>23,823</b>	<b>33,031</b>	<b>31,657</b>
<b>Cash was applied to:</b>						
Payments to Suppliers and Employers		18,417	16,605	17,884	23,902	24,918
Interest Paid		1,035	1,222	971	1,026	992
Income Tax Paid		0	0	0	0	0
Net GST Movement		348	0	82	336	72
		<b>19,800</b>	<b>17,827</b>	<b>18,937</b>	<b>25,264</b>	<b>25,982</b>
<b>Net Cash from Operating Activities</b>	<b>7</b>	<b>5,816</b>	<b>6,210</b>	<b>4,886</b>	<b>7,767</b>	<b>5,675</b>
<b>Cashflows from Investing Activities</b>						
<b>Cash was provided from:</b>						
Disposal of Fixed Assets		98	1,250	188	103	1,708
Investment Realised		14,257	0	12,684	13,393	12,608
		<b>14,355</b>	<b>1,250</b>	<b>12,872</b>	<b>13,496</b>	<b>14,316</b>
<b>Cash was applied to:</b>						
Purchase of Fixed Assets		9,075	6,959	6,448	9,914	6,334
Purchase of Investments		13,490	88	12,700	13,520	13,253
Purchase of Intangibles		0	0	0	0	0
		<b>22,565</b>	<b>7,047</b>	<b>19,148</b>	<b>23,434</b>	<b>19,587</b>
<b>Net Cash from Investing Activities</b>		<b>(8,210)</b>	<b>(5,797)</b>	<b>(6,276)</b>	<b>(9,938)</b>	<b>(5,271)</b>
<b>Cashflows from Financing Activities</b>						
<b>Cash was provided from:</b>						
Loans Raised		7,000	496	9,774	7,000	8,434
<b>Cash was applied to:</b>						
Repayment of loans		5,000	157	8,510	5,000	8,511
<b>Net Cash from Investing Activities</b>		<b>2,000</b>	<b>339</b>	<b>1,264</b>	<b>2,000</b>	<b>(77)</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>(394)</b>	<b>752</b>	<b>(126)</b>	<b>(171)</b>	<b>327</b>
Opening Cash as at 1 July		3,119	763	3,245	6,008	5,681
<b>Closing Cash as at 30 June</b>	<b>8</b>	<b>2,725</b>	<b>1,515</b>	<b>3,119</b>	<b>5,837</b>	<b>6,008</b>

■ Explanations of major variances against budget are provided in Note 29.  
■ The accompanying notes form part of these financial statements.



## Funding Impact Statement for whole of Council for the year ended 30 June 2019

		2017/2018 AP Budget \$000	2017/2018 Actual \$000	2018/2019 AP Budget \$000	2018/2019 Actual \$000
<b>Operating Funding</b>					
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charge, rates penalties		8,314	8,232	8,379	8,354
Targeted rates		5,517	5,489	5,866	5,850
Subsidies and grants for operating purposes		2,249	3,076	2,239	2,471
Fees and charges		204	217	204	226
Interest and dividends from investments		1,546	1,091	1,956	1,856
Local authorities fuel tax, fines, infringements fees and other receipts		3,241	3,268	3,240	4,545
<b>Total Operating Funding</b>	<b>A</b>	<b>21,071</b>	<b>21,373</b>	<b>21,885</b>	<b>23,302</b>
<b>Applications of Operating Funding</b>					
Payments to staff and suppliers		15,590	16,936	16,127	17,588
Finance costs		1,115	963	1,222	1,110
Other operating funding applications		567	1,143	640	680
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>17,272</b>	<b>19,042</b>	<b>17,990</b>	<b>19,378</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>3,799</b>	<b>2,331</b>	<b>3,895</b>	<b>3,924</b>
<b>Capital Funding</b>					
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure		1,758	1,533	1,668	2,528
Development and financial contributions		105	52	50	8
Increase/(decrease) in debt		2,478	1,264	339	2,000
Gross proceeds from sale of assets		100	264	1,250	225
Lump sum contributions		435	435	435	475
Other dedicated capital funding		0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>4,876</b>	<b>3,548</b>	<b>3,742</b>	<b>5,236</b>
<b>Capital Expenditure</b>					
Application of capital expenditure:					
- to meet additional demand		0	0	0	0
- to improve the level of service		2,798	532	2,133	1,333
- to replace existing assets		4,427	5,929	4,826	8,660
Increase/ (decrease) in reserves		1,315	(662)	(573)	(2,487)
Increase/ (decrease) in investments		135	80	1,250	1,654
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>8,675</b>	<b>5,879</b>	<b>7,636</b>	<b>9,160</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(3,799)</b>	<b>(2,331)</b>	<b>(3,895)</b>	<b>(3,924)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

■ Explanations of major variances against budget are provided in Note 29.  
■ The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## Contains:

- Note 1** ~ Rates Revenue
- Note 2** ~ Investment Revenue
- Note 3** ~ Operating Revenue
- Note 4** ~ Operating Expenditure
- Note 5** ~ Operating Surplus
- Note 6** ~ Income Tax
- Note 7** ~ Reconciliation of Net Surplus after Tax to Cashflows from Operating Activities
- Note 8** ~ Cash and Cash Equivalents
- Note 9** ~ Trade and Other Receivables
- Note 10** ~ Other Current Assets
- Note 11** ~ Non Current Assets held for sale
- Note 12** ~ Investment in Council Controlled Organisations and Other Investments
- Note 13** ~ Property, Plant and Equipment
- Note 14** ~ Intangible Assets
- Note 15** ~ Trade and other Payables
- Note 16** ~ Derivative Financial Instruments
- Note 17** ~ Employment Benefit Liabilities
- Note 18** ~ Borrowings
- Note 19** ~ Provisions
- Note 20** ~ Accumulated Funds
- Note 21** ~ Reserves
- Note 22** ~ Assets Revaluation Reserves
- Note 23** ~ Related Party Transactions and Balances
- Note 24** ~ Council Subsidiaries, Associates and Joint Ventures
- Note 25** ~ Statement of Commitments, Contingent Liabilities and Contingent Assets
- Note 26** ~ Capital Management
- Note 27** ~ Financial Instruments
- Note 28** ~ Post Balance Date Events
- Note 29** ~ Explanations of Major Variances against Budget
- Note 30** ~ Insurance of Assets

Rates Revenue	2018/2019	2017/2018
	Actual \$000	Actual \$000
General Rates	8,354	8,232
<b>Targeted Rates attributable to Activities:</b>		
Water	2,638	2,425
Refuse and Sanitation	3,212	3,064
Roading	0	0
Economic Development	0	0
Penalties	139	121
<b>Total Revenue from Rates</b>	<b>14,343</b>	<b>13,842</b>

Rates Remissions	Parent	
	2018/2019 Actual \$000	2017/2018 Actual \$000
Rates revenue is shown net of rates remissions, BDC's rates remission policy allows BDC to remit rates on sporting, culture and other community organisations.		
<b>Total Rates Revenue</b>	<b>14,406</b>	<b>13,905</b>
<b>Rates Remissions:</b>		
Land used for sport	37	37
Land protected for historical or cultural purposes	27	26
<b>Total Rates Remissions</b>	<b>64</b>	<b>63</b>
<b>Rates Revenue net of Remissions</b>	<b>14,343</b>	<b>13,842</b>

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$327,965 (2018: \$171,382). For the Group, rates of \$327,965 (2018: \$171,382) have not been eliminated.

## Rating Base Information

The rating base used to set the rates for 2018/19 were 7,463 rating units within the Buller District as at 30 June 2019. The total capital value of these rating units as at 30 June 2019 was \$2,299,982,230, of which \$1,181,178,200 consisted of land value.

(2017/2018: 7,459 rating units, capital value of \$2,290,029,430 which includes a land value of \$1,180,165,200).

Investment Revenue	Parent		Group	
	2018/2019	2017/2018	2018/2019	2017/2018
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Interest	1,196	1,235	1,197	1,213
Subvention Income	1,227	450	0	0
	<b>2,423</b>	<b>1,685</b>	<b>1,197</b>	<b>1,213</b>
<b>Less: Internal Interest</b>	567	594	567	594
<b>Total Investment Revenue</b>	<b>1,856</b>	<b>1,091</b>	<b>631</b>	<b>618</b>

Other Revenue	Parent		Group	
	2018/2019	2017/2018	2018/2019	2017/2018
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Investment Loan Discount Amortisation Revenue/(Expense)	3	8	3	8
Donations	0	0	0	0
Sundry Income	0	0	0	0
<b>Total Other Revenue</b>	<b>3</b>	<b>8</b>	<b>3</b>	<b>8</b>

Operating Revenue	Parent			Group	
	2018/2019 Actual \$000	2018/2019 LTP Budget \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Governance	3	0	1	3	1
Community Services	800	802	912	800	912
Regulatory Services	894	930	990	872	990
Amenities & Reserves	3,827*	2,049	1,888	3,726	1,888
Roading & Urban Development	4,322	3,394	3,992	4,318	3,992
Solid Waste	763	764	786	763	786
Water Supplies	3,041	3,237	2,643	3,041	2,643
Wastewater	2,612	2,611	2,443	2,612	2,443
Stormwater	15	5	0	15	0
Airport	115	100	121	115	121
In House Professional Services	844	915	872	844	872
Support Services	4,092	3,801	4,563	4,092	4,563
	<b>21,201</b>	<b>18,607</b>	<b>19,211</b>	<b>21,201</b>	<b>19,211</b>
<b>Plus:</b>					
General Rates	8,354	8,379	8,232	8,343	8,131
Rates Penalties	139	150	121	139	121
Investment Income	1,856	1,956	1,091	630	618
Profit on Sale of Assets	0	1,200	65	17	65
Gain on Sale of Investment Property	28	0	0	28	0
Vested Assets	0	50	0	0	0
Sundry Income	3	0	8	3	8
Gain on Derivative Contracts	0	0	0	0	0
Gain on Revaluation of Investment Land	0	169	0	3	0
Group Income	0	0	0	7,701	8,027
Share in Profit/(Loss) of Associate	0	0	0	7	3
	<b>31,584</b>	<b>30,512</b>	<b>28,728</b>	<b>38,072</b>	<b>36,184</b>
<b>Less:</b> Internal Recoveries	(5,237)	(5,056)	(5,263)	(5,237)	(5,263)
<b>Total Operating Revenue</b>	<b>26,347</b>	<b>25,456</b>	<b>23,465</b>	<b>32,835</b>	<b>30,921</b>

\* This total includes outport dredging Income of \$1.38 million performed by the vessel Kawatiri.



Expenditure by Activity	Parent			Group	
	2018/2019 Actual \$000	2018/2019 LTP Budget \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Governance	1,342	1,210	1,337	1,342	1,337
Community Services	3,901	3,924	4,110	3,901	4,110
Regulatory	1,669	1,856	1,874	1,669	1,874
Amenities & Reserves	4,404	3,056	2,684	4,404	2,684
Roading & Urban Development	3,826	3,614	4,235	3,826	4,235
Solid Waste	1,134	963	1,073	1,134	1,073
Water Supplies	1,696	2,012	2,230	1,696	2,230
Wastewater	1,412	1,463	1,386	1,412	1,386
Stormwater	274	272	228	274	228
Airport	169	131	147	169	147
In House Professional Services	876	896	880	874	880
Support Services	4,477	4,237	4,715	4,476	4,715
	<b>25,180</b>	<b>23,634</b>	<b>24,899</b>	<b>25,180</b>	<b>24,899</b>
<b>Plus:</b>					
Depreciation & Amortisation					
- Governance	0	0	0	0	0
- Community Services	311	264	338	311	338
- Regulatory	51	28	81	51	81
- Amenities & Reserves	675	676	583	675	583
- Roothing & Urban Development	3,147	3,041	3,018	3,147	3,018
- Solid Waste	80	82	81	80	81
- Water Supplies	818	939	899	818	899
- Wastewater	819	863	862	819	862
- Stormwater	270	249	246	270	246
- Airport	41	53	57	41	57
- In House Professional Services	7	8	8	7	8
- Support Services	120	248	133	120	133
- Group Depreciation	0	0	0	1,388	1,340
Other Group Expenses	0	0	0	5,597	5,978
Assets Written Off	344	501	735	344	735
Loss on Sale of Assets	30	0	17	31	(45)
Loss on Derivative Contracts	1,072	0	294	1,072	294
Loss on Revaluations of Investment Land	0	0	26	17	26
Loss on Revaluations of Assets Held for Sale	2	0	0	2	0
Loss on Sale of Investment Property	75	0	6	75	6
<b>Less:</b>					
Internal Recoveries	(5,237)	(5,056)	(5,263)	(5,237)	(5,263)
Internal Interest	(567)	(587)	(594)	(567)	(594)
<b>Total Expenditure</b>	<b>27,238</b>	<b>24,943</b>	<b>26,426</b>	<b>34,241</b>	<b>33,682</b>

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Operating Surplus was determined after accounting for:</b>				
<b>Fees to Principal Auditor:</b>				
Audit fees for financial statement audit	114	111	195	187
Additional Audit Fees Recoverable 2018/2019 Audit	5	0	0	0
Audit fees for long term plan audit	0	76	0	76
Audit fees (1/2 share WAA)	5	4	5	4
Grants and Donations Expense	659	1,089	659	1,089
Lease Income	415	515	347	344
Lease Expense	62	47	103	88
<b>Movement in provision doubtful debts:</b>				
Accounts Receivable	25	(17)	25	(243)
	<b>1,285</b>	<b>1,825</b>	<b>1,334</b>	<b>1,545</b>

## (i) Remuneration

During the year to 30 June 2018 the total remuneration and value of non-financial benefits received by or payable to the Mayor, other Councillors and the Chief Executive of the Council were as follows:

	Parent	
	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Chief Executive:</b>		
K Marshall (resigned 26/10/2018)	88,485	15,000
Andy Gowland-Douglas (resigned 11/05/2018)	0	298,799
Sharon Mason (commenced 29/10/2018)	155,000	0
<b>Total Chief Executive:</b>	<b>243,485</b>	<b>313,799</b>
<b>Mayor:</b>		
Garry Howard	83,358	77,649
<b>Councillors:</b>		
Gregory Hart (resigned 07/06/2019)	19,041	18,548
Dave Hawes	19,414	18,548
Robyn Nahr	23,697	21,497
Graeme Neylon	36,962	33,871
Sharon Roche	31,355	28,206
Philip Rutherford	25,607	24,664
Shayne Barry	24,553	18,548
Jamie Cleine	20,323	18,735
Emily Miazga	19,470	18,548
Rosalie Sampson	20,877	6,865
<b>Total Mayor and Councillors</b>	<b>324,657</b>	<b>285,679</b>

## (ii) Severance Payments

During the year to 30 June 2019 no severance payments were made (2017/2018: one severance payment totalling \$111,390).

