



# **AGENDA**

Meeting of the  
**Buller District Council**

**Commencing at 3:30pm**  
**Wednesday 30 August 2023**

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



## CORE COUNCILLOR ROLE AND RESPONSIBILITIES

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

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

Our commitments to best support each other and meet the challenges and opportunities of 2023 include:

### CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

- Actively listening and not interrupting;
- Remaining conscious of 'tone', body language, and amount of time speaking (allowing time for others);
- Responding/answering in a timely manner; and
- Being honest, reasonable, and transparent.

### TRUST AND RESPECT

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

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

### CONTINUOUS LEARNING AND IMPROVEMENT

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

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

NONE OF US IS AS SMART AS ALL OF US

# Council

<b>Chairperson:</b>	<b>Mayor</b>
<b>Membership:</b>	The Mayor and all Councillors
<b>Meeting Frequency:</b>	Monthly – or as required
<b>Quorum:</b>	A majority of members (including vacancies)

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## **Purpose**

The Council is responsible for:

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

## **Terms of Reference**

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
  - a) The power to set district rates.
  - b) The power to create, adopt and implement a bylaw.
  - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
  - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
  - e) The power to appoint a Chief Executive Officer.
  - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the Infrastructure Strategy.
  - g) The power to adopt a remuneration and employment policy for Chief Executive Officer.
  - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
  - i) The power to approve or amend the Council's Standing Orders.
  - j) The power to approve or amend the Code of Conduct for Elected Members.
  - k) The power to appoint and discharge members of committees.
  - l) The power to establish a joint committee with another local authority or other public body.
  - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
  - n) Health & Safety obligations and legislative requirements are met.

2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
  - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
  - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
  - c) Adoption of governance level strategies, plans and policies which advance Council's vision and strategic goals.
  - d) Approval of the Triennial Agreement.
  - e) Approval of the local governance statement required under the Local Government Act 2002.
  - f) Approval of a proposal to the Remuneration Authority for the remuneration of Members.
  - g) Approval of any changes to the nature and delegations of the Committees.

# Common Delegations

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

## General Principal

1. The work of these Committees will be in accordance with the priorities and work programme agreed by the Council.
2. These Committees have the powers necessary to perform the Committee's responsibilities, in accordance with the approved Long Term Plan and Annual Plan budgets. Subject to confirmation of compliance with the financial strategy.

These Committees will:

## Strategy, plans and policy

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

## Bylaws

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

## Consultation and engagement

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

## Submissions and legislation

1. Approve submissions to external bodies/organisations on legislation and proposals, related to the Committee's areas of responsibility, that impact governance policy or matters.
2. Monitor and oversee strategic projects and programmes.
3. Monitor Council's Asset Management Plans/Strategic Infrastructure Plan.

**Contracts**

1. Approve and monitor contracts and other legally binding arrangements provided that such contracts/arrangements:
  - a) Do not require the approval of the whole of Council; and
  - b) Fall within the budget approved under the Long Term Plan or Annual Plan and have a value exceeding the Chief Executive's financial delegation.

**Other**

1. Consider and make decisions which are within the Chief Executive Officer's delegations, and which the Chief Executive Officer has referred to the Committee for recommendation to Council.
2. Consider and make decisions on operational matters that fall within a Committee's area of responsibility that are outside of delegations to the Chief Executive Officer or other Council officers.
3. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
4. Monitor Audit recommendations and ensure completion.

# Buller District Council

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



30 August 2023 03:30 PM

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**BULLER DISTRICT COUNCIL**

**30 AUGUST 2023**

**AGENDA ITEM 1**

**Prepared by** Sean Judd  
Acting Chief Executive

**APOLOGIES**

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**1. REPORT SUMMARY**

That Buller District Council receive any apologies or requests for leave of absence from elected members.

**2. DRAFT RECOMMENDATION**

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

**OR**

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



# BULLER DISTRICT COUNCIL

30 AUGUST 2023

## AGENDA ITEM 2

Prepared by Sean Judd  
Acting Chief Executive

### MEMBERS INTEREST

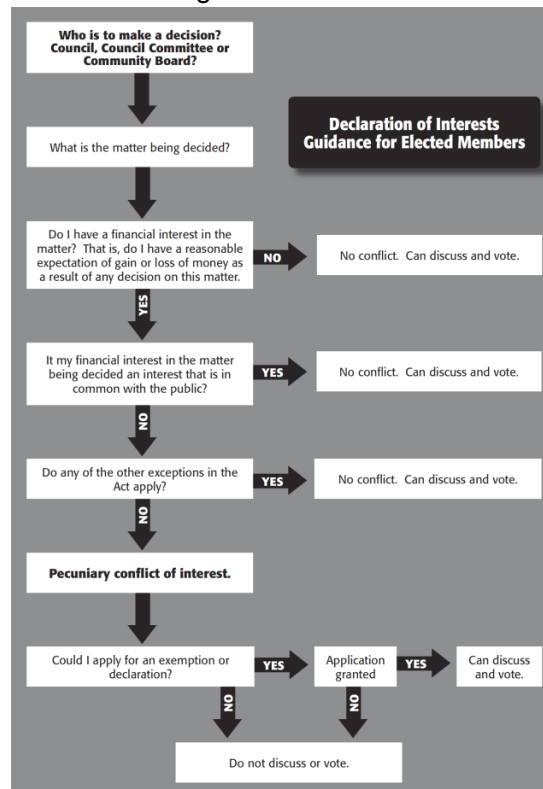
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

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

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

#### DRAFT RECOMMENDATION:

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



**BULLER DISTRICT COUNCIL**

**30 AUGUST 2023**

**AGENDA ITEM 3**

**Prepared by** Sean Judd  
Acting Chief Executive

**CONFIRMATION OF MINUTES**

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**1. DRAFT RECOMMENDATION**

**That Council receive and confirm minutes from the meeting of 31 July 2023.**

**THE BULLER DISTRICT COUNCIL, HELD AT 3.30PM ON WEDNESDAY 31 JULY 2023 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.**

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

**IN ATTENDANCE:** S Judd (Acting CEO), D Marshall (Chief Financial Officer), M Williams (Acting GM Infrastructure Services Delivery), E de Boer (Manager Infrastructure Delivery), S Jope (Acting Group Manager Community Services), B Little (Policy Advisor), S Richie (Council's Legal Advisor, Fletcher Vautier Moore), G Barrell (Governance Secretary)

**PUBLIC FORUM:**

**Graeme Howard Sr:**

Mr Howard spoke to the new rubbish collection proposal that would be brought to Council in this meeting. He requested that councillors consult with the public before making any decisions.

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**MEETING DECLARED OPEN AT: 3.40pm**

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**1. APOLOGIES (Page 10)**

**Discussion:**

N Tauwhare and G Neylon

**RESOLVED** that Buller District Council receives apologies from N Tauwhare and Cr G Neylon.

**DM A Basher/Cr J Howard**

**10/10**

**CARRIED UNANIMOUSLY**

**2. MEMBERS INTEREST (Page 11)**

**Discussion:**

Nil

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

**Mayor J Cleine/Cr A Pfahlert**

**10/10**

**CARRIED UNANIMOUSLY**

**3. CONFIRMATION OF PREVIOUS MINUTES (Page 12)**

**Discussion:**

Item 7 - Page 22 - top of page - change “get funding”, to “reallocate funding”.  
*Noted and amended.*

Item 12 - Page 55 - note that the discussion around Sean Hubbard was relating to Karamea SPR. *Noted and amended.*

**RESOLVED** that Council receive and confirm minutes from the meeting of 28 June 2023 subject to the above amendments.

**Cr G Weston/Cr A Pfahlert**

**10/10**

**CARRIED UNANIMOUSLY**

**4. ACTION POINTS REPORT (Page 36)**

**Discussion:**

**19:** The BOF Funding workshop to be held in September and remainder of allocation report to come to September Council - not August

**RESOLVED** that Council receive the Action Points list for information.

**Mayor J Cleine/Cr P Grafton**

**10/10**

**CARRIED UNANIMOUSLY**

**5. TERMS OF REFERENCE REPORT (Page 38)**

**Discussion:**

Appendix 11 for consideration.

B Little spoke to the report. Noting the majority of the feedback came from Northern Buller.

Seven responses came back to Council and the following was resolved:

**RESOLVED** that Council:

1. Recognises and thanks the Reserves and Halls Subcommittees for the work they undertake to manage the reserves and halls on behalf of the communities throughout Buller and the Council;
2. Thanks the subcommittees for the time they have put into reviewing the draft Terms of Reference and for their feedback;
3. Approves the Terms of Reference recommendations for the Halls and Reserve Subcommittees as outlined in Appendix 11 with the following changes as set out below:

3.1 Are to be formally appointed by the Community Environment and Services Committee under S30 (2), Schedule 7 LGA Act 2002, which has the power under s30(b), Schedule 7 LGA2002 to discharge or reconstitute the subcommittee and under S31(2) to appoint and discharge members of the Subcommittee;

3.3 Will be formally appointed by Council following the Local Government triennial election of members in the following way:

Following a call for expressions of interest from those living within the local area who have been nominated by at least two residents or ratepayers within the local area and have the skills, attributes, or knowledge that will assist the work of the subcommittee

9.1 The Subcommittee may be terminated by resolution of the Community Environment and Services Committee or Council;

**11.2 Appointed Members:**

Up to 10 following a call for expressions of interest from those living within the local area who have been nominated by at least two residents or ratepayers within the local area and have the skills, attributes, or knowledge that will assist the work of the subcommittee

**19 Other Delegations and Responsibilities:**

These general provisions and delegations can be superseded by specific Reserve Management Plans and Reserve and Hall Subcommittee Terms of Reference in consultation with the subcommittee and resolved by the Community Services and Environment Committee

**Cr R Sampson/Cr T O'Keefe**  
**9/9**

**Cr C Reidy abstained**  
**CARRIED UNANIMOUSLY**

**6. LTP AND RATES REVIEW WORKSHOP DATES (Page 131)**

**Discussion:**

It was requested that the workshops be record for those who are unable to attend.

**RESOLVED** that Council

1. Instructs the acting Chief Executive Officer to book Option 2 in terms of workshops and presentations for the rest of the 2023 calendar year, noting that this may change as the year progresses if the need occurs for more workshops.

**Mayor J Cleine/Cr R Sampson**  
**8/2**

**MOTION CARRIED**

2. Council to decide if the climate adaptation workshop is to be booked for 13 October 2023.

**Mayor J Cleine/Cr R Sampson**  
**9/1**  
**MOTION CARRIED**

**7. APPOINTMENT OF ELECTORAL OFFICER / DECISIONS RELATING TO THE 2025 COUNCIL ELECTIONS (Page 136)**

**Discussion:**

D Marshall advised that it would be a condition of contract that the Electoral Officer be available for Saturday work counting late votes.

When asked about the cost of \$13k recovered from the overhead allocation process, D Marshall advised that if we had someone on staff to do this, that would be the preferred option, but this option was not available. He noted also that the cost of \$13k is broken down over three years.

**RESOLVED** That the Council:

1. Receives this report for information.
2. As provided for under section 12 of the Local Electoral Act 2001, appoints Antony Morton, as the Buller District Council Electoral Officer.

**DM A Basher/Cr A Pfahlert**  
**10/10**  
**CARRIED UNANIMOUSLY**

**8. NEW WASTE MANAGEMENT MODEL OF SERVICES – STATEMENT OF PROPOSAL (Page 84)**

**Discussion:**

M Williams spoke to the report noting that the current Council solid waste contract expires in February 2024. The three West Coast Councils are working on a joint collaborative solid waste contract that has consistent level of service.

E de Boer spoke regarding the conflicting costs within the estimates. It is difficult to forecast a likely tender. Staff are not able at this stage to give firm figures until they have gone through public consultation.

He further advised that putting out a proposal before consulting is the first step in the full process. They are needing to align with the other Councils.

Mayor J Cleine reminded this is in anticipation of asking the ratepayer. Council is not being asked to adopt anything at this point.

Legal Advisor Stuart Richie advised there would be two members from each Council for representation. This will mean three votes; J Cleine as Mayor has a vote and then has his two councillors to vote also. There is also an iwi representative vote (Ngāti Māhaki ki Makaawhio) selected with the approval of

Grey Council also. The number of votes at the table will be a key feature out of a possible 11 votes.

