



**BULLER**  
DISTRICT COUNCIL  
Te Kaunihera O Kawatiri

# Annual Report

for the year ended  
30 June 2021



## Introduction

Message from the Mayor and Chief Executive .....	1
Elected members .....	2
Statement of Compliance and Responsibility .....	3
Consultation with Maori .....	4
Values, Purpose and Vision .....	5
Performance Review .....	6

## Our Work in Detail

### Environmental and Planning:

Regulatory Services.....	14
--------------------------	----

### Engineering Services:

Roading and Transport.....	19
Water Supplies.....	24
Wastewater/Sewerage.....	31
Stormwater .....	34
Solid Waste .....	38
In-house Professional Services .....	40

### Community Services:

Community Services .....	42
--------------------------	----

### Governance and Support Services:

Governance and Representation.....	47
Customer Services and Support Services.....	50

### Council Enterprises and Property:

Property .....	53
----------------	----

## Council Controlled Organisations

Westport Airport.....	59
Buller Holdings Limited.....	61
WestReef Services Limited .....	63
Buller Recreation Limited .....	65

## Financial Statements

Statement of Comprehensive Revenue and Expense .....	68
Statement of Changes in Equity .....	69
Statement of Financial Position .....	70
Statement of Cashflows.....	71
Funding Impact Statement .....	72
Notes to the Financial Accounts.....	73
Accounting Policies .....	128

<b>Audit Opinion</b> .....	136
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# Introduction from the Mayor and Chief Executive

**Tena koutou,  
tena kotou,  
tena kotou katoa**

Welcome to Buller District Councils Annual Report for 2020/2021 which details our performance for the third year of the Long Term Plan (LTP) 2018-2028. Despite the significant challenge of a second Covid-19 lockdown and ongoing effects, we've kept a focus on the planned work program outlined in the LTP 2018-2028.

This included delivering the infrastructure works program to 90 % plus for the third year in a row, completing the Reefton swimming pool upgrade, Waimangaroa water project, completion of key provincial growth funded projects such as the Hector landfill wall and Tidal creek bridge.

## Focus on Youth

Mayors Taskforce For Jobs (MTFJ) is a key element in our district effort to attract and retain young people to the area. The partnership we have with MTFJ, Ministry of Social Development MSD and Buller REAP has been a key tool in direct support to new and expanding businesses as well as real skin in the game in partnering with young people and their prospective employers NEETS to breaking down the barriers to their successful employment or training. For both groups of recipients (businesses and individuals) MTFJ has provided the confidence that they are not alone and that they have options and a partnership that has the means and a willingness to support them. MTFJ Buller supported 92 employment outcomes across the District including 36 apprenticeships and 14 other roles with a formal training component. The Mayors for jobs taskforce has been a significant highlight for the year.

The Mayors for Jobs taskforce MTFJ and Mana in Mahia (Ministry of Social Development funding) has enabled council to focus strongly on youth employment opportunities that supports the growth and development of retaining youth in the district. A number of cadetships have been established in council offering career pathways, work experience programme for high school students and youth employment success programme implemented which focuses on guidance and advice to youth as well as mentorship and CV reviews.

In partnership with Tasman Sport Tasman and Buller REAP the Kawatiri Youth Voice (KYV) Committee has been established to ensure youth voice in Buller is heard and influences planning across the district.

## Rates review

Council remains committed to working through this complex challenge of developing a rating framework which is fair and balanced for the district.

## Regional population profile

The district's population has notched back slightly to 9,660, year end June 2021, however this is not unexpected and Buller is in a similar position to many areas facing flat or negative population growth in the past year while international migration weakened. Notably, Buller has had a net gain of international migrants in the past year to June 2021.

## Growth and development

Buller has continued with positive economic indicators trajectory for the third consecutive year, and has been driving economic growth on the West Coast for the majority of the financial year. One of the key factors behind the strength of the Buller economy has been a surge in domestic tourism during the COVID environment mainly due to international borders being closed. Buller's housing market has grown strongly with Buller housing remaining relatively affordable. Residential and non-residential building consents have been strong buoyed by the new integrated health centre build in Westport and new education facilities in Karamea.

Council has delivered a \$20 million Infrastructure work programme.

## Long Term Plan

In the last 12 months we have also completed the Districts most robust and future focused Long-term plan "Shaping our District". The LTP has been underpinned by the four community wellbeing's, Cultural, Social, Economic and Environment, Council remains committed to delivering services which embraces the four well beings framework and recognizing that we have a significant role to play in lifting the quality of life of our people, and the health of our environment. We presented and delivered an open and transparent reality about our environment (climate change), our assets (3 waters, information management), and the need to bring certainty and sustainability to the business of Westport. We thank you for the conversations, feedback and the suggestions in building the Long Term Plan, investment into our future stretches beyond this elected Council to ensure we create and positive future for our children's and our children's' children.

Developing enduring partnerships with Ngati Waewae and Ngati Apa is especially important for us, having the presence of Iwi representation on our council has helped build our capacity for improved partnership, we are grateful to Ned Tauwhare for his contribution and advice on governance, policy and operational matters and delighted that Councillors endorsed voting rights for Iwi partners effective from 1 July 2021. We look forward to strengthening relationships with the new chair of Ngati Apa Hinemoa Connor.

## In summary.....

Buller District Council has had a strong year in terms of the Mayor and Councillors working in partnership with the CEO to build on the strong foundations put in place from the previous year.

Many of our projects take a collaborative approach and are aimed to help our community thrive. This has involved proactive working relationships with other organizations, particularly local iwi, neighboring councils, government agencies and community groups. The strength of these relationships is a taonga for our district and reflects the renewed purpose of local government to balance social, economic, environmental and cultural outcomes.

Finally we would like to thank the community, Councillors, Reserve subcommittee members, Community Board members, staff, Iwi, volunteers and contractors for their contribution throughout the year to support the success of the Buller District.



Jamie Cleine  
Mayor, Buller District



Sharon Mason  
Chief Executive Officer

# Elected members

## MAYOR

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**Grant Weston**

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## INANGAHUA COMMUNITY BOARD

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**Linda Webb**

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## Compliance

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

## Responsibility:

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

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

In the opinion of the Council and Management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2021 fairly reflect the financial position and operations of the Buller District Council and Group.



Jamie Cleine  
**Mayor, Buller District**

22 December 2021



Sharon Mason  
**Chief Executive Officer**

22 December 2021

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

The Buller District Council governance structure formally recognises the importance of the crucial relationship with Te Rūnanga o Ngāti Waewae. In May 2021 Councillors resolved to support the BDC Ngati Waewae representative having voting rights at governance committees outside of Council. The maturity of the relationship has progressed significantly over the past three years.

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

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

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

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

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

## Buller District Values - the following principles guide us in decision and action:

### **Community driven ~ *He whānui whiua***

..... we are committed to making a difference in the community we call home .....

### **One team ~ *He tima kotahitanga***

..... shared direction, shared effort .....

### **Future focused ~ *Hangai meake nei***

..... we seek solutions that are fit for the future .....

### **Integrity ~ *Wakapono***

..... open and honest in decisions and action .....

### **We care ~ *Tatau manaakitanga***

.....about people and place.....

## **Core Purpose**

To service the residents of the Buller District, conscious of their needs, by providing facilities and services and creating an environment for progress and develop while preserving the distinctive natural environment as well as the cultural and historical environments.

## **Our Vision, Our Future**

Our vision is for the Buller District to grow and for the District to become a thriving community where families enjoy a great quality of life and the distinctive nature, cultural and historical environment are treasured.

## Overall Result

Total operating revenue was \$45.7 million, which was greater than the anticipated budget of \$27.2 million by \$18.5 million. Council's total operating expenditure was \$35.6 million, which exceeded the budget of \$26.3 million by \$9.3 million. Overall, Buller District Council has a surplus of \$10.2 million compared to a predicted surplus in the 2020/2021 Annual Plan of \$913,000.

Total operating revenue was greater than predicted. Subsidies and grants income were \$14.6 million greater than anticipated due to a number of unbudgeted Central government grants received for projects. Council also recorded non-cash income of \$1.35 million due a revaluation gain on derivatives, revaluation of investment land of \$2.4 million and \$600,000 relating to recognition of a roading asset found during the year.

Total operating expenditure was also over budget for the year. The main contributor was additional expenses incurred that related to operational Central government funded projects including: the Buller Port Precinct Package and Fishing Assets Renewal projects totalling \$5.3 million; Coastal Planting (Worker Redeployment) \$730,000; the Community Halls & War Memorials upgrade projects of \$651,000; Responsible Camping \$210,000; Punakaiki Master Plan \$146,000; Library secondment \$100,000; Whitebait Farm administration grant \$93,000.

Mayor's Taskforce for Jobs subsidies paid out were \$600,000 over budget.

Operating expenses were also impacted by a \$722,000 non-cash entry for the write-down of Tidal Creek Bridge No 2 deck that was replaced, and now held for sale, which was not budgeted for.

Detail for the balance of the operating expense variances is provided for in the following sections of the performance review and in the financial statements.

## Statement of Performance

### Operating Revenue

#### Subsidies and grants

(received \$14.6 million more than budgeted)

*Council received a number of unbudgeted subsidies from external parties over the period. Central government grants for projects totaled \$12.9 million for:*

- The Buller Precinct Port Package and Fishing Assets Renewal projects \$5.4 million,
- 3 Waters Trunk Main Projects for both Punakaiki and Westport water supplies \$1.9 million
- Tidal Creek No2 Bridge Replacement \$1.8 million,
- Old Hector Landfill Seawall \$790,000,
- Westport Waterfront Redevelopment project \$600,000,
- Coastal Planting (Worker Redeployment) \$600,000,
- Community Halls & War Memorials Upgrades \$401,000,
- Airport seawall protection rock wall \$378,000,
- Nile River Pedestrian Bridge \$348,000,
- Responsible camping fund \$221,000
- Punakaiki Masterplan \$201,000
- Library Secondment \$159,000 and
- Whitebait Farm administration grant \$93,000.

*Mayor's Taskforce for Jobs revenue was \$577,000 greater than anticipated and Waka Kotahi subsidies for roading were \$1.2 million greater than anticipated.*

#### Other income

*(\$600,000 not budgeted for)*

Income was recorded to recognise a historical roading asset that had been found during the year that was not recorded in the asset register.

#### Investment income

*(\$146,000 less than budgeted)*

The variance in investment income relates to interest received on Council's term investments which is lower compared to budget due to the decline in interest rates being greater than anticipated in the 2020/2021 Annual Plan.

#### Fees and Charges

*(\$94,000 less than budgeted)*

The variance is primarily made up of lower than anticipated Westport Harbour income from dredging (\$130,000) and Port lease income (\$150,000). This is offset by building application fee revenue \$176,000 greater than budget due to building activity being more than anticipated in the 2020/2021 Annual Plan.

#### Gain on Derivative Contracts

Council recorded a non-cash gain on revaluation of its interest rate swaps of \$1.35 million at balance date.

#### Vested Assets

There were no assets vested in Council during the 2020/2021 financial year.

#### Gain on Revaluations of Investment Land

Improvements in the property market resulted in gains to Council's investment land. (\$2,419,000).



## Operating Expenditure

### Employee benefit expenses

*(\$582,000 more than budgeted)*

The variance is primarily made up of costs from central government funded projects not budgeted for: \$54,000 in the Harbour activity for the Port PGF projects, \$90,000 for the project management office that was stood up to ensure delivery of the government funded projects, \$104,000 in Libraries for the Library secondment project and \$51,000 in responsible camping wages. \$96,000 of Reserve Board wages that are now included which were not budgeted in this category. The remainder of the variance is spread throughout Council's activities with more detail provided in each of the Activity Sections of this annual report.

### Finance costs

*(\$113,000 less than budgeted)*

Relates to the movement in discounting interest and unwinding of Council's landfill provision of (\$147,000), offset by interest expense being over budget by \$34,000.

### Other expenses

*(\$8.1m more than budgeted)*

The variance in other expenses is primarily made up of unbudgeted expenses relating to operational central government funded projects including:

- The Buller Port Precinct Package and Fishing Assets Renewal projects totaling \$5.3 million,
- Coastal Planting (Worker Redeployment) \$730,000,
- The Community Halls & War Memorials upgrade projects of \$649,000,
- Responsible Camping \$159,000,
- Punakaiki Master Plan \$146,000,
- Whitebait Farm administration grant \$93,000.

Mayor's Taskforce for Jobs subsidies paid out were \$600,000 over budget.

Port expenditure was \$640,000 over budget, primarily relating to Dredge contractors' fees being under budgeted for in the 2020/2021 Annual Plan.

### Assets Written Off

*(\$106,000 less than budgeted)*

The assets written off are various assets. More details can be found in the property, plant, and equipment notes to the financial statements.

### Loss on Revaluations of Assets Held for Sale

\$722,000 relates to the existing Tidal Creek No 2 deck replaced during the year, which is now held for sale. A prior year revaluation contained an overstated value that was required to be written off when the new bridge was put into place this financial year.

## Statement of Position

### Council's Net Debt Position

Net debt (debt less term deposits) was \$13 million at balance date. The 2020/2021 Annual Plan budget estimated that net debt would be \$18.7 million for this period.

The lower net debt levels are due to projects funded by external debt that have not yet been completed or debt that has not been drawn down on some projects that were included in the Annual Plan at balance date. Debt funded projects that were not completed include Reefton whole of supply upgrade \$1.4 million and Waimangaroa water supply \$490,000 upgrade. Also included is the delayed upgrade to Brougham House \$1.9 million. The Rough River bridge external debt budgeted at \$1.1m was not required and did not require external debt funding.

### Capital Expenditure

Council continued to maintain assets and upgrade them when required. Council budgeted to spend \$10.2m on capital expenditure in the 2020/2021 Annual Plan. Greater than planned capital expenditure was completed during the year. A total of \$14.8m was spent on capital expenditure in 2020/2021. Major projects this year have included:

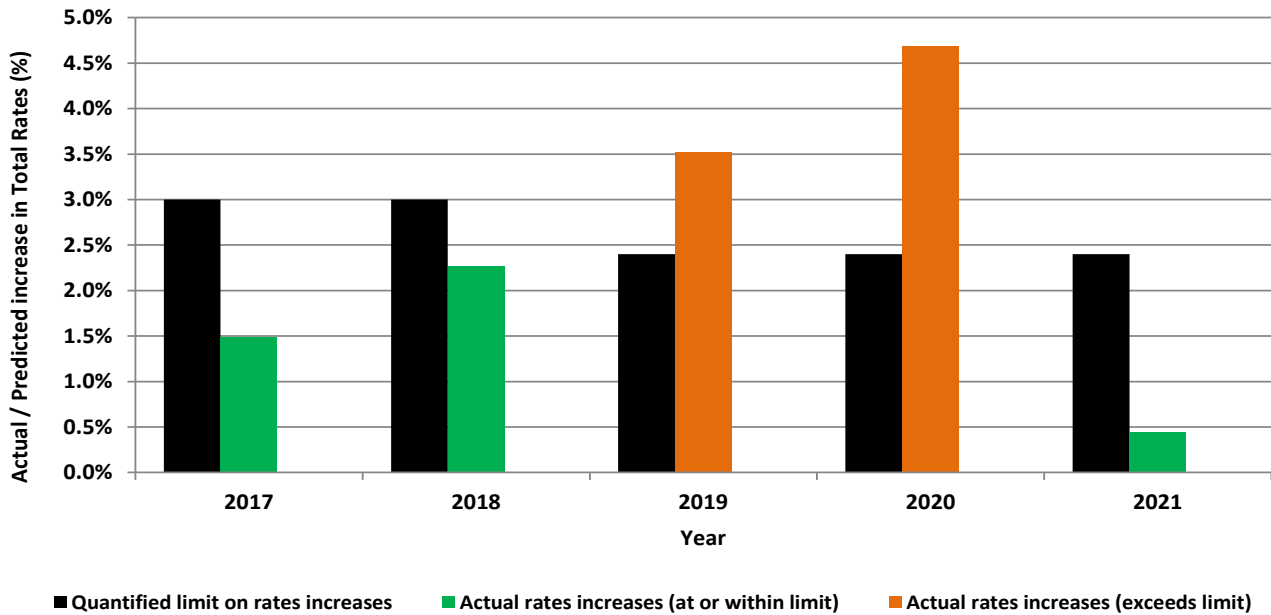
- Reefton Water Supply upgrade spend at balance date was \$854,000 that has been carried over to be completed in the 2021/2022 financial year.
- Roading capital expenditure totaled \$6.4m for 2020/2021 compared to the budgeted spend of \$3.1m. \$1.8m related to Tidal Creek Bridge No 2 and \$348,000 for Nile River Bridge. Council received government funding for both bridges.
- Council spent funds on a number of community assets during the year.
- Reefton Pool upgrade \$544,000.
- District revitalisation expenditure totaled \$1.4m against a budget of \$410,000. Council received \$600,000 in government funding in 2020/2021 relating to the Westport Waterfront Development. The spend at balance date for this project was \$1.2 million that has been carried over to be completed in the 2021/2022 financial year.

Other government funded capital projects not budgeted for include the 3 Waters projects for the Westport Trunk Main, Terrace, and Punakaiki Trunk Main with the spend at balance date totaling \$1.9 million that has been carried over to be completed into the 2021/2022 financial year, the Old Hector Landfill Seawall \$852,000, Buller Bulk Shipping and Fishing Precinct works of \$120,000 that has been carried over to be completed in the 2021/2022 financial year, and Airport Rockwall completion of \$95,000.

There was limited impact to infrastructure asset completion due to the effects of Covid-19.