### (iii) Employee staffing levels and remuneration

2018/2019	2017/2018
Actual	Actual
\$000	\$000

**Number of employees:**

Fulltime	42.0	37.0
Fulltime Equivalent of other employees	16.9	15.7

Buller District Council defines a full time equivalent employee as one that works a minimum of 40 hours per week. However in 2018/2019 there were two employees who work 37.5 hours per week under historic employment agreements (2017/2018: 2 employees). These employees are regarded as full time employees for the purposes of this disclosure. At balance date the total number of employees employed by Council was 80 (2017/2018: 70).

### Remuneration Levels

#### 2018/2019

	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$119,999	\$160,000 to \$239,999
<b>Number of Employees</b>	42	19	6	7	5

#### 2017/2018

	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$179,999	\$180,000 to \$199,999
<b>Number of Employees</b>	42	12	9	7	0

The Local Government Act (2002) requires that if the number of employees in a remuneration band is 5 or fewer then that band is combined with the next highest band. In 2018/2019 there were 5 or fewer employees in the \$160,000 to \$179,999 bands, hence inclusion of those employees in a \$160,000 to \$239,999 remuneration band.

(In 2017/2018 there were 5 or fewer employees in the \$100,000 to \$119,999, \$120,000 to \$139,999, \$140,000 to \$159,999 and \$160,000 to \$179,999 bands, hence inclusion of those employees in a \$100,000 to \$179,999 remuneration band.)

Components of Tax Expense	Parent		Group	
	2018/2019	2017/2018	2018/2019	2017/2018
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Current tax expenses	0	0	0	0
Adjustments to current tax in prior year	0	0	0	0
Deferred tax expenses	0	0	(53)	(73)
<b>Income Tax Expense</b>	<b>0</b>	<b>0</b>	<b>(53)</b>	<b>(73)</b>

Relationship between Tax and Accounting Profit	Parent		Group	
	2018/2019	2017/2018	2018/2019	2017/2018
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
<b>Surplus/(Deficit) before Tax</b>	(891)	(2,961)	(1,406)	(2,905)
Tax @ 28%	(249)	(829)	(394)	(813)
Non-Deductible Expenditure	0	0	0	55
Non-Taxable Revenue	(48)	313	341	686
Change in Building Depreciation	0	0	0	0
Prior Year Adjustment	0	0	0	(1)
Group Loss Offset	344	128	0	0
Temporary Differences Not Recognised	0	0	0	0
Tax Losses Not Recognised	(47)	388	0	0
Deferred Tax Adjustments	0	0	0	0
<b>Tax Expense</b>	<b>0</b>	<b>0</b>	<b>(53)</b>	<b>(73)</b>

## Deferred Tax Assets/(Liabilities)

Parent	Property, Plant and Equipment	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2017	(154)	0	0	154	0
Credited to Profit & Loss	(29)	0	0	29	0
<b>Balance at 1 July 2018</b>	<b>(183)</b>	<b>0</b>	<b>0</b>	<b>183</b>	<b>0</b>
Credited to Profit & Loss	143	0	0	(143)	0
Charged to Equity	0	0	0	0	0
<b>Balance at 1 July 2019</b>	<b>(40)</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>0</b>

Group	Property, Plant and Equipment	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2017	(2,074)	159	127	258	(1,530)
Credited to Profit & Loss	85	(20)	(102)	110	73
<b>Balance at 1 July 2018</b>	<b>(1,989)</b>	<b>139</b>	<b>25</b>	<b>368</b>	<b>(1,457)</b>
Credited to Profit & Loss	63	18	8	(36)	53
Charged to Equity	0	0	0	0	0
<b>Balance at 1 July 2019</b>	<b>(1,926)</b>	<b>157</b>	<b>33</b>	<b>332</b>	<b>(1,404)</b>

## Additional disclosures

2018/2019: A deferred tax asset has not been recognised in relation to tax losses of \$1,041,412 (2018/2018: \$1,208,204).



	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Surplus/(Deficit) before Tax</b>	(891)	(2,961)	(1,200)	(2,832)
<b>Add/(Less) Non-cash Items</b>				
Depreciation & Amortisation Expense	6,340	6,306	7,728	7,647
Impairment	0	0	0	0
Movement in Provisions	247	44	247	(17)
Movement in Deferred Taxation	0	0	(208)	(73)
Donated Assets	0	0	0	0
Other Non Cash Items	0	0	0	0
Vested Assets	0	0	0	0
Loan Amortisation	(3)	(8)	0	0
(Gains)/Losses on Derivative Financial Instruments	1,072	294	1,072	294
	<b>7,656</b>	<b>6,636</b>	<b>8,839</b>	<b>7,851</b>
<b>Add/(Less) Items as Investing Activities:</b>				
(Gains)/Losses on Disposal of Investment Property and PPE	76	(42)	58	(59)
Non Cash Movement in Fixed Assets	343	663	71	883
(Gains)/Losses in Fair Value of Investment Property	(3)	26	17	28
	<b>416</b>	<b>647</b>	<b>146</b>	<b>852</b>
<b>Add/(Less) Movements in Working Capital Items:</b>				
Trade and Other Receivables	(1,155)	430	(450)	(144)
Inventories	4	(6)	6	78
Other Current Assets	(170)	(4)	(235)	96
Trade and Other Payables	(46)	221	619	(84)
Employee Benefits	2	(78)	42	(142)
	<b>(1,365)</b>	<b>563</b>	<b>(18)</b>	<b>(196)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>5,816</b>	<b>4,885</b>	<b>7,767</b>	<b>5,675</b>

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Cash at bank and in hand</b>	2,725	3,119	5,837	6,008
Short term deposits maturing three months or less from the date of acquisition	0	0	0	0
<b>Total cash and cash equivalents</b>	<b>2,725</b>	<b>3,119</b>	<b>5,837</b>	<b>6,008</b>

■ The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

### Cash and bank overdrafts include the following for the purpose of the Cashflow Statements:

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Cash at bank and in hand</b>	2,725	3,119	5,837	6,008
Short term bank deposits maturing within three months	0	0	0	0
Bank overdrafts	0	0	0	0
	<b>2,725</b>	<b>3,119</b>	<b>5,837</b>	<b>6,008</b>

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Trade Receivables</b>	1,719	1,591	2,590	2,460
<b>Amounts due from Controlled Entities (excluding GST):</b>				
WestReef Ltd	16	6	0	0
Buller Holdings Ltd	0	72	0	0
Buller Recreation Ltd	0	0	0	0
Buller Health Trust	0	0	0	0
Interest Receivable	85	67	85	67
Dividend / Subvention Receivable	1,227	458	0	0
<b>Other Receivables:</b>				
NZTA Rooding Subsidies	1,237	965	1,237	965
Rates Receivable	1,216	1,161	1,216	1,161
	<b>5,500</b>	<b>4,320</b>	<b>5,128</b>	<b>4,653</b>
<b>Less:</b>				
Provisions for doubtful debts	(257)	(232)	(257)	(232)
	<b>5,243</b>	<b>4,088</b>	<b>4,871</b>	<b>4,421</b>
<b>Represented by:</b>				
Current Portion	5,243	4,088	4,871	4,421
Term Portion	0	0	0	0
Buller District Council has classified the following receivables as exchange transactions	2,039	1,214	2,911	2,082
Buller District Council has classified the following receivables as non exchange transactions	3,204	2,874	1,961	2,339
	<b>5,243</b>	<b>4,088</b>	<b>4,871</b>	<b>4,421</b>

## Fair Value

Trade and other receivables are non-interest bearing and receipt is normally on 30 day terms. The carrying value of trade, and other receivables (excluding loans to related parties and community loans) approximates their fair value.

## Impairment

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

Buller District Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within 3 months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale of lease or the rating unit.

	2018/2019			2017/2018		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	4,625	0	4,625	3,553	0	3,553
Past due 1-60 days	74	0	74	69	0	69
Past due 61-120 days	41	0	41	17	0	17
Past due > 120 days	760	257	503	681	232	448
<b>Total</b>	<b>5,500</b>	<b>257</b>	<b>5,243</b>	<b>4,320</b>	<b>232</b>	<b>4,088</b>
<b>Group</b>						
Not past due	4,185	0	4,185	3,618	0	3,618
Past due 1-60 days	129	0	129	95	0	95
Past due 61-120 days	51	0	51	19	0	19
Past due > 120 days	763	257	506	690	232	457
<b>Total</b>	<b>5,128</b>	<b>257</b>	<b>4,871</b>	<b>4,421</b>	<b>232</b>	<b>4,189</b>

### Provision for Impairment:

The doubtful debt provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors as detailed below:

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Individual Impairment	257	232	257	232
<b>Total Provision for Impairment</b>	<b>257</b>	<b>232</b>	<b>257</b>	<b>232</b>

### Individual Impairment:

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows.

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Past Due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	0	0
Past due > 120 days	257	232	257	232
<b>Total Individual Impairment</b>	<b>257</b>	<b>232</b>	<b>257</b>	<b>232</b>

### Movement in the provision for impairment of receivables are as follows:

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
At 1 July	232	249	232	249
Additional provisions made during the year	25	0	25	0
Provisions reversed during the year	0	(17)	0	(17)
<b>At 30 June</b>	<b>257</b>	<b>232</b>	<b>257</b>	<b>232</b>

■ Buller District Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. Except for rates receivables when the Council has legislative powers to recover any outstanding debts.

■ The carrying value of receivables that would otherwise be past due or impaired whose terms have been re-negotiated is nil (2018: nil).

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Other current assets:</b>				
Work In Progress	22	22	24	24
Prepayments	186	16	212	(23)
	208	38	236	1

As at 30 June 2019 the assets held for sale, being surplus to requirements are listed below (2017/2018: Council had investment land, an item of plant and equipment, a motor vessel and two motor vehicles for sale).

As at 30 June 2019 the Motor Vessels are recognised at carrying value (2017/2018: carrying value).

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Non-current Assets held for sale are:</b>				
Investment Property	106	118	106	118
Westport Transfer Station Portable Weighbridge	0	36	0	36
Motor Vessel	168	168	168	168
Motor Vehicles	2	0	2	0
	<b>276</b>	<b>322</b>	<b>276</b>	<b>322</b>



Investment in CCOs	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Investment in CCOs (Buller Holdings Ltd)	17,275	17,202	0	0
Investment in CCOs (Loans to Subsidiaries)	1,500	2,364	0	0
Investments in other CCOs (NZ Local Government Insurance Corporation Ltd)	45	43	45	43
<b>Total Investment in CCOs</b>	<b>18,820</b>	<b>19,609</b>	<b>45</b>	<b>43</b>

**Other Investments:**

Investment in Associate	0	0	38	37
Term Deposits (maturity greater than one year)	0	1,638	0	1,638
DWC Community Loans	54	41	54	41
Bond Deposits	66	66	66	66
Borrower Notes LGFA	320	320	320	320
<b>Total Other Investments</b>	<b>440</b>	<b>2,065</b>	<b>478</b>	<b>2,102</b>

- Council subscribed for 73,000 of additional shares in Buller Holdings Limited in 2018/2019 for \$73,000 in cash payments. The equity was to be used to fund capital expenditure in Buller Recreation Limited (2017/2018: \$109,149 of additional shares acquired by Buller District Council).
- The was no impairment of investment in Buller Holdings in 2018/2019 (2017/2018: Buller District Council investment in Buller Holdings Limited was not impaired).