The importance of having a proposal to take to the public, as opposed to having a blank piece of paper was noted. Suggesting simplification before sending it out to ratepayers and then actively hearing what they say.

Cr T O'Keefe left the room at 5.20pm and returned at 5.22pm.

Mr de Boer advised there would be no steering committee in place. Primarily will be handled between CEOs and committees. The Joint Committee will be working collaboratively to help solve the issue of solid waste.

M Williams noted it is important to get a document that this Council is happy with.

Cr A Pfahlert left the room at 5.28pm and returned at 5.30pm.

**ACTION POINT:** Workshop to be held for Terms of Reference for Joint Committee Waste Committee, with an update for October Council.

**RESOLVED** that Council

- Adopts the Statement of Proposal to change the waste management services model.

**Cr J Howard/Cr P Grafton**

**10/10**

**CARRIED UNANIMOUSLY**

The second recommendation was amended FROM:

- Endorses the commencement of a Public Consultation Process to seek residents' feedback to inform the final model of waste management services. After consultation this will be brought to Council for final approval.

TO:

- Endorses the commencement of a Public Consultation Process to seek residents' feedback to inform the final model of waste management services which, after consultation, will be brought to Council for final approval.

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

**10/10**

**CARRIED UNANIMOUSLY**

The third recommendation (below) was left on the table to be addressed after the consultation process.

- That Endorses the Joint Committee of Council Terms of Reference.

Cr C Reidy left the room at 5.33pm and returned at 5.36pm.

**9. NEW ROAD NAMING (Page 132)**

**Discussion:**

M Williams advised there is a list of names approved for road naming, and the proposed name Rātā Drive was to include the correct Māori spelling macrons..

**RESOLVED** that Council approve Rātā Drive as the name for the roadway at the development underway of South Terrace Road at Karamea.

**DM A Basher/Cr P Grafton**  
**10/10**  
**CARRIED UNANIMOUSLY**

**10. ACTING CHIEF EXECUTIVE REPORT (Page 185)**

**Discussion:**

Sean Judd spoke to his report.

BDC staff have worked hard and were relieved to get the final TToPP submission out.

When asked with the TToPP not finalised, what impact this has for redefining the rezoning land, S Judd advised the zoning will be subject to a lot of discussion and believes there will be no conflict.

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

**Cr G Weston/Cr T O'Keefe**  
**10/10**  
**CARRIED UNANIMOUSLY**

**11. MAYORS REPORT (Page 238)**

**Discussion**

MTFJ team met requirements for 50 outcomes. Funding has been secured and contracted for the current and next financial year. He anticipates they are working with the provider in securing their services for another year.

Resilient Westport Steering Group held a subsequent meeting held with steering group on 21 July. Additional work flowing through to both Councils to enable a draw down of some funds from the Resilience Export package and get some work underway.

Concern was raised by Cr C Reidy that whilst ratepayers are finding it difficult to meet costs, there was an image shared on social media of the Mayor dining out in Christchurch at Council cost. Mayor J Cleine reassured Mr Reidy that the meal for his fellow colleagues and himself was paid for by Mr Cleine personally and came at no cost to the ratepayer.

Cr P Grafton left the room at 5.46pm and returned at 5.48pm.



**RESOLVED** that Council receive the report for discussion and information

**Cr R Sampson/DM A Basher**

**10/10**

**CARRIED UNANIMOUSLY**

**12. VERBAL COMMITTEE UPDATES (Page 319)**

**Discussion:**

- 1. Inangahua Community Board – Cr L Webb** unveiling of historical flag restored by Te Papa from 1919 prior to ICB meeting on 8 August.
- 2. Ngati Waewae Representative – N Tauwhare** - not available
- 3. Regulatory & Hearings Committee – Cr G Neylon** - not available
- 4. Community, Environment & Services Committee – Cr J Howard** -  
Attended the following:  
A housing forum.  
Destination Management Reference Group meeting.  
Community Hub workshop.  
Homebuilders opening.  
LGNZ.  
  
She is looking to hold a workshop for the grants applications.
- 5. Te Tai o Poutini Plan – Mayor J Cleine and Cr G Neylon** - Nothing other than the further submission
- 6. Joint Committee Westport Rating District – Mayor J Cleine, Cr J Howard and Cr C Reidy** - nothing to add
- 7. WC Health Localities Project - Cr G Neylon** - not available
- 8. Regional Transport Committee - Cr T O’Keefe** - looking to write letters for SPR. Cr G Weston spoke that ACC are currently pushing motorbike safety through the Coast and Tasman. Free workshop was held to upgrade skills and all attendees also received full licence. Two more to be held.

**RESOLVED** that Council receive verbal updates from the following Chairs and Council Representatives, for information:

1. Inangahua Community Board – Cr L Webb
2. Ngati Waewae Representative – N Tauwhare
3. Regulatory & Hearings Committee – Cr G Neylon
4. Community, Environment & Services Committee – Cr J Howard
5. Te Tai o Poutini Plan – Mayor J Cleine and Cr G Neylon
6. Joint Committee Westport Rating District – Mayor J Cleine, Cr J

Howard and Cr C Reidy

7. WC Health Localities Project - Cr G Neylon
8. Regional Transport Committee - Cr T O'Keefe

**Mayor J Cleine/Cr A Pfahlert**  
**10/10**  
**CARRIED UNANIMOUSLY**

**PUBLIC FORUM RESPONSE:**

Reply to Mr Howard: Noting it is a statement of proposal and will be going to public. Council will also be encouraging an open submission process.

**AMENDMENT TO AGENDA ITEMS AND INCLUSION OF PUBLIC PERSONS IN PUBLIC EXCLUDED:**

Mayor J Cleine advised that the order of Agenda items 15 and 16 in Public Excluded would be reversed as one is contingent on the other. Agenda item 16 will be addressed first and would be followed by 15.

He spoke also that he would be recommending that the following people remain for the Public Excluded items in the meeting:

- Independent Chair for Risk and Audit, S Roche for item 14
- Stuart Richie for items 15 and 16.

**13. PUBLIC EXCLUDED REPORT (Page 320)**  
**Discussion:**

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

<b>Item No.</b>	<b>Minutes/Report of:</b>	<b>General Subject</b>	<b>Reason For Passing Resolution LGOIMA</b>
<b>14</b>	Douglas Marshall Chief Financial Officer	30 June 2022 Annual Report Follow up Issues Ernst & Young	<b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
<b>15</b>	Douglas Marshall Chief Financial Officer	BDC Buller Port Co Ltd Sublease - Crane Wharf	<b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
<b>16</b>	Douglas Marshall Chief Financial Officer	BDC Kiwirail Lease - Crane Wharf	<b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or

**Mayor J Cleine/Cr J Howard**  
**9/1**  
**Cr C Reidy against**  
**MOTION CARRIED**

Mayor J Cleine called for a break at 6.01pm

The meeting resumed in Public Excluded at 6.10pm and concluded at 6.51pm.

- **Next Meeting:** 3.30pm Wednesday 30 August 2023, Clocktower Chambers, Palmerston Street, Westport.

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**Confirmed:** ..... **Date:** .....

**BULLER DISTRICT COUNCIL**

**30 AUGUST 2023**

**AGENDA ITEM 4**

**Prepared by** Sean Judd  
Acting Chief Executive

**COUNCIL ACTION POINT LIST**

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**1. REPORT SUMMARY**

A summary of council resolutions requiring actions.

**2. DRAFT RECOMMENDATION**

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

## Council Action Points - CURRENT

No	Meeting Date / Action Point	Responsible	Update	Date Required By
19	<b>28 June 2023</b> <b>Three Waters BOF Funding Reappropriation</b> Remainder of BOF allocation report come to September Council and a workshop be held prior.	D Marshall/P Bicknell		27 September 2023
21	<b>12 July 2023 RAC Meeting (RAC Action Point 208)</b> <b>PIP Update Reports</b> To confirm regarding the final sign off costs for Waimangaroa Hall and what else needs to be done funding wise.	M Williams	Update to come in September Council	27 September 2023
22	<b>12 July 2023 RAC Meeting (RAC Action Point 205)</b> <b>Punakaiki Lease</b> Bring report to RAC re Punakaiki Lease	D Marshall	The CFO has advised that this report will better be addressed by full Council and will be moved to September Council Agenda Action Points and removed from this Committee's Action Points report	27 September 2023

## BULLER DISTRICT COUNCIL

30 AUGUST 2023

### AGENDA ITEM 5

**Prepared By:** Douglas Marshall  
Chief Financial Officer

**Reviewed By:** Stephen Gibling  
Chief Executive Officer

## ELECTORAL SYSTEM FOR 2025 AND 2028 LOCAL GOVERNMENT ELECTIONS

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### 1. REPORT SUMMARY

This report seeks a Council decision on the electoral system to use for the 2025 and 2028 elections.

### 2. DRAFT RECOMMENDATION

That the Council:

- a. Resolves, under section 27 of the Local Electoral Act 2001 to retain the current electoral system, First Past the Post (FPP), noting that:
  - i. If there is no resolution due to equal votes, the status quo remains, i.e. FPP.
  - ii. If the resolution is lost, Single Transferable Voting (STV) has been adopted for the next two Local Government elections in 2025 and 2028.
- b. Notes that public notice must be given no later than 19 September 2023 of the resolution passed under section 27 of the Local Electoral Act 2001 and the right of electors to demand a poll in the electoral system.

### 3. ISSUES AND DISCUSSION

#### **Method of Voting (Electoral System) in the 2025 and 2028 Buller District Council Elections**

The Council currently uses the first past the post method of electing candidates. Councils can also use the STV or Single Transferable Vote system.

The two electoral systems available for Councils are:

- **First Past the Post (FPP)** – Voters tick the names of candidates they wish to vote for. The voter can vote for as many candidates as there are positions to be filled. The candidates with the most votes are elected to Council.
- **Single Transferable Vote (STV)** – Voters use numbers to rank candidates in their order of preference. A voter would write “1” next to their favourite candidate, “2” next to their second favourite and so on.

Voters may rank as many of the candidates as they wish. A quota (determined from the number of valid votes and number of positions) is used to determine who is elected.

This report is not required by legislation; if there is no Council resolution, the status quo (FPP) will remain. Good practice would encourage Councils though to make regular decisions on electoral systems if no other reason than it draws attention to the democratic system that Buller electors have available to them every three years.

If Council resolves to change its voting system from the current system, then the new voting system must apply for the next two elections.

Electors have the right to demand a poll on the electoral system.

The Council is required to publish a public notice of the electoral system and the right for electors to demand a poll.

Any resolution that changes the current electoral system from First Past the Post (FPP) to Single Transferable Vote (STV) must be passed before 12 September 2023.

Notification of that decision must occur by 19 September 2023, and state the right for electors to demand a poll on the electoral system and if it has passed a resolution, its choice of electoral system to be used for the 2025 and 2028 Local Government elections.

A valid demand for a poll from electors must be in writing and signed by at least 5% of eligible electors being 389 electors.

### **Other Council Electoral Systems**

Of the 78 local authorities in New Zealand, 15 used STV for the 2022 elections (noting that Tauranga City Council chose STV but did not have an election).

In the West Coast region, all Councils used FPP.

These numbers may change as Councils make determination on their electoral systems in the coming weeks.

### **Future for Local Government**

He piki tūranga, he piki kōtuku: The future for local government report has recommended STV is adopted as the nationwide method for local elections.

The report states that STV can be more representative of voters' choices and wider representation, while noting that the representative benefits of STV work best when there is a large pool of candidates and constituencies with more than one seat being contested. There has been no formal response from central government on this recommendation.

### **Summary of actions for Council**

The council may choose any of the following options:

- Retain FPP for the 2025 and 2028 elections;
- Change to STV for the 2025 and 2028 elections;
- Do nothing – status quo of FPP remains, unless changed by a poll demanded by electors.

Council must:

- make a decision on which election system by 12 September,
- notify that decision by 19<sup>th</sup> September noting that if 5% of the electors can demand a poll on the decision by council, and
- if any poll on the council decision must be received no later than 21 February 2024,

If no change is made at this stage, then a decision can be made in the lead up to the election in 2028 and/or any election going forward, i.e., FPP could be retained for the 2025 Local Government election, with a resolution to change made prior to the 2028 election.

## **4. CONSIDERATIONS**

### **4.1. Significance Assessment**

The Significance and Engagement Policy sets out the criteria and framework for a matter or a transaction to be deemed significant. The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA.