# Financial Prudence Benchmarks

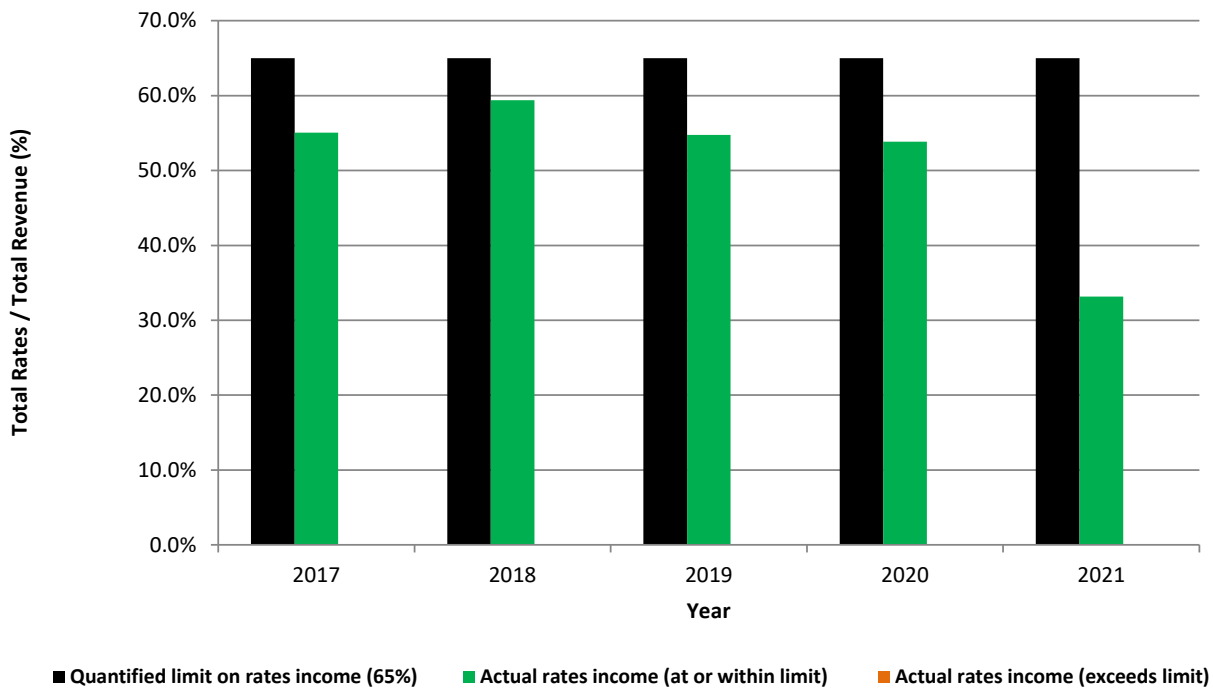
## Rates Increases Affordability Benchmark



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

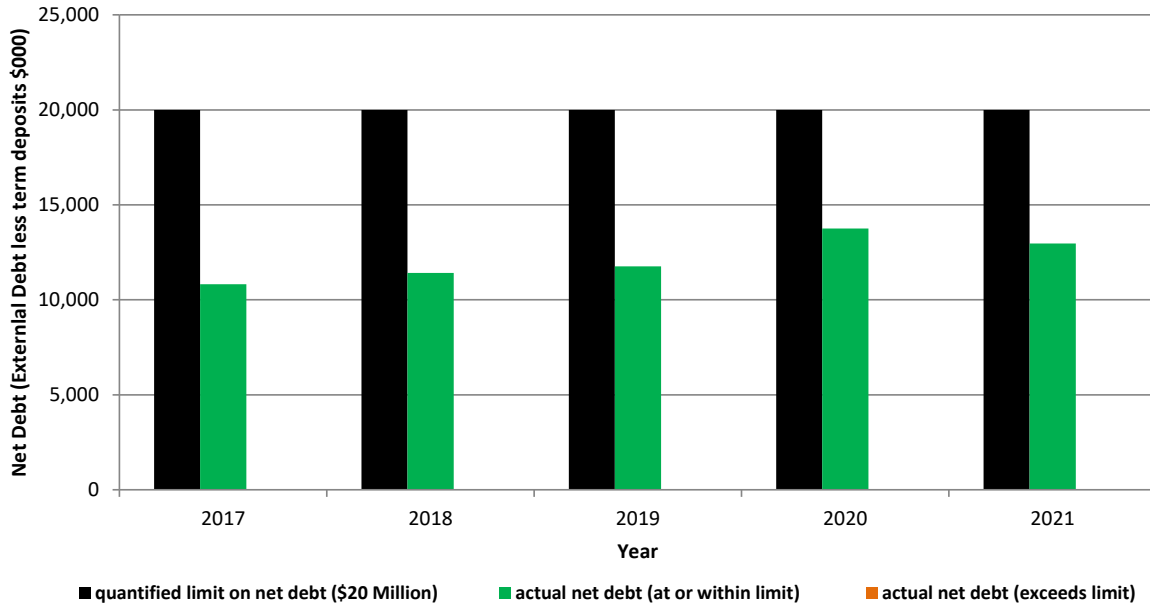
2019/2020: The benchmark was not met in 2019/2020 and this was also signaled in the LTP. Rates collected in 2019/2020 also included unbudgeted rates from abandoned land which increases the measure. The actual amount of rates set in the 2019/2020 Annual Plan was 3.3%.

## Rates Income Affordability Benchmark



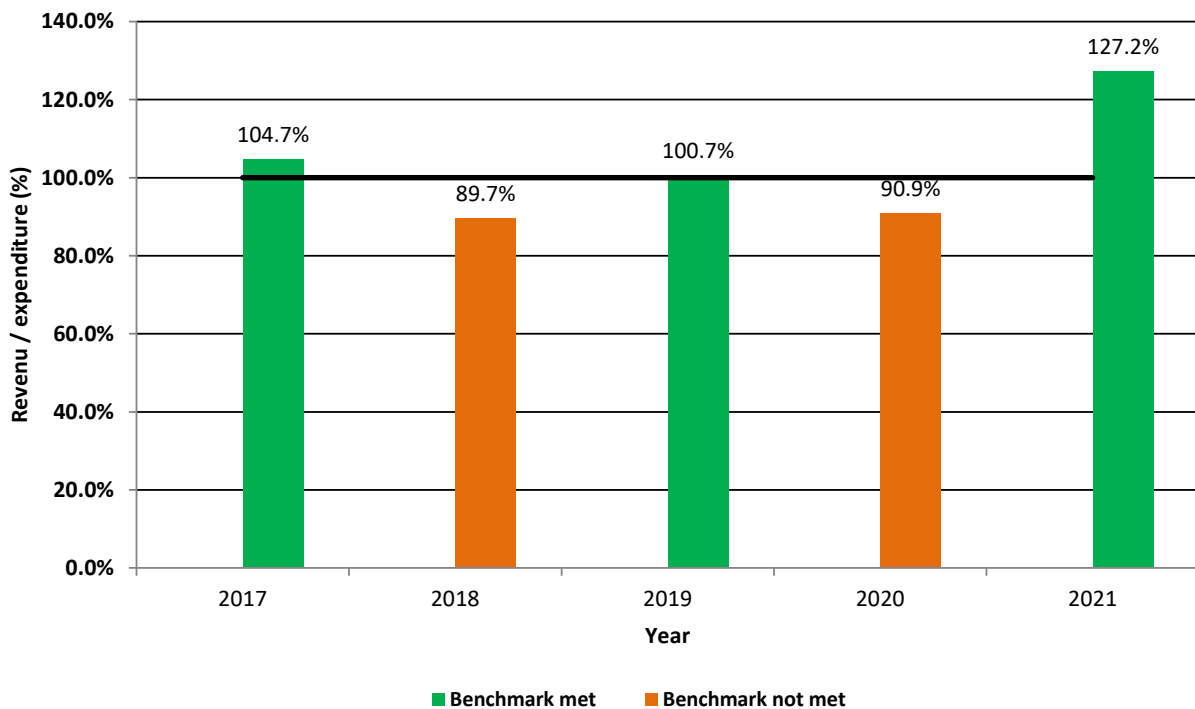
■ Council has agreed that rates income would not exceed 65% of total revenue.

## Debt Affordability Benchmark



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

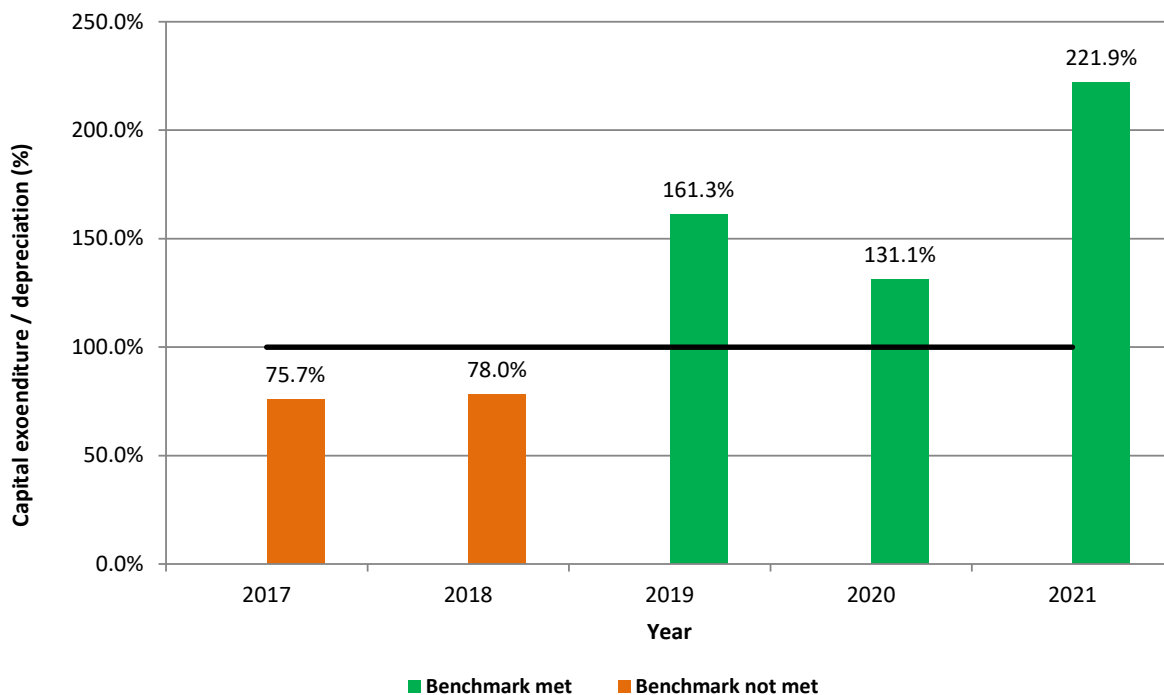
## Balanced Budget Benchmark



2017/2018: This is due to increases in depreciation that were not anticipated from the infrastructure revaluation as well as additional costs that were not anticipated, including costs for storm events, repairs and maintenance and additional operations such as Harbour.

2019/2020: The balanced budget benchmark was not met mainly due to the asset writeoff that were carried out over the period.

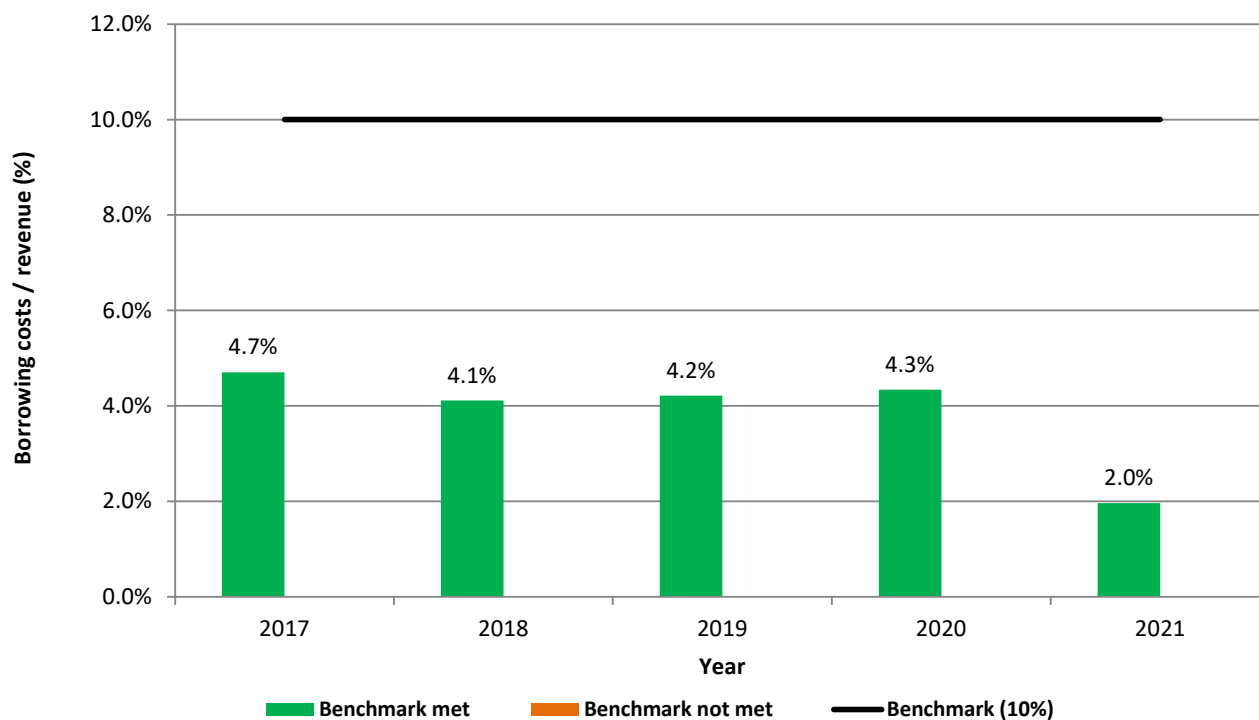
## Essential Services Benchmark



2016/2017: A number of roading capital projects were not completed due to poor weather over the reseal period, this flowed over to a lesser extent into other infrastructure projects.

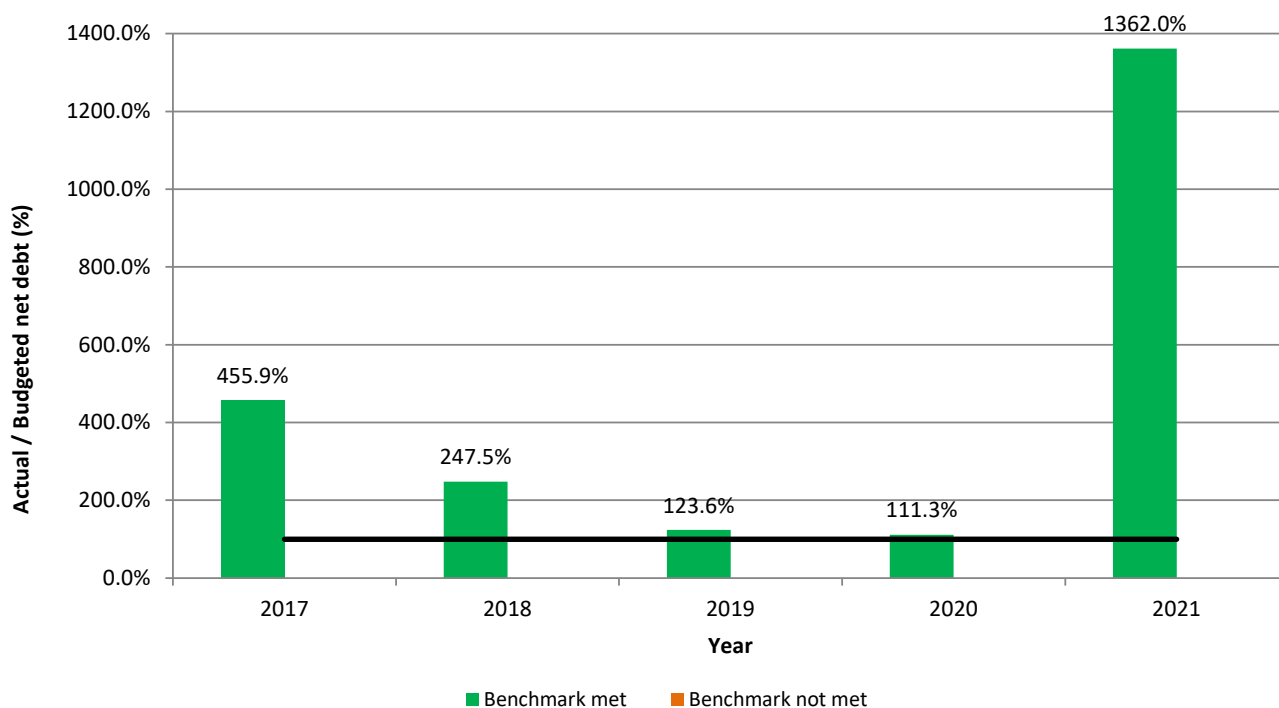
2017/2018: Depreciation increased due to revaluation of infrastructure assets. The capital program had not been adjusted to match, this will occur in 2018/2019. Council actually spent \$650,000 more in infrastructure capex compared to 2016/2017.

## Debt Servicing Benchmark



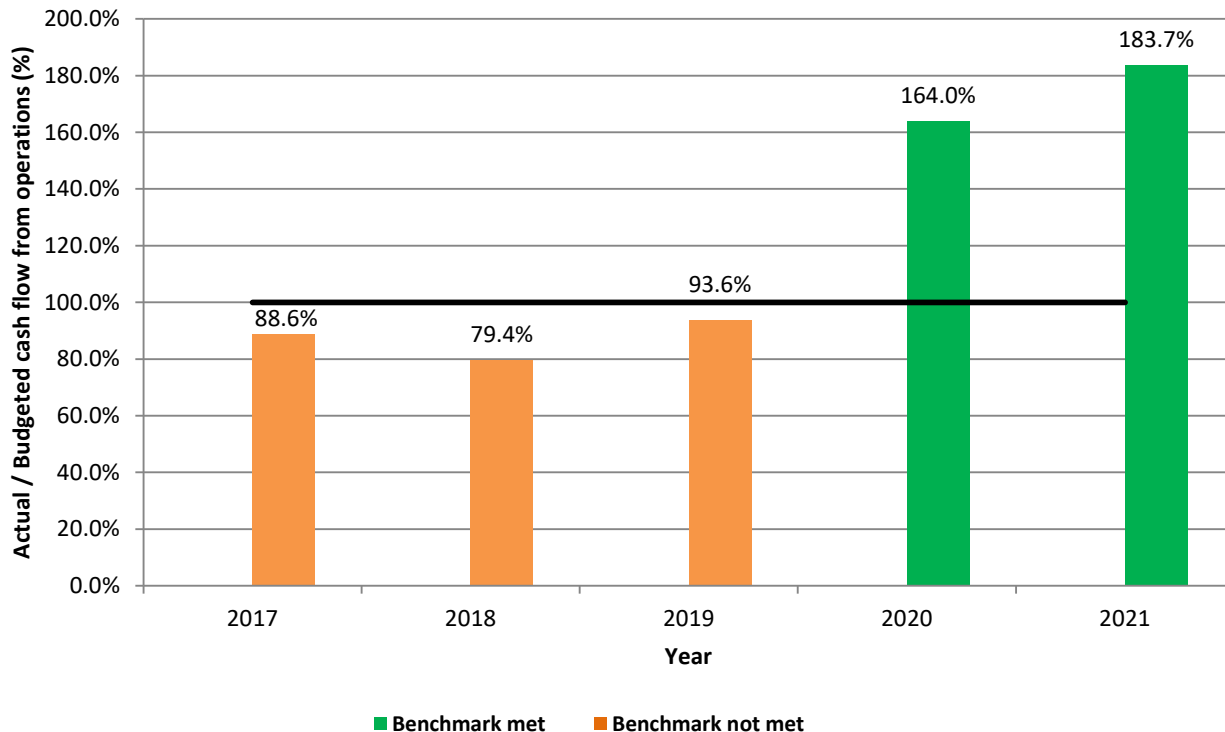
■ Council has continued to operate well within the low growth Council benchmark of 10%.