## Investments Acquired

	2018/2019 Actual \$000	2017/2018 Actual \$000
Investments acquired - shares issued by Buller Holdings Limited	73	109
Investments acquired (disposed of) - advances and loans	0	0
	<b>73</b>	<b>109</b>

- All loans to Council Controlled Organisations have been advanced at market interest rates. With the exception of a loan advance to Buller Recreation Limited (BRL) from Council which was loaned to Council from the Energy Efficiency and Conservation Authority (EECA) at nil interest. The loan was used for energy efficiency initiatives at the Pulse Energy Recreation Centre and was paid in full in 2017/2018.

## Movements in the carrying value of the EECA loan to BRL are as follows:

	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>At 1 July</b>	0	76
Loans repaid during the year (principal and interest)	0	(80)
Unwind of discount and interest charged	0	4
<b>At 30 June</b>	<b>0</b>	<b>0</b>

- The fair value of loans to related parties in 2018/2019 is \$1,500,000 (2017/2018: \$2,364,000). Fair value has been determined using cash flows discounted at a rate based on market interest rates including an additional risk to take into account the specific risks of each loan. The interest rate on the loan of \$1,500,000 to Buller Holdings Ltd is 2.69%.

Investment Property	Parent		Group	
	2018/2019	2017/2018	2018/2019	2017/2018
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Balance at 1 July	7,793	7,688	7,253	7,147
Additions	0	300	0	300
Transfers to Non Current Assets Held for Sale	(53)	(64)	(53)	(64)
Disposals/Adjustments	(197)	(105)	(197)	(104)
Fair value gains/(losses) on valuation	3	(26)	(17)	(26)
Balance at 30 June	7,546	7,793	6,986	7,253

Investment Property - Revenue and Expenses	Parent		Group	
	2018/2019	2017/2018	2018/2019	2017/2018
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Rental Revenue from Investment Property	240	211	172	143
Direct Expenses of Income Generating Investment Property	25	36	25	36
Direct Expenses of Non-income Generating Investment Property	0	0	0	0

■ Buller District Council investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence as at 30 June 2019. The valuation was performed by Quotable Value, an independent valuer. Quotable Value are an experienced valuer with extensive market knowledge in the types of investment properties owned by Council. The total value of investment property valued by Quotable Value as at 30 June 2019 was \$7,546,000 (2017/2018: \$7,793,000).

■ As at 30 June 2019 there were two leasehold properties lodged at Council's solicitors pending completion of sale, this is disclosed in note 11. (2017/2018: one property).

# Council 2019

## Infrastructure Assets

	Cost/ Revaluation 01-07-18	Accumulated Depreciation	Carrying Amount 01-07-18	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-19	Accumulated Depreciation 30-06-19	Carrying Amount 30-06-19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,396	0	19,396	6	0	0	0	0	0	0	0	19,402	0	19,402
Sewerage	29,521	(850)	28,671	563	(46)	0	0	(819)	(1,669)	0	(359)	28,006	0	28,006
Stormwater	11,229	(246)	10,993	172	(13)	0	0	(270)	(516)	0	(327)	10,541	0	10,541
Roads and Bridges	213,496	(3,012)	210,484	2,331	(170)	0	0	(3,139)	(6,151)	0	44,660	254,162	0	254,162
Water supplies	29,081	(895)	28,186	792	(100)	0	0	(818)	(1,713)	0	(420)	27,636	0	27,636
Airport runway	206	(127)	79	135	0	0	0	(8)	0	0	0	341	(135)	206
Landfills/Transfer Stations	1,807	(779)	1,028	30	0	0	0	(66)	0	0	0	1,837	(845)	992
Wharves	1,999	(711)	1,288	0	0	0	0	(32)	0	0	0	1,999	(743)	1,256
Work in Progress	599	0	599	4,088	0	0	0	0	0	(73)	0	4,614	0	4,614
	<b>307,334</b>	<b>(6,620)</b>	<b>300,724</b>	<b>8,117</b>	<b>(329)</b>	<b>0</b>	<b>0</b>	<b>(5,152)</b>	<b>(10,049)</b>	<b>(73)</b>	<b>43,554</b>	<b>348,538</b>	<b>(1,723)</b>	<b>346,815</b>

## Other Fixed Assets

	Cost/ Revaluation 01-07-18	Accumulated Depreciation	Carrying Amount 01-07-18	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-19	Accumulated Depreciation 30-06-19	Carrying Amount 30-06-19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	5,428	0	5,428	0	0	0	0	0	0	0	0	5,428	0	5,428
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	19,779	(6,585)	13,194	417	(2)	0	0	(543)	0	0	0	20,194	(7,128)	13,066
Office Equipment, Furniture & Fittings	1,965	(1,729)	236	97	0	0	0	(77)	0	0	0	2,062	(1,806)	256
Vehicles	1,025	(797)	228	64	(13)	0	0	(75)	0	0	0	1,076	(872)	204
Library Books	997	(908)	89	53	0	0	0	(95)	0	0	0	1,050	(1,003)	47
Plant and Equipment	2,263	(1,841)	422	43	0	0	0	(155)	0	0	0	2,306	(1,996)	310
Other Assets	4,413	(2,035)	2,378	707	(7)	0	0	(206)	0	0	0	5,113	(2,241)	2,872
Vessels	4,339	(4,339)	0	0	0	0	0	0	0	0	0	4,339	(4,339)	0
Work in Progress	235	0	235	394	0	0	0	0	0	(53)	0	576	0	576
	<b>40,444</b>	<b>(18,234)</b>	<b>22,210</b>	<b>1,775</b>	<b>(22)</b>	<b>0</b>	<b>0</b>	<b>(1,151)</b>	<b>0</b>	<b>(53)</b>	<b>0</b>	<b>42,144</b>	<b>(19,385)</b>	<b>22,759</b>
<b>TOTAL</b>	<b>347,778</b>	<b>(24,854)</b>	<b>322,934</b>	<b>9,892</b>	<b>(351)</b>	<b>0</b>	<b>0</b>	<b>(6,303)</b>	<b>(10,049)</b>	<b>(126)</b>	<b>43,554</b>	<b>390,682</b>	<b>(21,108)</b>	<b>369,574</b>

■ Buller District Council completed a revaluation of infrastructure assets, effective 30 June 2019, which is included in the 2018-2019 Annual Report.

Group 2019

Infrastructure Assets

	Cost/ Revaluation 01-07-18	Accumulated Depreciation 01-07-18	Carrying Amount 01-07-18	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-19	Accumulated Depreciation 30-06-19	Carrying Amount 30-06-19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,400	0	19,400	6	0	0	0	0	0	0	0	19,406	0	19,406
Sewerage	29,501	(850)	28,651	443	(48)	0	0	(819)	(1,669)	0	(208)	28,019	0	28,019
Stormwater	11,241	(246)	10,995	128	(16)	0	0	(270)	(516)	0	(275)	10,562	0	10,562
Roads and Bridges	213,377	(3,012)	210,366	2,279	(170)	0	0	(3,139)	(6,151)	0	44,826	254,174	0	254,174
Water supplies	28,952	(895)	28,057	774	(102)	0	0	(818)	(1,713)	0	(257)	27,654	0	27,654
Airport runway	200	(123)	77	135	0	0	0	(8)	0	0	0	335	(132)	204
Landfills/Transfer Stations	1,762	(779)	983	3	0	0	0	(66)	0	0	0	1,765	(846)	920
Wharves	2,004	(711)	1,293	0	0	0	0	(33)	0	0	0	2,004	(743)	1,260
Work in Progress	599	0	599	4,088	0	0	0	0	0	(73)	0	4,614	0	4,614
	<b>307,037</b>	<b>(6,616)</b>	<b>300,421</b>	<b>8,107</b>	<b>(336)</b>	<b>0</b>	<b>0</b>	<b>(5,153)</b>	<b>(10,049)</b>	<b>(73)</b>	<b>44,086</b>	<b>348,535</b>	<b>(1,721)</b>	<b>346,814</b>

Other Fixed Assets

	Cost/ Revaluation 01-07-18	Accumulated Depreciation 01-07-18	Carrying Amount 01-07-18	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-19	Accumulated Depreciation 30-06-19	Carrying Amount 30-06-19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	6,138	0	6,138	0	0	0	0	0	0	0	0	6,138	0	6,138
Leasehold Improvements	249	(45)	204	31	0	0	0	(18)	0	0	0	280	(63)	217
Buildings	36,277	(12,308)	23,969	421	(2)	0	0	(1,202)	0	0	0	36,696	(13,510)	23,193
Office Equipment, Furniture & Fittings	2,464	(2,104)	360	127	(7)	0	139	(124)	0	0	0	2,584	(2,089)	495
Vehicles	6,744	(4,061)	2,686	591	(158)	0	7	(542)	0	0	0	7,177	(4,596)	2,584
Library Books	996	(907)	89	53	0	0	0	(95)	0	0	0	1,049	(1,002)	47
Plant and Equipment	4,302	(3,021)	1,281	290	(21)	0	21	(353)	0	0	0	4,571	(3,353)	1,218
Other Assets	4,312	(2,025)	2,287	682	(7)	0	0	(205)	0	0	0	4,987	(2,230)	2,757
Vessels	4,342	(4,339)	3	0	0	0	0	0	0	0	0	4,342	(4,339)	3
Work in Progress	238	0	238	394	0	0	0	0	0	(53)	0	579	0	579
	<b>66,062</b>	<b>(28,810)</b>	<b>37,255</b>	<b>2,589</b>	<b>(195)</b>	<b>0</b>	<b>167</b>	<b>(2,539)</b>	<b>0</b>	<b>(53)</b>	<b>0</b>	<b>68,403</b>	<b>(31,182)</b>	<b>37,231</b>
<b>TOTAL</b>	<b>373,099</b>	<b>(35,426)</b>	<b>337,676</b>	<b>10,445</b>	<b>(531)</b>	<b>0</b>	<b>167</b>	<b>(7,692)</b>	<b>10,049</b>	<b>(126)</b>	<b>44,086</b>	<b>416,938</b>	<b>(32,903)</b>	<b>384,045</b>

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Work in Progress: Property, plant and equipment in the course of construction by class of asset</b>				
Water System	4,342	590	4,342	590
Road Network	53	0	53	0
Other Assets	795	235	798	235
<b>Total Work in Progress</b>	<b>5,190</b>	<b>825</b>	<b>5,193</b>	<b>825</b>

### Council 2018

### Infrastructure Assets

	Cost/ Revaluation 01-07-17	Accumulated Depreciation 01-07-17	Carrying Amount 01-07-17	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-18	Accumulated Depreciation 30-06-18	Carrying Amount 30-06-18
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,402	0	19,402	0	(6)	0	0	0	0	0	0	19,396	0	19,396
Sewerage	26,762	(1,967)	24,795	227	(82)	0	0	(850)	(1,967)	0	4,585	29,521	(850)	28,671
Stormwater	10,211	(631)	9,580	47	(10)	0	0	(246)	(631)	0	1,626	11,229	(246)	10,993
Roads and Bridges	201,670	(7,341)	194,329	1,857	(480)	0	0	(3,012)	(7,341)	0	17,794	213,496	(3,012)	210,484
Water supplies	27,479	(1,921)	25,558	1,318	(143)	0	0	(895)	(1,921)	5	2,345	29,081	(895)	28,186
Airport runway	206	(119)	87	0	0	0	0	(8)	0	0	0	206	(127)	79
Landfills/Transfer Stations	1,802	(712)	1,090	5	0	0	0	(67)	0	0	0	1,807	(779)	1,028
Wharves	1,999	(678)	1,321	0	0	0	0	(33)	0	0	0	1,999	(711)	1,288
Work in Progress	162	0	162	442	0	0	0	0	0	(5)	0	599	0	599
	289,693	(13,369)	276,324	3,896	(721)	0	0	(5,111)	(11,860)	0	26,350	307,344	(6,620)	300,724

### Other Fixed Assets

	Cost/ Revaluation 01-07-17	Accumulated Depreciation 01-07-17	Carrying Amount 01-07-17	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-18	Accumulated Depreciation 30-06-18	Carrying Amount 30-06-18
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	4,433	0	4,433	995	0	0	0	0	0	0	0	5,428	0	5,428
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	19,273	(6,069)	13,204	545	0	0	0	(516)	0	(40)	0	19,779	(6,585)	13,194
Office Equipment, Furniture & Fittings	1,851	(1,663)	188	66	(2)	0	0	(66)	0	50	0	1,965	(1,729)	236
Vehicles	1,001	(711)	290	62	(38)	0	0	(86)	0	0	0	1,025	(797)	228
Library Books	933	(811)	122	64	0	0	0	(97)	0	0	0	997	(908)	89
Plant and Equipment	2,207	(1,682)	525	56	0	0	0	(159)	0	0	0	2,263	(1,841)	422
Other Assets	4,056	(1,842)	2,214	292	(28)	0	0	(193)	0	93	0	4,413	(2,035)	2,378
Vessels	4,385	(4,338)	47	0	(46)	0	0	(1)	0	0	0	4,339	(4,339)	0
Work in Progress	147	0	147	191	0	0	0	0	0	(103)	0	235	0	235
	38,286	(17,116)	21,170	2,271	(114)	0	0	(1,118)	0	0	0	40,444	(18,234)	22,210
<b>TOTAL</b>	<b>327,979</b>	<b>(30,485)</b>	<b>297,494</b>	<b>6,167</b>	<b>(835)</b>	<b>0</b>	<b>0</b>	<b>(6,229)</b>	<b>(11,860)</b>	<b>0</b>	<b>26,350</b>	<b>347,788</b>	<b>(24,854)</b>	<b>322,934</b>

■ Buller District Council completed a revaluation of infrastructure assets effective 1 July 2017 which is included in the 2017/2018 Annual Report. This infrastructure assets revaluation was originally scheduled to be completed as at 30 June 2017.