The policy does not cover the decisions in this report as they are governed by the applicable legislation being the Local Electoral Act.



#### **4.2. Values Assessment**

The Buller District Council values are: One Team; Community Driven; We Care; Integrity; and Future Focussed. The matters outlined in this report are considered to be consistent with our values.

#### **4.3. Policy/Legal Considerations**

The applicable legislation for the decisions in this report is the being the Local Electoral Act 2001.

#### **4.4. Strategic Impact**

Council's key strategies, to achieve the vision of Council are:

**Resilient** - Building and promoting resilience in a community, services and infrastructure

**Growing** - Facilitating growth and a transition to a diversified, resilient and sustainable economy,

**Quality Infrastructure** - Providing reliable and sustainable infrastructure that meets the needs of current and future generations

**Liveable** - Investing in our towns to ensure we are an attractive district to live work invest and play

**Affordable** - Growing our non-rates income so rates are affordable to all residents

#### **4.5. Risk Analysis**

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

#### **4.6. Policy / Legal Considerations**

None identified.

#### **4.7 Tangata Whenua**

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

#### **4.8 Views of Those Affected.**

If the Buller District electors do not agree with the Council decision, then they have the right to demand a poll regarding the selected electoral system.

#### **4.9 Media / Publicity**

Media and the public will have a strong interest in the decisions considered in this report. All decisions and workshops will be considered at meetings held where the public can attend.

#### **4.10 Cost of Decisions**

The estimated cost of the Buller District Council elections is \$57,909. This is an additional \$22,000 on current budgeted costs. This additional amount will be funded in the 2024-2034 LTP.

STV voting if selected, will have setup and processing costs more than the current FFP process. That additional cost is estimated at \$3,000.

The estimated cost of a poll either proposed by the Council or requested by 5% of the electors is \$35,000 plus GST. A 5% threshold is 389 electors.

## **BULLER DISTRICT COUNCIL**

**30 AUGUST 2023**

### **AGENDA ITEM 6**

**Prepared By:** Douglas Marshall – Chief Financial Officer  
Lynn Brooks – Manager Finance  
Mel Sutherland – Acting Manager Infrastructure Planning

**Reviewed By:** Steve Gibling – Chief Executive Officer

**Attachment 1:** Asset Accounting Policy

### **PROPOSAL TO ADOPT AN ASSET ACCOUNTING POLICY**

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

This report follows on from a paper which was presented to the July 2023 Risk and Audit Committee agenda on the same topic. That initial paper discussed setting a guideline on inflation movements to provide direction if a valuation of infrastructure assets is required at 30 June in any year.

The Risk and Audit Committee meeting did not result in any requests to make changes to the policy. Supplementary information was provided to Councillors after that meeting, including circulating the 30 June 2022 revaluation reports completed by BECA, and extracts of the existing accounting policy on revaluation of assets.

The resolution of the Risk and Audit Committee was a request for the policy to be forwarded to Full Council for adoption consideration. The Committee also instructed that the 12 months' business price index data to June 2023 was to be provided for information.

The proposed policy provides guidance in that when the appropriate index movements increase between 5% and 10% judgement is needed as to whether a revaluation is required. However the proposed policy also states that council will only consider a formal revaluation if inflation annually is 10% or greater, unless there are special circumstances to not revalue.

It is noted that all indexes as at 30 June 2023 are 10% or less.

## **2. RECOMMENDATION**

**That Council**

- 1. Adopts the asset accounting policy**
- 2. Notes that the index movements in the 12 months to 30 June 2023 are:**
  - a. the Waka Kotahi NZ Transport Agency Professional Services index (ranging from 0.8% to 5.1%) and,**
  - b. the Civil Construction - Capital Goods Price Index (CGPI)NZTA index (4.9% to 6.5%)**
- 3. Are satisfied that in their judgement based on the index movements in part 2 above that a revaluation of infrastructure assets is not required as at 30 June 2023.**

## **3. BACKGROUND**

Accounting standards require entities such as Councils to report their assets at fair value. Buller District Council currently has an Accounting Policy to revalue assets every three years, but we need to assess the carrying value of the infrastructure assets every 30 June to ensure that this value does not differ materially from the assets fair value.

The last valuation of infrastructure completed by Buller District Council was at 30 June 2022.

This report considers adopting a policy that would provide a framework that ensures that Council's assets are recognised and accounted for in accordance with NZ Generally Accepted Accounting Principles (GAAP) and Tier 1 Public Benefit Entity Accounting Standards.

The proposed policy confirms what is to be valued, how and when.

Council has in place a number of accounting policies, and these are summarised in the Statement of Accounting Policies set out in the current Long-Term Plan and the Annual Report 2022.

The information that is included in the proposed Internal Asset Accounting Policy includes that which is covered in the Statement of Accounting Policies. The proposed policy consolidates and documents all asset accounting information in one place for the guidance of Council management and staff.

For instance, the infrastructural assets are valued on a three-yearly valuation cycle at fair value, determined on a depreciated replacement cost basis. The valuation is completed either by in-house preparation and peer review or by an independent valuer. At balance date, 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 infrastructure asset valuation was undertaken as at 30 June 2022 and included in the 30 June 2022 Annual Report. This valuation uplifted the carrying value of infrastructure assets since the last three-year valuation and recognised there had been significant inflation, refer to Table 1 for a summary of the previous movements between the three-year valuations:.

**Table 1 - Previous Movements in 3-year valuations**

Description	Replacement Cost \$
Land Transport 2022	\$421,073,156
Land Transport 2019	\$348,902,220
<b>% Change</b>	<b>21%</b>
Three Waters 2022	160,064,979
Three Waters 2019	135,349,662
Difference (\$)	24,715,317
<b>% Change</b>	<b>18%</b>

*Source BECA 2022 Valuation Reports*

The issue that staff have been considering in the past three months is whether the movements in asset values for the Council have increased to a level that is material enough to require a revaluation.

Council staff have sought guidance from:

- Infrastructure asset values Beca
- Auditors Ernst & Young. They asked for the staff report to note that accounting standards used to require a revaluation over 3 years, where assets are revalued. The accounting standards now require where assets are revalued that a fair value assessment is undertaken every year. This policy provides the council guidance about when revaluations will then formally occur.
- Discussions with other local authority engineers and accountants.

All of those providing guidance have noted that market-based indices movements are most appropriate for considering changes in asset values with the ability to compare tender/contract acceptance values in like with like projects also having relevance.

Two periods of indices movements are shown being the 12-month period of March 2022 to March 2023 and the (now updated) 12-month period of June 2022 to June 2023.

The later period has now been updated for 12 months, showing a lower indices movement.

In the last twelve months, NZTA/CGPI indexes have increased as shown in Tables 2 and 3.

**Table 2 - Waka Kotahi NZ Transport Agency Professional services index**

<b>Roading/Transport</b>	<b>NZTA % Change</b>	<b>NZTA % Change</b>	<b>Typically used for</b>
Component	<b>Mar 22 to Mar 23</b>	<b>June 22 to June 23</b>	
<b>Reseals</b>	7.0	4.4	Road surfaces
<b>Network Outcomes</b>	5.7	1.4	Traffic facilities (eg. signs)
<b>Structures</b>	7.8	3.7	Bridges & major culverts
<b>Construction</b>	6.0	0.8	Drainage, Surface water channels, Footpaths, Pavement base and formation, streetlights
<b>Professional Services</b>	4.4	5.1	All

**Table 3 - Civil Construction - Capital Goods Price Index (CGPI)**

<b>Water systems</b>	<b>CGPI % Change</b>	<b>CGPI % Change</b>	<b>Typically used for</b>
Component	<b>Mar 22 to Mar 23</b>	<b>June 22 to June 23</b>	
<b>Systems for Water and Sewerage from CGPI</b>	13.0	6.5	Systems for water and sewerage
<b>Systems for Water and Sewerage from CGPI</b>	9.5	4.9	Other Civil Construction

**Notes:**

1. All NZTA indexes exclude bitumen.
2. Capital Goods Price Index (CGPI) published by Stats NZ 17 August 2023

Direct costs from the previous year and the current year have also been compared for the 3Waters assets, as this is the class of asset which per the indices above, has increased the most.

While as indicated above, formal revaluations are typically done every three years, the question is whether Council should consider a new revaluation for the year end 30 June 2023 given the increases experienced in infrastructure costs to date.

Recent guidance provided by the NZ Treasury in the most recent (May 2023) publication is consistent with the 12 months indices to 30 June 2023..

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2023 ▪ BUDGET ECONOMIC AND FISCAL UPDATE ▪

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**Table 1** – Key economic and fiscal indicators

	2022	2023	2024	2025	2026	2027
June years	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Real production GDP (annual average % change)	1.1	3.2	1.0	2.1	3.1	2.9
Unemployment rate (June quarter)	3.3	3.7	5.0	5.3	4.9	4.8
CPI inflation (annual % change)	7.3	6.2	3.3	2.6	2.3	2.1
Current account (annual, % of GDP)	(8.0)	(7.8)	(5.9)	(4.6)	(4.1)	(3.8)
Total Crown OBEGAL <sup>1</sup> (\$ billion)	(9.7)	(7.0)	(7.6)	(3.6)	0.6	3.2
% of GDP	(2.7)	(1.8)	(1.8)	(0.8)	0.1	0.7
Net debt <sup>2</sup> (\$ billion)	61.9	71.0	91.2	94.7	95.3	89.2
% of GDP	17.0	18.0	22.0	21.7	20.7	18.4

Notes: 1 Operating balance before gains and losses.

2 A series of net core Crown debt (the previous headline net debt indicator) is on page 156.

Sources: Stats NZ, the Treasury

If the NZTA and Stats NZ (CGPI) indexes follow the same trend as the Consumer Price Index, the spike in inflationary pressures are predicted to ease for the June values and beyond.

The proposed policy provides guidance in that when the appropriate index movements increase between 5% and 10% judgement is needed as to whether a revaluation is required. However the proposed policy also states that council will only consider a formal revaluation if inflation annually is 10% or greater, unless there are special circumstances to not revalue.

It is noted that all indexes as at 30 June 2023 are 10% or less.

While it is an important consideration, other matters and circumstances Council may wish to consider are:

- There is a significant cost in carrying out revaluations, with the last ones for Land Transport and the 3Waters costing around \$167,000.
- There is a significant time involvement in collating information needed for the revaluations.
- While it is important to consider the change in the inflation indexes, the quantum of work carried out by Council in the last 12 months also needs to be considered. While a full assessment will not be available until after the end of the 2022/2023 financial year is complete, the last two years' delivery of the infrastructure capital works programme has been impacted by the 2021/2022 floods.

#### **4. FUNDING OPTIONS**

There are no direct funding implications. The changes in the value of assets will be recognised with the next formal revaluation as at 30 June 2025. Of note is that the next revaluation is likely to not include a significant portion of the 3Waters current carrying value because of the 3Waters Reform and transfer of the wastewater and drinking water assets to a new water entity.

#### **3. CONSIDERATIONS**

##### **3.1 Strategic Alignment**

Council has five key strategies. To be Resilient, Growing, Providing Quality Infrastructure, investing in our towns so they are Liveable and, Affordable – growing our non-rates income. The policy supports these key strategies.

##### **3.2 Significance Assessment**

These matters have been reviewed to determine if they are considered material in context of Council's Significance and Engagement policy.

The purpose of this policy is to provide Council with guidance on how important or significant the decision they are about to make is, and the level of engagement Council should undertake with the community.

The policy also sets out the likely impact of the decision on: the District, the people affected, their interest in the matter and financial impact on the Council overall resources. Consideration also needs to be given to the capacity of Council and its ability to perform its role, carry out activities, and ability to achieve its community outcomes now and into the future.



The group of thresholds used as a guide to assess significance include:

- those that equate to more than 5% of the Council's asset base and budgeted turnover,
- those that significantly alter levels of service,
- those that reduce Council income or rates,
- if transfer of ownership or control of a strategic asset is proposed.

On the face of it, this matter may initially seem to be deemed to be significant because the proposal is that infrastructure assets do not need to be revalued unless the change is greater than 10%.

Further review shows as at 30 June 2023, the total asset base of Council was \$499.67m. Of this total, the Infrastructural Assets made up \$410.14m, and the further breakdown is that the Roads and Bridges, and 3Waters Assets (which are the only infrastructure assets subject to revaluation) made up \$379.19m.