## Debt Control Benchmark



2016/2017: Council has met the Debt Control Benchmark and is in a net asset position. Council is in a more favourable net asset position (financial assets exceed financial liabilities) than predicted in the LTP due to a number of capital projects that would have been debt funded but have not been completed from what was originally proposed in the LTP. These include the Westport water trunk main renewal (\$3.9m) and tunnel replacement (\$1.5m).

## Operations Control Benchmark



2016/2017: The operating cashflow benchmark budgeted in the LTP had higher income predicted for building and planning which has not eventuated. In addition rates income predictions were higher in the LTP benchmark.

2017/2018: The operating cash flow benchmark budgeted in the LTP had higher income predicted for rates and investment income which was partially offset by greater subsidies and grants received than budgeted.

Unbudgeted costs were incurred in relation to Westport water alternate supply, storm damage and civil defence costs from the two cyclone events and the transfer of Westport Harbour operations to Council.

2018/2019: The minor difference in operation cashflow is primarily due to the Waimangaroa drinking water subsidy of around \$400,000 which was not received in 2018/2019.

# Community outcomes and well-beings

Community outcomes and well-beings describe how Buller District Council aims to achieve meeting the current and future needs of our communities. This includes providing good-quality infrastructure, providing public services as well as performing regulatory functions.

Community outcomes set the direction for the Long Term Plan (LTP) and Annual Plan (AP). All activities included in the LTP or AP that Council undertakes makes a contribution toward achieving the community outcomes and well-beings.

The four well-beings are set out in the Local Government Act (2002) and they include Social, Economic, Environmental and Cultural. The four well-beings can be described as:

**Social** ~ includes individuals, families, whanau, hapu, iwi, and a range of communities setting and achieving goals such as education, community networks, health, personal and financial security, and having equity of opportunity and rights and freedoms.

**Economic** ~ considers if the local economy can generate employment and wealth needed to provide many of the requirements for social well-being such as financial security, health and community networks.

**Environmental** ~ looks at the natural environment and if it can sustainably support the activities that are needed for healthy communities, such as fresh air, fresh water, unpolluted land and environmental controls.

**Cultural** ~ includes the beliefs, customs, values, identities and behaviours shown through arts, language, stories, ceremonies and heritage of our community.

*The Local Government Act (2002) requires Council to identify the community outcomes to which a group of Council activities primarily contributes to, and to report the results of any measurement undertaken during the year of progress towards the achievement of the outcomes. Council must also describe any identified effects that any Council activity has had on the social, economic, environmental or cultural well-being of the community. The results are collated in the table below and a more detailed assessment is included in each activity statement.*

Since adoption of the 2018-2028 Long Term Plan legislation has changed requiring the four well-beings to be included. Each of Council's activities contributes to two or more of these well-beings. The following table identifies for each activity the well-beings that it makes a positive contribution towards. It is not believed that any activity makes a negative contribution to any of the well-beings.

**Table 1: Community Outcomes and Well-beings:**

Council Activities	Community Outcomes				Well-beings				
	Well-being	Learning	Who We Are	Sustainable Environment	Prosperity	Social	Economic	Environmental	Cultural
Regulatory Services	✓	✓	✓	✓		✓	✓	✓	
Roading and Transport		✓		✓	✓	✓	✓	✓	
Water Supplies	✓	✓		✓	✓	✓	✓	✓	
Wastewater/Sewerage	✓	✓		✓	✓	✓	✓	✓	
Stormwater	✓			✓		✓	✓	✓	
Solid Waste	✓	✓		✓	✓	✓	✓	✓	
In-house Professional Services	✓			✓	✓		✓	✓	
Community Services	✓	✓	✓	✓	✓	✓			✓
Governance and Representation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Services and Support Services	✓	✓	✓	✓	✓	✓	✓	✓	✓
Property	✓	✓	✓	✓	✓	✓	✓		✓

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

## Council Activities:

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

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

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

## Activities in this group include

- Animal management.
- Plans, policies, and guidance documents.
- Provision of consents.
- Building control.
- Compliance and enforcement management.
- Alcohol licensing.
- Emergency management and civil defence.
- Environmental health.

## Why we are involved with these activities

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

- The animal management service aims to provide a safer district by reducing dog-related offences through the registration of dogs, the educating their owners, and investigating complaints.
- The planning service ensures the district is able to promote development to support a prosperous community without compromising rights of residents and the district's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the district's buildings and other associated structures (such as swimming pools) are safe, habitable, and meet national legislative requirements. Of particular importance is Council's role in advising on and where necessary enforcing the statutory provisions relating to earthquake prone buildings.
- Compliance and enforcement management activities focus on working with the community to ensure the district remains a peaceful and attractive place to live and work. By the application of bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping, and respond to noise nuisances, as well as encouraging residents to maintain tidy sections.
- Alcohol licensing ensures that the statutory requirements and the objectives of the Sale and Supply of Alcohol Act 2012 are being met, in that the sale and supply of alcohol should be undertaken safely and responsibly, and any harm caused by excessive or inappropriate consumption of alcohol should be minimised.
- Under the Civil Defence Emergency Management Act 2002, Council must be prepared to provide readiness, response, and recovery in the event of an emergency. The Buller District has a full time Emergency Management Officer based in Westport after a west-coast wide shared services arrangement was agreed with Grey District Council, Westland District Council, and West Coast Regional Council. Council provides staff and resources in the event of a Civil Defence emergency.
- Environmental health ensures that operators meet required public health standards in particular the safe preparation and service of food.

## Why do we contribute to strategic goals and community outcomes?

This activity supports the following community outcomes:

### Well-Being

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

### Learning

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

### Who we are

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

### Sustainable Environment

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

## Community outcomes and well-beings

*How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?*

**Social** - Supporting health and safe public places.

**Economic** - Sustainable and regulated development support the local economy.

**Environmental** - Protection of our environment to care for our land, water and natural taonga.



## Statement of service performance

### Alcohol licensing

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

### District Plan review

Work on the Te Tai o Poutini Plan (One District Plan) is well underway. Every district in New Zealand must have an operational plan. Rather than the three individual district Councils preparing individual plans, Te Tai o Poutini Plan Committee is now responsible for preparing and approving a new combined plan to cover the West Coast. The joint committee comprises of the Buller, Grey, and Westland District Councils, West Coast Regional Council, Te Runanga o Ngati Waewae, and Te Runanga o Makaawhio.

### Civil Defence

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

### Building Consent Authority (BCA) accreditation

Council passed its two-yearly building consent authority accreditation assessment, carried out by International Accreditation New Zealand (IANZ), and can continue as an accredited building consent authority. The team is tracking well to meet the requirements for accreditation which is due to be assessed in December 2021.

## Significant variance explanations compared to 2018 - 2028 Long Term Plan

### Fees and charges

- \$176,000 building fees over budget due to higher than usual activity.
- \$51,000 LIM fees are greater than budget.

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

- \$162,000 BRANZ and BCA levies retained due to higher building activity.

### Payments to staff and suppliers

- \$103,000 salaries; building expenses excluding salaries up \$129,000 mainly consulting and building research and building industry levies paid.

### Increase/ (decrease) in reserves

- Due to net profit in building activity.

## Significant capital expenditure

### To replace existing assets

- Civil Defence communication equipment.

## Key performance indicators

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

**Key performance measure 1:** maintain quality of life through ensuring compliance with building and development regulations.

How we do it	<ul style="list-style-type: none"> <li>■ Process and grant building consents.</li> <li>■ Process and grant resource consents.</li> </ul>			
How we measure performance		Target	Performance	
	Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of the Building Consent Authorities Regulation 2006.	Continue to retain accreditation by passing the biannual IANZ Audits.	2020/2021: BCA is being audited by IANZ in December 2021. At present tracking well to complete this task.  2019/2020: BCA passed external audit via IANZ.	●
	Process non-notified resource consents within statutory timelines.	Continue to achieve 100% within statutory timeframes.	2020/2021: 100% achieved within statutory timeframes.  2019/2020: Some consents were put on hold pursuant to S.37 due to Covid-19. Notwithstanding this, 100% achieved within statutory timeframes.	●



**Key performance measure 2:** maintain quality of life through ensuring the health and safety of licenced activities.

How we do it	Inspect and/or audit registered food premises and health premises.			
How we measure performance		Target	Performance	
	Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders, ensuring they meet the Food Hygiene Regulations 1974 and the new Food Act 2014.	Continue to achieve 100%.	2020/2021: Under new legislation, not all food premises are required to be inspected annually. Some premises are now on 18-month inspections. Covid-19 caused operational constraints in regard to onsite inspections that need to be carried out. Council is looking at a system that will allow remote checks to be completed. As a result, there are eight premises overdue, these will be addressed by December 2021.  2019/2020: Under new legislation, not all food premises are required to be inspected annually. Some premises are now on 18-month inspections. Covid-19 has also caused operational constraints in regard to onsite inspections that now need to be carried out remotely. Council is looking at a system that will allow remote checks to be completed. As a result, there are 22 premises overdue, these will be addressed by December 2020.	●

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

**Key performance measure 3:** establish an effective level of preparedness for Civil Defence disasters.

How we do it	■ Monitor and train volunteers		
How we measure performance	Maintain three teams of trained volunteers, 30 trained volunteers.	<i>Target</i>	<i>Performance</i>
		Maintain three teams of trained volunteers.	<p><b>2020/2021:</b> Community volunteers and Council staff throughout Buller continue to be trained effectively to provide a response in the event of an emergency.</p> <p>The Buller District has 13 community response volunteer groups established, each containing five- eight members. Council staff and other local volunteers have been trained to activate the Emergency Operation Centre (EOC) and work in a response. New staff members undertake an emergency management induction. Training and upskilling continues for those who have passed CIMS4 and functional courses.</p> <p><b>2019/2020:</b> <i>Community volunteers and Council staff throughout Buller are trained to effectively provide a response in the event of an emergency.</i></p> <p><i>75 community volunteers throughout the district.</i></p> <p><i>20 staff and volunteers are trained for an activation of the Buller Emergency Operations Centre.</i></p>

KPI met	
KPI not met	

## Funding Impact Statement for Regulatory Services for the year ended 30 June 2021

	2019/2020 LTP Budget \$'000	2020/2021 LTP Budget \$'000	2020/2021 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	1,069	1,039	1,143
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	953
Internal charges and overheads recovered	0	0	1
Local authorities fuel tax, fines, infringements fees and other receipts	898	916	267
<b>Total operating funding</b>	<b>A 1,967</b>	<b>1,955</b>	<b>2,364</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,447	1,448	1,635
Finance costs	5	2	4
Internal charges and overheads applied	471	459	482
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B 1,923</b>	<b>1,908</b>	<b>2,121</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B 44</b>	<b>47</b>	<b>243</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	51	52	31
Increase/(decrease) in debt	(7)	(8)	(8)
Gross proceeds from sale of assets	0	0	12
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C 44</b>	<b>44</b>	<b>35</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	31	34
Increase/ (decrease) in reserves	88	60	244
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D 88</b>	<b>91</b>	<b>278</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D (44)</b>	<b>(47)</b>	<b>(243)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D)) 0</b>	<b>0</b>	<b>0</b>

## What we do

Roading and transport carries out the planning, operations, maintenance, development, and improvements to the transport network so that it is affordable, integrated, safe, responsive, and sustainable.

Council provides, maintains, and renews sealed and unsealed roads, bridges and culverts, footpaths, seats, and shelters to enable people and businesses to move around for employment, recreation, shopping, social activities, and business purposes. It also provides road signs, markings, and street lighting to ensure that travel is safe and convenient. Council reviews the road network in response to changing needs, and develops plans to ensure the road network can cater for growth. Council also provides support for the continued operation of Westport taxi services.

Urban development is continually undertaken to provide a more pleasant environment for our communities through plantings, street treatments, and decorative measures.

## Why are we involved in these activities?

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

## How do we contribute to strategic goals and community outcomes?

*This activity supports the following community outcomes:*

### Sustainable environment

- Providing a safe roading system. Help reduce energy consumption in our community.

### Prosperity

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

### Learning

- By providing education programmes.

## Community outcomes and well-beings

*How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?*

**Social** - supporting health and safety by providing public roads and footpaths.

**Economic** - sustainable and regulated development of roading and transport to support the local economy.

**Environmental** - protection of our environment to care for our land, water, and natural taonga.

## Statement of service performance

### Roading funding

- Buller is a large district with numerous settlements and small towns along its coastline and in the hinterland. It is only able to function economically and socially because of a vital local roading network maintained by Council. 604km of Council managed roads link into the main State Highways. Half of those local roads are sealed, the other half are unsealed. Local roads incorporate 153 bridges and large culverts.
- The local roads financial assistance rate that has been determined by the New Zealand Transport Agency (NZTA)/Waka Kotahi is 66% for 2020/2021.
- The financial assistance rate of 100% is guaranteed for special purpose roads (SPRs) until 2023/2024. A business case assessment has been completed and Council is negotiating a transition plan with Waka Kotahi/NZTA to determine if the Karamea SPR should be re-classified as state highway or be managed as a local road.
- Council has undertaken a classification of all the roads in the network in accordance with the One Network Framework guidelines developed by NZTA/Waka Kotahi. The classification of the roading network will lead to levels of service being developed for each road category, this may impact on our customer's expectations.

### Major projects

- This year remedial upgrades to the Karamea Highway included Glasseye right turn bay, barrier installations, corner shaping and reseals.
- Tidal Creek Bridge No.2 replacement completed at value of \$1.8m. Fully funded by the Provincial Growth Fund.
- Nile/Waitakere River pedestrian bridge build completed at value of \$348,000. Fully funded by NZTA.
- Kohaihai seal extension of 4.1km through to tourist area at the entrance to the Heaphy Track.
- Footpaths in Westport, Reefton were progressively renewed/resurfaced to provide a safer pedestrian environment.
- Reseals throughout the district were also undertaken.
- LED streetlight replacement program completed throughout the district.

## Customer level of service 2018-2028: links to Council outcomes

**Objective:** to provide and maintain a network of roads for the movement of vehicles, goods and people in a safe and efficient manner throughout the district in accordance with Council and Waka Kotahi/NZTA standards.

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

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

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

- There were no significant variances in comparison to the 2018-2028 Long Term Plan.

## Significant capital expenditure

### Subsidies and grants for capital expenditure

- The variance is primarily related to additional subsidy from Provincial Growth Fund for Tidal Creek Bridge No.2 replacement. Waka Kotahi/NZTA additional contributions for capital expenditure including Nile River Bridge Build and the district's LED streetlight replacements.
- A significant volume of physical works was completed following delays in 2019/2020 financial year due to Covid impact and with the conclusion of the three-year NZTA/Waka Kotahi funding period. This saw a large part of the low cost low risk projects successfully delivered in this reporting year.

## Mandatory performance measures

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

**Key performance measure one:** provide a safe roading network.

<b>How we do it</b>	<ul style="list-style-type: none"> <li>■ Provision of a safe sealed roading network.</li> <li>■ Provision of a sealed roading network that is fit for purpose.</li> <li>■ Provision of footpaths that are comfortable to walk on.</li> </ul>		
<b>How we measure performance</b>	<p>Mandatory performance measure one: road safety</p> <p>The reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number</p>	<p><b>Target</b></p> <p>No change or reduction in the safety quality of the roading network</p>	<p><b>Performance</b></p> <p>2020/2021: the target of no change or reduction has not been met (0 fatal and 3 serious accident)</p> <p>2019/2020: the target of no change or reduction has been met (0 fatal and 2 serious accident)</p>

**Key performance measure 2:** provide a comfortable road network.

<b>How we do it</b>	<ul style="list-style-type: none"> <li>■ Provision of a safe sealed roading network.</li> <li>■ Provision of a sealed roading network that is fit for purpose.</li> <li>■ Provision of a well maintained sealed roading network.</li> </ul>		
<b>How we measure performance</b>	<p>Mandatory performance measure two: condition of the sealed road network.</p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure (STE)</p> <p>Traffic counts are not carried out frequently, a program has been set up to address this</p> <p>Traffic counts form part of the STE formula but the reported smooth travel exposure (STE) is correct because it aligns with the state highway counts (which has also not shown any major movement) over the last five years, excluding roads affected by the Kaikoura earthquake</p>	<p><b>Target</b></p> <p>≥ 90 STE count/km road roughness testing (allow for some decrease on low hierarchy roads)</p> <p>* Note: the 2018-2028 LTP measure was incorrect, the target should be ≥90 STE, not ≤90 STE count</p>	<p><b>Performance</b></p> <p>2020/2021: target not measured due to the road survey not being completed</p> <p>2019/2020: current STE is 89% with the two-year average being 92%. A different contractor was engaged who used a different methodology and the results are under review</p>
	<p>Mandatory performance measure three: maintenance of a sealed local road network</p> <p>The percentage of the sealed local road network that is resurfaced</p>	<p>Continue to achieve ≥ 5.8% 10 year average (allow for some decrease on low hierarchy roads)</p>	<p>2020/2021: 3.1% with the 10 year average being 4.5%</p> <p>2019/2020: 2.6% with the 10 year average being 4.7%. This measure was not achieved due to a combination of resealing programme focusing on wider streets in the network and a high bitumen price</p>
	<p>Unsealed network - metal on unsealed roads lost due to weather, usage and other factors will be replaced</p>	<p>2,200m3 of metal per annum replaced on unsealed roads</p>	<p>2020/2021: 2,782m3 of metal per annum replaced on unsealed roads</p> <p>2019/2020: 3,705m3 of metal per annum replaced on unsealed roads</p>

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

**Key performance measure three:** provide usable footpaths.

How we do it	■ Provision of footpaths that are comfortable to walk on.			
How we measure performance	Mandatory performance measure four: maintain the condition of footpaths within the local road network	<b>Target</b> Continue to achieve 75% of footpaths ranked as grade 1 and 2 (satisfactory) by what is MWH need to write it in full (MWH)	<b>Performance</b> 2020/2021: 64% of the footpath is ranked as grade 1 and 2 (satisfactory) by what is BECA need to write in full here (BECA). Differences between contractor to be explored next reporting period  2019/2020: 89% of the footpath is ranked as grade 1 and 2 (satisfactory) by MWH	●
	The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, Activity Management Plan, Asset Management Plan, annual works program or Long Term Plan)	Continue to achieve ≥ 95% of footpaths ranked as grade 1-3 (satisfactory or deficient) by MWH	2020/2021: 89% of the footpath is ranked as grade 1 - 3 (satisfactory or deficient) by BECA. Differences between contractor to be explored  2019/2020: 99% of the footpath is ranked as grade 1-3 (satisfactory or deficient) by MWH	●