## Group 2018

### Infrastructure Assets

	Cost/ Revaluation 01-07-17	Accumulated Depreciation 01-07-17	Carrying Amount 01-07-17	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-18	Accumulated Depreciation 30-06-18	Carrying Amount 30-06-18
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,402	0	19,402	0	(6)	0	0	0	0	0	0	19,400	0	19,400
Sewerage	26,641	(1,967)	24,674	198	(82)	0	0	(850)	(1,967)	5	4,706	29,501	(850)	28,651
Stormwater	10,131	(632)	9,499	42	(10)	0	0	(246)	(632)	8	1,702	11,241	(246)	10,995
Roads and Bridges	201,230	(7,337)	193,893	1,720	(480)	0	0	(3,012)	(7,337)	8	18,236	213,377	(3,012)	210,366
Water supplies	26,768	(1,921)	24,847	1,180	(143)	0	0	(895)	(1,921)	14	3,054	28,952	(895)	28,057
Airport runway	195	(115)	80	0	0	0	0	(8)	0	0	0	200	(123)	77
Landfills/Transfer Stations	1,752	(712)	1,040	5	0	0	0	(67)	0	14	0	1,762	(779)	983
Wharves	1,999	(678)	1,321	0	0	0	0	(33)	0	5	0	2,004	(711)	1,293
Work in Progress	162	0	162	442	0	0	0	0	0	(5)	0	599	0	599
	288,280	(13,362)	274,918	3,587	(721)	0	0	(5,111)	(11,857)	49	27,698	307,037	(6,616)	300,421

### Other Fixed Assets

	Cost/ Revaluation 01-07-17	Accumulated Depreciation 01-07-17	Carrying Amount 01-07-17	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Elimination of Accumulated Depreciation on Valuation	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-18	Accumulated Depreciation 30-06-18	Carrying Amount 30-06-18
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	6,138	0	6,138	0	0	0	0	0	0	0	0	6,138	0	6,138
Leasehold Improvements	1,197	(1,006)	191	45	(998)	0	975	(14)	0	0	0	249	(45)	204
Buildings	35,975	(11,185)	24,790	623	(281)	0	100	(1,192)	0	(40)	0	36,277	(12,308)	23,969
Office Equipment, Furniture & Fittings	2,459	(2,111)	348	113	(158)	0	110	(107)	0	50	0	2,464	(2,104)	360
Vehicles	6,447	(3,879)	2,568	784	(485)	0	331	(514)	0	0	0	6,744	(4,061)	2,686
Library Books	931	(811)	120	64	0	0	0	(97)	0	0	0	996	(907)	89
Plant and Equipment	3,964	(2,685)	1,279	345	(8)	0	5	(341)	0	0	0	4,302	(3,021)	1,281
Other Assets	3,954	(1,842)	2,112	283	(28)	0	0	(193)	0	93	0	4,312	(2,025)	2,287
Vessels	4,385	(4,338)	47	0	(46)	0	0	(1)	0	0	0	4,342	(4,339)	0
Work in Progress	181	0	181	191	(34)	0	0	0	0	(103)	0	238	0	238
	65,631	(27,857)	37,774	2,448	(2,038)	0	1,521	(2,459)	0	0	0	66,062	(28,810)	37,252

### TOTAL

	353,911	(41,219)	312,692	6,035	(2,759)	0	1,521	(7,570)	(11,857)	49	27,698	373,099	(35,426)	337,673
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■ Buller District Council completed a revaluation of infrastructure assets effective 1 July 2017 which is included in the 2017/2018 Annual Report. This infrastructure assets revaluation was originally scheduled to be completed as at 30 June 2017.

Cost	Parent		Group		
	Software & Licences \$000	Total \$000	Goodwill \$000	Software & Licences \$000	Total \$000
Balance at 1 July 2017	742	742	698	772	1,470
Transfers	0	0	0	0	0
Additions	8	8	0	8	8
Disposals	20	20	0	20	20
Balance at 30 June 2018	730	730	698	760	1,458
Balance at 1 July 2018	730	730	698	760	1,458
Transfers	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Balance at 30 June 2019	730	730	698	760	1,458

## Accumulated Amortisation and Impairment

Balance at 1 July 2017	636	636	0	664	664
Transfers	0	0	0	0	0
Amortisation charge	59	59	0	60	60
Disposals	20	20	0	20	20
Balance at 30 June 2018	675	675	0	704	704
Balance at 1 July 2018	675	675	0	704	704
Transfers	0	0	0	0	0
Amortisation	43	43	0	43	43
Disposals	0	0	0	0	0
Balance at 30 June 2019	718	718	0	747	747

## Carrying Amounts

Balance at 30 June 2018	55	55	698	56	754
Balance at 30 June 2019	12	12	698	13	711

■ Goodwill has been assessed for impairment during the year. Due to the performance of the subsidiary during the period it was determined that goodwill was not impaired.

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Trade payables</b>	<b>2,077</b>	<b>1,662</b>	<b>3,421</b>	<b>2,803</b>
<b>Amounts due to related parties:</b>				
WestReef Ltd	1,044	977	0	0
Buller Arts & Recreation Trust	0	0	0	0
Buller Health Trust	0	0	0	0
Buller Holdings Ltd	0	0	0	0
Buller Recreation Ltd	0	0	0	0
Westport Harbour Ltd	0	0	0	0
Revenue Received in Advance	602	600	602	600
<b>Total Trade and Payables</b>	<b>3,723</b>	<b>3,239</b>	<b>4,023</b>	<b>3,404</b>
Buller District Council has classified the following payables as exchange transactions	2,922	2,484	3,222	2,648
Buller District Council has classified the following payables as non exchange transactions	801	755	801	756
<b>Total</b>	<b>3,723</b>	<b>3,239</b>	<b>4,023</b>	<b>3,404</b>

■ Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Current Asset Portion:</b>				
Interest Rate Swaps	0	0	0	0
<b>Total Current Asset Portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-Current Asset Portion:</b>				
Interest rate swaps	0	0	0	0
<b>Total Non-Current Asset Portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Liability Portion</b>				
Interest rate swaps	0	0	0	0
<b>Total Current Liability Portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-Current Liability Portion</b>				
Interest rate swaps	2,122	1,050	2,122	1,050
<b>Total Non-Current Liability Portion</b>	<b>2,122</b>	<b>1,050</b>	<b>2,122</b>	<b>1,050</b>

- The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2019 were \$19,340,000 (2017/2018: \$18,340,000).
- At 30 June 2019 the fixed interest rates of interest rate swaps range from 3.19% to 4.34% (2017/2018: 3.19% to 4.34%).
- The interest rate swaps have been included at fair value.
- The termination date of the interest rate swap contracts of \$17,000,000 at 30 June 2019 range from 29 March 2022 to 31 December 2026 (2017/2018: 29 March 2022 to 31 March 2026 ).

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Accrued pay	101	91	104	124
Annual Leave & Long Service Leave	548	497	1,164	1,046
Retirement Gratuities	102	160	128	183
<b>Total Employment Benefit Liabilities</b>	<b>751</b>	<b>748</b>	<b>1,396</b>	<b>1,353</b>
<b>Comprising:</b>				
Current	595	585	1,212	1,165
Non-current	156	163	184	188
<b>Total Employee Benefit Liabilities</b>	<b>751</b>	<b>748</b>	<b>1,396</b>	<b>1,353</b>

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Current:</b>				
Bank overdraft	0	0	0	0
Secured loans	5,000	5,000	5,000	5,000
<b>Total Current Borrowings</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Non-Current:</b>				
Secured loans	21,774	19,774	21,774	19,774
<b>Total Non-Current Borrowings</b>	<b>21,774</b>	<b>19,774</b>	<b>21,774</b>	<b>19,774</b>
<b>Total Borrowings</b>	<b>26,774</b>	<b>24,774</b>	<b>26,774</b>	<b>24,774</b>

■ On 4 November 2016 Council negotiated a \$20,000,000 facility with the Local Government Funding Agency (LGFA). An additional commercial debt facility is in place for \$12,000,000 and matures on 1 July 2021 (2017/2018: \$7,000,000 commercial debt facility maturing 1 July 2020).

■ Buller District Council has debt of \$7,433,860 on floating interest rates (2017/2018: \$6,433,860). \$4,433,860 of this floating interest rate is set quarterly at the 90-day bill rate + 0.95%. The remaining \$3,000,000 is set quarterly by LGFA.

■ Council has interest rate swaps and floating rates for fixed interest rates for \$19,340,000 (2017/2018: \$18,340,000) of this debt. For more details of the swaps refer to note 16 in the financial accounts.

#### Credit Cards

■ Council has credit card facilities provided by Westpac Banking Corporation with credit limits totalling \$30,000 (2017/2018: \$30,000).

#### Security

■ The overdraft is secured by a general security agreement. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2017/2018: \$500,000). There are no restrictions on the use of this facility.

■ Council's loans are secured over either separate or general rates of the district.

#### Refinancing

■ Council manages its borrowings in accordance with its funding and financial policies, which includes a Treasury policy. These policies have been adopted as part of Council's Long Term Plan 2018-2028.

#### Maturity Analysis and Effective Interest Rates

The following is a maturity analysis of Council's borrowings:

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
<b>2018/2019</b>			
Less than one year	0	0	5,000
<i>Weighted average effective interest rate</i>	8.4%	8.4%	4.5%
Later than one year but not more than five years	0	0	21,774
<i>Weighted average effective interest rate</i>	0.0%	0.0%	3.8%
Later than five years	0	0	0
<i>Weighted average effective interest rate</i>	0.0%	0.0%	0.0%
	<b>0</b>	<b>0</b>	<b>26,774</b>

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
<b>2017/2018</b>			
Less than one year	0	0	5,000
<i>Weighted average effective interest rate</i>	8.1%	8.1%	4.6%
Later than one year but not more than five years	0	0	19,774
<i>Weighted average effective interest rate</i>	0.0%	0.0%	4.1%
Later than five years	0	0	0
<i>Weighted average effective interest rate</i>	0.0%	0.0%	0.0%
	<b>0</b>	<b>0</b>	<b>24,774</b>



### Fair value of non-current borrowings

The carrying amounts of borrowings are at market interest rates and approximate their fair values.

### Internal Borrowings

Council has internal borrowings. Internal borrowings are funds which are utilised from Councils term deposits with banks, generally on terms which are more favourable than borrowing the funds externally. The cost of borrowing these funds is then allocated to the activities that utilise them. Internal borrowing are eliminated on consolidation of activities in the Council's financial statements.

**Council had the following internal loans allocated to the listed Groups of Activities at balance date:**

<b>2017/2018</b>	Loans repaid during period \$000	Loans drawn down during period \$000	Interest paid for the year \$000	Balance as at 30 June \$000
Support Services	0	0	0	0
Community Services	87	364	0	2,014
Regulatory Services	6	0	6	75
Property Management , Amenities & Reserves	75	0	59	1,040
Water Supplies	99	0	97	1,388
Solid Waste	62	0	64	1,053
Wastewater	285	0	249	4,271
Stormwater	24	0	24	351
Roading	4	0	5	121
Professional Services Business Unit	0	0	0	0
	642	364	504	10,313

<b>2018/2019</b>	Loans repaid during period \$000	Loans drawn down during period \$000	Interest paid for the year \$000	Balance as at 30 June \$000
Support Services	0	0	0	0
Community Services	101	0	96	1,913
Regulatory Services	7	0	6	69
Property Management , Amenities & Reserves	80	0	54	960
Water Supplies	106	0	90	1,281
Solid Waste	66	0	60	986
Wastewater	301	0	234	3,970
Stormwater	26	0	22	325
Roading	5	0	5	116
Professional Services Business Unit	0	0	0	0
	692	0	567	9,620

Environmental Provision	Landfill Aftercare Provision	Contaminated Site Remediation	Total Environmental Provisions	Total Environmental Provisions
	2018/2019 Actual \$000	2018/2019 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Opening Balance	1,585	9	1,594	1,601
Additional Provisions	0	0	0	0
Amounts Used	(26)	0	(26)	(28)
Other Adjustments (incl. un-used provision reversed)	(11)	0	(11)	(9)
Discounting Changes	112	0	112	29
Closing Balance	1,660	9	1,669	1,594

Provision for Slipping	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Opening Balance	51	0	51	297
Additional Provisions	172	51	172	51
Amounts Used	0	0	0	(297)
Other Adjustments	0	0	0	0
Closing Balance	223	51	223	51

■ 2018/2019: The Provision for Slipping is included in the Current Liability section of the Parent Total Provisions table.

■ 2017/2018: The opening Group Provision for Slipping was provided by Westport Harbour Limited for the Kawatiri Dredge which is owned by Council. The transactions reflect the transfer of Westport Harbour to Buller District Council operations during the financial year.