Therefore, **should** the Roading and Bridges and 3Waters infrastructure assets be revalued up by 10% this would equate to \$37.91m, which is 7.5% of the asset base.

Staff would note that the significance policy thresholds were intended to guide the Council in decisions about adding/disposing of Council assets, not necessarily a revaluation of assets threshold test of significance, which is considered in line with the appropriate accounting standard of the day.

### **3.3 Tangata Whenua Considerations**

Considered through presentation of this agenda item.

### **3.4 Risk Management Implications**

#### **Risk Around Lending**

Council has a different relationship with our lenders compared to a standard business regarding the value of assets being used for debt security.

Council debt security is based on a debenture trust deed arrangement and the ability to rate ratepayers, to pay debt back if a Council defaults on payment. Council assets are not the type of asset that there is a ready market for a sale and purchase transaction to occur and thus be sold if a Council defaults in paying its lender.

Commercial activities use their asset value as security for their borrowing in that the higher the \$ value, the greater the \$ value that can be borrowed. The asset is arguably more able to be sold to repay a lender if there is a default in debt repayment.

**Risk Around Asset Values and Insurance.**

Council uses the same data source to determine Infrastructure Asset valuations for the purposes of annual insurance renewals and applies inflation adjustments in the years between the three-yearly valuations.

Council can undertake its own assessment of valuation lift each year outside of the three-yearly formal review to ensure that the “insured” value keeps pace with movements in the value of assets for insurance purposes.

The next insurance review date is 31 October.

**3.5 Policy Framework Implications**

Requirements are covered should Council decide to adopt the Asset Accounting Policy.

**3.6 Legal Implications**

Requirements are covered should Council decide to adopt this Asset Accounting Policy.

**3.7 Financial / Budget Implications**

Policy relates to recognising and account for assets.

Forward draft budgets for the next LTP will still have inflation recognised.

As noted above, a formal revaluation outside the three-yearly cycles has not been budgeted for.

**3.8 Media/Publicity**

There may be some media interest, but the policy proposed is an example of good practice/policy being introduced to guide Council/staff.

**3.9 Consultation Considerations**

This policy is a governance/management policy on the management of Council assets and is not deemed necessary to consult with the community on.

# ASSET ACCOUNTING POLICY

## Version 1.2

Location of Controlled Copies:	BDC SharePoint BDC Controlled Document Reference #
Document Reviewer:	N/A
Approved By:	Council
Next review date:	On or before end of June 2028

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## 1.0 Introduction

### 1.1 BACKGROUND

In accounting for its assets, the Buller District Council (the Council) must comply with New Zealand government legislation. Legislation requires the Council to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP), specifically Public Benefit Entity Standards (PBE Standards) – Tier 1. Failure to do so may lead to Ernst and Young, on behalf of the Office of the Auditor General, providing modified audit opinions, together with the ramifications of legislative non-compliance.

### 1.2 OBJECTIVES

The purpose of this policy to provide a framework that ensures the Council's assets are recognised and accounted for in accordance with NZ GAAP.

### 1.3 SCOPE

This policy applies to non-current physical assets (i.e., Property, Infrastructure, Furniture, Fittings and Equipment) owned or controlled by the Council. It applies to all staff who are involved in the management of assets, including the acquisition, construction, and disposal of assets, together with all staff or contractors responsible for maintaining and reporting on assets.

The policy applies to the line items of property, plant and equipment, intangible assets and assets held-for-sale as disclosed in the Council's Statement of financial position. It is applicable when performing the following functions:

- Acquiring, constructing, or developing an asset.
- Accounting for costs incurred in maintaining an asset.
- Renewing, replacing, or enhancing the service potential of an asset.
- Revaluing assets.
- Disposing of assets.
- Accounting for depreciation and amortisation of assets.
- Reporting and disclosing assets.
- Establishing the useful life and residual value of assets.
- Testing assets for impairment.

### 1.4 APPLICABLE LEGISLATION

Local Government Act 2002

Local Government (Financial Reporting and Prudence) Regulation 2014

### 1.5 APPLICABLE NEW ZEALAND ACCOUNTING STANDARDS (NZ GAAP)

PBE IFRS 5: Non-current Assets Held for Sale and Discontinued Operations

PBE IPSAS 1: Presentation of Financial Statements

PBE IPSAS 17: Property, Plant and Equipment

PBE IPSAS 13: Lease

PBE IPSAS 31: Intangible Assets

PBE IPSAS 21: Impairment of non-cash generating assets.

EG A7: Tier 1 & 2: Materiality for public benefit entities

## 2.0 Policy Statements

### 2.1 ASSET CLASSES

An asset class is a grouping of assets of a similar nature and the lowest level of information on non-current assets included in the Council's parent financial statements. The following asset classes are reported by the Council under the Property Plant and Equipment classification:

#### 2.1.1 Council Assets

Land  
 Building/improvements  
 Plant and Machinery  
 Motor Vehicles  
 Office Equipment  
 Library Books  
 Work in Progress

#### 2.1.2 Harbour Assets

Land  
 Buildings  
 Plant and machinery  
 Office Equipment  
 Motor Vehicles  
 Harbour Vessels  
 Work in Progress

#### 2.1.3 Infrastructural assets

Roads  
 Footpaths  
 Traffic facilities  
 Streetlights  
 Bridges  
 Culverts  
 Water reticulation  
 Stormwater reticulation  
 Sewerage reticulation  
 Landfill  
 Airport Runway  
 Land under Roads  
 Wharves  
 Work in Progress

### 2.2 RECOGNITION

An asset is recognised as a non-current asset if it meets all of the following criteria:

- The Council has control over the asset.
- It is probable that future economic benefits associated with the asset will flow to the Council

(including non-cash service benefits).

- The cost or fair value of the asset can be measured reliably.
- The asset is expected to be used for more than one year.
- The cost or fair value exceeds the Council's \$500 asset recognition threshold.

### 2.3 CAPITAL EXPENDITURE AFTER INITIAL RECOGNITION

Capital expenditure on assets after initial recognition are capitalised if ONE of the following applies:

- The resulting asset provides a higher level of service (increase of service capacity or service quality), an upgrade.
- The expenditure extends the life of the asset beyond the original expectation, a renewal.

### 2.4 ASSET VALUATION METHOD

All assets that qualify for recognition are initially measured at cost. However, where an asset is acquired through a non-exchange transaction (i.e. contributed or donated) the value is deemed to be its fair value at the date of acquisition. Fair value is either *market value* if there is market evidence or *depreciated replacement cost* if there is no market evidence.

### 2.5 DEPRECIATION OR AMORTISATION METHOD

Operating assets, except for land sea walls, are depreciated on a straight-line basis. Land and restricted assets are not subject to depreciation.

### 2.6 REVIEW OF DEPRECIATION AND AMORTISATION PARAMETERS

Asset depreciation and amortisation parameters, useful lives, asset condition (used to assess remaining useful lives) and residual values must be reviewed at least every three years to ensure that they are representative of current conditions and expectations at the end of each financial year.

The remaining useful life of an asset should be reassessed whenever a major addition or any significant partial disposal occurs.

### 2.7 ASSET REVALUATIONS

Council applies the following valuation methodology across its asset classes:

#### *FAIR VALUE*

Roads and Bridges

Stormwater

Water

Wastewater

#### *COST*

All other assets are valued at cost.

Assets subject to revaluation are revalued to fair value, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

For all assets subject to revaluation, a revaluation process is undertaken at least every three years.

For all assets other than those valued at cost, non-current asset valuations should be reviewed at least once each financial year to ascertain if there has been a material movement in fair value since

the previous financial year.

An estimated movement of ten per cent (10%) or more is deemed to be material for a given asset class (as reported in the financial statements), unless there are special circumstances where Council confirms otherwise.

The Council regards Statistics New Zealand (Statistics NZ) or Business and Economic Research Limited (BERL) or Waka Kotahi (New Zealand Transport Agency) indices as robust, valid and appropriate for the purposes of measuring changes in fair values. External sources of data prevent internal manipulation of data and can be applied consistently across financial years.

## 2.8 ASSET IMPAIRMENT

All assets on the fixed asset register are to be reviewed annually for impairment. This review may be in the form of discussions with key personnel in regard to the condition and significant adverse events relating to assets under their supervision. There is no expectation that each asset will be reviewed individually, as this would not be feasible for many assets such as those located underground.

## 2.9 ASSET DERECOGNITION

A non-current asset should be derecognised from the fixed asset register whenever it is:

- Destroyed, abandoned or decommissioned with no future economic benefit or service potential expected to be generated from its use.
- Scrapped, sold or traded.
- Lost or stolen.
- Transferred to another entity and there is a change of control.

## 2.10 WORK IN PROGRESS

Work in progress (WIP) represents the accumulated costs of constructed assets (e.g. costs associated with extending a stormwater pipeline or roadway), that are not complete at any time during the financial year.

## 2.11 MATERIALITY

Materiality plays an essential part in the decision-making process and preparation of the Council's financial statements. This is because information contained or omitted can impair its usefulness to users.

Materiality is a concept which requires professional judgement. An omission or misstatement of an item is material if, individually or collectively, it would influence the economic decisions of users of the financial statements for the accountability of management or governing body.

When making judgements about whether items of information are material and should therefore be presented and disclosed, consider the following:

- Who the users of the financial reports are and what their information needs are.
- How the qualitative characteristics affect presentation and disclosure.
- How the nature and size of items of information, judged in the surrounding circumstances, affect presentation and disclosure.
- Where financial and non-financial information that is material should be presented and disclosed.

Size is usually considered on a relative basis. If the item is large relative to other items and significant in terms of its effect on the users' evaluation of the Council's performance or position,



then it is likely that it is material and should be separately presented or disclosed.

If the nature of an item is important to accountability assessments or decision making, then its disclosure is likely to be material. A financial or non-financial item can be material based on its nature, irrespective of its size.

Consideration of qualitative characteristics should include relevance; faithful representation; clear understanding; timeliness; comparability; and verifiability.

As guidance in considering materiality thresholds the following can be used:

- An amount equal or greater than ten per cent (10%) of the appropriate base may be presumed to be material.
- An amount equal to or not less than five per cent (5%) of the appropriate base amount may be presumed to be not material.
- An amount between five per cent and ten per cent requires judgement.

## **2.12 POLICY REVIEW**

The policy is to be formally reviewed on a triennial basis.

### 3.0 DEFINITIONS

**Amortisation** - The systematic allocation of the depreciable amount of an intangible asset over its useful life.

**Asset** - Resource controlled by the Council as a result of past events and from which future economic benefits or service potential are expected to flow to the Council.

**Asset class** – Grouping of a similar nature and the lowest level of information on non-current assets included within the Council's Financial Statements.

**Asset recognition** – Process to include a non-current asset in the asset register.

**Asset renewal** – Capital works that reinstate some or all of the original service potential of an asset.

**Capital expenditure** – Costs incurred over the life of an asset that either renew, extend or upgrade the asset's underlying service potential.

**Carrying amount of an asset** – The amount at which an asset is recognised in the Statement of financial position, after deducting any accumulated depreciation and accumulated impairment losses

**Cost** – Amount of cash or cash equivalent paid or the fair value of any other consideration given to acquire an asset at the time of its acquisition or construction.

**Council** – Buller District Council.

**Depreciable amount** – The cost of an asset, or other amount substituted for cost, less its residual value.

**Depreciation** – The systematic allocation of the depreciable amount of an asset over its useful life.

**Economic life** - Either:

- The period over which an asset is expected to yield economic benefits or service potential to one or more users or;
- The number of production or similar units expected to be obtained from the asset by one or more users.

**Entity-specific value** – The present value of the cash flows an entity expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or the value it expects to incur when settling a liability.

**Fair value** – Equates to market value, if a readily available market exists, or depreciated current replacement cost where no market exists.

**Financial year** – 1 July to 30 June

**Fixed Asset Register** – Repository of financially recognised non-current assets and related information used for both operational and financial accounting purposes.

**Full revaluation** – The process whereby the fair value of all assets within an asset class are updated to reflect current market value or current replacement cost as well as reassessing remaining useful life and residual value.

**Future economic benefits** – In respect to not-for-profit entities such as the Council, future economic benefits refer to the ability of an asset to provide goods or services in accordance with the Council's objectives.

**Gross carrying amount (or Gross Value)** – The amount at which an asset is recorded (either at cost or fair value) within the fixed asset register, excluding any deduction for accumulated depreciation or accumulated impairment losses.