**Key performance measure four:** provide roads with the minimum environmental impact

How we do it	■ Provision of roading network with minimal impact to the environment.			
How we measure performance	Ensure compliance of Resource Consent conditions through monitoring records and West Coast Regional Council correspondence	<b>Target</b> Continue to achieve no prosecutions	<b>Performance</b> 2020/2021: no prosecutions, 100% compliant  2019/2020: no prosecutions, 100% compliant	●
	Ensure no prosecutions take place			

**Key performance measure five:** customer service satisfaction

How we do it	■ Provision of customer service request system.			
How we measure performance	Mandatory performance measure five: road safety	<b>Target</b> Achieve 80%	<b>Performance</b> 2020/2021: estimated 65% actioned within the timeframe. Volume increasing and staff shortages impacted outcome  2019/2020: 100% service requests were responded to within 15 days. Performance achieved	●
	Ensure that the percentage of customer service requests relating to roads and footpaths to which the territorial authority responds to within 15 days			

KPI met	●
KPI not met	●



## Funding Impact Statement for Roading and Transport for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	2,007	2,017	1,951
Targeted rates	0	0	0
Subsidies and grants for operating purposes	2,250	2,326	2,856
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	153	157	123
<b>Total operating funding</b>	<b>A 4,410</b>	<b>4,500</b>	<b>4,930</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,897	2,886	3,072
Finance costs	5	58	4
Internal charges and overheads applied	925	881	744
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B 4,827</b>	<b>3,824</b>	<b>3,820</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B (417)</b>	<b>675</b>	<b>1,110</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,102	1,138	5,414
Development and financial contributions	0	0	0
Increase/(decrease) in debt	1,068	(21)	(5)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C 2,170</b>	<b>1,117</b>	<b>5,409</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	251	257	2,154
- to replace existing assets	1,470	1,502	4,269
Increase/ (decrease) in reserves	33	33	96
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D 1,754</b>	<b>1,792</b>	<b>6,519</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D 417</b>	<b>(675)</b>	<b>(1,110)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D)) 0</b>	<b>0</b>	<b>0</b>

## Core Asset Disclosures for Roading and Transport

	2020				2021			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Roads and footpaths	252,541	1,590	208	357,155	255,112	6,728	0	367,483
<b>Total</b>	<b>252,541</b>	<b>1,590</b>	<b>208</b>	<b>357,155</b>	<b>255,112</b>	<b>6,728</b>	<b>0</b>	<b>367,483</b>

## What we do

Council manages water supplies to support the health and well-being of the community.

## Why are we involved in this activity?

Water is an essential need for individuals and commercial operations. Council provides enough potable water for domestic and commercial needs and public amenities. Council water management is required under several legal statutes.

## How do we contribute to strategic goals and community outcomes?

*This activity supports the following community outcomes:*

### Well-being

- By providing a reticulated water supply to support a health community.
- By providing water for sanitary services.
- By maintaining sufficient water for firefighting purposes.

### Environment

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

### Learning

- By providing water conservation education.

### Prosperity

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

## Community outcomes and well-beings

*How does this activity contribute to the social, economic, environmental or cultural well-being of the community?*

**Social** - supporting health and safety by provision of public water supplies.

**Economic** - sustainable and regulated water supplies support the local economy.

**Environmental** - protection of our environment to care for our land, water, and natural taonga.

## Statement of service performance

### Westport water supply

Council has resolved to replace the 14" trunk main due to ongoing leakage issues. This will provide a renewed trunk main from the Westport Water Treatment Plant to Westport. This project is currently in the design phase with completion expected in the 2021/2022 financial year.

The water model for Westport was completed in the 2020/2021 financial year. This model included key insights into the function of the supply and indicated the extent of leakage within the network. A programme is planned for the 2021/2022 year to reduce leakage within the reticulation. The replacement of the 14" trunk main and addition of pressure reduction to the town will assist in leakage reduction.

A new water bylaw and backflow prevention policy are to be implemented in the 2021/2022 financial year. This will result in the start of the backflow prevention programme.

### Waimangaroa rural drinking water upgrades

A compliant Conns Creek Water supply will provide drinking water to the Waimangaroa township. This is due to go out to tender in the early stages of the 2021/2022 Financial Year.

### Reefton water supply

Reefton is currently on a precautionary boil water notice (BWN) following advice from the Canterbury District Health Board (CDHB). In 2021/2022 work began on the Reefton water upgrade with the rising main being laid from the water treatment plant on The Strand to the base of the reservoir hill at Donovan Street. This upgrade includes treatment improvements, construction of a dedicated rising main from the treatment plant to the reservoir, reservoir upgrades, renewal of the existing rising/falling main and construction of a new full pressure water main and associated pressure reduction infrastructure.

Reefton water supply will have a backflow prevention and mains replacement programme undertaken through the life of this plan.

### Punakaiki

The replacement of the Punakaiki trunkmain commenced with stage 1 completed, and Stage 2 started within the 2021/2022 financial year. Upgrades to the Punakaiki klip tanks will also be installed to allow to effectively manage water in Punakaiki. Through the Greater Punakaiki Master Plan currently underway, various long-term water supply alternatives will be identified and evaluated. Once the business case and funding models are developed and approved, the scoping, planning and consultation phases will commence. The cost impacts will be via a business case to central government.

## Levels of service

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

- To ensure that all supplies have sufficient water at the source, and within the system, to meet the reasonable needs of the consumers.
- To ensure that connections are provided with adequate water pressure under normal use.
- To ensure that fire hydrants provide an adequate firefighting supply.
- To ensure the quality of the water supplies meet the expectations of each community and all legal requirements.
- To maintain the service to the consumer with a minimum of disruption and inconvenience.
- To minimise the quantity of unaccounted water.
- To ensure that supplies are managed in a cost-effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.
- The corresponding levels of service established as a means of achieving the performance standards, as set out above.

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

- No significant variances in comparison to the 2018-2028 Long Term Plan.

## Significant capital expenditure

- Various capital projects were carried out on water supplies.

## Mandatory performance measures

Key service criteria	Target level of service	Measurement	Target	Current performance																														
<b>Mandatory performance measure one:</b> provide an adequate quality of water (see tables 1 and 2, page 29).																																		
<i>Is the water safe to drink?</i>	Performance measure one (safety of drinking water):	The extent to which Council's water supply complies with: a) Part four of the drinking water standards (bacteria compliance criteria) b) Part five of the drinking water standards (protozoa compliance criteria)	Full compliance (100%) bacteria	<p><b>2020/2021:</b> bacteria compliance was achieved for Westport, Carters Beach, Reefton and Inangahua, improvements in water treatment, water sampling methodologies and water treatment plant reporting have led to a reduction in reported bacterial levels this year - overall this target was not met</p> <p>Protozoal compliance not achieved for any plants, affected by UV, turbidity, and flow data parameters not being met.</p> <table border="1"> <thead> <tr> <th>2020/2021 (*)</th> <th>Bacteria Compliance</th> <th>Protozoa Compliance</th> </tr> </thead> <tbody> <tr><td>Westport</td><td>Yes</td><td>No</td></tr> <tr><td>Carters Beach</td><td>Yes</td><td>No</td></tr> <tr><td>Reefton</td><td>Yes</td><td>No</td></tr> <tr><td>Punakaiki</td><td>No</td><td>No</td></tr> <tr><td>Ngakawau-Hector</td><td>No</td><td>No</td></tr> <tr><td>Mokihinui</td><td>No</td><td>No</td></tr> <tr><td>Little Wanganui</td><td>No</td><td>No</td></tr> <tr><td>Waimangaroa</td><td>No</td><td>No</td></tr> <tr><td>Inangahua</td><td>Yes</td><td>No</td></tr> </tbody> </table>	2020/2021 (*)	Bacteria Compliance	Protozoa Compliance	Westport	Yes	No	Carters Beach	Yes	No	Reefton	Yes	No	Punakaiki	No	No	Ngakawau-Hector	No	No	Mokihinui	No	No	Little Wanganui	No	No	Waimangaroa	No	No	Inangahua	Yes	No
			2020/2021 (*)	Bacteria Compliance	Protozoa Compliance																													
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Waimangaroa	No	No																																
Inangahua	Yes	No																																
Full compliance (100%) protozoa	<p><b>2019/2020:</b> bacterial compliance was achieved for Inangahua Junction. Protozoal compliance was not achieved for any water supplies</p> <p>Protozoal compliance was affected by UV, turbidity and flow data parameters not being met</p> <table border="1"> <thead> <tr> <th>2019/2020</th> <th>Bacteria Compliance</th> <th>Protozoa Compliance</th> </tr> </thead> <tbody> <tr><td>Westport</td><td>No</td><td>No</td></tr> <tr><td>Carters Beach</td><td>No</td><td>No</td></tr> <tr><td>Reefton</td><td>No</td><td>No</td></tr> <tr><td>Punakaiki</td><td>No</td><td>No</td></tr> <tr><td>Ngakawau-Hector</td><td>No</td><td>No</td></tr> <tr><td>Mokihinui</td><td>No</td><td>No</td></tr> <tr><td>Little Wanganui</td><td>No</td><td>No</td></tr> <tr><td>Waimangaroa</td><td>No</td><td>No</td></tr> <tr><td>Inangahua</td><td>Yes</td><td>No</td></tr> </tbody> </table> <p><i>Refer to page 29 for further details.</i></p>	2019/2020	Bacteria Compliance	Protozoa Compliance	Westport	No	No	Carters Beach	No	No	Reefton	No	No	Punakaiki	No	No	Ngakawau-Hector	No	No	Mokihinui	No	No	Little Wanganui	No	No	Waimangaroa	No	No	Inangahua	Yes	No			
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Waimangaroa	No	No																																
Inangahua	Yes	No																																

(\*) these results are provisional pending the final report from Ministry of Health.

Key service criteria	Target level of service	Measurement	Target	Current performance
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**Mandatory performance measure 2:** provide a reliable supply of water- maintenance of reticulation network (see table 3, page 29).

<i>Maintenance of reticulation network</i>	Performance measure two (maintenance of reticulation network):	The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this)	20% water loss from the water reticulation system	2020/2021: this could not be measured and the target has not been met because plant used to measure water flow was not in use for the entire year  2019/2020: this could not be measured and the target has not been met because plant used to measure water flow was not in use for the entire year	●
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**Mandatory performance measure three:** provide a reliable supply of water - fault response time.

<i>Fault response times</i>	Performance measure Three (fault response times):	Where Council attends to a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:			
		a) Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site within 2 hours	Two hours	2020/2021: there were 32 urgent requests based on Council's service request system, 24 were attended within two hours and eight were attended late  2019/2020: there were 25 urgent requests based on Council's service request system, 23 were attended to within two hours and two were attended late.	●
		b) Resolution of urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	Five hours	2020/2021: there were 32 urgent requests based on Council's service request system, 25 were resolved within five hours and seven were resolved late  2019/2020: there were 25 urgent requests based on Council's service request system, 23 were resolved within five hours and two were resolved late	●
		c) Attendance for non-urgent call outs: from the time that Council receives notification to the time that service personnel reach the site	One working day	2020/2021: 523 callouts were received in total. Of these, 405 were attended within the set timeframe, 110 were attended outside of the timeframe and eight are incomplete  2019/2020: 231 callouts were received in total. Of these, 163 callouts were attended within the set timeframe, 64 were attended outside of the timeframe and four are incomplete	●
		d) Resolution of non-urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	Five working days	2020/2021: 523 callouts were received in total. Of these, 394 were attended within the set timeframe, 121 were attended outside of the timeframe and eight are incomplete  2019/2020: 231 callouts were received in total. Of these, 176 callouts were resolved within the set timeframe, 51 were resolved outside of the timeframe and four are incomplete	●

Key service criteria	Target level of service	Measurement	Target	Current performance
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**Mandatory performance measure four:** provide water with the minimum environmental impact.



<i>Customer satisfaction</i>	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:				
		a) Drinking water clarity	Less than 5 complaints per 1,000 connections	<i>No. of complaints</i> 2020/2021: 9 2019/2020: 8	<i>No. of complaints per 1,000 connections</i> 2020/2021: 2.24 2019/2020: 1.99	●
		b) Drinking water taste	Less than five complaints per 1,000 connections	2020/2021: 5 2019/2020: 3	2020/2021: 1.24 2019/2020: 0.75	●
		c) Drinking water odour	Less than five complaints per 1,000 connections	2020/2021: 0 2019/2020: 0	2020/2021: 0 2019/2020: 0.0	●
		d) Drinking water pressure	Less than five complaints per 1,000 connections	2020/2021: 31 2019/2020: 20	2020/2021: 7.72 2019/2020: 4.98	●
		e) Continuity of supply	Less than five complaints per 1,000 connections	2020/2021: 32 2019/2020: 25	2020/2021: 7.97 2019/2020: 6.23	●
		f) Council's response to any of these issues.	Less than five complaints per 1,000 connections	2020/2021: all complaints received have been resolved  2019/2020: from the 36 complaints received, 35 have been resolved - issues with gravel within the Waimangaroa water supply are being addressed	2020/2021: 0.0 2019/2020: 8.97	●



**Mandatory performance measure five:** provide a reliable supply of water- fault response time.

<i>Demand management</i>	Performance measure five (demand management)	The average consumption of drinking water per day per resident within the Buller district	700 litres	2020/2021: water model showed Westport/Carters Beach average consumption of 493.73L/property/day  Analysis of the SCADA data from Inangahua displayed an average 1700 L/property/day between 1/1/21 and 30/6/21 (note – there is no individual meters on properties, so this value includes leakage and other factors)  Reefton, Punakaiki, Waimangaroa, Mokihinui, Little Wanganui, Ngakawau-Hector, and South Granity does not have data to determine water usage  2019/2020: this could not be measured and the target has not been met because plant used to measure water flow was not in use for the entire year	●
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Key service criteria	Target level of service	Measurement	Target	Current performance
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**Other key performance measures:** provide a reliable supply of water.

<i>Can you rely on the water supply to be available?</i>	To provide water into the system virtually all the time	Proportion of time that water is supplied into the reticulation  Targets: water was supplied 99% of the time	Water supplied for at least 360 days per year (99% of the time)	2020/2021: All supplies had water available for 100% of the time  There were two instances of the Waimangaroa trunk main being damaged resulting in no water to the township between 9am and 3pm  2019/2020: 10 supplies had water available for 100% of the time, with one supply (Westport/Carters Beach) having water available 99.9% of the time	
<i>Is the use of water restricted?</i>	To permit gardens to be maintained in a healthy state all year	Number of days that water restrictions are in place  Target: 100% compliance	100% compliance  The target in the 2018-2028 Long Term Plan is not specific	2020/2021: no restrictions on any water supplies  2019/2020: 29 days for the Westport water supply, 0 days for other supplies	

KPI met	
KPI not met	

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

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

\* No treatment plant to enable compliance  
 \*\* E.Coli detection in supply  
 \*\*\* Data collection and reporting errors  
 \*\*\*\* Insufficient sampling, non-compliance of certain parameters

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

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

\* No treatment plan to enable compliance  
 \*\* E.Coli detection in supply

**Table 3: Water leakage**

Water supply	Connections	Actual performance	Target	Method
South Gravity Tank Supply (administered by Council)*	23	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Hector/Ngakawau*	176	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Inangahua Junction**	33	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Little Wanganui*	78	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Mokihinui*	50	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Punakaiki**	93	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Reefton**	663	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Waimangaroa*	137	2020/2021: not measured (2019/2020: not measured)	30%	MNF
Westport	2,694	2020/2021: 80% low flow, 57% peak flow unaccounted for (a combination of leakage and other factors) (2019/2020: not measured)	30%	MNF

\* These supplies do not have continuous flow monitoring hence leakage is not determined.

\*\* Supplies have continuous monitoring at the treatment plant, but no flow meters at connections, hence leakage cannot be determined.

**MNF** = minimum night flow

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

## Funding Impact Statement for Water Supplies for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	2,741	2,879	2,972
Subsidies and grants for operating purposes	0	0	0
Fees and charges	209	214	231
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>A 2,950</b>	<b>3,093</b>	<b>3,203</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,043	1,066	1,164
Finance costs	382	368	225
Internal charges and overheads applied	433	440	410
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B 1,857</b>	<b>1,875</b>	<b>1,799</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B 1,093</b>	<b>1,218</b>	<b>1,404</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	1,899
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(232)	(245)	(121)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C (232)</b>	<b>(245)</b>	<b>1,778</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	216	221	350
- to replace existing assets	560	684	3,332
Increase/ (decrease) in reserves	84	67	(500)
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D 861</b>	<b>972</b>	<b>3,182</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D (1,093)</b>	<b>(1,218)</b>	<b>(1,404)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D)) 0</b>	<b>0</b>	<b>0</b>

## Core Asset Disclosures for Water Supplies

	2020				2021			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Treatment plants and facilities	9,244	1,018	0	14,260	9,277	177	0	14,575
Other assets	23,353	7,428	0	57,578	23,644	1,019	0	59,151
<b>Total</b>	<b>32,597</b>	<b>8,447</b>	<b>0</b>	<b>71,838</b>	<b>32,921</b>	<b>1,197</b>	<b>0</b>	<b>60,606</b>



## What we do

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

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

## How we contribute to strategic goals and community outcomes

*This activity supports the following community outcomes:*

### Well-being

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

### Sustainable environment

- Protection of the environment through the treatment of wastewater.

### Learning

- Provision of wastewater education via newsletters and other publications.

### Prosperity

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

## Community outcomes and well-beings

*How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?*

**Social** - supporting health and safety by provision of public wastewater and sewerage disposal systems.

**Economic** - sustainable and regulated wastewater systems support the local economy.

**Environmental** - protection of our environment to care for our land, water and natural taonga.

## Statement of service performance

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

## Levels of service

*The overall corporate goals and legislative requirements have been translated into several more specific target performance standards:*

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

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

- No significant variances in comparison to the 2018-2028 Long Term Plan.












## Significant capital expenditure



- The variance relates to work carried out at the Westport treatment plant to improve performance.

## To replace existing assets

- There was less renewal replacement carried out compared to the Long Term Plan.