Total Provisions	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Council and Group:</b>				
Current Liability	259	87	259	87
Non-current Liability	1,633	1,558	1,633	1,558
	1,892	1,645	1,892	1,645

Onerous Lease	2018/2019 Actual \$000	2017/2018 Actual \$000
	Opening Balance	0
Additional Provisions	0	0
Amounts Used	0	0
Other Adjustments	0	(61)
Closing Balance	0	0

■ 2018/2019: Buller District Council has no obligations under any lease considered onerous.

■ 2017/2018: The non-cancellable lease that expires in 2023 was transferred to Buller District Council with the transfer of port operations in March 2018. The lease is no longer assessed as onerous as the facilities will continue to be used in the ongoing delivery of port services.

**Landfill Aftercare Provision**

Council has responsibility under its resource consents to provide ongoing maintenance and monitoring of its landfills after the sites are closed. Council’s closure and post closure responsibilities include:

**Closure responsibilities:**

- Lay cover and re-vegetation
- Drainage control
- Water quality monitoring

**Post Closure responsibilities:**

- Ground and surface water quality monitoring
- Landfill gas monitoring
- Site maintenance
- Mitigation of environmental effects identified
- Annual reporting in accordance with consent conditions

**The expected closure dates for Council’s landfill sites are as follows:**

Westport	- closed 2008 (now capped)
Birchfield	- closed 2005
Karamea	- 2034
Ikamatua	- closed 2005
Charleston	- closed 2010 (now capped)
Mawheraiti	- closed 2005
Inangahua	- closed 2010 (now capped)
Reefton	- closed 2005
Maruia	- 2021

■ The cash outflows for landfill post-closure costs have been estimated to occur for a period of 25-50 years from the closure of the site. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 3.85% which is based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2017/2018: 4.16%).

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Opening Balance as at 1 July</b>	166,340	169,441	161,235	164,206
Net Surplus (Deficit) for the period	(891)	(2,961)	(1,353)	(2,831)
Transfer from Reserves	1,282	731	1,282	731
Transfer from Property Revaluation Reserve on disposal	404	416	404	416
Transfer to Reserves	(1,383)	(1,287)	(1,383)	(1,288)
<b>Balance at 30 June</b>	165,752	166,340	160,185	161,235

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Balance as at 1 July	5,549	4,992	5,549	4,992
<b>Add:</b> Transfer from Accumulated Funds	1,383	1,288	1,383	1,288
	6,932	6,280	6,932	6,280
<b>Less:</b> Transfer to Accumulated Funds	(1,282)	(731)	(1,282)	(731)
Balance at 30 June	5,650	5,549	5,650	5,549

## Reserve Fund Disclosures

The Local Government Act 2002 requires councils to provide a summary of the Reserve funds that it holds. This places more focus on the accounting for and disclosure of reserves. The Act defines reserve funds as “money set aside by a local authority for a specific purpose”. Reserves are part of equity which may or may not be physically backed by cash/investments.

Reserves are often used to separate a funding surplus of an activity. The Act requires Council to specify the amount deposited in the fund, and the amount withdrawn from the fund over the 10 year period that the Long Term Plan covers. Council does not transfer money from one reserve to fund another. Council also does not charge/pay ‘internal’ interest on any surplus or deficit balances that each individual reserve may have. Opening balance surpluses are usually due to approved committed projects not yet being undertaken or completed.

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2017		Transfers to Reserves		Transfers from Reserves		Balance as at 30 June 2018	
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	0	0	0	0	365	365
Community Development - Other	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	3,143	1,234	678		1,359	1,114	3,699	3,944
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	1,333	52	53		8	168	1,332	1,172
Miles Bequest	Property Management, Amenities and Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	0	0	0		0	0	0	0
Powell Bequest	Property Management, Amenities and Reserves	Funds bequested to Council for the purchase of public seating in Westport	0	0	0		0	0	0	0
Isdell Trust	Property Management, Amenities and Reserves	Funds bequested for the purpose of providing assistance towards relief of poverty, improvement of public reserves, parks and Crown Land, the erection of public or school gymnasiums, all educational purposes and recreations pursuits of benefit to society in promotion of public welfare.	0	0	0		14	0	0	14
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	4	2	0		2	0	6	8
Kater Plot	Property Management, Amenities and Reserves	n/a will be rounded down to 0	0	0	0		0	0	0	0
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	119	0	0		0	0	119	119
Sale of Gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11	0	0		0	0	11	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10	0	0		0	0	10	10
<b>TOTAL Reserves Only</b>			<b>4,992</b>	<b>1,288</b>	<b>731</b>		<b>1,383</b>	<b>1,282</b>	<b>5,549</b>	<b>5,650</b>
Refuse Collection	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection activity	0	0	0		0	0	0	0
Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the recycling activity	0	0	0		0	0	0	0
Contracted Refuse/ Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection and recycling activities	98	657	644		633	685	111	59
Karamea Solid Waste	Solid Waste		30	57	50		63	65	37	35
Maruia Solid Waste	Solid Waste		8	14	14		12	7	8	13
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(696)	1,999	2,639		2,183	1,690	(1,336)	(843)
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(53)	355	501		369	360	(199)	(190)
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	50	15	28		17	12	37	42
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	49	12	21		12	17	40	35
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	300	54	35		54	12	319	361

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2017		Transfers to Reserves		Transfers from Reserves		Balance as at 30 June 2019	
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	16	49	58	7	53	45	15	
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	543	74	142	475	74	32	517	
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(98)	69	201	(230)	292	388	(326)	
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(46)	11	49	(84)	16	43	(111)	
South Grantly Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	9	6	1	14	6	3	17	
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(20)	0	0	(20)	0	0	(20)	
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(841)	2,068	1,560	(333)	2,235	1,695	207	
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	442	337	291	488	339	509	318	
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	63	39	25	77	38	71	44	
Inangahua Junction Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(2)	0	0	(2)	0	0	(2)	
Punakaiki Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	0	(16)	0	0	(16)	
Punakaiki Camp	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(196)	68	121	(249)	43	88	(294)	
Punakaiki Sea Wall	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	0	2	0	0	2	
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(197)	188	240	(249)	215	235	(269)	
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	1	0	1	0	0	0	0	
<b>TOTAL Separate Balances Only</b>			<b>(556)</b>	<b>6,072</b>	<b>6,621</b>	<b>(1,103)</b>	<b>6,654</b>	<b>5,957</b>	<b>(407)</b>	
<b>TOTAL Reserves and Separate Balances</b>			<b>4,436</b>	<b>7,360</b>	<b>7,352</b>	<b>4,446</b>	<b>8,036</b>	<b>7,239</b>	<b>5,244</b>	

Please note: Reserves and Separate Balances are disclosed separately within the financial statements. The Reserves total in this note reconciles to the Reserves component of Equity in the financial statements. The Separate Balances total in this note is not included in Reserves within Equity but is included within the Accumulated Funds component of Equity in the financial statements.



	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Opening Balance as at 1 July</b>	169,976	144,043	172,393	145,087
Change in Asset Values through Comprehensive Revenue	43,556	26,350	44,086	27,723
Transfer to accumulated funds on disposal of assets	(404)	(416)	(404)	(416)
<b>Balance at 30 June</b>	<b>213,128</b>	<b>169,977</b>	<b>216,075</b>	<b>172,394</b>
<b>Comprising:</b>				
Library Books	258	258	258	258
Roads and Bridges	179,260	134,718	180,622	135,835
Sewerage	13,224	13,796	13,523	14,022
Stormwater	8,505	8,826	8,848	8,979
Water Supplies	11,863	12,363	12,806	13,284
Landfill	0	0	0	0
Assets held for sale	0	0	0	0
Investment Revaluation Reserve	18	16	18	16
<b>Balance at 30 June</b>	<b>213,128</b>	<b>169,977</b>	<b>216,075</b>	<b>172,394</b>

Buller District Council is the ultimate parent of the group and controls three entities in the Buller Holdings Group, being Buller Holdings Limited, Westreef Services Limited and Buller Recreation Limited (comparatives include Westport Harbour Limited which is included within Council parent operations for the 2018/2019 financial year). Council also controls Westport Airport Authority and Buller Health Trust.

The following transactions were carried out with related parties on an arms length basis:

2018/2019 Actual \$000	2017/2018 Actual \$000
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WestReef Services Limited		
Services provided by Council during the year	97	84
Services provided to Council during the year	7,328	7,237
Accounts payable to Council at 30 June	16	6
Accounts receivable from Council at 30 June	1,044	977
Asset purchased from Council during the year	0	7
Subventions revenue to Council during the year	1,227	450
Subventions payable to Council at 30 June	1,227	458

Buller Recreation Limited		
Service level fee paid by Council to Buller Recreation	851	901
Service level fee paid in advance by Council to Buller Recreation	0	60
Services provided to Council during the year	2	1
Services provided by Council during the year	2	4
Accounts payable to Council at 30 June	0	0
Accounts receivable from Council at 30 June	82	86
Loans owed to Council at 30 June	0	0

Buller Holdings Limited		
Accounts payable to Council at 30 June	0	72
Loans owed to Council at 30 June	1,500	2,364
Subventions revenue to Council during the year	0	0
Subventions payable to Council at 30 June	0	0
Interest Expenses paid to Council	72	72
Total Shares Issued to Council	19,354	19,281
Shares Issued during the year	73	109
Asset purchased from Council during the year	0	8
Assets Purchased by Council during the Year	0	19

Westport Airport Authority		
Services provided by Council during the year	173	180
Services provided by Westreef during the year	22	1
Rates, lease and interest charges paid to Council during the year	11	3
Current account balance owed (to) from Council at 30 June	(537)	(21)
Equity contribution made by Council for the year ended 30 June	28	64
Lease Payments made to Westport Harbour Ltd during the year	1	2

Westport Harbour Limited		
Services provided by Council during the year	0	96
Goods and Services provided by Harbour during the year	0	182
Lease Payments made to Council during the year	0	103
Land and Assets purchased by Council during the year	0	1,340

	2018/2019 Actual \$000	2017/2018 Actual \$000
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### Buller Health Trust

No related party transactions other than administration services provided by Council to Buller Health Trust during the year for no consideration.

0                      0

■ No debts or transactions were written off between parties during the period. (2017/2018: No debts were written off.)

### Tourism West Coast

Tourism West Coast is classified as an Associate Entity due to Buller District Councils 29% interest in the Regional tourism Organisation.

*The following transactions were carried out on an arms length basis:*

Grants and reimbursements paid to Tourism West Coast during the year

100                      100

■ No debts or transactions were written off between parties during the period. (2017/2018: No debts were written off).

■ The activities of the Council Controlled Organisation Tourism West Coast were integrated into the wider economic development role of Development West Coast on 1 April 2019. After payment of liabilities the residual assets of Tourism West Coast have transferred to Development West Coast. Council control of this organisation ceased on 30 June 2019.

## Key Management and Members of Council

Councillor Sharon Roche is a Director/shareholder of ITatWORK. In 2018 goods and services to the value of \$22,105 were provided to Council. (2017: \$27,926).

## Key Management Personnel Compensation

	2018/2019 Actual	2017/2018 Actual
<b>Mayor and Councillors:</b>		
Full-time equivalent members	11.0	11.0
Remuneration	\$324,658	\$290,273
<b>Senior Management Team, including Chief Executive:</b>		
Full-time equivalent members	4.5	4.0
Remuneration	\$838,366	\$788,193
<b>Total full-time equivalent personnel</b>	<b>15.5</b>	<b>15.0</b>
<b>Total key management personnel remuneration</b>	<b>\$1,163,024</b>	<b>\$1,078,466</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 5.

**Council has a significant interest in the following entities:**

Entity	Ownership	Status	Principal Activities	Interest held by Council
Westreef Services Limited	Subsidiary	CCO	Infrastructure Maintenance & Construction	100%
Buller Holdings Limited	Subsidiary	CCO	Ownership of Selected Council Assets and Investments	100%
Buller Recreation Limited	Subsidiary	CCO	Sports & Recreation Facilities	100%
Buller Health Trust	Controlled	Exempted as a CCO	Dental Services	100%
Westport Airport Authority	Joint Venture	CCO	Airport Operation	50%
Tourism West Coast (INC)	Associate	Exempted as a CCO	Incorporated Society	29%
Denniston Heritage Trust	Associate	Trust	Incorporated Society	29%

**CCO:** Council Controlled Organisation

The activities of the Council Controlled Organisation Tourism West Coast were integrated into the wider economic development role of Development West Coast on 1 April 2019. After payment of liabilities the residual assets of Tourism West Coast have transferred to Development West Coast. Council control of this organisation ceased on 30 June 2019.

The Council Controlled Organisation Westport Harbour Limited ceased operation during the 2017/2018 financial year and was placed into voluntary liquidation on 30 May 2018.

Council passed a resolution to exempt Buller Health Trust as a Council Controlled Organisation as is permitted under the Local Government Act (2002).

## Westport Airport Authority

- Westport Airport Authority is proportionately consolidated on a line by line basis in the Parent Financial Statements.
- In 2018/2019 contributions totalling \$55,000 were made by the joint venture holders (2017/2018: contributions totalling \$127,000 were made).
- Buller District Council's 50% share of its interest in the joint venture is detailed below.