**Highest and best use** – The use of an asset by market participants that would maximise its market value.

**Intangible asset** – An identifiable non-monetary asset without physical substance.

**Interim revaluation** – Desktop review of unit rates whereby all asset values within an asset class are adjusted by an indexation factor.

**Impairment** – Decrease in service potential of an asset as a consequence of an irregular event or catastrophe, resulting in its recoverable amount being less than its carrying amount.

**Infrastructure assets** – Typically large, interconnected networks or programs of composite assets. The components of these assets may be separately maintained, renewed, replaced or disposed of, so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and the assets have long lives, they are fixed in place and rarely have any market value.

**Maintenance expenditure** – Recurrent planned and unplanned expenditure, which is periodically or regularly required as part of Council's maintenance plan to ensure that the asset is kept in an operational state, achieves its useful life and provides the required level of service.

**Market value** – The price that would be received to sell an asset in an orderly transaction between market participants, excluding transaction costs but inclusive of any transport costs.

**Net Book Value** – The amount at which an asset is recorded (either at cost or fair value) within the fixed asset register after deducting any accumulated depreciation and accumulated impairment losses. This is the same as an asset's carrying amount or written down value.

**Nominal cost** – Nil or minimal cost for which an asset has been acquired.

**Non-current asset** – An asset held by Council for use rather than exchange and which provides an economic benefit for a period greater than one year.

**Operating expenditure** – Encompasses all costs associated with operating an asset (i.e. electricity, fuel, personnel costs, plant and equipment on costs and internal recharges).

**Probable** – More likely than not to occur.

**Recognition threshold** – The acquisition value an asset should exceed before it is recognised in the fixed asset register and the Council accounts.

**Recoverable amount** – The higher of an asset's fair value less cost to sell and its value in use.

**Remaining useful life** – The remaining operational life of an asset in service, irrespective of the period an asset has been in use or its design life or initial useful life when first recognised.

**Renewal works (or asset renewal)** – Capital works that reinstates some or all of the original service potential of an asset

**Replacement cost** – The current cost to replace or reproduce an asset based on similar operating conditions.

**Residual value (salvage value or scrap value)** - The estimated amount that would be obtained today from the disposal of an asset, after deducting the estimated costs of disposal (where applicable), if the asset were already of the age and in the condition expected at the end of its useful life.

**Sunk costs** – Costs that are incurred on the initial construction of an asset that are unlikely to be incurred again when the asset is renewed or replaced.

**Service potential** – The capacity to provide goods and services in accordance with Council's objectives.

**Useful life** – The period of time an asset is intended to be used, which is estimated when the asset is initially put into service.

**Valuation unit rates** – Asset unit rates are based on replacement cost principles that exclude specific asset management costs to fully comply with accounting standards and to avoid the potential for double counting of costs.

**Value in use** – Normally refers to assets that generate some form of cash inflow. Where assets have no cash inflow, value in use is deemed to be depreciated current replacement cost.

**Vested asset** – An asset that is acquired by Council at nominal or no cost, usually by way of an agreement with property developers, through government arrangements or a bequeath.

**Written down value** – The amount at which an asset is recorded (either at cost or fair value) within the fixed asset register after deducting any accumulated depreciation and accumulated impairment losses. This is the same as an asset's carrying amount or net book value.

## BULLER DISTRICT COUNCIL

30 AUGUST 2023

AGENDA ITEM: 7

**Prepared by** - Nicky Meadowcroft  
- Manager Library

**Reviewed by** - Shelley Jope  
- Acting Group Manager Community Services

### FINES FREE LIBRARY PROPOSAL

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#### 1. REPORT SUMMARY

This report outlines the benefits of implementing a fines free policy for Buller District Libraries and seeks Council approval to implement a fines free policy. It includes a summary of the current process for charging overdue fines and an outline of the outcomes for other libraries in New Zealand and overseas who have removed financial barriers for the community to better access libraries and their resources.

#### 2. DRAFT RECOMMENDATION

**That Council:**

1. **Receive the report; and**
2. **Approve the implementation of a fines free policy for all late returned library items including books, DVDs, magazines, and other lending items, effective from 1 October 2023; and**
3. **Remove all debt from overdue charges – existing and historical.**

#### 3. ISSUES & DISCUSSION

##### 3.1 Current Library Membership

Active membership of Buller District Libraries in August 2023 was 2250, (September 2022, 2274), (these being members who have used their library cards within the last year) which is approximately 24% of our current population. Although this figure is comparable to other similar-sized libraries

within New Zealand, it still shows that a large percentage of our population does not make use of the significant investment that Buller District Council makes in the provision of Library services.

### **3.2 Budgets & Equity**

If all borrowers returned their library items on time, there would be zero revenue from fines. Fine income is not a predictable form of revenue. For this reason, a zero fine revenue is budgeted for the 2023/24 financial year. The overdue fines are already removed on a discretionary basis. This has occurred when outside influences have prevented people from being able to return their books on time, such as Covid19, weather events, health reasons (people isolating or in hospital) and general unfavourable personal situations. This is an inequitable way to manage fines, as it relies on the borrower telling us their “hard luck” story. This is not considered to be a fair or consistent way to treat fines.

### **3.3 Fines Free Aotearoa**

One of the ways in which libraries can become more accessible to the community is by removing fines for overdue items - going ‘fines free’. Public Libraries New Zealand (PLNZ) and Library and Information Association of New Zealand Aotearoa (LIANZA) encourage all public libraries to remove library overdue fines for all members to ensure New Zealanders have access to information, reading, learning, and connections to their communities.

*‘Removing fines increases the use and membership of libraries. Using libraries provides communities and families with fair and equitable access to information and lifelong learning, with access to reading to build literacy and empathy, and with opportunities to learn and flourish in their community and the economy.’*

Source: <https://finefreeaotearoa.org.nz/Position-Statement>

### **3.4 Current Procedure for Overdue Fines**

Overdue fines are charges incurred for the late return of any borrowed library item. Charges start accumulating after the due date. As can be seen from the process outlined below the management of overdue fines involves a considerable amount of staff time and resources.

- First overdue letters are sent out after the second day of overdue (customers get one day of grace), either by mail or by email.
- Second overdue letters are only sent out by email, this happens after 8 days being overdue.

- If there is no response from the borrower, a 'Letter 3' is sent after 55 days overdue. These letters come out on the 1<sup>st</sup> of the month.
- The item disappears from 'Checkouts' on the borrower's card and moves into 'Bills' as LOST.
- At the same time a processing fee of \$6.00 is automatically added.
- The borrower's status changes to 'Blocked'.
- If the item is not returned or there is no other response from the Debtor after about 2 weeks (between 20<sup>th</sup> and 30<sup>th</sup> of the month), all Debtors owing more than \$50.00 in accrued fines and lost charges are referred manually by library staff to the Debtors officer at Council.
- At the same time, the Debtor's Status in the library software is changed manually from 'Blocked' to 'Debtcoll'.
- Council will then send out their final notice (the "pink" letter) up to 4 weeks after they receive an updated Debtors spreadsheet (between 20<sup>th</sup> and 30<sup>th</sup> of the month) from us.
- After the "pink" letter has gone out to the Debtor, Council will wait up to 2-3 months until they actually refer the Debtor to Debt Collection.

In the year 2022-2023 approximately \$3744 was collected in fees and charges, (2021-22, approximately \$4,000). If borrowers owe more than \$10, they are invited to pay it off slowly, so that they can still use their library membership. Many still stay away however which excludes them from all services, not just books.

### **3.5 Impact of Current Process**

For lower socio-economic communities and rural customers fines are punitive, affecting mostly those who cannot afford to pay and preventing their use of libraries.

As councillors are aware Buller is an area of very high socio-economic deprivation. The NZDep for 2018 (NZDep2018) provides a deprivation score for each Statistical Area 1 (SA1), and its constituent meshblocks, in New Zealand. It is based on Census variables around Employment, Income, Crime, Housing, Health, Education and Access to services. The resulting scores range from 0 (lowest level of deprivation) to 10 (highest level of deprivation). The majority of Buller is rated between 8 and 10 on the socio-economic deprivation scale.

Living in a rural location, as many of Buller’s residents do, means it is not a simple matter to go to the library to return books with the time and cost of fuel involved plus having books out with an overdue fine.

In August 2023, 446 people in Buller owed \$10 or more (September 2022 was 423).

Of these, 330 have not returned to use the library for at least the previous two years (74%).

268 borrowers owe more than \$20 in fines and charges, and 41 people owed more than \$100.

It should be noted that currently even when the item is returned to the library the fines incurred before the return of the item are still in place and need to be paid before borrowing is allowed to resume.

The impact of imposing fines on library users is wide ranging:

- Inability to access books, services, computers, technology and events
- Reduces participation, inclusion, learning and community connection

### 3.6 National Situation

As at 31 July 2023 there are 64 public libraries in New Zealand according to Public Libraries New Zealand (PLNZ). The vast majority now operate under a fines free system for both children and adult borrowers. A few (13) only waiver fines for children.

New Zealand Public Libraries – Fines Free policies 31 July 2023

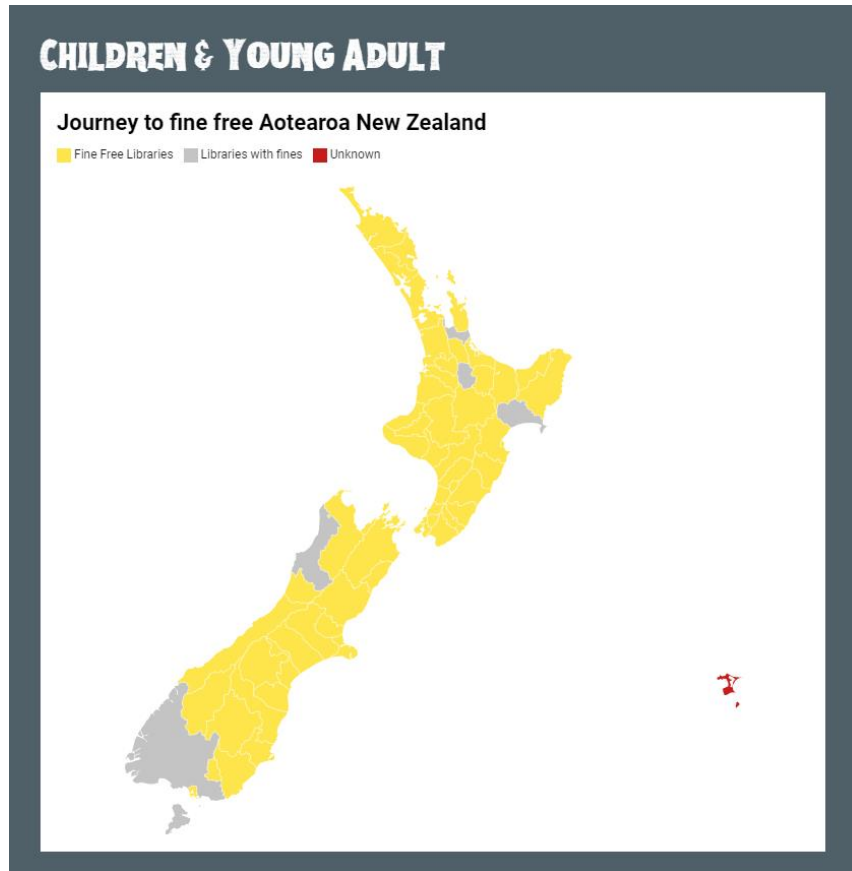
	Library Numbers	Percent
Childrens fines	4	6%
No children’s fines	60	94%
<b>Total</b>	<b>64</b>	
Adult fines	17	27%
No adult fines	47	73%
<b>Total</b>	<b>64</b>	

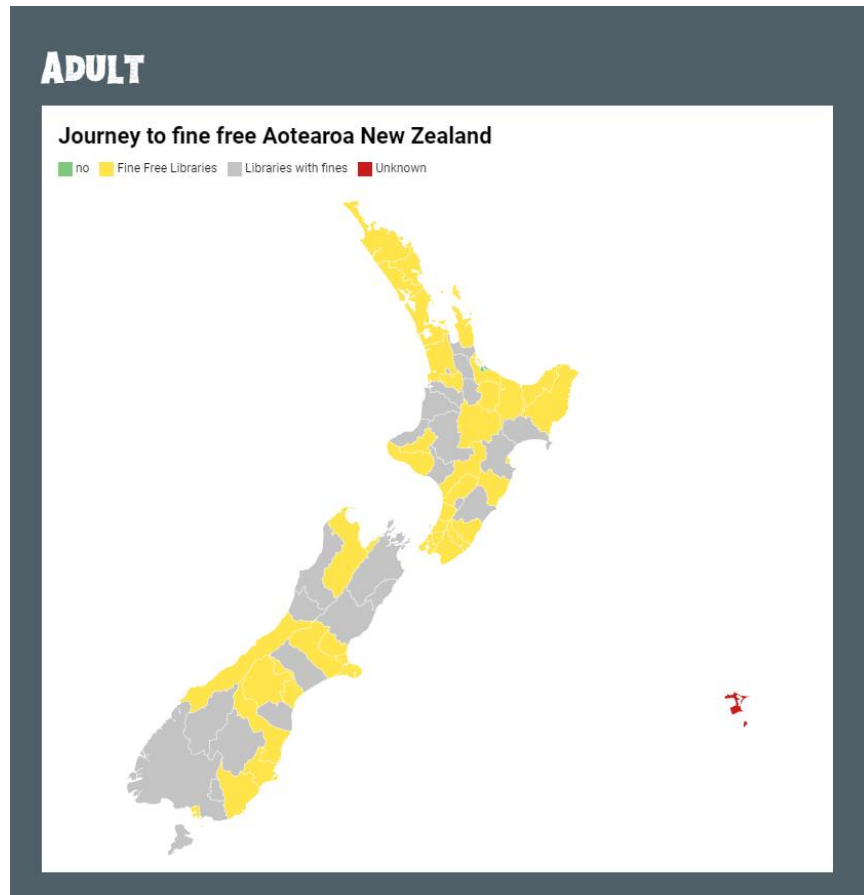
Source: PLNZ 31 July 2023



As noted above both PLNZ and LIANZA advocate for all libraries in New Zealand to become fines free.