## Mandatory performance measures

Key service criteria	Target level of service	Measurement	Targets	Current performance		
<b>Mandatory performance measure one:</b> provide adequate capacity.						
<i>How often does the sewer overflow?</i>	Performance measure one (system and adequacy):	The number of dry weather sewage overflows from Council's sewerage system expressed per 1,000 sewerage connections to Council's system.	≤5 sewerage overflows per 1,000 connections.	2020/2021: 0.4 per 1,000 connections. 2019/2020: 0.3 per 1,000 connections.		
<b>Mandatory performance measure two:</b> provide sewer collection and disposal with minimal environmental impact.						
<i>Is the environment being harmed?</i>	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of:				
		a) Abatement notices	<5	2020/2021: 0 2019/2020: 0		
		b) Infringement notices	0	2020/2021: 0 2019/2020: 0		
		c) Enforcement orders	0	2020/2021: 0 2019/2020: 0		
		d) Convictions received by Council in relation to those resource consents.	0	2020/2021: 0 2019/2020: 0		
<b>Mandatory performance measure three:</b> provide sewer collection and disposal with minimal environmental impact.						
<i>Fault response times</i>	Performance measure three (fault response times):	Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the following median response times are measured:				
		a) Attendance time: from the time that Council receives notification to the time that service personnel reach the site; and	Within 2 hours	2020/2021: five overflows were attended to, four were within two hours. Median attendance was one hour. 2019/2020: five overflows were attended to, four were within two hours. Median attendance was one hour.		
		b) Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Within 1 day	2020/2021: all five overflows were resolved, all within the timeframe of one day. 2019/2020: five overflows were resolved, three within the timeframe of one day. Median resolution was one day.		
<b>Mandatory performance measure four:</b> provide sewer collection and disposal with minimal environmental impact.						
<i>Customer satisfaction</i>	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:				
		a) Sewerage odour.	≤5 complaints	<i>No. of complaints</i>	<i>No. of complaints per 1,000 connections</i>	
				2020/2021: 4 2019/2020: 1	2020/2021: 0.4 2019/2020: 0.3	
		b) Sewerage system faults.		2020/2021: 3 2019/2020: 1	2020/2021: 0.4 2019/2020: 0.3	
		c) Sewerage system blockages.		2020/2021: 13 2019/2020: 25	2020/2021: 4.8 2019/2020: 8.2	
d) Council's response to issues with its sewerage system (expressed per 1,000 properties connected to Council's sewerage system).	2020/2021: 6 2019/2020: 1	2020/2021: 3.5 2019/2020: 0.3				

KPI met	
KPI not met	

## Funding Impact Statement for Wastewater/Sewerage for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	2,638	2,720	2,644
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	5	5	23
<b>Total operating funding</b>	<b>A 2,643</b>	<b>2,725</b>	<b>2,667</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	911	930	961
Finance costs	216	198	198
Internal charges and overheads applied	345	352	340
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B 1,472</b>	<b>1,479</b>	<b>1,499</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B 1,171</b>	<b>1,246</b>	<b>1,168</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(318)	(336)	(336)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C (318)</b>	<b>(336)</b>	<b>(336)</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	20	21	19
- to replace existing assets	880	873	992
Increase/ (decrease) in reserves	(47)	16	(179)
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D 853</b>	<b>910</b>	<b>832</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D (1,171)</b>	<b>(1,246)</b>	<b>(1,168)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D)) 0</b>	<b>0</b>	<b>0</b>

## Core Asset Disclosures for Wastewater/Sewerage

	2020				2021			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Treatment plants and facilities	12,608	95	0	21,965	12,904	296	0	22,472
Other assets	15,028	462	0	30,482	14,371	266	0	31,041
<b>Total</b>	<b>27,636</b>	<b>557</b>	<b>0</b>	<b>52,447</b>	<b>27,275</b>	<b>562</b>	<b>0</b>	<b>53,513</b>

## What we do

Stormwater management systems are a set of procedures and physical assets designed to manage the need to dispose of surface water from rainfall.

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

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

In Punakaiki, the only public stormwater drain is maintained by Waka Kotahi/New Zealand Transport Agency(NZTA) as part of their roading network. In other townships, such as Mokihinui and Little Wanganui, there are no formal stormwater systems and all stormwater simply soaks to ground naturally.

## Why are we involved in this activity?

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

## How do we contribute to strategic goals and community outcomes?

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

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

## Community outcomes and well-beings

*How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?*

Social- supporting health and safety provision of public stormwater disposal systems.

Economic- sustainable and regulated stormwater systems support the local economy.

Environmental- protection of our environment to care for our land, water and natural taonga.

## Statement of service performance

Stormwater that is disposed of in the wastewater pipes have resulted in areas of Westport where wastewater systems could not be used during rainfall events. Modelling of the wastewater system will determine areas of the town where additional stormwater separation will be required. This project is at the data capture stage and in future years physical works to separate the stormwater from wastewater will be undertaken.

District wide stormwater includes scheduled maintenance for the open drains and other rural networks.

## Levels of service

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

- Ensure that all stormwater systems have sufficient capacity to meet the reasonable needs of the consumers.
- Ensure that stormwater within urbanised areas does not contribute to cross boundary flooding for events up to 10% AEP (1 in 10-year event).
- Ensure that stormwater within urbanised areas does not enter dwellings for events up to 2% AEP (1 in 50-year event).
- Ensure that secondary flow paths are identified for events exceeding the capacity of the primary systems.
- Ensure that stormwater systems are maintained at or beyond the minimum capacity required.
- Ensure that stormwater systems are managed in a cost-effective manner.
- Ensure that stormwater discharges are managed in an environmentally sensitive manner.

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

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

- The system has operated for more than 30-years without significant flooding or damage and to the satisfaction of the community.
- Site specific investigations are undertaken when the existing capacity is not considered acceptable to the individual community. Any upgrade options are considered based on risk and benefit/cost considerations.

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

- No significant variances in comparison to the 2018-2028 Long Term Plan.

## Significant capital expenditure

### To replace existing assets.

- There were less mains replacements completed than budgeted in the Long Term Plan.

## Mandatory performance measures

Key service criteria	Target level of service	Measurement	Target	Current performance
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### Mandatory performance measure one: provide adequate stormwater capacity.

Is there adequate stormwater drainage?	Performance measure one (system and adequacy):	a) The number of flooding events that occur in Council's systems.	No target has been established as flooding events are outside of Council's control.	2020/2021: there weren't any stormwater flooding events recorded from service requests (stormwater ponding within roadways is a regular occurrence because they are secondary flow paths- target doesn't exist.  <i>2019/2020: there weren't any stormwater flooding events recorded from service requests (stormwater ponding within roadways is a regular occurrence because they are secondary flow paths – target doesn't exist.</i>	●
		b) For each flooding event, the number of habitable floors affected (expressed per 1.000 properties connected to Council's stormwater systems).	No more than 5 houses flooded for each event	2020/2021: no houses inundated- target met.  <i>2019/2020: no houses inundated - target met.</i>	●
	The system can contain and dispose of stormwater, without ponding or overflow.	All new systems are designed with a minimum 10% Annual Exceedance Probability (AEP) capacity, without ponding, and a minimum 2% AEP capacity, without inundation of dwellings.	No deficient designs found in any year.	2020/2021: no deficient designs were found.  <i>2019/2020: no deficient designs were found.</i>	●



### Mandatory performance measure two: dispose of stormwater with the minimum environmental impact- is the environment being harmed?

Is the environment being harmed?	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of:			
		a) Abatement notices;	Nil	2020/2021: nil. 2019/2020: nil.	●
		b) Infringement notices;	Nil	2020/2021: nil. 2019/2020: nil.	●
		c) Enforcement orders; and	Nil	2020/2021: nil. 2019/2020: nil.	●
		d) Convictions received by Council in relation to those resource consents	Nil	2020/2021: nil. 2019/2020: nil.	●

### Mandatory performance measure three: dispose of stormwater with the minimum environmental impact- fault response time.

Fault response times	Performance measure three (fault response times):	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	1 hour	2020/2021: there were no service requests for flooding events recorded.  <i>2019/2020: there were no service requests for flooding events recorded.</i>	●
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Key service criteria	Target level of service	Measurement	Target	Current performance
<b>Mandatory performance measure four:</b> dispose of stormwater with the minimum environmental impact- customer satisfaction.				
Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to Council's stormwater system.	≤5 complaints per 1,000 properties.	2020/2021: 46 service requests relating to stormwater, 22 related to blocked sumps, pipes, or open channels, 24 private or other roading issues. 3.3 complaints per 1000 connections.  <i>2019/2020: 20 service requests received in total, of which six were a reticulation issue, 14 being private or roading issues. 0.9 complaints per 1,000 properties.</i>

KPI met	
KPI not met	

## Funding Impact Statement for Stormwater for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	523	531	553
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	5	5	0
<b>Total operating funding</b>	<b>A 527</b>	<b>536</b>	<b>553</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	152	155	88
Finance costs	28	26	19
Internal charges and overheads applied	104	104	112
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B 285</b>	<b>286</b>	<b>219</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B 243</b>	<b>250</b>	<b>334</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(32)	(34)	(30)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C (32)</b>	<b>(34)</b>	<b>(30)</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	211	216	115
Increase/ (decrease) in reserves	0	0	189
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D 211</b>	<b>216</b>	<b>304</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D (243)</b>	<b>(250)</b>	<b>(334)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D)) 0</b>	<b>0</b>	<b>0</b>

## Core Asset Disclosures for Stormwater

	2020				2021			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Stormwater drainage	10,316	21	0	24,016	10,099	38	0	24,285
<b>Total</b>	<b>10,316</b>	<b>21</b>	<b>0</b>	<b>24,016</b>	<b>10,099</b>	<b>38</b>	<b>0</b>	<b>24,285</b>

## What we do

The solid waste activity provides for the collection, transfer and final disposal of waste materials generated by households and businesses within the district.

Council provides solid waste collection and recycling services through an environmentally sustainable contractor.

Council entered into a 10-year contract with Smart Environmental Ltd to provide this service until 1 February 2024. This includes the collection and disposal of residual refuse and recycling, the management of the transfer stations, and the transportation of residual waste to a landfill. The kerbside collection service contract will be re-tendered for the period 2024-2034. As part of this procurement process, further investigation will be undertaken around in-district landfill management on a regional context.

Council also operates two active landfills- one at Karamea, and one at Maruia. Central government policy is moving away from a reliance on landfilling as a waste management response, and towards making Aotearoa/New Zealand a more carbon neutral, circular economy.

Council provides the aftercare of Council's closed landfill sites (Birchfield, Westport, Charleston, Inangahua, Reefton, Springs Junction and Ikamatua) and monitors groundwater quality at these sites as required under resource consent conditions.

Council also has a role in facilitating waste minimisation behaviors within communities. This is put into effect by providing resources for education programmes into schools about sustainability and waste minimisation. Support is also provided to businesses to develop more sustainable practices.

## Why are we involved in this activity?

Facilitating the provision of a kerbside collection for household refuse and recycling, plus providing waste disposal and materials diversion services, helps to maintain the quality of life in the district and facilitates waste minimisation through re-use, recycling and recovery. Provision of the service also minimises illegal dumping of refuse.

## How do we contribute to strategic goals and community outcomes?

*This activity supports the following community outcomes:*

### Well-being

- Facilitate the collection and disposal of refuse.

### Environment

- Facilitate collection and disposal of refuse in a safe, efficient, and sustainable manner that maintains the district's natural and aesthetic values.

### Learning

- Provide programmes to schools and the community on waste care and reduction.
- Solid waste disposal minimises risk of waste being inappropriately or dangerously disposed of.

### Prosperity

- Meet commercial needs for dealing with waste.

## Community outcomes and well-beings

How do these activities contribute to the social, economic, environmental, or cultural well-being of the community?

**Social** - supporting health and safety provision of public solid waste disposal and recycling systems.

**Economic** - sustainable and regulated solid waste and recycling systems support the local economy.

**Environmental** - protection of our environment by caring for our land, water, and natural taonga.

## Statement of service performance

### Contracted approach to solid waste

- There has been an increase of 17% from last year in the solid waste transported to York Valley in Nelson. This is mainly due to the reduction of the types of waste that can be recycled, and an increase in the contamination rate of the recycling collected.
- Council has continued with education campaigns around recycling, reminding residents as to what can be recycled, as well as encouraging people to reduce and reuse waste via the district-wide campaign focusing on the messages of reduce reuse recycle.
- Implementation of two significant new recycling programs, including free degassing and disposal of fridges, and e-waste drop of and disposal service at Reefton and Westport transfer stations.

### Karamea and Maruia

- Karamea and Maruia continue to operate within budgets.
- There is a very effective solid waste community group formed at Karamea who work in conjunction with Council staff to optimise the use of the landfill and explore recycling opportunities.
- Karamea and Maruia landfills are operating in compliance with the resource consent conditions and national regulations. A renewed resource consent for Maruia has been submitted to West Coast Regional Council.

### Bulk recycling containers

- The bulk recycling containers serviced the Ngakawau and Springs Junction areas through the summer freedom camping session. Funding for these was provided through the government's Freedom Camping Fund for the peak tourist season. Because the peak tourist season and funding finished, the containers were removed in late April.

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

### Fees

- Dump fees put to other receipts in budget.

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

- Dump fees put to other receipts in budget.

## Significant capital expenditure

- Budget to install rubbish bins at Punakaiki's Dolomite Point (\$33,000) has been allocated as work in progress into the next financial year 2021/2022.



## Funding Impact Statement for Solid Waste for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	272	268	293
Targeted rates	653	654	715
Subsidies and grants for operating purposes	43	44	34
Fees and charges	0	0	28
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	97	99	71
<b>Total operating funding</b>	<b>A</b>	<b>1,065</b>	<b>1,064</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	799	815	891
Finance costs	60	53	53
Internal charges and overheads applied	120	123	175
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B</b>	<b>979</b>	<b>1,119</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B</b>	<b>86</b>	<b>22</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	790
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(70)	(74)	(74)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C</b>	<b>(70)</b>	<b>(74)</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	852
- to replace existing assets	30	8	32
Increase/ (decrease) in reserves	(14)	(9)	(146)
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D</b>	<b>16</b>	<b>(1)</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D</b>	<b>(86)</b>	<b>(22)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>

## What we do

The Professional Services Business Unit (PSBU) provides engineering services to support the maintenance, development, and construction of Council infrastructure.

This includes the preparation of contracts for land transport, three waters, and solid waste services. The PSBU monitors the performance of contractors and issues instructions for work in response to requests for service and comments from the community.

## Why are we involved in this activity?

A PSBU unit allows Council to access professional services on a cost effective basis. In-house expertise assists the efficient management of Council land, transport, and other assets across drinking water, wastewater, storm water and solid waste.

## How do we contribute to strategic goals and community outcomes?

*This activity supports the following community outcomes:*

### Well-being

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

### Sustainable environment

- Monitoring landfills and wastewater treatment plants.

### Prosperity

- Requesting necessary maintenance on time.

## Community outcomes and well-beings

How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?

Social- provision of in-house professional services supports maintenance and development of infrastructure and growth in the local economy.

Environmental- protection of our environment to care for our land, water and natural taonga.

## Statement of service performance

- The PSBU provides monthly updates to Council on contracts under their jurisdiction in a timely manner.

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

### Internal charges and overheads recovered



- No significant variances in comparison to the 2018-2028 Long Term Plan.

## Key performance indicators

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

**Key performance measure one:** provide engineering advice to Council and administer contracts.

How we do it	Provision of Asset Management Plans		
<i>How we measure performance</i>	Provide monthly reports on annual work programmes, monitor contract works.  Prepare monthly contract progress.  Prepare annual work programmes.	<b>Target</b>  Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.	<b>Performance</b>  2020/2021: programme reports were provided to the Chief Executive Officer and all delays and overruns have been explained.  Project Management Office established to ensure successful delivery of significant projects.  2019/2020: programme reports were provided to the Chief Executive Officer and all delays and overruns have been explained.

KPI met	
KPI not met	

## Funding Impact Statement for Professional Services Business Unit for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	932	949	806
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>A</b>	<b>932</b>	<b>949</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	749	762	781
Finance costs	0	0	0
Internal charges and overheads applied	163	159	146
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B</b>	<b>913</b>	<b>921</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B</b>	<b>19</b>	<b>27</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C</b>	<b>0</b>	<b>0</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	36	5	0
Increase/ (decrease) in reserves	(17)	22	(121)
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D</b>	<b>19</b>	<b>27</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D</b>	<b>(19)</b>	<b>(27)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>

## What we do

*Activities and services delivered.*

- Funding – community grants, museum support, community-led revitalisation projects, arts funding, facilities hire, rural travel fund.
- Libraries.
- NBS Theatre.
- Reefton Cinema.
- Communications – website, Connect newsletter, news releases, social media, advertising.
- Customer services – over the counter and by phone and email through offices in Westport and Reefton.
- Economic development.
- Community engagement and consultation.

Council works alongside our communities to support them to identify and implement solutions to the complex social issues in our society. The team work strategically and practically to ensure issues are identified, prioritised, and addressed through a collaborative approach.

### Funding

Council provides and/or administers a range of funding available to community organisations and groups throughout the Buller District. Some are Council's own grants others are administered on behalf of central government organisations such as Creative NZ. All funds have criteria and applications are assessed by a committee or subcommittee.

### Libraries

Library services operate in Reefton and Westport.

Buller District Libraries provide up to date services and facilities that meet information, learning, recreational, and cultural needs of residents of all ages and backgrounds to enhance our community's well-being. Access to information is in a variety of formats including books, media, guidance, digital literacy, and online apps. Buller District Libraries promote life-long learning through a variety of activities and they are considered by some to be a community hub. Westport Library operates six days a week including a late night. Reefton library operates five days a week. Free internet access is provided through Aotearoa People's Network.

### NBS Theatre

Buller's premiere entertainment venue features a live theatre auditorium and two cinemas. The venue offers multiple movie screenings each week and the auditorium is used regularly for live performances, meetings, weddings, cabarets, and funerals. The outdoor stage is well used over the summer months.

### Reefton Cinema

The Reefton Cinema screens movies and the venue is also used for conferences, live performances, meetings, and community events.

## Why we deliver these services

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

### Communications

Council's communications are both pro-active and reactive. By actively releasing information of public interest the Council aims to keep its community well informed.

A quarterly newsletter is delivered to all letterboxes in the district, is available over the counter at multiple outlets, and is sent in digital format to subscribers. Council is actively looking at increasing the uptake of the digital format while finding ways to ensure the newsletter reaches those who do not use digital platforms.

Social media is used to target certain audiences, and the website is regularly updated. Council will continue to add more 'how to videos' on its YouTube channel.

Strong systems oversee Council's responsibilities in relation to the Local Government Official Information and Meetings Act (LGOIMA). Staff undergo training so that responses are delivered in an acceptable manner.