	2018/2019 Actual \$000	2017/2018 Actual \$000
Current Assets	22	32
Long Term Assets (represented by Equity)	2,721	2,790
Current Liabilities	18	10
Long Term Liabilities	0	0
Revenue	115	120
Expenses	205	203

Commitments	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000

### Capital commitments approved and contracted

Westport water supply	3,012	0	3,012	0
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### Non-cancellable Operating Lease Commitments

#### Motor Vehicles:

Not later than a year	0	0	0	0
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Office Equipment:

Not later than a year	36	27	36	27
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	<b>36</b>	<b>27</b>	<b>36</b>	<b>27</b>

#### Plant and Equipment:

Not later than a year	10	10	10	10
Later than one year but not later than five years	14	14	14	14
Later than five years	0	0	0	0
	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>

#### Land and Buildings:

Less than a year	11	11	11	11
More than 1 year less than 2	11	11	11	11
More than 2 years less than 5	17	33	17	33
Later than five years	0	6	0	6
	<b>39</b>	<b>61</b>	<b>39</b>	<b>61</b>

2018/2019: The Kiwi Rail (Ontrack) lease assigned to Buller District Council upon the transfer of port operation is for a period of 10 years and commenced on 1 January 2013.

2017/2018: Westport Harbour Ltd leased land and buildings from Buller District Council until 31 December 2018 when the company ceased operating. The Kiwi Rail (Ontrack) lease was assigned to Buller District Council upon the transfer of port operations. This lease term is for a period of 10 years and commenced on 1 January 2013.

### Other Contract Commitments

Buller District Council has a commitment to purchase land to the value of \$55,000 to be used for operating purposes. (2017/2018: \$55,000).

The following contracts (except for the Refuse, Recycling and Landfill contract) were renewed with Westreef Limited in 2018/2019 for another 5 years and expire on 25 January 2024. The Refuse, Recycling and Transfer Station contract was awarded to Smart Environmental Limited in 2013/2014 for a term of 10 years and expire on 31 January 2024. We expect the annual amounts to be as follows:

	2018/2019 Actual \$000	2017/2018 Actual \$000
Utility services and fire fighting	1,170	1,282
Parks, reserves and cemeteries	979	950
Refuse collection, recycling and landfill operation	609	644
	<b>2,758</b>	<b>2,875</b>

The Westreef Limited contracts have a seven year right of renewal subject to negotiation between the parties. It has been agreed that the existing contracts be rolled over for a further year until further notice.

## Roading

Council's Roothing Network Maintenance Contract was renewed in July 2010 under Transfund's Competitive Pricing Procedures. The existing contract with Westreef Limited has been extended for subsequent renewable yearly terms since then. The commitments under this contract are as follows:

	2018/2019 Actual \$000	2017/2018 Actual \$000
Roothing: not later than one year	2,741	2,756

## Lease Commitments as Lessor

Council has a leases in place with Coaltown Trust, Coast West Holdings Limited and the West Coast Primary Health Organisation. (2016/2017: Coaltown Trust). The lease commitments are as follows:

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Less than a year	94	112	94	112
More than 1 year less than 2	85	120	85	120
More than 2 years less than 5	163	260	163	260
Greater than 5 years	0	0	0	0
	342	492	342	492

## Contingent Liabilities for Council and the Group are as follows:

### Council:

Council has recognised a Housing New Zealand contribution of \$400,000 as a contingent liability. The funds were used for pensioner housing upgrades. The amount will be required to be paid back to Housing New Zealand if Council does not utilise the funds on a pensioner housing project or divests the completed project within a 20 year timeframe. This liability ceases on 11 June 2027.

Council has provided Sounds Air with a guarantee for \$108,000 should passenger number on flight to and from Westport Airport fall below 2.9 passengers per flight for a 12 month period.

Council has an obligation to construct a rockwall to contain the erosion of the Hector landfill site. The extent of this liability is unknown at balance date but will be limited to the residual cost remaining after external contributions have been secured (2017/2018: nil).

Council has one resource consent decision subject to appeal in the Environment Court for which it may be liable for costs should the appeal be upheld. The resource consent decision relates to an open cast coal mine in the Te Kuha area. The extent of any potential liability was unknown at balance date. The court process was put on hold on 22 June 2018 at the request of the resource consent applicant and remains on hold post balance date (2017/2018: Potential liability for unknown level of costs should the Te Kuha open cast coal mine consent decision appeal be upheld in the Environment Court).

Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers cease to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

Ministry of Education and Carter Holt Harvey (CHH): In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. The MOE's claim against CHH is for 833 school buildings. In 2016, CHH commenced proceedings against 48 councils, including Buller District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. Eight school buildings built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court. The court has directed that the trial be staged. The first stage will be a 6 month hearing commencing in April 2020, to determine whether shadow clad is inherently defective. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Homeowners and CHH: During the year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. CHH has joined 19 Councils as co-defendants in this claim. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any (2017/2018: One outstanding leaky home claim, Reefton area residential property).

### Group:

WestReef had \$30,000 in Performance Bonds outstanding with Westpac as at 30 June 2019 (2017/2018: \$30,000).

Buller Health Trust has no contingent liabilities as at 30 June 2019 (2017/2018: nil).

Buller Recreation Limited has no contingent liabilities as at 30 June 2019 (2017/2018: nil).

Buller Holdings Limited has no contingent liabilities as at 30 June 2019 (2017/2018: nil).

Westport Harbour Ltd has ceased operation during the prior financial year and had no contingent liabilities when liquidated.

Tourism West Coast (Inc) has no contingent liabilities as at 30 June 2019 (2017/2018: nil).

## Contingent Assets

The Buller District Council and the Group has no contingent assets as at 30 June 2019 (2017/2018: nil).

The Council's capital is its equity (or ratepayers funds), which comprise retained earnings, reserves and asset revaluation reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Funding and Financial Policies in the Long Term Plan.

**Buller District Council has the following Council created reserves:**

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus of deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.



## Financial Instrument Risks

Buller District Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council Approved Liability Management and Investment Policies. These policies do not allow any transactions that are speculative in nature to be entered into.

## Market Risk

### Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Council may be exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk on its investment portfolio in accordance with the limits set out in Council's Investment Policy.

Council currently doesn't hold listed equity instruments which are publicly traded and included in the NZX50 equity index.

### Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

### Interest Rate Risk

The interest rates on Council's investments are disclosed in Note 12 and on Council's borrowings in Note 18.

### Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose Council to fair value interest rate risk. Council's Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose Council to fair value interest rate risk.

### Cashflow Interest Rate Risk

Cashflow interest rate risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

### Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, except for funds owed to by New Zealand Transport Agency (NZTA) for subsidised roading works. Other than this it has a large number of credit customers, mainly ratepayers. Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

### Liquidity Risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of Council's Long Term Plan.

Council has a maximum amount that can be drawn against its overdraft facility of \$500,000 (2017/2018: \$500,000). There are no restrictions on the use of this facility.

The maturity profiles of Council's interest bearing investments and borrowings are disclosed in Note 18.

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Financial Assets</b>				
<b>Loans and Receivables:</b>				
Cash and cash equivalents	2,725	3,119	5,837	6,008
Debtors and other receivables	5,243	4,088	4,871	4,421
<b>Other financial assets:</b>				
- Short term deposits	15,017	13,364	15,976	14,218
- Term deposits (maturity greater than one year)	0	1,637	0	1,637
- Community loans	54	41	54	41
- Loans to related parties	1,500	2,364	0	0
	<b>24,539</b>	<b>24,613</b>	<b>26,738</b>	<b>26,325</b>
<b>Fair Value through other Comprehensive Income</b>				
<b>Other Financial Assets:</b>				
- Unlisted shares	45	43	45	43
	<b>45</b>	<b>43</b>	<b>45</b>	<b>43</b>
<b>Fair Value through Surplus or Deficit - held for trading</b>				
Derivative financial instrument assets	0	0	0	0
<b>Total Financial Assets at Fair Value through Surplus or Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>				
<b>Fair value through Surplus or Deficit - held for trading</b>				
Derivative Financial Instrument Liabilities	2,122	1,050	2,122	1,050
	<b>2,122</b>	<b>1,050</b>	<b>2,122</b>	<b>1,050</b>
<b>Financial Liabilities at Amortised Cost</b>				
Creditors and other payables	3,723	3,239	4,023	3,404
<b>Borrowings:</b>				
- Bank overdraft	0	0	0	0
- Secured loans	26,774	24,774	26,774	24,774
<b>Total Financial Liabilities at Amortised Cost</b>	<b>30,497</b>	<b>28,013</b>	<b>30,797</b>	<b>28,178</b>

## Fair Value Hierarchy Disclosures

**For those instruments recognised at fair value in the statement of financial position fair values are determined according to:**

- Valuation techniques using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

2018/2019	Observable Inputs \$000	Significant Non-observable inputs \$000	Total \$000
<b>Parent</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	45	45
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	2,122	0	2,122
<b>Group</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	45	45
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	2,122	0	2,122
<b>2017/2018</b>			
2017/2018	Observable Inputs \$000	Significant Non-observable inputs \$000	Total \$000
<b>Parent</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	43	43
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	1,050	0	1,050
<b>Group</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	43	43
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	1,050	0	1,050

## Maximum Exposure to Credit Risk

Buller District Council's maximum exposure for each class of financial instrument is as follows:

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
Cash at Bank and Term Deposits	17,742	18,120	21,813	21,863
Debtors and Other Receivables	5,243	4,088	4,871	4,421
Community and Related Party Loans	1,554	2,405	54	41
<b>Total Credit Risk</b>	<b>24,539</b>	<b>24,612</b>	<b>26,738</b>	<b>26,325</b>

## Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poors or Fitch credit ratings (if available) or to historical information about counterparty default rates:

	Parent		Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Counterparties with Credit Ratings</b>				
<b>Cash at Bank and Term Deposits:</b>				
AA	14,274	14,652	18,345	18,395
BB	3,468	3,468	3,468	3,468
<b>Total Cash at Bank and Term Deposits</b>	<b>17,742</b>	<b>18,120</b>	<b>21,813</b>	<b>21,863</b>
<b>Counterparties without Credit Ratings</b>				
<b>Cash at Bank and Term Deposits:</b>				
Existing counterparty with no defaults in the past	0	0	0	0
<b>Total Cash at Bank and Term Deposits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community and Related Party Loans:</b>				
Existing counterparty with no defaults in the past	1,554	2,405	54	41
<b>Total Community and Related Party Loans</b>	<b>1,554</b>	<b>2,405</b>	<b>54</b>	<b>41</b>

## Contractual Maturity Analysis of Financial Liabilities

The table below analyses Buller District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cashflows.

2018/2019	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Parent</b>						
Creditors and Other Payables	3,723	3,723	3,723	0	0	0
Net Settled Derivative Liabilities	2,122	2,122	0	0	763	1,359
Bank Overdraft	0	0	0	0	0	0
Secured Loans	26,774	31,799	6,039	11,018	13,864	878
<b>Total</b>	<b>32,619</b>	<b>37,644</b>	<b>9,762</b>	<b>11,018</b>	<b>14,627</b>	<b>2,237</b>

<b>Group</b>						
Creditors and Other Payables	4,023	4,023	4,023	0	0	0
Net Settled Derivative Liabilities	2,122	2,122	0	0	763	1,359
Bank Overdraft	0	0	0	0	0	0
Secured Loans	26,774	31,799	6,039	11,018	13,864	878
<b>Total</b>	<b>32,919</b>	<b>37,644</b>	<b>10,062</b>	<b>11,018</b>	<b>14,627</b>	<b>2,237</b>

2017/2018	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Parent</b>						
Creditors and Other Payables	3,239	3,239	3,239	0	0	0
Net Settled Derivative Liabilities	1,050	1,050	0	0	459	591
Bank Overdraft	0	0	0	0	0	0
Secured Loans	24,774	29,567	6,032	9,705	13,275	555
<b>Total</b>	<b>29,063</b>	<b>33,857</b>	<b>9,272</b>	<b>9,705</b>	<b>13,735</b>	<b>1,146</b>

<b>Group</b>						
Creditors and Other Payables	3,404	3,404	3,404	0	0	0
Net Settled Derivative Liabilities	1,050	1,050	0	0	459	591
Bank Overdraft	0	0	0	0	0	0
Secured Loans	24,774	29,567	6,032	9,705	13,275	555
<b>Total</b>	<b>29,228</b>	<b>34,021</b>	<b>9,436</b>	<b>9,705</b>	<b>13,734</b>	<b>1,146</b>

## Contractual Maturity Analysis of Financial Assets

The table below analyses Buller District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows.