### Fine Free Libraries in New Zealand





Map images sourced <https://finefreeaotearoa.org.nz/> July 2023

### 3.7 Options

There are several options for council to consider moving forward:

- Retain the current system for fines for overdue items – status quo
- Introduce fines free for children
- Introduce fines free for adults and children

<b>Option</b>	<b>Benefits</b>	<b>Challenges</b>
Status Quo	<ul style="list-style-type: none"> <li>• Existing processing system in place</li> <li>• Library users are used to it</li> </ul>	<ul style="list-style-type: none"> <li>• Discourages those with fines from going back to the library</li> <li>• Staff time taken up with processing fines and follow up</li> <li>• Involvement of debt collection agencies has on-going implications e.g. credit ratings, stigma.</li> <li>• Also see 3.4 above</li> </ul>
Fines Free for children	<ul style="list-style-type: none"> <li>• Encourages children to keep using the library</li> <li>• Allows access to all library items to continue regardless of overdue items</li> <li>• Reduces financial hardship on families</li> <li>• Staff time and resources can be dedicated to delivering key library work and programmes for the community</li> <li>• Removal of the embarrassment for both users and library staff</li> </ul>	<ul style="list-style-type: none"> <li>• Income from fines being paid reduced</li> <li>• Becomes problematic when children's cards are used by adults and vice versa.</li> </ul>
Fines Free for adults and children	<ul style="list-style-type: none"> <li>• Encourages everyone to keep using the library</li> <li>• Allows access to all library items to continue regardless of overdue items</li> <li>• Reduces financial hardship on all</li> <li>• Staff time and resources can be dedicated to delivering key library work and programmes for the community</li> <li>• Equitable for all users</li> <li>• Removal of the embarrassment for both users and library staff</li> </ul>	<ul style="list-style-type: none"> <li>• Income from fines no longer available</li> </ul>

### **3.8 Non-Return and Damage of Items**

It is proposed to continue to charge replacements costs for lost or damaged books for adults.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

The removal of fines at the District's libraries fits well with the Community Outcomes which drive the Long Term Plan 2021-2031.

- **Social:** Our communities are vibrant, healthy, safe and inclusive - Provide quality community facilities that meet current and future needs such as theatres, libraries, and recreation and health facilities
- **Culture:** Our lifestyle is treasured, our strong community spirit is nurtured, and our inclusive and caring communities understand our whakapapa and heritage and support lifelong learning

### **4.2 Significance Assessment**

This matter is not considered to meet the significance threshold under Council's Significance and Engagement Policy.

### **4.3 Risk Management Implications**

This decision does not provide Council with a significant risk.

### **4.4 Values**

A decision to remove the fines for overdue items at the library supports the following Buller District Values:

- Community Driven,
- Future Focussed
- We Care

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

There is no legal context, issue or implication relevant to this decision.

### **4.6 Tangata Whenua Considerations**

The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture, and traditions.

#### 4.7 Views of Those Affected

Feedback has been received from librarians in the district's libraries which reflects the way library users are affected by the current procedure of pursuing fines on overdue items. Other libraries such as Westland District have also been consulted on their experiences with removing fines. PLANZ and LIANZA have created a website with resources and information to assist in decision making around fines free libraries - <https://finefreeaotearoa.org.nz/> . Staff have used the information on this website in writing this report.

#### 4.8 Costs

Buller District Libraries' current Overdue Notice and Billing Process:  
Overdue fees per item:

- **Adult (18+)** - \$0.30 per day to a cap of \$9.90
- **Youth (15-18)** - \$0.20 per day when more than 8 days overdue, to a cap of \$5.20
- **Child (under 15)** - \$0.10 per day when more than 8 days overdue, to a cap of \$2.60
- **Bestsellers** - \$0.80 per day to a cap of \$9.60

Overdue fines are triggered as items become overdue, as opposed to the charge of the lost book which is incurred on the non-return of items after a period of 55 days from the due date. During this period, the customer has received two or three email/letter reminders, and often a phone call advising that items are overdue and need to be returned to the libraries.

Lost/damaged items:

- **Lost/damaged** - Replacement cost plus \$6.00 processing fee
- **Item recovery charge** - \$15.00  
*(This charge applies to any overdue accounts referred to Council and followed up with a debt collection agency)*

Currently, at the billing stage, an administration fee of \$15 per item is applied to the account, in addition to the replacement cost of the item. This administration fee is waived if the books are then subsequently returned, however, the overdue fines, which have accrued to up to \$9.90 per item, will still be charged.

Once an item has been billed after 55 days of being overdue the item becomes a lost item debt which, is then referred to the Council's Finance

Department's debt recovery process, including the referral to a debt collection agency if necessary.

**Overdue Fines Collection Process:**

Once an overdue item has been returned the Library Management System calculates the overdue fee that is applied for items. If these fines are not paid on the return of items, that debt remains on the patron's library card. Once the account reaches \$12 on the patron's card, the borrower is asked to pay off the amount.

If their debt exceeds \$50 the matter is referred to Council's Finance team for debt management. Council's finance staff have advised that this amount should be increased to \$80.

There are currently 41 fines exceeding \$100 but due to staff changes in multiple Council departments, this processing has not occurred. In general, overdue fines rarely exceed the current \$50 thresh-hold.

It should be noted that due to the uncertainty around the collection of overdue fines the 2023-2024 Annual Plan does not include any income from this source.

**Proposal:**

If the proposal of removing all fines for overdue items is approved the above system and charges will no longer be required. The costs of administering the system will therefore also be removed.

The system for recovering costs for lost or damaged items will remain in place for all items including books, CDs and DVDs. An unpaid debt for these lost items that have been referred to Council's Finance Team will continue to be actively pursued. This encourages the return of items by the set time or very soon after to avoid the replacement costs of items along with the associated administration costs.

In terms of current and historic debt it is suggested that wiping or removing debt for overdue charges should be considered. This would mean that a there was a fresh start for all users and immediately reduce the workload for staff. Debt from lost and damaged items should be retained and pursued in the usual way.

**4.9 Benefits**

The benefits which occur with the removal of fines for overdue items are discussed above in 3.5.

**4.10 Media / Publicity**

It is expected that there will be interest in this decision from the media. The communications team will ensure that appropriate media releases and social media content are created.

## BULLER DISTRICT COUNCIL

30 AUGUST 2023

### AGENDA ITEM 8

**Prepared by** Jamie Cleine  
Buller District Mayor

**Appendix** 1 **RWSG meeting minutes 21 July & 4 August**  
2 **Mayor's Correspondence**

#### MAYOR'S REPORT

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##### 1. REPORT SUMMARY

This report is to provide commentary of significant events and meetings attended by the Mayor. The report also provides information on advocacy or political matters currently before the Council.

##### 2. DRAFT RECOMMENDATION

**That Council:**

1. **Receive the report for discussion and information.**

##### 3. COUNCIL

###### 3.1 New CEO

It was very pleasing to welcome CEO Steve Gibling to BDC on 21 August. Steve has a very busy first few weeks as he completes various introductory meetings and site visits of Council infrastructure.

I wish to acknowledge and thank Acting CEO Sean Judd for his efforts to keep business as usual going over the past few months. Sean has also continued to provide support to Steve as part of a thorough handover. It is extremely fortunate that BDC has a capable senior team able to provide support including as acting CEO when required.

###### 3.2 Long Term Plan

The first workshop for the Long Term Plan was held 23 August. This was to provide background information to refresh Councillors on what is a Long Term Plan and to consider the desired community outcomes.

Councillors also provided feedback on how they want to be involved in shaping the new plan. This will inform the content and outcomes required for future workshops.

### **3.3 Mayors Taskforce for Jobs (MTFJ)**

#### **Mayor's Comment – MTFJ Buller Annual Report**

The Buller MTFJ Programme has continued to forge great partnerships across the District during 2022/23. The team have done a great job at solidifying the MTFJ brand with great gains made in public awareness and visibility. Our community is still in recovery mode from major floods during 2021 and 2022 and this continues to have an impact on community spirit, exacerbated by challenges to household incomes and cost of living pressures.

Having the MTFJ team work closely with MSD locally helps add "boots on the ground" for some of our more vulnerable residents. It is not all bad however as Buller has also benefited from the increased capital spend as infrastructure is returned to pre-flood levels. This has benefitted local young job seekers with unprecedented levels of interest in trades type training. Residential and commercial construction has been at very high levels as major projects and backlog of new housing builds gain momentum.

Looking towards 2023/24 the security of the funding now resolved, the focus will continue to be on the most vulnerable NEETS, especially focusing on measures to get them work ready and understanding the world of opportunity that regular and constructive employment can bring to them. I am hugely grateful for the contribution MTFJ allows me, and the team to bring to our local jobseeker market.

#### **New Contract**

The new contract is now in place with LGNZ for MTFJ Buller to continue for the 2023/24 and 2024/25 years. Buller REAP is to continue delivering the programme on the Council's behalf. Funding is less than in previous years, however, this is matched by a lower requirement for sustainable outcomes.

The approved funding is \$585,000 over the two years. \$325,000 is allocated to year one in two tranches. The first \$150,000 is to deliver 15 sustainable outcomes and cover the administration and pastoral care functions. The second tranche of \$175,000 lifts the outcomes requirements to 38 for the year. A sustainable outcome is achieved when a recipient is continuously employed for 91 days.

While the basic requirements of providing Employment Coordination, NEET network engagement, pre-employment training and pastoral care, MSD engagement, payment to SME employers, is the same for all the Councils, the way the programme is delivered, and what they deliver in support of employment, varies between Districts.



This recognises that there are gaps in services to support NEETs and other disadvantaged people in some rural and provincial locations and that Councils are well placed to coordinate the provision of local services in conjunction with their community partners (Iwi, Employers, Schools, etc.).

Examples of initiatives that MTFJ may fund (but are not limited to):

- Financial Literacy programmes, CV preparation and interview skills
- Driver licensing programmes
- Social media to reach NEETS, radio, other media outlets to reach employers
- SME business support
- Essential Skills programme for school leavers
- Counselling support/peer group forums
- Leadership programmes
- Alignment to Council suppliers, Jobs for Nature, group trade training-type initiatives

#### **4. External Meetings**

##### **4.1 Resilient Westport Steering Group (RWSG)**

The RWSG met via zoom on 21 July and 4 August. The minutes of these meetings are included as Appendix 1.

The group also met on 25 August, and a verbal update on that meeting will be provided as part of this Mayor's report.

#### **5. LOCAL EVENTS & RELATIONSHIP MEETINGS**

I have attended various local events and relationship meetings over the period.