### Customer services

Council has service centres in Westport and Reefton, where staff are available to assist over the counter, by phone and by email. An after-hours telephone service is provided via a call centre.

Responses to service requests are increasingly becoming stream-lined with response time targets being met. Council will further promote use of the service request system with customers and is looking at ways to make it more user-friendly and increase its functionality.

### Economic development

To guide Council's direction with economic development, strategic plans are created, implemented, revised, and assessed.

As projects come to fruition new plans are created to respond to the changing environment. As a result, the district has led the national GDP rate post-Covid 19.

Strong relationships with key stakeholders such as the Provincial Development Unit (PDU) have led to Council securing close to \$20m for projects to be completed by Council. And supported applications to secure a further \$73m for projects to be delivered by external parties.

Over the next few years, Council will focus on activating its Environmental Improvement and Prosperity Strategy (EIPS) as tranche two of Council's economic development plan.

### Community engagement and consultation

To shape our district Council creates multi-media campaigns and engagement activities to entice the community to have their say.

Opportunities to do so are promoted and facilitated during the consultation phase of Council's Annual Plan and LTP processes, and as policies and bylaws which may have significant impact are reviewed and changes drafted.

Council has a Significance and Engagement Policy that guides it in deciding which issues to engage and/or consult the community on.

## How we contribute to strategic goals and community outcomes

These services support the following community outcomes:

### Well-being

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

### Learnings

Libraries assist with the development of lifelong learning and literacy.

- Provide performance space for artistic and cultural performances.
- Work with educational institutions on collaborative projects.

### Prosperity

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

## Well-beings

How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?

**Social**- supports health by provision of public toilets and cemeteries and safe public places; and by provision of grants and funding, sports, recreation, and cultural facilities supports health, education, community networks, and learning.

**Economic** - provides support and advocacy to generate employment and wealth needed to provide many of the requirements for social well-being such as financial security, health, and community networks.

**Cultural** - supporting arts, language, stories, ceremonies, and heritage of our community.

**Environmental** - provides an environment that reflects the lifestyle that is expected by residents, visitors, and central government.

## Statement of service performance

### Grants

A total of \$278,653 was distributed from Council administered grants in the 2020/2021 financial year. \$21,090 was distributed from the Creative Communities Scheme, \$8,300 from the Sports New Zealand Rural Travel Fund. \$91,2623 was granted through Councils Community Grants Fund and \$150,000 through the Community-Lead Revitalisation Fund. Facilities Hire Grants were distributed to the value of \$8,000.

### NBS Theatre

NBS Theatre is a vibrant, safe, and welcoming theatre/cinema environment that contributes to a community that is vibrant and inclusive. It provides a wide range of shows, movies and events that meet the current cultural interest of our community. The NBS Theatre continues to be the venue of choice for a number of travelling shows as well as local groups, schools and the community as a whole, with entertainment of all genres such as film and live events.

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

A local theatre group provides weekly acting and theatre lessons at the theatre, which ensures that the young people of the district have an opportunity to experience theatre etiquette and opportunities that a theatre can offer. Another theatre group now calls the NBS Theatre their home and has had rehearsals and shows in 2021 with more to come.

NBS Theatre is continuing to see overseas acts perform at the venue for the district, through its membership with Events Venues Association of New Zealand (EVANZ), although Covid-19 has seen this reduce but new bookings from overseas productions are being booked as far out as 2023.

The Fred Gregory Screen room now has upgraded cinema equipment and is now being used for private hires and birthday parties, increasing the services of the venue for the community.

### Libraries and Aotearoa Peoples Network (APNK)

The library continues to be a well-used resource and community hub. APNK hardware is very popular and the seating outside the library has continued to allow customers to be able to use the wi-fi outside of library hours in comfort.

### Libraries in Partnership Funding

Three full-time seconded library positions were created and will continue until June 2022. This was possible through the New Zealand Libraries in Partnership Programme (NZLPP) in response to the Covid-19 recovery. This created two full-time community engagement positions and one full-time archives and digital collections librarian position. The funding also provided the opportunity to purchase equipment for the libraries, to ensure we can deliver community engagement events, and programs- and enable professional digital archiving into the future.

NZLPP funding has enabled regular digital literacy classes to be included in outreach programmes that are delivered in Westport, Ngakawau, and Reefton. These include Better Digital Futures for Seniors, Digital Banking and Appy Hour, these programs help customers become more confident using the internet, and our online apps.

The funding from NZLPP has also facilitated enough staffing at alert levels 1 and 2, to be able to open the library at our regular hours while meeting Ministry of Health guidelines.

We have YouTube videos about our online services and subscribe to Niche Academy, a digital education platform which is available on our website for our customers to use. The library has systems and processes such as click and collect in place for varying alert levels. We are well prepared to support our community through lockdowns and at changing alert levels when the libraries must close due to Covid alert levels, customers can still have access to eBooks via our apps.

Our community engagement team has grown through the funding from one .5 Librarian to 2.5 staff. They have continued popular activities such as Tuesday Kids Club, school holiday programmes, children's book club, and introduced a preschool story-time. At the Westport library there is a knitting group which meets weekly, and a scrabble club, along with monthly book and writing groups, and digital classes and programmes. Reefton has alsomore events through the outreach programme. Individual ICT sessions can be made by appointment, BDF Pathways, digital banking classes, preschool storytime, along with a monthly knitting group, and a weekly Lego club for children weekly, including during the school holidays.

The larger community engagement team has been able to increase the number of events and programmes we can host through the libraries. Since employing these staff, we have gone from having 17 events when they started in November 2020, to 52 in June 2021- a 205% increase over seven months.

While these staff are still available, we will continue to deliver programmes that improve the wellbeing, inclusion, and literacy of our community members. We had a decrease of active library members of 0.67%, but the increase in the number of events and people attending these, indicates that the library and its services are at the heart of the community.

Libraries have continued to partner with outside groups, examples of these are Dementia Canterbury and our Next Chapter initiative. Pub Charities again funded the very popular summer reading programme which saw an enthusiastic crowd of 200 students take part, double from the previous year. Due to bank closures, we have worked with Nelson Building Society (NBS) and Buller REAP to deliver digital banking classes. For Better Digital Futures Pathways, Skinny Jump and Stepping Up classes we worked with Digital Inclusion Alliance Aotearoa (DIAA), Buller REAP, and Who Cares House. The archives and digital collections librarian worked closely with Coal Town to secure funding to safely store historic copies of the Westport News, ensuring these valuable historical items are available for generations to come.

The libraries partner with the Stepping Up programme from Digital Inclusion Alliance Aotearoa (DIAA). Through them we have continued to provide low cost Skinny Jump modems to our eligible customers, even during the lockdown periods. This contributes to the well-being of our community, creates inclusion and enables those living in internet accessible locations on the Skinny network to access information and actively participate in the digital world.

NBS donated five Chromebooks to the libraries. These have been invaluable to us, enabling the delivery of our digital literacy programs. We are also promoting the use of these for borrowers such as job seekers and students, who require longer periods of time to complete CVs, job applications, and study.

Buller District Libraries has been networking with the wider library profession including Library and Information Association New Zealand Aotearoa (LIANZA) and Public Libraries New Zealand (PLNZ). Our staff attended workshops and conferences for professional development. We are working on implementing new initiatives including, becoming more inclusive, in-house television marketing, ideas for Children's activities and are taking part in the national PLNZ marketing campaign.

We completed our customer satisfaction survey in June. Our result of 98.6% indicates that we are exceeding our KPI of 80%.

Covid-19 had an impact on our services. Altered alert levels impacted our ability to open and reduced the services we could offer. We had to cancel all events at level 2 due to health and safety requirements. The library cannot open to the public during alert levels 3 or 4. Prior to employing our NZLPP secondees, if we were at alert level 2 we did not have the staffing capacity to open full days. In the survey we asked if Covid-19 changed the way customers used the library. Some said they were coming in less, or using the library in other ways e.g. online apps.

### **Community and economic development**

An economic development mind map was established and rolled out. Over the last year, Council has worked closely with the Provincial Development Unit (PDU) and local businesses to submit multiple successful applications to the Provincial Growth Fund (PGF).

## **Significant variance explanations compared to 2018-2028 Long Term Plan**

### **Subsidies and grants for operating purposes**

### **Significant capital expenditure**

#### **To replace existing assets**

The variance is primarily due to fewer library books purchased than budgeted for in the Long Term Plan.

## Key performance indicators

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

**Key performance measure 1:** provide services and facilities that meet information, learning, recreational and cultural needs.

How we do it	<ul style="list-style-type: none"> <li>■ Provision of sport and recreation facilities.</li> <li>■ Provision of library facilities.</li> <li>■ Provision of theatre and cinema facilities.</li> </ul>			
<i>How we measure performance</i>	Provide sport and recreation facilities through the Pulse Energy Recreation Centre (PERC) and the Reefton swimming pool.	<b>Target</b> Continue to submit statements of intent annually for Council approval by statutory deadlines (draft, February and final in June).	<b>Performance</b> 2020/2021: statements of intent were submitted and approved by Council 24 February 2021 (draft) and 23 June 2021 (final SOI).  2019/2020: statements of intent were submitted and approved by Council February 2020 (draft) and June 2020 (final SOI).	●
	Provide library facilities through the Sue Thompson-Casey Memorial Library in Westport.	Continue to achieve active library members by maintaining or increasing by 0-4% per annum.	2020/2021: 2,633 active members (a decrease of 0.67%).  2019/2020: 2,651 active members (an increase of 2%).	●
		Continue to achieve at least 80% respondents are 'satisfied' or 'very satisfied' with the library services.	2020/2021: 98.6% of respondents to the survey are satisfied or very satisfied with library services.  2019/2020: Did not complete due to Covid-19.	●
	Provide theatre and cinema facilities through the NBS Theatre in Westport.	Continue to provide performing arts events, exhibitions and shows and at least 26 cinema screenings per week to be maintained.	2020/2021: 34 screenings per week – target met.  2019/2020: 39 screenings per week – target met.	●
		Continue to hire out the auditorium for shows and performances for more than 30 days per year.	2020/2021: 60 days for the year – target met.  2020/2021: 54 days for the year – target met.	●

**Key performance measure 2:** keep the community informed

How we do it	<ul style="list-style-type: none"> <li>■ Provision of information to the community</li> </ul>			
<i>How we measure performance</i>	Continue to engage with the community and keep them informed through the distribution of communications as required.	<b>Target</b> Continue to engage with the community through the distribution of bi-monthly newsletters, emails and media releases as required.	<b>Performance</b> 2020/2021: Media releases are distributed to media as required. They are uploaded on Council's website with a link to them provided on Facebook. Council's Connect newsletter is distributed quarterly to all letterboxes in the district and circulated to outlets such as libraries and community agencies. Council proactively releases LGOIMA requests on its website. Information and public notices are frequently shared through radio, digital and print media channels. Presentations to targeted community groups are also used to disseminate information when appropriate.  2019/2020: Printed newsletters are distributed to every household in Buller bi-monthly and are available on Council's website. Media releases are distributed as required. Information and public notices are actively posted to Council's Facebook page. Council will proactively release information about its major projects.	●

KPI met	●
KPI not met	●

## Funding Impact Statement for Community Services for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	3,833	3,891	3,712
Targeted rates	0	0	0
Subsidies and grants for operating purposes	21	21	871
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	353	360	300
<b>Total operating funding</b>	<b>A 4,206</b>	<b>4,272</b>	<b>4,883</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,955	2,030	2,210
Finance costs	835	828	831
Internal charges and overheads applied	522	543	570
Other operating funding applications	584	585	1,081
<b>Total applications of operating funding</b>	<b>B 3,897</b>	<b>3,986</b>	<b>4,692</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B 309</b>	<b>286</b>	<b>191</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(127)	(128)	438
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	435	435	435
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C 308</b>	<b>306</b>	<b>873</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	567
- to replace existing assets	104	226	84
Increase/ (decrease) in reserves	513	367	413
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D 617</b>	<b>593</b>	<b>1,064</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D (309)</b>	<b>(286)</b>	<b>(191)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D)) 0</b>	<b>0</b>	<b>0</b>



## What we do

Council is an elected body that provides a governance structure for effective leadership, advocacy, and accountable stewardship of the Council's assets and resources.

Council is made up of 11 elected members including 10 Councillors and one Mayor who are elected to serve a three-year term of office which coincides with the local authority elections. Two Councillors represent Inangahua Ward, two represent Seddon Ward and six represent Westport Ward. The Inangahua Community Board comprises of four elected members plus two Inangahua Ward Councillors. Governance is supported by a Chief Executive Officer and staff.

Council provides systems for democratic local decision making for the overall benefit of the community, for both our current and future generations. Council decision making and actions are concerned with meeting the current and future needs of communities for good quality infrastructure, local public services, and the performance of regulatory functions in a cost-effective way for both businesses and households.

The Buller District Council governance structure formally recognises the importance of the crucial relationship with Te Rūnanga o Ngāti Waewae. In May 2021 Councillors resolved to support the BDC Ngati Waewae representative having voting rights at governance committees outside of Council.

Buller District Mayor and Councillors provide governance to set direction, monitor and review Council performance, represent the community as well as inform the community of decisions made.

## Why we do these activities

The Local Government Act 2002 requires Council and elected members to lead and represent their community. This Act requires Council to meet current and future needs of community in terms of good quality infrastructure and services as well as provide quality regulatory functions, all in a cost-effective way. As well as this, Council is well placed to provide advocacy and leadership on other local matters that are outside those core functions.

### Council and Community Boards provide:

- Advocacy for community issues.
- Monitoring of performance.
- Strategy setting to decide the level of services and activities to be provided to the district's communities.
- A way for our community to have its views heard.
- A way to promote social, economic, environmental, and cultural wellbeing for the Buller District.

## Community Outcomes and Well-beings

This activity contributes to the social, economic, environmental, or cultural well-being of the community through governance and representation as elected decision makers must take all the well-beings into account.

## Statement of Service Performance

### Advocating for the district

- Council has continued to work proactively with central government and related agencies to get the best results for the district during the year through, collaboration across the top of the South Island to identify ecological opportunities. Council works with, Waka Kotahi and other regional partners to: develop a regional transport infrastructure plan; govern the One District Plan, and it participates in a regional leadership group which is a collaboration of central government agencies interfacing with local government and Kianga Ora to address housing opportunities in the district.
- Council staff have developed an Environmental Improvement and Prosperity Strategy (EIPS) that fulfils tranche 2 of the economic Development Plan and aims to maximise Central Government funding opportunities for the district.

## Significant Variance Explanations compared to 2018-2028 Long Term Plan

### Subsidies and grants for operating purposes

- Whitebait farm administration grant.

### Payments to staff and suppliers

- \$45,000 over annual plan for salaries; \$99,000 relates to whitebait farm administration expenses and \$22,000 to unbudgeted strategic planning costs in relation to rates review.

### Increase/ (decrease) in reserves

- Net of above explanations.

## Significant Capital Expenditure

- There was no capital expenditure during the year.

## Key Performance Indicators

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

#### KEY PERFORMANCE MEASURE 1: to co-ordinate annual budgeting and financial planning processes

<b>How we do it</b>	■ Provide annual budgeting and financial planning processes			
<i>How we measure performance</i>	Ensure annual budgeting and financial planning processes are adhered to in preparation of Long Term Plans, Annual Plans and Annual Reports within statutory timeframes with an unqualified audit opinion being gained.	<b>Target</b> Continue to meet statutory deadlines for adoption of Council's Long Term Plan and Annual Plan before 30 June in each respective year.	<b>Performance</b> 2020/2021: The statutory requirement of adopting the 2021-2031 Long Term Plan before 30 June 2021 was met by Council.  2019/2020: Council met required statutory deadlines for the adoption of the 2020-2021 Annual Plan before 30 June 2020.	●

#### KEY PERFORMANCE MEASURE 2: to maintain customer satisfaction

<b>How we do it</b>	■ Provide a satisfactory level of customer service			
<i>How we measure performance</i>	Ensure at least 85% of residents are satisfied with the information they receive from Council	<b>Target</b> Continue to ensure at least 85% of residents are satisfied with the information Council distributes (Council intends to survey residents)	<b>Performance</b> 2020/2021: A customer satisfaction survey was conducted in April 2021. 82% of respondents indicated they are satisfied with the level of information received from Council.  2019/2020: Council did not conduct a customer satisfaction survey during the year due to Covid-19 restrictions. KPI not met because it was not measured.	●

#### KEY PERFORMANCE MEASURE 3: to maintain transparency, accountability and accessibility to the public

<b>How we do it</b>	■ Provide Council remain accountable through transparency and accessibility			
<i>How we measure performance</i>	Ensure each Council meeting allows the opportunity for public participation through speaking rights and public forum, providing accountability, transparency and public accessibility to information provided.	<b>Target</b> Continue to provide a full opportunity for public participation in Council meetings through availability of speaking rights and the public forum.	<b>Performance</b> 2020/2021: Council continues to advertise public forum participation in advance of each monthly Council meeting.  2019/2020: Public forum participation is advertised in advance of each monthly Council meeting - target met.	●
	Ensure at least 90% of Council business is conducted in open forum.	Continue to conduct at least 90% of Council business in open forum.	2020/2021: 93.24% of Council's agenda items were discussed in the public arena.  2019/2020: 91.07% of Council's agenda items were discussed in the public arena.	●
	Ensure at least 90% of residents are satisfied that Council consults with them on important issues.	Continue to ensure at least 90% of residents are satisfied that Council consults with them on important issues.	2020/2021: During the April 2021 customer satisfaction survey 70% of respondents indicated that they believe Council consults with residents on important issues.  2019/2020: Council did not conduct a customer satisfaction survey throughout the year due to Covid-19 restrictions. Therefore this KPI could not be met.	●

#### KEY PERFORMANCE MEASURE 4: to co-operate with other agencies

<b>How we do it</b>	■ Participate in shared services			
<i>How we measure performance</i>	Ensure full participation in the Mayors, Chairs and CEO meetings with the other West Coast Council's.	<b>Target</b> Continue to attend 100% of West Coast Mayors, Chairs and CEO meetings.	<b>Performance</b> 2020/2021: 100%- All 4 meetings held during the year were attended, one through ZOOM.  2019/2020: 100%- 4 meetings were held during the year. Meetings were attended through ZOOM during the Covid-19 lockdown.	●

KPI met	●
KPI not met	●

## Funding impact statement for governance and representation for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	1,285	1,364	1,625
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	93
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	41	0	0
<b>Total operating funding</b>	<b>A 1,326</b>	<b>1,364</b>	<b>1,718</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	534	585	855
Finance costs	0	0	0
Internal charges and overheads applied	792	779	971
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B 1,326</b>	<b>1,364</b>	<b>1,826</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B 0</b>	<b>0</b>	<b>(108)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C 0</b>	<b>0</b>	<b>0</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/ (decrease) in reserves	0	0	(108)
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D 0</b>	<b>0</b>	<b>(108)</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D 0</b>	<b>0</b>	<b>108</b>
<b>Funding balance</b>	<b>((A-B)+(C-D)) 0</b>	<b>0</b>	<b>0</b>

## What we do

Customer services and support services provides numerous functions for customers and all of Council including:

- Service centres at Westport and Reefton.
- Corporate planning and support to governance.
- Financial and accounting operations.
- Production of Annual Plans, Long Term Plans and Annual Reports.
- Rating operations.
- Human resource management.
- Information technology management.
- General administration.
- Health and safety compliance.
- Monitoring and compliance of all Council Controlled Organisations (CCOs).
- Guidance and monitoring of holding company performance.
- Asset management.
- Management functions.