2018/2019	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Parent</b>						
Cash and Cash Equivalents	2,725	2,725	2,725	0	0	0
Debtors and Other Receivables	5,243	5,243	5,243	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	15,017	15,257	15,257	0	0	0
- Term Deposits (maturity greater than one year)	0	0	0	0	0	0
- Community Loans	54	54	15	0	29	10
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	1,500	1,513	1,513	0	0	0
	24,539	24,790	24,753	0	29	10
<b>Group</b>						
Cash and Cash Equivalents	5,837	5,837	5,837	0	0	0
Debtors and Other Receivables	4,871	4,871	4,871	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	15,976	16,216	16,216	0	0	0
- Term Deposits (maturity greater than one year)	0	0	0	0	0	0
- Community Loans	54	54	15	0	29	10
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
	26,738	26,978	26,939	0	29	10
<b>2017/2018</b>						
	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Parent</b>						
Cash and Cash Equivalents	3,119	3,119	3,119	0	0	0
Debtors and Other Receivables	4,088	4,088	4,088	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	13,364	13,612	13,612	0	0	0
- Term Deposits (maturity greater than one year)	1,638	1,723	61	1,663	0	0
- Community Loans	41	41	15	26	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	2,364	2,436	2,436	0	0	0
	24,614	25,019	23,331	1,689	0	0
<b>Group</b>						
Cash and Cash Equivalents	6,008	6,008	6,008	0	0	0
Debtors and Other Receivables	4,421	4,421	4,421	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	14,218	14,218	14,218	0	0	0
- Term Deposits (maturity greater than one year)	1,638	2,430	90	2,340	0	0
- Community Loans	41	41	15	26	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
	26,326	27,118	24,752	2,366	0	0

## Financial Instrument Risks

### Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Buller District Council's financial instrument exposures at the balance date.

Council - Interest Rate Risk	Note	2018/2019 \$000				2017/2018 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>									
Cash and Cash Equivalents	<b>1</b>	(13)	0	13	0	(25)	0	25	0
Other Financial Assets - Short Term Deposits & deposits with maturities greater than 1 year	<b>2</b>	(150)	0	150	0	(150)	0	150	0
<b>Financial Liabilities</b>									
Derivatives - Held for Trading	<b>3</b>	(193)	0	193	0	(183)	0	183	0
Borrowings - Secured Loans	<b>4</b>	74	0	(74)	0	64	0	(64)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(282)</b>	<b>0</b>	<b>282</b>	<b>0</b>	<b>(294)</b>	<b>0</b>	<b>294</b>	<b>0</b>

## Explanation of Sensitivity Analysis - Council

### Financial Assets

#### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$2,725,000 (2017/2018: \$3,128,000) of which \$1,094,000 (2017/2018: \$628,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$16,300 (2017/2018: \$25,000).

#### 2. Other Financial Assets - short term deposits and deposits with maturities greater than 1 year

Short Term Deposits consist of term deposits at financial institutions and total \$15,017,000 (2017/2018: \$15,001,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$150,000 (2017/2018: \$150,000).

### Financial Liabilities

#### 3. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$2,122,000 (2017/2018: \$1,050,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$193,000 (2017/2018: \$183,000).

#### 4. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$7,434,000 (2018/2019: \$6,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$74,000 (2017/2018: \$64,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.



Group - Interest Rate Risk	Note	2018/2019 \$000				2017/2018 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>									
Cash and Cash Equivalents	<b>1</b>	(16)	0	16	0	(16)	0	16	0
Other Financial Assets - Short Term Deposits & deposits with maturities greater than 1 year	<b>2</b>	(160)	0	160	0	(159)	0	159	0
<b>Financial Liabilities</b>									
Derivatives - Held for Trading	<b>3</b>	(193)	0	193	0	(183)	0	183	0
Borrowings - Secured Loans	<b>4</b>	74	0	(74)	0	64	0	(64)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(295)</b>	<b>0</b>	<b>295</b>	<b>0</b>	<b>(294)</b>	<b>0</b>	<b>294</b>	<b>0</b>

## Explanation of Sensitivity Analysis - Group

### Financial Assets

#### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$5,837,000 (2017/2018: \$6,008,000) of which \$3,876,000 (2017/2018: \$4,374,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$19,610 (2017/2018: \$16,000).

#### 2. Other Financial Assets - short term deposits and deposits with maturities greater than 1 year

Short Term Deposits consist of term deposits at financial institutions and total \$15,976,000 (2017/2018: \$15,855,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$159,760 (2017/2018: \$158,550).

### Financial Liabilities

#### 3. Derivatives - held for trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$2,122,000 (2017/2018: \$1,050,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$193,000 (2017/2018: \$183,000).

#### 4. Borrowings - secured loans

Council has floating rate debt with a principal amount totalling \$7,434,000 (2018/2019: \$6,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$74,000 (2017/2018: \$64,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

- In August 2019 the motor vessel Bob Gower categorised as an asset held for sale was sold by Council. The sale price is \$150,000 (GST exclusive) resulting in a gain on carrying value (nil) of \$150,000..
- Council has entered into a Settlement Agreement in respect to a leaky home claim relating to a residential property in the Reefton area constructed in 2008. The settlement amount paid in September 2019 is \$124,000.
- Subsequent to balance date the Reserve Bank reduced the Official Cash Rate (OCR) on 7 August to 1.0% and market interest rates have reduced. This will reduce Council's interest costs on floating rate borrowings.
- 2017/2018: In October 2018 the Ngakawau/Hector Water Society Incorporated was reinstated as the registered supplier with the Ministry of Health for the Ngakawau- Hector Water Supply.
- 2017/2018: On 3 September 2018 the Westport Harbour Limited liquidation was completed and the company was formally removed from the New Zealand Companies Register.

Explanations of major variances from Council's budgeted figures in the 2018/2019 Annual Report are as follows:

## Operating Revenue

### Total revenue was \$26.3m compared to a budget of \$25.5m:

- Subsidies and Grants were \$1.13 million more than budgeted. Council received a number of grants from external agencies which were either not budgeted for 2018/2019 or exceeded the budgeted amount. Subsidies received from NZTA for Roading were \$934,000 greater than budget due to the additional amount of roading works, including footpaths which was completed over the year. Grants were received as a capital subsidy for Responsible Camping of \$580,000 for tourism related expenditure, including infrastructure. \$200,000 was already budgeted by Council for public toilet subsidies which resulted in a \$380,000 positive variance. The Punakaiki area received a \$175,000 subsidy for improvements to the water supply to cope with the increase in tourism. This was offset by \$401,000 for the budgeted drinking water subsidy for Waimangaroa which was not received as this project has not yet been completed.
- Fees and charges were \$1.3m more than budgeted. This is primarily due to \$1.38m in unbudgeted harbour dredging income for the year. This was offset by slightly less fees from property rentals and cemetery plots for the year.
- Profit on sale of assets was \$1.2m less than budgeted. The budgeted amount was profit on the proposed sale of the Kawatiri Dredge which is fully depreciated. The vessel was not sold in 2018/2019.
- Investment income was \$100,000 less than budgeted. The variance in investment income relates to interest received on Council's term investments which is lower compared to budget due to the decline in interest rates.

## Operating Expenditure

### Total expenses were \$27.2m compared to a budget of \$24.9m:

- Other Expenses were \$1.2m higher than budgeted. The variance is primarily made up of additional harbour expenses of \$1.1m with much of this related to unbudgeted dredging work that was carried out over the period. In addition there were unbudgeted expenses of \$167,000 associated with implementation of the Responsible Camping initiative. Additional roading maintenance expenses including footpaths and the related Punakaiki masterplan also contributed. These expenses (excluding harbour) received income subsidies to offset the increase in expenditure. There were also a number of small savings in other expense categories.
- Employee benefit expenses were \$264,000 higher than budgeted. The variance is a result of management structure changes, staff complement changes and remuneration movements during the year. The variance is primarily related to unbudgeted harbour/dredging salaries of \$170,000 and salaries relating to the new Council management structure of \$75,000.
- Depreciation & Amortisation was \$113,000 lower than budgeted mainly due to variations in the capital expenditure to budget and adjustments in infrastructure valuation.
- Finance costs were \$117,000 less than budgeted due to interest rates were slightly less than anticipated during the period which accounted for savings.
- There was a variance in the non-cash write off of assets that amounted to \$157,000. This was due to the amount and nature of assets replaced and written off over the period.
- Fair value adjustments is un-favourable to budget by \$1.1m reflecting the decrease of the fair value of the interest rate swaps held by Buller District Council due to the continuing decrease in market interest rates.

## Total Comprehensive Revenue & Expense

- Council budgeted for \$513,000 total Comprehensive Revenue and Expense but achieved a \$42.7m surplus. The difference is mainly due to a revaluation of infrastructure assets that was carried out in 2018/2019 which was not budgeted for.

## Statement of Financial Position

- Cash and cash equivalents were \$1.2m higher than budget due to differences highlighted to budget in cash revenue items less cash expenses items.
- Trade and other receivables were approximately \$200,000 more than budget mainly due to the increase in distribution receivable from Buller Holdings Ltd.
- Other Current assets were approximately \$200,000 higher than budgeted due to an unanticipated prepayment.
- Short term investments were approximately \$1.3m lower due to the short term funding of capital expenditure which will be debt funded when completed.
- Assets held for sale were approximately \$300,000 more than budgeted due to delay in the sale of the harbour dredging assets.
- Investment in Council Controlled Organisations was \$1.3m lower than budget as the requirement to fund capital expenditure was below expectations.
- Other Investments were approximately \$400,000 higher than budgeted primarily due to the investment in LGFA borrower notes.
- Investment Properties were approximately \$700,000 less than budget due to movements in the property market over the year which were less than the budget anticipated.
- Infrastructure assets were \$52.9m higher than budget principally due to revaluations which were carried out but were budgeted in the following year.
- Other Non-current assets were approximately \$1m higher than budgeted due to unbudgeted capex on responsible camping infrastructure as well as completion some capital expenditure carried over from prior years.
- Intangible assets were approximately \$200,000 less than budget due to delays implementing the information management project.
- Trade and other payables are \$580,000 lower primarily related to the timing of operating expenditure and payments relating capital projects.
- Current Provisions are approximately \$300,000 higher than budgeted due to providing for a slipping provision for the dredge which was not provided for in budgets due to the anticipated sale of the dredge.
- Term Provisions are approximately \$200,000 higher than budgeted due to increases in Councils landfill aftercare provision brought about by the movement in interest rates.
- Derivatives Financial Instruments are \$1.4m greater than budgeted due to unanticipated downward movements in interest rates that effect the fixed interest portion of Councils borrowings.
- Total Borrowings which takes into account the movements in current and term borrowings was \$3.7m lower than budgeted due to deferral of some debt funded capital projects or financing of other capital projects which will not be completed until the following period.

## Cashflow Statement

- Other income was \$2.8m greater than budgeted mainly due to additional income from dredge operations as well as additional income from subsidies including roading and subsidies for responsible camping.
- Interest received was approximately \$150,000 less than budget due to the downward movement in interest rates that effects Council income from term deposits.
- Dividends & Subvention payments received was approximately \$1m less than budget due to the timing of the cash payments received.
- Payment to suppliers was \$1.8m higher than budget because of expenses associated with out port dredging work.
- Investments realised & Investments purchased were \$14.3m and \$13.4m higher than budgeted due to maturation and subsequent re-investments of term deposits.
- Disposal of assets were \$1.1m less than budgeted due to sale of dredge which was budgeted but did not occur.
- Purchase of fixed assets were \$2.1m higher mainly due to the Westport water project, unbudgeted and capital roading footpath expenditure which was completed in the period.
- The variance for loans raised is \$6.5m. The loans repaid variance was \$4.8m. These variances relate to renewal of a tranche of debt during the period and the timing of drawdowns for capital items.

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

## Water, wastewater and stormwater assets

- The total value of this asset category in the financial statements as at 30 June 2019 is \$68,117,000 (2018: \$69,841,000) (cost/revaluation).
- These activities have a total asset value for insurance purposes of \$123,072,000 (2018: \$116,710,060). Of this \$23,805,000 (2018: \$23,526,245) of mainly above ground infrastructure plant is fully insured for replacement value.
- Council insures 40% of the remaining assets of \$107,8803,000 (2018: \$93,183,815) via Lloyd's of London with the remaining 60% being funded by Central Government.

## Roading and footpath assets

- The total value of these assets in the financial statements at 30 June 2019 is \$257,305,000 (2018: \$213,496,000) (cost/revaluation).
- These activities are not insured by Council and do not have an asset value for insurance purposes for this activity of assets.
- Council would receive a minimum of 64% subsidy from the NZTA with the remaining portion of the loss likely to be loan funded by Council to replace the assets.
- There is no self insurance fund maintained by Council for replacement of roading assets in the event of a loss.

## Wharves, vessels and maritime navigation assets

- The total value of these assets in the financial statements as at 30 June 2019 is \$6,337,000 (2018: \$6,337,000) (cost/revaluation).
- These assets have an asset value for insurance purposes of \$15,770,000 (2018: \$15,081,000).
- Vessels and hydrographical equipment are fully insured for \$2,294,000 (2018: \$2,488,000). The remaining assets comprising wharves and land based navigational assets \$13,476,000 (2018: \$12,593,000) are partially insured.
- Council insures 40% of the value of these assets with Lloyds of London. The remaining 60% of the insurance value of these assets is self insured by Council.
- There is currently no self insurance fund maintained by Council for replacement of these assets in the event of a loss.

## Buildings, plant & equipment & other assets

- The total value of these assets in the financial statements as at 30 June 2019 is \$32,903,000 (2018: \$31,430,000) (cost/revaluation).
- This activity has a total asset value for insurance purposes of \$52,259,000 (2018: \$52,511,035).
- This includes assets such as non infrastructure assets, Council plant and buildings and airport assets, excluding runways.