Some highlights included:

- **Ikamatua Visit:** I met with locals to discuss some footpath and roading concerns in the area. I was supported by the BDC transport staff who are considering the immediate fixes and factoring longer term improvements for inclusion in the budgets. I have committed to revisiting the community for a follow up conversation in October.
- **Mayors Chats Reefton and ICB:** I briefed the ICB on the Ikamatua visit and potential to improve visibility of the committee in that part of Buller.

- **South School Yr. 3 & 4 Visit to Clocktower:** This group of primary school children had been studying Palmerston Street and wanted to visit the Clocktower building. I provided some insight to the role of the Mayor and Council and answered their questions.
- **Lynn Carmichael – MPI:** Lyn is leading a project team aimed at helping farmers with compliance for fresh water farm plans. This work will produce some templates and tools that can be used for doing this work.
- **AF8 Planning Workshop:** I attended this regular workshop on Buller preparedness for an alpine magnitude 8 earthquake. This session was based on food supply to supermarkets with a presentation from Foodstuffs South Island on their distribution network and resilience/continuity planning.
- **Otago Medical School Community Contact Week:** I was joined by Councillor Jo Howard in meeting five students to discuss various community insights related to health, demographics and challenges and opportunities of the District.
- **Heath Milne DWC:** I met to discuss current opportunities and work of DWC in Buller.

## 6. CORRESPONDENCE

For Council consideration – see attached.

<b>Incoming 2023</b>		
22 August 2023	Anne McInroe	Ikamatua Footpaths
<b>Outgoing 2023</b>		
1 August 2023	Letter of Support	Friends of Waiuta – Police Cottage
1 August 2023	Mr G Howard Snr	Public Forum Response
8 August 2023	Hon Kieran McAnulty	West Cost Emergency Manager Group Office Resourcing
15 August 2023	Waka Kotahi, Gordon McDonald	WDC BDC West Coast Special Purpose Roads

## Westport Flood Resilience Steering Group Minutes Friday, 21<sup>st</sup> July 2023 10.00am - noon

**Present:**

Mike Mendonça, Chair	Brett Cummings, Deputy Chair WCRC
Mayor Jamie Cleine, BDC	Darryl Lew, CEO, WCRC
Sean Judd, BDC CEO	Paul Barker, DIA
Peter Haddock, Chair WCRC	Simon Chambers, NEMA

**In Attendance:**

Rachel Vaughan, WCRC, for item 10	Nicola Costley, WCRC
Claire Brown, WCEM, for items 13,14	Daniel Bellam, DIA

**1. Welcome and Introduction**

The Chair welcomed Steering Group members, and those in attendance.

**2. Apologies**

Apologies were accepted from Francois Tumahai, Ngāti Waewae, and from Deputy Mayor Andrew Basher, BDC.

**3. Declaration of interest**

Completed interest declarations forms were received from:

- |                 |               |
|-----------------|---------------|
| • Mike Mendonça | • Cr Cummings |
| • Mayor Cleine  | • Darryl Lew  |
| • Chair Haddock | • Sean Judd   |

**4. Confirmation of Minutes**

The minutes from the previous meeting (23<sup>rd</sup> June) were confirmed.

**5. Terms of Reference**

The Steering Group **approved** the Terms of Reference (TOR). It was agreed that the TOR will be made available on the WCRC website, and with a link from the BDC website.

**6. Funding for Steering Group external support**

The Steering Group **approved** the external programme support for drawdown as recommended for the functioning of the Steering Group.

**7. Ring Bank – progress to agreed final design**

The Steering Group was provided with an overview of the *Progress to an Agreed Final Design of the Kawatiri Westport Flood Resilience Project* paper.

The Steering Group **approved** Graeme Campbell and Peter Blackwood to review the G & E Consultants Ltd Engineering Report Business Case – Engineering Design and Risk Assessment in conjunction with the Tonkin and Taylor technical review.

The Steering Group agreed to issue a media release outlining progress with this item.

### 8. Quick wins proposal

The Steering Group **noted** the four workstreams to be carried out by West Coast Regional Council (WCRC) deemed 'quick wins' with significant benefits to the community via reducing floodwater inundation in the following areas:

- Floating Lagoon
- Abattoir Drain at Railway Bridge
- Averys
- McKenna Road

WCRC will fund the four workstreams above as part of its co-investment funding.

It was noted that external communications about this item will be included as part of the media release in item 7.

### 9. Replenishment of the West Coast Regional Council Catastrophe Fund

The Steering Group **agreed** to:

- Endorse in principle the request to draw down the agreed \$1 million in funding to replenish the catastrophe fund, subject to further information, and
- Liaise with DIA on the further detail needed for the release of the \$1 million funding to replenish the fund as soon as is practicable.

The Steering Group noted that the further information required to progress the drawdown request for the fund includes:

- A brief description of the purpose of the fund
- Details on how the fund was depleted
- A summary of the WCRC current financial situation
- Explanation of how replenishment will impact on the current financial position of WCRC and the ability to manage future natural hazard risk.

The Steering Group agreed to progress work on this item at pace.

### 10. Organs Island reforestation

The Steering Group received an update from WCRC on the options being considered to progress reforestation of Organs Island.

WCRC will bring a report to set out options to a future Steering Group meeting. DIA will work with WCRC to confirm further information required for drawdowns.

### 11. Feasibility study strategic land purchase

The Steering Group requested an update on this item from BDC at the 25<sup>th</sup> August meeting.

### 12. Alma Road development plan

The Steering Group requested an update on this item from BDC at the 25<sup>th</sup> August meeting.

### 13. Improved CDEM Management

The Steering Group **agreed in principle** to endorse the drawdown of funds to allow emergency management work to progress, subject to further details being provided, including:

- Further clarity on the scope of proposed work and what has already been completed
- A project plan outlining how this item would be implemented
- The project plan should incorporate how an outline evacuation plan will be developed
- A model for publicly communicating risk, evacuation details and other information
- Designing the work into tranches to provide for with staged funding drawdowns to enable timely completion of work.

NEMA agreed to work with WCRC to progress this item at pace.

**14. Wave/sea level gauge funding drawdown request**

The Steering Group **approved in principle** the request to draw down \$250,000 to progress the sea level monitor/tide gauge and GNSS as recommended in the business case, subject to further detail being provided in an updated report, including:

- Further detail the equipment to be purchased including cost, availability and a high level timeframe for installation and operation.
- Further detail on how the investment fits with other emergency management capability including previous investment in early warning capability for the Buller catchment.

The Steering Group agreed to progress this item at pace.

**15. Communications and Engagement from this meeting**

The Steering Group **noted**:

- The need to proactively communicate with the community.
- A media release will be drafted summarising key aspects of this meeting and outlining the next steps for the project.
- meeting minutes from the last meeting will be made public on the WCRC website.

**16. Next meeting**

The Steering Group agreed to meet remotely on 4<sup>th</sup> August to revisit and progress the following work programme items:

- Item 9 - Replenishment of WCRC Catastrophe Fund.
- Item 13 - Improved CDEM Management.
- Item 14 - Wave/sea level gauge funding drawdown request.

The Steering Group agreed to meet again in person on 25<sup>th</sup> August at BDC offices in Westport.

**The meeting closed at 12:10pm**

**Resilient Westport Steering Group**  
**Minutes**  
**Friday, 4<sup>th</sup> August 2023 10.00am – 11.00am**  
**(via Zoom)**

**Present:**

Mike Mendonça, Chair	Sean Judd, CEO BDC
Peter Haddock, Chair WCRC	Darryl Lew, CEO WCRC
Brett Cummings, Deputy Chair WCRC	Paul Barker, DIA
Mayor Jamie Cleine, BDC	Simon Chambers, NEMA

**In Attendance:**

Claire Brown, WCEM	Sam Scott, WCRC
Nichola Costley, WCRC	Monica Rogers, DIA
Fiona Thomson, WCRC	Daniel Bellam, DIA

**1. Welcome**

The Chair welcomed Steering Group members.

**2. Apologies**

An apology was accepted from Francois Tumahai, Ngāti Waewae.

**3. Declaration of interest**

The Chair thanked members who had submitted their proforma, and requested that remaining proforma be submitted as soon as possible.

**4. Confirmation of Minutes**

The Minutes from the previous meeting (21<sup>st</sup> July) were confirmed.

**5. Replenishment of WCRC Catastrophe Fund**

DIA provided a general overview of the process around funding drawdowns. Funding recommendations are still subject to Ministerial decision making and appropriate funding agreements between the recipient and DIA. For items on this agenda, the key milestones are:

- DIA must receive any outstanding information by no later than Friday 11<sup>th</sup> August.
- DIA plans to provide the briefing for Ministerial approval on Thursday 24<sup>th</sup> August.

For the replenishment of WCRC Catastrophe Fund, the Steering Group:

- **Supported** the request to draw down \$1m to Vote Internal Affairs.
- **Recommended** payment to the WCRC to replenish the catastrophe fund. This endorsement is subject to the WCRC providing DIA with the following information by 11 August:
  - A summary of the Council's current financial situation (tracking against budget, overall reserves, debt levels and revenues).
  - An explanation of how the replenishment will impact on current financials and ability of Council to manage future natural hazard risk.

The Steering Group noted the effort that WCRC officers have made to progress the programme to this level, and formally recorded their thanks and commendation for this effort.

**6. Improved CDEM Management**

This report (*Build Resilience through Improved Emergency Management Engagement and Planning*) was developed with input and advice from NEMA.

The Steering Group:

- **Noted** that NEMA proposes to assist with implementation.
- **Endorsed** the high-level project plan to implement the programme of work that requires a drawdown of funds over three phases.
- **Endorsed** that the project be monitored and reviewed through existing governance and executive arrangements for the West Coast CDEM Group.
- **Supported** the request to drawdown \$500,000 to Vote Internal Affairs.
- **Recommended** funding is allocated in phases, with phase one \$40,000 paid to WCRC as soon as practicable.

#### 7. Wave/sea level gauge funding drawdown request

The Steering Group:

- **Noted** that this project will enhance the flood early warning system for the District, and should be described as such.
- **Noted** the additional information obtained as requested at its meeting on 21<sup>st</sup> July.
- **Supported** the request to drawdown \$250,000 to Vote Internal Affairs.
- **Recommended** allocating tranche one funding of \$196,111, subject to WCRC providing DIA with further information around GNS and NIWA costs, particularly the cost of the buoy.

#### Items not on the agenda

In the interests of timely drawdown and maintaining the impetus of the programme, the Steering Group agreed to consider two items that were not on the agenda.

#### Organs Island

The Steering Group:

- **Supported** the proposed Crown-to-Crown transfer of land at Organs Island, and subsequent gazetting and vesting, subject to a meeting of key parties to confirm alignment on the proposed course of action.
- **Noted** that this is a nature-based solution in the final approach of the Buller River shortly before it passes the Westport urban area.

#### Master Planning

The Steering Group:

- **Noted** the BDC-led work programme for master planning of lower hazard risk areas and strategic land purchase.
- **Supported** a request to drawdown of \$750,000 to Vote Internal Affairs to enable this work to progress.
- **Recommended** allocating \$750,000 to BDC for two tranches of deliverables:
  - \$500,000 for master/structure planning for developments on lower risk land.
  - \$250,000 for the feasibility study of strategic land purchase.

#### 8. Communications and Engagement from this meeting

The Steering Group:

- **Noted** the Steering Group title is 'Resilient Westport Steering Group'.
- **Noted** the [WCRC webpage](#) features Steering Group documentation.

Steering Group members thanked DIA officials for helping facilitate a short meeting with the Minister of Local Government at the LGNZ conference in order to discuss progress with Resilient Westport.

#### 9. Next meeting

25<sup>th</sup> August at Buller District Council offices in Westport.

**The meeting closed at 11:00 am**

  
Ikamatua

7846

22<sup>nd</sup> August 2023

OFFICE of the MAYOR.

Buller District Council

His worship, the mayor

Mr. Jamie Cleine

Dear Mr. Cleine,

Many thanks for your visit to Ikamatua on 8<sup>th</sup> August. Those who you met spoke very positively of the occasion.

We look forward to meeting you again on your promised visit to Ikamatua in the near future to meet the rate payers. Please contact us when you know a date so we can advertise it.