## Why we do these activities

The activities support the functioning of all Council's activities and service provision.

## How we contribute to strategic goals and community outcomes

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

Community outcomes and well-beings

How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?

Customer services and support services contributes to all of the well-beings as this sector of Council supports every activity undertaken by Council.

## Statement of service performance

### Rates policy overhaul

Council has continued to work through consultation on a land-based rating model during the 2020/2021 year. The goal of introducing the proposal for consultation in the 2021/2031 Long Term Plan was not achieved after Council completed consultation. In the year following balance date, a review of the rates database is planned for completion.

### Health and safety

- During 2020/2021 a full health check of Council's health and safety management practices was conducted with participation from staff and elected members. Work in these areas has started or been completed.
- The Health and Safety Software system previously known as 'Vault' now 'Damstra Safety' continued to be utilised for reporting accidents, incidents, and observations. System training for employees was provided during the on-boarding process and additional opportunities to existing staff for refresher training.
- Regular Health and Safety Committee meetings were held throughout the year, with the introduction of toolbox meetings to. New terms of reference for the committee were established with clear duties and responsibilities for the employee representatives.

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

### Payments to staff and suppliers

- \$88,000 relates to salaries in particular Commercial and Corporate Services; Infrastructure Services, legal fees \$80,000 due to unbudgeted costs relating to Punakaiki and Ngakawau water supplies; Commercial and Corporate Services, consultancy fees due to advice relating to change in reporting standards.

### Finance costs

- Lower interest rates than Long Term Plan and part repayment of loan end of last financial year not budgeted.

## Significant capital expenditure

### To replace existing assets

The variance is primarily due to fewer library books purchased than budgeted in the Long Term Plan.

## Key performance indicators



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

**Key performance measure 1:** prioritise and manage operating expenditure and capital expenditure.

How we do it	■ Provide timely and accurate information		
How we measure performance	Ensure accountability to provide sound governance and financial management.	Target	Performance
		Continue to provide timely and accurate reports to the Finance, Risk, and Audit Committee on all key financial operations for further action, and to monitor and proactively address variances.	<p><b>2020/2021:</b> Council continued to meet the target by providing 100% of monthly reports to the Finance, Risk, and Audit Committee, and to the Senior Leadership Team, in a timely and accurate manner.</p> <p><i>2019/2020: 100% monthly reports were provided to the Finance, Risk, and Audit Committee and the Senior Leadership Team in a timely and accurate manner – target met.</i></p>

**Key performance measure 2:** to reduce the incidence of work-related accidents to ensure that Council complies with health and safety legislation.

How we do it	■ Provide a satisfactory level of health and safety advice and support		
How we measure performance	Ensure Council has systems, procedures, and policies in place to comply with health and safety polices and legislation:	Target	Performance
	<ul style="list-style-type: none"> <li>■ Health and Safety at Work Act 2015.</li> <li>■ Safety and Health in Employment Legislation 1995.</li> <li>■ Employment Relations Amendment Act 2018.</li> </ul>	Continue to update systems, procedures, and policies to comply with legislation.	<p><b>2020/2021:</b> Vault software used for capturing accidents, incidents, and observations. Regular Health and Safety Committee meetings held. Review of management system including all policies.</p> <p><i>2019/2020: Software system 'Vault' now utilised for reporting accidents, incidents and observations. Regular Health and Safety Committee meetings held. A staff workshop on bullying and harrasment was also held.</i></p>

KPI met	
KPI not met	

## Funding Impact Statement for Customer Services and Support Services for the year ended 30 June 2021

		2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties		308	285	285
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		3,901	3,822	4,643
Local authorities fuel tax, fines, infringements fees and other receipts		68	70	74
<b>Total operating funding</b>	<b>A</b>	<b>4,277</b>	<b>4,177</b>	<b>5,002</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers		3,303	3,244	3,874
Finance costs		133	134	68
Internal charges and overheads applied		1,046	984	955
Other operating funding applications		0	0	0
<b>Total applications of operating funding</b>	<b>B</b>	<b>4,482</b>	<b>4,362</b>	<b>4,897</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B</b>	<b>(205)</b>	<b>(185)</b>	<b>105</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		0	0	0
Gross proceeds from sale of assets		0	0	1
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total sources of capital funding</b>	<b>C</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Application of capital expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		124	80	56
Increase/ (decrease) in reserves		(329)	(265)	50
Increase/ (decrease) in investments		0	0	0
<b>Total applications of capital funding</b>	<b>D</b>	<b>(205)</b>	<b>(185)</b>	<b>106</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D</b>	<b>205</b>	<b>185</b>	<b>(105)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What we do

### Amenities, parks, domains, reserves and public spaces

Council provides and maintains active and passive recreational land and facilities in the Buller District to meet community and environmental needs. These areas may be managed by Council, or in conjunction with subcommittees.

This includes the provision of gardens, sports grounds, green areas, playgrounds and parks.

### Cultural and community facilities, buildings, and structures

Numerous facilities, buildings and structures are owned by Council and made available for a range of cultural and community uses including community halls, theatres, aquatic centres, sporting facilities, and meeting facilities.

### Other property management

Council also owns and manages several other properties, land and buildings in the district. These have a range of uses including community groups, private licences and commercial leases.

Managing these properties includes assisting with property transfers and acquisitions, along with Council property licences, leases, and legal agreements.

### Public toilets

Public toilet facilities are provided by Council at Westport, Carters Beach, Tauranga Bay, North Beach Reefton, Fox River, Springs Junction, and Waimangaroa.

Council assists in the provision of toilet facilities in Karamea, Granity, Inangahua Junction, and Ikamatua.

### Cemeteries

Council provides adequate land and plots to meet the district's burial needs, operating the following cemeteries:

- Orowaiti.
- Mokihinui.
- Reefton – suburban.
- Council assists the Karamea Cemetery Trust.
- Council maintains closed cemeteries at Charleston and Boatmans – Reefton.

### Housing for seniors

Council provides affordable housing for seniors in our community, with 45 housing units across the district:

- 4 in Karamea.
- 15 in Reefton (two in care and maintenance).
- 26 in Westport.

### Urban renewals and revitalisation

In conjunction with Council's roading and transport activity, property assists with urban revitalisation which provides a more pleasant environment for our communities by improving urban spaces. Urban revitalisation and renewal shapes and articulates space by giving form, shape and character to buildings, neighbourhoods and towns.

Urban development in the roading and transport activity includes the use of plantings, street treatments and decorative measures with a focus on the beautification of main thoroughfares with street flags and hanging floral baskets.

### Punakaiki Beach Camp

The Punakaiki Beach Camp is in a picturesque setting on the beach and adjoins the Paparoa National Park.

The camp provides 10 various sized cabins, 32 powered sites and 30 tent sites. It has been leased to a private operator for a term of 20-years, and Council is working with the lessee to improve the facilities for expected tourism growth and demand.

## Why we do these activities

- The provision and maintenance of amenities and reserves creates a pleasant environment in which to live, work and play, which is an important part of the vision for the district. Amenities and reserve areas provide for social interaction and promote sport and recreation.
- Council owned buildings allows for cost effective provision of property for community use.
- The provision of public toilet facilities assists with promoting the health and well-being of the community and environment and enhances visitor experience.
- Jointly funding facilities with other agencies allows the public access to facilities at an acceptable cost.
- Housing for seniors assists members of our community to remain in the district close to public facilities.

## How we contribute to strategic goals and community outcomes

These activities support the following community outcomes:

### Well-being

- Ensuring our parks and reserves are attractive, healthy, and safe. Offering a port with services and an environment that is valued by the community.
- Offering opportunities for people to contribute to projects that improve our district's environment.

### Environment

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

### Learning

- Providing the opportunity to learn through social interaction and recreation.

### Prosperity

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

## Community outcomes and well-beings

How does this activity contribute to the social, economic, environmental, or cultural well-being of the community?

**Economic** - provision of solid waste and recycling systems support the local economy. Should this be in this section??

**Social** - supports community networks and health.

**Cultural** - Supports arts, language, stories, ceremonies, and heritage of our community.

## Who we are

Supporting and organising community events and providing people with opportunities to interact with different communities. Creating a unique and positive image of the district and respecting all cultures and diversities in our community.

## Significant variance explanations compared to 2018-2028 Long Term Plan

### Subsidies and grants for operating purposes

- PGF grant money for Port projects.

### Payments to staff and suppliers

- \$6m is opex relating to PGF Port projects not budgeted for in Long Term Plan.

### Subsidies and grants for capital expenditure

- \$600,000 Westport Waterfront Redevelopment and \$400,000 Community Halls & War Memorials grant money not budgeted for in LTP

### Application of Capital expenditure

#### - to replace existing assets

- \$1.25m relates to District Wide revitalisation projects spend and \$500,000 relates to Hall upgrades funded from shovel ready money offset by Central Government funding.

## Significant variances to capital expenditure

None to note.



## Key performance indicators

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

**Key performance measure 1:** provide and manage parks and reserves.

How we do it	■ Provide parks and reserves that meet the community and environmental needs			
<i>How we measure performance</i>	Ensure checks on contractors standard of maintenance on active recreation areas are carried out.	<b>Target</b> Checks are undertaken on the maintenance contract for the whole period.	<b>Performance</b> 2020/2021: 100% checks continued to be undertaken and any works immediately reported to contractor for repairs. 2019/2020: 100% checks were undertaken on the maintenance contracts and defects were notified to and/or by the contractor and re-mediated.	●
	Conduct weekly safety and maintenance inspections on playground equipment.	Weekly safety checks are undertaken by the maintenance contractor for the whole period.	2020/2021: 100% checks continued to be undertaken and any works immediately reported to contractor for repairs. Weekly record checks provided. 2019/2020: 100% safety checks were completed on all playground equipment and defects notified to and/or by the contractor and re-mediated. The contractor provided records weekly checks.	●

**Key performance measure 2:** provide and manage housing for the elderly.

How we do it	■ Provide affordable and well maintained elderly housing			
<i>How we measure performance</i>	Ensure at least 90% occupancy of elderly persons housing.	<b>Target</b> Occupancy rate of elderly persons housing to be 90% or greater.	<b>Performance</b> 2020/2021: the units had an occupancy rate of 99% for most of 2020 but this increased to 100% by the end of the 2021 financial year. 2019/2020: 99% occupancy of the pensioner units.	●
	Ensure at least 80% satisfaction on elderly housing provided.	Satisfaction rate of elderly housing provided to be at least 80%.	2020/2021: No questionnaire issued as the day to day operating of the Housing for the Elderly work transitioned between staff members and broader, longer term discussions began around future options for the HFTE portfolio. 2019/2020: No questionnaires were issued this year due to Covid-19.	●

**Key performance measure 3:** provide and manage cemeteries.

How we do it	■ Provide and manage cemeteries that meet community needs. ■ Provide adequate plots and land to meet the districts burial needs.			
<i>How we measure performance</i>	Ensure provision and management of cemeteries to provide for community health. Maintain cemetery facilities to the appropriate national standard, with public records available on request.	<b>Target</b> Continue to provide and maintain cemetery facilities to the appropriate national standard, with public records available on request.	<b>Performance</b> 2020/2021: cemetery facilities continue to be maintained and records are available. New plantings of trees and flowers have been completed to add to the aesthetic. 2019/2020: Cemetery facilities have been maintained to the appropriate national standard and public records are available on request.	●
	Ensure sufficient burial plots are available in all wards to meet current and future demands.	Continue to provide adequate plots and land to meet the district's burial needs.	2020/2021: a natural burial site has been added and a road and car park has been included which is just to be sealed. 2019/2020: An extension is planned for 2020/21.	●



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

**Key performance measure 4:** provide and manage sufficient public toilets to meet the needs.

<b>How we do it</b>	<ul style="list-style-type: none"> <li>Provision of public toilets has health and economic benefits supporting local communities, businesses, and visitor destinations</li> </ul>		
<i>How we measure performance</i>	Ensure facilities are cleaned, inspected, and maintained to a serviceable standard.	<b>Target</b>	<b>Performance</b>
		Continue to clean, inspect, and maintain toilet facilities to a serviceable standard.	<p>2020/2021: facilities continue to be inspected, maintained, and cleaned to a safe and acceptable standard.</p> <p>2019/2020: facilities were inspected, cleaned and maintained to safe and acceptable standards. Contracts are in place for appropriate monitoring, cleaning, and servicing of all Council toilet facilities throughout the Buller District.</p>

**Key performance 5:** provide and manage Council's properties.

<b>How we do it</b>	<ul style="list-style-type: none"> <li>Provide property management of Council's properties to enable service delivery and safety for its users.</li> </ul>		
<i>How we measure performance</i>	Ensure Council's properties are maintained and safe by responding to service requests 100% of the time in 10 working days or less.	<b>Target</b>	<b>Performance</b>
		Continue to maintain Council's properties and respond to 100% of service requests within 10 working days.	<p>2020/2021: 53.61% of service requests were completed in time with 93.10% of service requests fully completed. Although not all service requests could be completed within 10 working days they may have been responded to within the 10 working day target, however this target was not measured.</p> <p>2019/2020: 53% of service requests were responded to within 10 working days. 47% of service requests were not completed within 10 working days but may have been responded to within the 10-working day target, however this target was not measured. As the target of responding to requests within 10 working days was not measured this target cannot be met.</p>

KPI met	
KPI not met	

## Funding Impact Statement for Property for the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	1,818	1,761	1,628
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	6,264
Fees and charges	0	0	0
Internal charges and overheads recovered	478	464	418
Local authorities fuel tax, fines, infringements fees and other receipts	1,475	1,504	2,295
<b>Total operating funding</b>	<b>A</b>	<b>3,771</b>	<b>3,729</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,574	2,496	10,910
Finance costs	122	155	102
Internal charges and overheads applied	482	465	602
Other operating funding applications	0	0	13
<b>Total applications of operating funding</b>	<b>B</b>	<b>3,178</b>	<b>3,117</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B</b>	<b>592</b>	<b>612</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	1,001
Development and financial contributions	0	0	0
Increase/(decrease) in debt	671	842	(62)
Gross proceeds from sale of assets	0	0	145
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C</b>	<b>671</b>	<b>842</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	583	547	183
- to replace existing assets	1,254	1,262	1,611
Increase/ (decrease) in reserves	(574)	(356)	(1,732)
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D</b>	<b>1,263</b>	<b>1,453</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D</b>	<b>(592)</b>	<b>(612)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>

The following pages set out detail for each of Council Controlled Organisations

## Council Controlled Organisations:

- Westport Airport
  - Buller Holdings Limited
  - WestReef Services Limited
  - Buller Recreation Limited
-

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

## Objective

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

## Nature and Scope of Activities

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

- The general management, administration and maintenance of the airport.
- Compliance with all relevant legislation, including the Airport Authorities Act 1966, the Civil Aviation Act 1990, the Health and Safety at Work Act 2015 and all related Acts and Regulations.
- Regular reviews and development of the airport as well as submissions to the Minister of Transport for approval.
- Collection of landing charges.
- The close liaison with airport users to meet their requirements.

## Performance Targets

The joint operation performance is judged against the following measures:

Financial Performance	Actual 2020/2021 \$	AP Budget 2020/2021 \$	Actual 2019/2020 \$	AP Budget 2019/2020 \$
Operating revenue	195,430	211,704	165,089	231,992
Operating expenditure	386,871	423,556	342,670	389,596
Net profit (loss)	(191,441)	(211,852)	(177,580)	(157,604)
Capital expenditure	2,017,695	22,000	1,663,650	10,200

## Ratio of Shareholder Funds to total assets

The forecast ratio of shareholder funds to total assets:

AP Budget 2020/2021	Actual 2020/2021	AP Budget 2019/2020	Actual 2019/2020
99%	103%	99%	87%

The commentary below is a summary of the Westport Airport Authority's 2020/2021 audited financial statements:

## Performance commentary (results compared to the 2020/2021 Statement of Intent)

- Operating revenue for the Westport Airport Authority was \$16,274 lower than budgeted, predominately due to unplanned Covid-19 restrictions which impacted the principal service provider, Sounds Air Travel and Tourism Limited.
- Operating expenditure was \$54,685 lower than budgeted. This was primarily due to reduction in airport maintenance and administration cost for unplanned Covid-19 restrictions which impacted operations.
- The capital budget allowed for \$22,000 of capital expenditure. This budget was for various small value fixed assets. During the year full value of \$1,718,521 was transferred to fixed assets from work in progress on the rock protection wall. The rock protection wall was first budgeted for in the prior year, and revised costs were approved for up to \$2,074,000 of capital expenditure on the wall. As well as those revised costs, additional grant funding income from the Ministry of Business and Innovation was confirmed.
- Subsequent to the balance sheet date, another \$80,000 was incurred to replace lights at the airport runway which was damaged due to Westport flooding in July 2021.

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

### Significant variance explanations compared to 2018-2028 Long Term Plan

- Final payment for seawall received from MBIE.

### Application of capital expenditure

#### To improve the level of service

- Final seawall works carried out.

#### To replace existing assets

- Yamaha Viking replaced with a Kawasaki Big Foot.

## Significant Capital Expenditure

### To replace existing assets

- None to note.

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

# Funding Impact Statement for Westport Airport

## For the year ended 30 June 2021

	2019/2020 LTP Budget \$000	2020/2021 LTP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	106	81	97
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	77
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	102	104	21
<b>Total operating funding</b>	<b>A</b>	<b>208</b>	<b>186</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	131	117	138
Finance costs	0	0	0
Internal charges and overheads applied	15	14	22
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>B</b>	<b>146</b>	<b>131</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B</b>	<b>62</b>	<b>54</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	378
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	4
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>C</b>	<b>0</b>	<b>0</b>
<b>Application of capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	132
- to replace existing assets	10	5	22
Increase/ (decrease) in reserves	52	49	263
Increase/ (decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>D</b>	<b>62</b>	<b>54</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D</b>	<b>(62)</b>	<b>(54)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>

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

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

## Objective

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

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

## Nature and Scope of Activities

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

## Financial Targets and Results

Description	Budget 2020/2021 \$000	Actual 2020/2021 \$000
Group revenue	12,125	20,686
Group expenditure	11,470	28,292
Provision for capex	1,000	1,072
Distribution	1,300	1,352

## Financial Results

### Group

In the 2020/2021 year the group generated a loss before taxation of \$8,958,000 (2020: \$229,000).