## Vehicles

- The total value of assets in this category in the financial statements as at 30 June 2019 is \$1,055,000 (2018: \$1,025,000) (cost/revaluation).
- This activity has a total asset value for insurance purposes of \$1,049,000 (2018: \$960,825).
- All vehicles are insured for market value.
- Council is insured for all glass related claims.

**On 30 May 2018 Westport Harbour Limited was placed in voluntary liquidation. This subsidiary was not previously classed as a discontinued operation.**

	Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Results of discontinued operation</b>		
Revenue	0	581
Expenses	0	725
<b>Surplus (deficit) from discontinued operations, net of tax</b>	<b>0</b>	<b>(143)</b>

**The loss from the discontinued operations of \$143,000 (2017: loss of \$335,000) is attributable entirely to the owners of the Entity.**

	Group	
	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Cashflows from (used in) discontinued operations</b>		
Net cash used in operating activities	0	(718)
Net cash used from investing activities	0	(452)
Net cash used from financing activities	0	(400)
<b>Net cash flows for the year</b>	<b>0</b>	<b>(1,570)</b>

	Group	Group
	2018/2019 Actual \$000	2017/2018 Actual \$000
<b>Effect of disposal on the financial position of the Group</b>		
Consideration received, return of share capital	0	446
Consideration received, settlement of GST arrears	0	20
Cash and cash equivalents disposed of	0	(466)
<b>Net cash in flows</b>	<b>0</b>	<b>0</b>

# Statement of Accounting Policies

## Reporting Entity

The Buller District Council is a territorial local authority governed by the Local Government Act 2002.

The Buller District Council group consists of Buller District Council and its subsidiaries Buller Holdings Ltd (BHL), WestReef Services Ltd (WSL) and Buller Recreation Ltd (BRL), subsidiaries in substance Buller Health Trust (BHT) and Westport Airport Authority (WAA) which is owned as a 50% joint venture with the Ministry of Transport. Council owns 100% of BHL which in turn holds 100% interests in WSL and BRL.

The Buller District Council and group provides local infrastructure, local public services and provides regulatory functions to the community. The Council does not operate to make a financial return. Accordingly, Buller District Council has designated itself and the group as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of Buller District Council are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 30 October 2019.

## Basis of Preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period and have been no changes in accounting policies during the financial year. The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, investment property and financial instruments.

## Statement of Compliance

The financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The financial statements comply with PBE Standards.

## Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless stated. The functional currency of Buller District Council is New Zealand dollars.

## Standards issued and not yet effective and not early adopted

The following new standards, interpretations and amendments have been issued but are not yet effective as at 30 June 2019. The Buller District Council and Group has not early adopted these standards and interpretations.

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

## Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted. The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

## Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

## Subsidiaries

Subsidiaries are those entities where Buller District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Buller District Council controls the majority voting power of the governing body or where such policies have been irreversibly predetermined by Buller District Council.

The subsidiaries of Buller District Council are Buller Holdings Limited, WestReef Services Limited, Buller Recreation Limited and Buller Health Trust.

Buller District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs attributable to the business combination.

Any excess of the cost of the business combination over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The purchase method of consolidation has been used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, revenue and expenses on a line by line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

Buller District Council's investment in its subsidiaries is carried at cost in the Buller District Council's own "parent entity" financial statements.

## Associates

An associate is an entity over which Buller District Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Buller District Council accounts for an investment in an associate using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate.

The Council has two associates: Tourism West Coast and Denniston Heritage Trust. There are no entries in the group financial statements for Denniston Heritage Trust because Council has no equity investment in this organisation.



### Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Buller District Council has a 50/50 joint venture interest in the Westport Airport Authority with Ministry of Transport.

Buller District Council recognises in its financial statements the assets it controls, the liability and expenses it incurs, and the share of revenue that it earns from the joint venture.

### Revenue

Revenue is measured at the fair value of consideration received. Revenue from the rendering of services is recognised by the reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided.

### Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Un-billed usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the West Coast Regional Council (WCRC) are not recognised in the financial statements, as the Council is acting as an agent for the WCRC.

### Other Revenue

Buller District Council receives Government Grants from the New Zealand Transport Authority, which subsidises part of Buller District Council's costs in maintaining the local roading infrastructure. Grants are received from the Ministry of Health for eligible schemes. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure are fulfilled.

Sales of goods are recognised when a product is sold to a customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Buller District Council are recognised as revenue when control over the asset is obtained.

- Rental revenue is recognised on a straight line basis.
- Interest revenue is recognised using the effective interest method.
- Dividends are recognised when the right to receive the payment has been established.

### Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure at the time when such application has been received.

Discretionary grants are those grants that Buller District Council has no obligation to award and are recognised as expenditure when a successful applicant has been notified of the Buller District Council's decision.

### Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill, or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited against the surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### Leases

#### Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Buller District Council recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Buller District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the lease term or useful life, whichever is the shortest.

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

#### Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as current liabilities in the Statement of Financial Position.

### Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Loans, including loans to community organisations made by Buller District Council at nil, or below market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset / investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that Buller District Council will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

### Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit.

### Non Current Assets Held for Sale

Non current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through the sale transaction rather than through continuing use. Non current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### Financial Assets

Buller District Council classifies its financial assets into the following four categories:

- Financial assets at fair value through surplus or deficit;
- Held-to-maturity investments;
- Loans and receivables; and
- Fair value through other comprehensive revenue.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Purchases and sales of investments are recognised on trade date, the date on which Buller District Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred, Buller District Council having transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

### Financial Assets at Fair Value Through Surplus or Deficit

This category has two sub-categories:

- Financial assets held for trading
- Those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Currently Buller District Council recognises derivative financial instruments in this category.

### Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Buller District Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Currently Buller District Council does not hold any financial assets in this category.

### Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and receivables" and short and long term investments in the Statement of Financial Position.

Investments in this category include loans to subsidiaries and other companies and term deposits.

### Fair Value Through Other Comprehensive Revenue & Expenses

Financial assets at fair value through other comprehensive revenue and expenses are those that are designated into this category at initial recognition or are not classified in any of the other categories above.

This category encompasses:

- Investments that Buller District Council intends to hold long-term but which may be realised before maturity.
- Shareholdings that Buller District Council holds for strategic purposes. Buller District Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expenses except for impairment losses, which are recognised in the surplus or deficit.

Investments in this category include shares in other companies.

**Impairment of Financial Assets**

At each balance sheet date Buller District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Any cumulative losses previously recognised in equity will be removed from equity and shown in the surplus or deficit.

Term deposits, loans to subsidiaries and associates, and community loans (loans and receivables)

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

Listed and unlisted shares, listed bonds (fair value through other comprehensive revenue and expense)

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payment is considered to be objective evidence of impairment.

**Derivative Financial Instruments**

Buller District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Buller District Council does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The gain or loss on re-measurement to fair value is recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counter-parties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

**Property, Plant and Equipment**

Property, plant and equipment consist of:

**Council Assets** – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

**Infrastructure Assets** – These include roads, footpaths, traffic facilities, street lights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

**Harbour Assets** – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

**WestReef Assets** – These include leasehold improvements, plant and equipment, office equipment, office furniture, fittings and computer equipment.

**Buller Health Trust Assets** – These include plant and equipment and furniture and fittings.

**Property, plant and equipment** is shown at cost or revaluation, less accumulated depreciation and impairment losses.

**Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be reliably measured.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

The cost of day-to-day servicing of property, plant and equipment are recognised in the surplus or loss as they are incurred.

**Disposals**

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

**Subsequent Costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be measured reliably.

**Depreciation**

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land or erosion protection assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

**Council Assets**

	Depreciation Rate (%)	Useful Life (Years)
Motor vehicles	15%	7
Office equipment	10% to 50%	2 - 10
Plant and machinery	3.33% to 15%	7 - 30
Buildings	1% to 10%	10 - 100
Library Books	10%	10
<b>Airport runway:</b>		
■ Basecourse	1.3%	75
■ Seal	5%	20



**Harbour Assets**

	Depreciation Rate (%)	Useful Life (Years)
Wharves	1.67%	60
Buildings	2.5%	40
Plant and Machinery	3.3% to 10%	10 - 30
Office Equipment	20% to 33.5%	3 - 5
Motor Vehicles	10% to 20%	5 - 10
Harbour Vessels	5% to 6.7%	15 - 20

**WestReef Services Limited Assets**

	Depreciation Rate (%)	Useful Life (Years)
Leasehold Improvements	6.5% to 15%	6.7 - 15
Plant and Equipment	5.5% to 40%	2.5 - 18
Vehicles	8% to 29%	3 - 12
Office Equipment	8% to 40%	2.5 - 12.5
Office Furniture & Fittings	8% to 24%	4 - 12.5
Computer Equipment	18% to 36%	3 - 5.5

**Buller Health Trust Assets**

	Depreciation Rate (%)	Useful Life (Years)
Plant and Equipment	10% to 50%	2 - 10
Furniture and Fittings	7% to 13.5%	7.4 - 14.3
Furniture and Fittings (accommodation)	16.2% to 48%	2.1 - 6.2

**Infrastructure Assets**

	Depreciation Rate (%)	Useful Life (Years)
<b>Roads:</b>		
■ Formation	Not depreciated	
■ Basecourse - unsealed roads	Not depreciated	
■ Basecourse - sealed roads	1% to 2%	50 - 100
■ Seal	4% to 12.5%	8 - 25
<b>Footpaths:</b>		
■ Basecourse	Not depreciated	
■ Pavement	1.25% to 10%	10 - 80
Traffic facilities	5% to 10%	10 - 20
Street lights	3.33%	30
Bridges	1% to 2%	50 - 100
Culverts	1.11% to 1.25%	80 - 90
<b>Water Reticulation:</b>		
■ Drains	Not depreciated	
■ Kerb and Channelling	1.25%	80
■ Pipes	1.10% to 4.10%	25 - 100
■ Valves, hydrants	1.67%	60
■ Intake structures	1.11% to 2%	50 - 90
■ Reservoirs	1.25%	80
■ Resource Consents	2.85%	35
■ Pump stations	2% to 6.67%	15 - 50
■ Treatment Equipment	2% to 6.67%	15 - 50
■ Tunnels	0.7% to 4%	25 - 150

	Depreciation Rate (%)	Useful Life (Years)
<b>Stormwater Reticulation:</b>		
■ Pipes	1% to 1.54%	65 - 100
<b>Sewerage Reticulation:</b>		
■ Pipes	1% to 1.42%	70 - 100
■ Treatment Plants	1.11% to 6.67%	15 - 90
■ Pump Stations	1.11% to 6.67%	15 - 90
■ Manholes	1.11%	90

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

**Revaluation**

Those asset classes that are revalued are valued on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

**Council Land**

The Airport land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Council land is recognised at deemed cost.

**Harbour Land**

The Harbour land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Harbour land is recognised at deemed cost.

**Infrastructural Assets**

The infrastructural assets are valued on a three yearly valuation cycle at fair value determined on a depreciated replacement cost basis with preparation or peer review by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent roading valuation was performed by BECA and the valuation is effective as at 30 June 2019. All infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets valued by or peer reviewed by BECA on 30 June 2019 was \$320,371,044.

**Accounting for Revaluation**

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

## Intangible Assets

### **Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:  
Computer software 3 to 5 years 20 to 33.3%

### **Goodwill**

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

### **Investment Property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Value with an effective date as at 30 June 2019.

Gains or losses arising from a change in the fair value of investment property are recognised in the Surplus or Deficit.

### **Impairment of Non Financial Assets**

Property, plant and equipment assets, measured at fair value are not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the asset class is revalued. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Property, plant and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed each balance date for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, and goodwill, are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### **Value in use for non-cash generating assets**

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### **Value in use for cash generating assets**

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cashflows.

## **Employee Entitlements**

### **Short Term Benefits**

Employee benefits that Buller District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Buller District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Buller District Council anticipates it will be used by staff to cover future absences.

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### **Long Term Benefits**

#### **- Long Service Leave and Retirement Leave**

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement; and

The present value of the estimated future cashflows. A discount rate of 1.9%, and an inflation factor of 3.9% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

## Superannuation Schemes

### - Defined Contributions Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

### Provisions

Buller District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### Payables

Short-term creditors and other payables are recorded at their face value.

### Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

### Equity

Equity is the community's interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.
- Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP or Public Benefit Entity Accounting Standards, using accounting policies that are consistent with those adopted by Buller District Council for the preparation of the financial statements.

## Cost Allocation

Buller District Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

## Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

## Classification of Property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

## Landfill Aftercare Provision

The Landfill Aftercare Provision Note discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

## Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, eg Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of Council's Asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers prepare Council's roading asset revaluations and peer review the 3-waters revaluations. The last roading revaluation was prepared by BECA on 30 June 2019. The last 3-waters revaluation was prepared in-house and was peer reviewed by BECA on 30 June 2019.

## Independent Auditor's Report

### To the readers of Buller District Council annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Buller District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Jacques Coetzee, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 30 October 2019. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 65 to 68 and pages 71 to 130:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2019;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- The funding impact statement on page 69, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.
- The District Council's activities on pages 14 to 53:



- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 16 to 53, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s annual plan; and
- the funding impact statement for each group of activities on pages 16 to 53, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

## Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 8 to 12, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

## Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

## Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan and long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the District Council's activities as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 130, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we performed a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Jacques Coetzee  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand



# BULLER

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