Kind regards

Anna McInroe



**OFFICE OF THE MAYOR**  
Jamie Cleine

1 August 2023

Heritage Lotteries Commission

**Letter of Support – Friends of Waiuta – Waitu Police Cottage**

I wish to offer my support for the Friends of Waiuta in their application for funding to restore the Police Cottage at Waiuta. This group continues to protect the taonga of the historic gold town of Waiuta and ensure the stories of the people and place can be shared with New Zealand.

The “Friends” have restored several buildings on the site already and this police cottage restoration will help to protect and share another colourful aspect of life in Waiuta.

As with most projects this group undertakes, I’m confident it will be completed to a high standard and support this funding application.

Best Regards



Jamie Cleine

**Buller District Mayor**

Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)

**OFFICE OF THE MAYOR**  
Jamie Cleine

2 August 2023

Graham Howard Snr  
[REDACTED]  
**Westport 7825**

Dear Mr Howard

**Public Forum Response – 31 July 2023**

Thank you for speaking at public forum regarding the potential changes to solid waste management in Buller.

The Council has resolved to commence a public consultation on the proposal and will consider all feedback before making a final decision on any changes.

Council anticipates significant public interest and encourages you to participate in the consultation when that opens.

Best Regards



**Jamie Cleine**

Buller District Mayor  
Phone 027 423 2629 | Email [jamie.cleine@bdc.govt.nz](mailto:jamie.cleine@bdc.govt.nz)



8 August 2023

Hon Kieran McAnulty  
Minister for Emergency Management  
Freepost Parliament, Private Bag 18 888  
Parliament Buildings  
WELLINGTON 6160

Via email: [Kieran.Mcanulty@parliament.govt.nz](mailto:Kieran.Mcanulty@parliament.govt.nz)

Tēna koe Hon Kieran McAnulty

### West Coast Emergency Management (WCEM) Group Office Resourcing

On 10 May 2023, WCEM Joint Committee agreed we write to you to discuss funding assistance to establish positions to strengthen West Coast Emergency Management’s capability to respond to significant events.

This follows on from a meeting you had on the West Coast in late 2022 at the LGNZ Zone 5 & 6 conference with Mayor Helen Lash and Coordinating Executive Group Chair (Westland District Council Chief Executive, Simon Bastion).

Recent deployments of West Coast CDEM personnel to Auckland and Hawke’s Bay have highlighted areas of risk in the management of large-scale incidents that impact more than one District across the West Coast due to an absence of critical functions. This includes dedicated Group Welfare and Recovery Managers. Both positions are currently not satisfactorily resourced and are additions to the Group Manager role.

The Joint Committee acknowledges the significant impacts across New Zealand due to Cyclone Gabrielle, and further weather events continue to impact parts of New Zealand. Due to the West Coast being acknowledged as a region with multiple challenges as relates to impacts from natural events, we make this formal approach to you to determine whether funding for the critical roles identified above remain available.

We look forward to your response or an opportunity to discuss it further with you.

Yours sincerely

Mayor Jamie Cleine  
Buller District Council  
Chair  
West Coast Emergency Management Joint Committee

Simon Bastion  
Chief Executive, Westland District Council  
Chair  
West Coast Emergency Management  
Coordinating Executive Group

15 August 2023

Gordon McDonald  
Waka Kotahi  
Senior Investment Advisor – Otago /Southland  
Via email: [gordon.mcdonald@nzta.govt.nz](mailto:gordon.mcdonald@nzta.govt.nz)

Dear Gordon

**RE: West Coast Special Purpose Roads (SPR)**

I am writing regarding the Karamea Highway, the Karamea-Kohaihai Road, and Haast-Jackson Bay Special Purpose Roads (SPRs), which serve as important transportation links on the West Coast. These roads play a significant role in providing access to culturally significant areas, supporting local communities, generating employment opportunities, and promoting tourism, thus contributing substantially to the economic well-being of the region and New Zealand.

In 2013, Waka Kotahi reviewed its Funding Assistance Rate (FAR) policy and decided to remove the SPR category from the NLTP. FAR was to remain at 2013 levels for 2019-21 NLTP to allow approved organisations to develop individual plans to transition SPRs to the normal FAR by 1 July 2024.

Since then, we have observed considerable changes in forecast costs, and the risk profile has shifted due to the increased frequency of adverse weather events brought on by climate change. These factors have significant implications for maintenance needs, putting the long-term sustainability of funding the West Coast SPRs at risk.

Recognising the potential challenges ahead, Buller District Council and Westland District Council have been proactive and embarked on reassessing costs, understanding resilience issues and the impact of these roads on the areas of cultural significance. We propose to present an overview of our concerns in detail to Waka Kotahi on 16 August; a summary of the key points for this discussion is below.

***Buller and Westland have a small population, and some of the highest deprivation rates in NZ; to cover any cost increases.***

- Buller District Council and Westland District Councils populations are 9,840 and 8,820, respectively.
- Buller and Westland have higher rates of deprivation compared to other areas of NZ, with the majority of the two District's having a deprivation score of 5, or above.

***The Buller and Westland SPRs are uniquely extensive and remote and face coastal climate change that requires investment.***

- The length of these SPRs is significant. At Buller, the SPR is 62 km (11% of the total road network). At Westland, the SPR is 49 km (7% of the total road network).
- While both SPRs have had elevated work programmes over the last 5-6 years (due to the SPR transition process), there remains additional unfunded expenditure that has arisen during this time. Coastal Erosion, Bridge painting and Structural reviews on the Haast-Jackson Bay Road have added a further \$6-7m of expenditure that is required within the next 2-5 years.
- The SPRs are in need of major work to bring them up to the standard of a receiving body and are more expensive to maintain than other NZ SPRs due to isolation. Historically the Haast-Jackson Bay Road cost/km has been around \$3 for every \$1 of Local Road Expenditure.

***The SPRs play a vital role in granting access to prominent tourism areas like the Heaphy Track and Jackson Bay, fostering substantial economic benefits for both the local community and the broader New Zealand economy.***

- There is a significant growth in tourism forecast; visitors per annum are forecast to increase from 10,435 visitors in 2020/21 to 21,000 in 2025, and 35,000 in 2030 when the Heaphy Track and Oparara Valley are complete. This does not include the increased tourism forecast for Westland district, including Jacksons Bay.

***The SPRs serve as indispensable lifelines, being the sole means of access to local communities and areas of cultural significance.***

- There are no alternative routes. The Karamea Highway and the Karamea-Kohaihai Road provide access to the Oparara area and only road access from the south to the Heaphy Track. The SPR provides the only access road to Jacksons Bay.
- The Karamea Highway and the Karamea-Kohaihai Road access to the Heaphy Track, has an overlay classification in the Ngāti Apa Settlement Deed, recognising Ngāti Apa's association and requiring acknowledgment of their values. It also provides access to significant archaeologist artefacts at the Heaphy River mouth, Oparara Caves revealed Haast Eagle bones, where an Iwi partnership commissioned a bronze sculpture of the hokioi as the estuary guardian in Karamea. Urupa and the public cemetery at Orawhaiti hold our common tupuna.
- The Haast-Jackson Bay Road is a modern-day lifeline for Ngāti Mahaki, providing the only feasible access to this vital southern portion of takiwā. Without the road, access would be denied: access to Urupa, four Maori Reserves, Okuru Lagoon, the only water access to our ancestral islands, Pounamu and tangiwai gathering, Mataitai Fishing Reserves, and historic pa sites.

***Council and ratepayer affordability is an issue. Preserving the SPR category for the Karamea Highway, the Karamea-Kohaihai Road, and Haast-Jackson Bay is crucial as it ensures manageable maintenance costs for our respective Councils.***

- Our primary concern is that removing the SPR category for the Karamea Highway and the Karamea-Kohaihai Road, and Haast-Jackson Bay could render the maintenance costs unaffordable for our respective Council's over time.
- Removing FAR would result in an additional 5.3% rate rise for Buller and 8.2% for Westland, on top of any other rate rise in Buller and Westland, which is not affordable to the communities.
  - Buller's current 3 Year SPR Programme is \$4.25 m plus \$1.205m (LCLR Improvements, at 72% FAR, extra rates spend would be \$0.51 m, 5.1% rate rise. The 2024-27 programme is under

development. Allowing for inflation and combined with the new proposed FAR of 75%, the rate rise would be at least a 5.3% rate rise.

- Westland's current 3 Year SPR Programme is \$3.00 m (MOR) plus \$2.6m (LCLR Improvements) at 62% FAR, at the present FAR the transition equates to an additional \$709k spend which represents 7.1% increase in rates. While still in development the 2024-27 programme has been adjusted for inflation and had indicative works included such that the 3 year programme + LCLR projects are up to \$7.8m (\$5m MOR + \$2.8m LCLR). This combined with the new proposed FAR of 64% represents an approximate 8.2% increase in rates.
- Overall costs are forecast to increase for Haast to Jacksons Bay Road from \$2.8 m 2018-21 to \$7.8 m 2024 to 2027, and Karamea Highway and the Karamea-Kohaihai Road from \$2.3 m 2018-21 to \$6.5 m 2024 to 2027 (indicative programme \$5m MOR and \$1.44m LCLR Improvements).
- The above generalised 3-year programme costs do not allow for one-off costs, such as what has been experienced for emergency works. These have been significant for both Councils.
- Also, other one-off costs relate to significant bridge replacements. The following three bridges which have been identified as potential route security risks through the 2017 lifeline assessments for Buller:

Name	Width	Length	Type	Age	When Built
OPARARA BRIDGE	4.08	92.96	Steel Concrete	62	1961
LITTLE WANGANUI BRIDGE	3.35	72.85	Steel Timber	93	1930
GRANITE CREEK BRIDGE	7.32	42.67	In situ Concrete Arch	74	1949

The impact on rates even at a FAR rate of 72% would be significant.

### Way forward

We are committed to finding a sustainable solution that ensures the continued maintenance and resilience of these West Coast SPRs. One option could be for Buller and Westland to continue to contribute at the SPR and FAR 2013 levels, with emergency costs 100% funded by Waka Kotahi. As a result, a meeting has been scheduled between Buller District Council, Westland District Council, and Waka Kotahi on 16 August, during which we hope to engage in constructive discussions to explore possible alternatives to SPR removal.

As of now, Buller District Council and Westland District Council are unable to approve any transition plan, as the intricacies of the situation demand thorough consideration and collaborative efforts to arrive at an equitable and viable resolution.

We kindly request that Buller District Council and Westland District Council's current position be raised at your upcoming Board meeting on the SPR transition and that this letter is included in your Board pack.

We look forward to discussing this further at our meeting on 16 August 2023.

Yours sincerely,



.....  
**Simon Bastion**  
CEO Westland District Council



.....  
**Mayor Helen Lash**  
Westland District Council



.....  
**Sean Judd**  
Acting CEO Buller District Council



.....  
**Mayor Jamie Cleine**  
Buller District Council

**BULLER DISTRICT COUNCIL**

**22 AUGUST 2023**

**AGENDA ITEM 9**

**Reviewed by** Sean Judd  
Acting Chief Executive Officer

**VERBAL UPDATES FROM COMMITTEE CHAIRS**

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**1. REPORT SUMMARY**

A summary of updates is verbally provided by each of the Chairs and Council Representatives listed below.

**2. DRAFT RECOMMENDATION**

**That Council receive verbal updates from the following Chairs and Council Representatives, for information:**

- 1. Inangahua Community Board – Cr L Webb**
- 2. Ngati Waewae Representative – N Tauwhare**
- 3. Regulatory & Hearings Committee – Cr G Neylon**
- 4. Community, Environment & Services Committee – Cr J Howard**
- 5. Te Tai o Poutini Plan – Mayor J Cleine and Cr G Neylon**
- 6. Joint Committee Westport Rating District – Mayor J Cleine, Cr J Howard and Cr C Reidy**
- 7. WC Health Localities Project - Cr G Neylon**
- 8. Regional Transport Committee - Cr T O’Keefe**



**BULLER DISTRICT COUNCIL**

**22 AUGUST 2023**

**AGENDA ITEM 10**

**Prepared by** Sean Judd  
Acting Chief Executive

**PUBLIC EXCLUDED**

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**1. REPORT SUMMARY**

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

**2. DRAFT RECOMMENDATION**

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

<b>Item No.</b>	<b>Minutes/ Report of:</b>	<b>General Subject</b>	<b>Reason For Passing Resolution under LGOIMA</b>
11	Douglas Marshall - Chief Financial Officer	Flood Recovery - Tender Acceptance Transportation	<b>(s 7(2)(i))</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or