A subvention payment of \$1,352,000 was made during the year from Buller Holdings Limited to Buller District Council.

### Subsidiary companies

WestReef Services Limited has had another strong year generating revenue of \$19,114,000 with the increase approximately \$5.3 million on the 2020 figure of \$13,772,000.






The company has in the past had a strategy of growing competitively tendered works and remains focused on this strategy to ensure it reduces its dependency on the Council for revenue.



Buller Recreation Limited has performed extremely well throughout the year. The loss before taxation of \$572,000 was \$62,000 below the budgeted loss of \$634,000.

It is pleasing to see membership numbers well up at the year end. The acquisition of 24HR Fitness has certainly grown the business.

Excellent feedback was provided by customers as a result of a survey implemented to gain comments by our members.

## Key Performance Indicators

Performance Measure	Target	Achievement 2021	Achievement 2020	
<i>Operational</i>	The Board of Directors will meet with the Buller District Council CCO Committee on a formal basis a minimum of four times per year and at other times by request	The Board met with the CCO Committee three times during the year	The Board met with the CCO Committee four times during the year	
	The Buller Holdings' Chief Executive will provide a formal and/or informal report to Council as requested	Four quarterly reports were provided as scheduled	Four quarterly reports were provided as scheduled	
	The Chief Executive of Buller Holdings will meet with the Chief Executive of Buller District Council when requested	Three meetings with the CEO and BDC have been completed	Four meetings with the CEO and BDC have been completed	
<i>Safety</i>	Total recordable injury frequency rate per 1,000,000 hours	0.0 injury frequency rate	0.0 injury frequency rate	
	Nil serious harm incidents to customers or staff	0- achieved	0- achieved	
<i>Statement of Intent</i>	The Directors shall provide a Statement of Intent (SOI) by 1 March for approval by Council	Achieved	Achieved	

KPI met	
KPI not met	



WestReef Services Limited is 100% owned by Buller Holdings Limited (BHL).

The company is the largest civil and maintenance company in the Buller District and is the Council's most utilized contractor.

## Objective

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

- Financial performance;
- Service;
- Employee relation;
- Safety; and
- Environment.

## Nature and Scope of Activities

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

*Its activities will include maintenance and civil construction services for:*

- Roads and bridges
- Response to road and Civil Defence emergencies
- Parks and reserves (including associated facilities)
- Utility services (water and sewerage reticulation, waste-water treatment, storm water collection)
- Solid and liquid waste collection and disposal
- Vehicle workshop repairs and maintenance
- Transfer stations
- Recovery parks
- Roadside vegetation control
- Property maintenance
- Refuse collection
- Environmental and backcountry projects

## How WestReef Services Limited performed?

2020/2021 was an extremely busy year across all WestReef departments. We consistently strived to secure all business opportunities throughout the year maintaining a high tender success rate. Arguably, 2020/2021 was our greatest program of works completed in the Company's history. The increased workload was due to a significant tranche of competitively procured, government funded project works opportunities that stemmed from Buller District Council Provincial Growth Funding.

Dedication and a willingness from all staff (especially our management team) to extend operational limits meant we were able to achieve solid outcomes across the business for the year.

Considering the disruption associated with Covid-19, results exceeded forecast figures. Operating revenue generated for the period exceeded budget (\$10.03m) at \$19.11m. A profit margin of \$2.09m versus budgeted \$1.28m was also realised representing a 11% margin.

Financially results were pleasing with annual figures exceeding all previous fiscal results. Record revenue was generated for the financial year totaling over \$19 million. This represented significant growth when compared to the 2019/2020 year (\$13.8m). It is also pleasing to report that the profit margin key performance indicator was exceeded. Ultimately, our achievement was the result of successful delivery of all maintenance contracts coupled with a significant portion of external project works. These included but were not limited to, Buller River Rock protection works, Punakaiki Shared pathway, Terrace trunk main, Toki Poutangata Bridge, Kawatiri Coastal Trail and Routeburn Track reinstatement works in Fiordland.

The company successfully maintained ISO 45001 Health and Safety and TQS1 accreditations.

Staff turnover continues to sit well below the nation average of 22% at 16%.

As a community-oriented company WestReef Services Limited has continued to provide significant support to various organisations in the community.

## Key Performance Indicators

Performance Measure	Target	Achievement 2021	Achievement 2020	
<i>Financial</i>	<i>Revenue, expenditure and provision for Capex in line with the budget.</i>			
	Revenue over budget- \$10.029m	\$19.114m	\$13.772m	●
	Expenditure over budget- \$8.744m	\$17.039m	\$12.482m	●
	Provision for Capex- \$1m	\$849,000 (6-Wheeler Tip Truck \$261k ordered June, received in September)	\$637,000 Trailer ordered in June 2020, received in July 2020 (\$130,000)	●
	Net operating surplus >\$1.285m	\$2.090m	\$1.364m	●
	Gross revenue before subvention payment 12%	Not a measure in 2021	9%- not achieved	●
	Ratio of shareholder funds to total assets >60%	63%	66%	●
	45% of revenue to be competitively procured	85%	66%	●
<i>Quality</i>	Renewal of TQS1 certification	Audit completed July 2021	Due to Covid-19 the certification was extended until September 2020	●
<i>Client satisfaction</i>	Meet monthly with major clients and BDC engineers to obtain feedback on specific contract performance Minimum of 12 meetings per year	Meetings held: - 9 x BDC contract meetings. - 3 x DOC contract meetings. - NOC contract meetings, held as required.	Meetings held: - 12 BDC contract meetings. - 7 DOC contract meetings. - NOC contract meetings, held as required.	●
<i>Community support</i>	Support at least 25 community activities	50 community activities were supported Target is conservative	60 communities activities were supported	●
<i>Environmental</i>	Receive no enforcement notices	Nil- no enforcement notices were received	Nil- no enforcement notices were received	●
<i>Employee satisfaction</i>	Undertake a staff satisfaction survey every two years to provide feedback on staff engagement and to use as a benchmark for future years	Staff engagement survey was completed in September 2020	Staff engagement survey to be completed in September 2020	●
	Employee turnover < 17% per annum	16% staff turnover- achieved Relatively low turnover compared to national average of 22%	10.2% turnover- achieved Relatively low turnover compared to national average of 18.1%	●
	Hold weekly staff meetings with minutes kept	Regular meetings held- achieved	Not achieved due to Covid-19	●
<i>Safety</i>	Medical treatment injuries, target Nil	2- not achieved	5- not achieved	●
	Lost time incidents target of zero	9- not achieved	6- not achieved	●
	Nil serious harm incidents to customers or staff	0 serious harm incidents	0- achieved	●

KPI met	●
KPI not met	●

## Buller Recreation Limited (BRL) is 100% owned by Buller Holdings Limited (BHL).

The principal objective of BRL is to operate as a successful business. The company was established to purchase the Pulse Energy Recreation Centre (PERC) from the Buller District Council (Council), and to fulfil a service contract with Council for the provision of recreation services to the Buller community.

BRL continues to provide the community with high quality recreation facilities and services.

### Objective

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

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

### Nature and Scope of Activities

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

*Its activities will include provision of services for:*

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

The directors consider opportunities, from time-to-time, regarding other types of activities or expanding the reach of the Buller Recreation Limited for the provision of services outside of the centre's physical location.

### How Buller Recreation Limited performed?

The 2020/2021 financial year has produced excellent results for Buller Recreation Limited, even though dealing with Covid-19.

At the end of the accounting period the country is at Alert Level 1, any increases in levels certainly has an impact on trading. The Pulse Energy Recreation Centre had restrictions when the country was in Alert Level 2.

Fitness member numbers have continued to grow. We have put more fitness classes on to cater for the growth. Yoga is particularly popular, with many classes held during the week. With the continued growth in members, we have kept our fees the same. This has resulted in strong usage for all age groups especially older members of the community. Some events could not take place in the stadium due to Covid-19 restrictions, but most sports were to complete their seasons.

The aquatic center continues to deliver quality programs educating young children in and around water. The staff take considerable satisfaction in seeing increased confidence in this area. It is very pleasing to receive excellent feedback from members of the public with regards to personalized swim lessons. Significant capital works were completed during the year. Sand filters were completely replaced. This should enable better productivity within the pool system.

The Reefton Pool completed a substantial upgrade during the year. The facility is now a fantastic community space that enables an excellent customer experience. The new season will see the pool back to normal hours.

Staff are focused on improving the marketing distribution and ensuring better utilisation of social media to keep up to date with new technology. This will result in improved awareness of the Pulse Centre and the services that we deliver.

## Key Performance Indicators

Performance Measure	Target	Achievement 2021	Achievement 2020	
Financial	<i>Revenue, expenditure and provision for Capex in line with the budget.</i>			
	Revenue budget - \$733,000 (excluding management fees)	\$752,000	\$610,000 plus Covid-19 payment \$151,000	●
	Expenditure budget - \$2.218m	\$2.175m	\$2.042m	●
	Capex budget - \$223,000	\$223,000	\$284,000	●
	Net operating surplus (deficit) <(\$634,000)	(\$572,000)	(\$427,000)	●
	BDC service fee - \$851,000	\$851,000	\$851,000	●
	Ratio of shareholder funds to total assets >60%	95%	92%	●
Fitness membership	Average membership over 12 months of 600 members	758	683	●
	Average retention rate over 12 months >75%	93%	100%	●
Aquatic centre usage	Average 4,080 visits per month over 12 months	4,398	3,530 - not achieved due to Covid-19	●
	Achieve 150 swimming students averaged over four swimming terms	146	106	●
Safety	Medical treatment injuries- target nil	Nil	3	●
	Nil serious harm incidents to customers or staff	Nil- no serious harm incidents (as defined by Worksafe NZ) were recorded in the incident register during the year	Nil	●
	Lost time incidents target of zero	Nil	Nil	●
Work environment	Hold meetings with all staff every four months	Achieved. Weekly meetings held with Management and Quarterly meetings with each department	Achieved. Weekly meetings held with management and quarterly meetings held with departments	●
	Review the succession plan for key positions and identify training needs and actions for the next 12 months	Achieved. Consideration is given at Management meetings to skills and training if personnel in key positions leave	Achieved. Consideration is given at Management meetings to skills and training if personnel in key positions leave	●
	Complete annual review process with all staff to ensure staff are working to their full potential	Achieved by 30 June 2021	Achieved by 30 June 2020	●
	Undertake a staff satisfaction survey every second year	Completed September 2020	Due September 2020	●
Asset Management Plan (AMP).	Complete review of the Asset Replacement Schedule annually	Achieved- comprehensive Asset Management Plan in place	Achieved- comprehensive review undertaken	●
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieved- major assets purchased included: new pool filter, lightening protection for building and gym assets	Achieved- major assets purchased included: new flooring, new outside cladding, new air conditioning unit, upgrade gym flooring area, purchase of 24HR Fitness	●

KPI met	●
KPI not met	●



# Financial Statements

for the year ended  
30 June 2021

# Statement of comprehensive revenue and expenses

## for the year ended 30 June 2021

	Notes	Parent			Group	
		2020/2021 Actual \$000	2020/2021 AP Budget \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>CONTINUING OPERATIONS</b>						
<b>Operating revenue</b>						
General rates	1	8,605	8,686	8,833	8,605	8,822
Targeted rates (excluding metered water)	1	6,330	6,364	6,037	6,327	6,032
Metered water charges		231	214	205	231	205
Rate penalties	1	106	160	135	106	135
Subsidies and grants		20,035	5,466	5,755	20,035	5,755
Investment income	2	1,736	1,882	1,937	384	792
Other income	2	600	0	2	821	973
Development and financial contributions		31	52	76	31	76
Fees and charges		4,232	4,325	4,173	14,582	11,602
Gain on sale of investment property	12	0	0	12	0	12
Vested assets		0	52	208	0	208
Profit on sale of assets		66	0	160	66	160
Gain on derivative contracts	16	1,353	0	0	1,353	0
Gain on revaluations of investment land	12	2,419	37	455	2,439	475
Share in profit (loss) of associate		0	0	0	0	0
<b>Total operating revenue</b>	<b>3</b>	<b>45,744</b>	<b>27,238</b>	<b>27,988</b>	<b>54,979</b>	<b>35,247</b>
<b>Operating expenditure</b>						
Employment costs		6,412	5,828	5,786	14,089	12,479
Depreciation and amortisation		6,296	6,268	6,285	7,724	7,592
Finance costs (excluding loss on derivative contracts)		870	983	1,203	869	1,215
Loss on derivative contracts	16	0	0	899	0	899
Other expenses		20,921	12,774	13,958	21,432	13,539
Assets written off		366	472	3,107	366	3,107
Loss on revaluations of assets held for sale		722	0	0	719	0
Loss on sale/write off of investment in associate		0	0	0	0	38
Loss on sale/write off of investment property		0	0	138	0	138
<b>Total operating expenditure</b>	<b>4</b>	<b>35,588</b>	<b>26,325</b>	<b>31,376</b>	<b>45,199</b>	<b>39,007</b>
<b>Surplus/ (deficit) from continued operations</b>	<b>5</b>	<b>10,157</b>	<b>913</b>	<b>(3,388)</b>	<b>9,780</b>	<b>(3,760)</b>
<b>DISCONTINUED OPERATIONS</b>						
Surplus (deficit) for the year from discontinued operations		0	0	0	0	0
<b>Net surplus (deficit) before taxation</b>		<b>10,157</b>	<b>913</b>	<b>(3,388)</b>	<b>9,780</b>	<b>(3,760)</b>
Income tax expense	6	0	0	0	24	(1,417)
<b>Net surplus/(deficit) after taxation</b>		<b>10,157</b>	<b>913</b>	<b>(3,388)</b>	<b>9,756</b>	<b>(2,343)</b>
<b>Other comprehensive revenue and expenses</b>						
Increase/(decrease) in infrastructure revaluation reserves		0	4,793	0	0	0
Gain/(Loss) on investment recognised in asset revaluation reserve		0	0	(19)	0	(19)
<b>Total comprehensive revenue and expense</b>		<b>10,157</b>	<b>5,706</b>	<b>(3,407)</b>	<b>9,756</b>	<b>(2,362)</b>

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

## Statement of changes in equity for the year ended 30 June 2021

	Notes	Parent			Group	
		2020/2021 Actual \$000	2020/2021 AP Budget \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Equity as at 1 July</b>		<b>381,123</b>	<b>375,833</b>	<b>384,530</b>	<b>379,548</b>	<b>381,910</b>
Total comprehensive income		10,157	5,706	(3,407)	9,756	(2,362)
<b>Equity as at 1 July</b>		<b>391,280</b>	<b>381,539</b>	<b>381,123</b>	<b>389,304</b>	<b>379,548</b>
<b>Components of equity</b>						
Accumulated funds	20	174,319	171,489	163,346	169,393	158,823
Reserves	21	5,972	4,319	5,893	5,972	5,893
Asset revaluation reserve	22	210,989	205,731	211,884	213,938	214,832
<b>Total equity as at 30 June</b>		<b>391,280</b>	<b>381,539</b>	<b>381,123</b>	<b>389,304</b>	<b>379,548</b>

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

# Statement of financial position

## as at 30 June 2021

	Notes	Parent			Group	
		2020/2021 Actual \$'000	2020/2021 AP Budget \$'000	2019/2020 Actual \$'000	2020/2021 Actual \$'000	2019/2020 Actual \$'000
<b>Current assets</b>						
Cash and cash equivalents	8	5,832	837	2,866	7,979	7,383
Trade and other receivables	9	10,192	5,638	4,611	9,688	4,404
Derivative financial instruments	16	0	0	0	0	0
Inventories		16	16	15	132	227
Other current assets	10	224	35	186	313	211
Short term investments		14,816	17,501	18,013	17,443	18,013
Assets held for sale	11	5	0	0	5	0
<b>Total current assets</b>		<b>31,084</b>	<b>24,027</b>	<b>25,691</b>	<b>35,558</b>	<b>30,237</b>
<b>Non current assets</b>						
Investment in Council Controlled Organisations	12	19,280	20,541	19,056	26	26
Other investments	12	651	0	583	651	583
Investment property	12	10,101	8,317	7,761	9,521	7,221
Infrastructural assets	13	352,367	347,501	345,917	351,767	345,749
Other non current assets	13	25,753	25,723	24,901	39,833	39,198
Derivative financial instruments	16	0	0	0	0	0
Deferred tax	6	0	0	0	0	13
Intangible assets	14	28	273	19	756	747
<b>Total non current assets</b>		<b>408,179</b>	<b>402,355</b>	<b>398,236</b>	<b>402,553</b>	<b>393,537</b>
<b>Total assets</b>		<b>439,264</b>	<b>426,382</b>	<b>423,926</b>	<b>438,112</b>	<b>423,774</b>
<b>Current liabilities</b>						
Trade and other payables	15	11,689	4,543	5,051	11,726	5,762
Derivative financial instruments	16	566	0	617	566	617
Tax payable		0	0	0	24	0
Employee benefits	17	738	515	727	1,458	1,408
Provisions	19	80	0	408	80	408
Current portion of borrowings	18	16,774	5,000	10,000	16,774	10,000
<b>Total current liabilities</b>		<b>29,847</b>	<b>10,058</b>	<b>16,803</b>	<b>30,628</b>	<b>18,195</b>
<b>Non current liabilities</b>						
Derivative financial instruments	16	1,102	2,122	2,404	1,102	2,404
Provisions	19	1,540	1,208	1,575	1,540	1,575
Bond deposits		334	82	88	334	88
Employee entitlements	17	161	140	161	193	189
Deferred tax	6	0	0	0	11	0
Borrowings	18	15,000	31,233	21,774	15,000	21,774
<b>Total non current liabilities</b>		<b>18,136</b>	<b>34,785</b>	<b>26,003</b>	<b>18,179</b>	<b>26,031</b>
<b>Equity</b>						
Accumulated funds	20	174,319	171,489	163,346	169,393	158,823
Reserves	21	5,972	4,319	5,893	5,972	5,893
Asset revaluation reserve	22	210,989	205,731	211,884	213,938	214,832
<b>Total equity</b>		<b>391,280</b>	<b>381,539</b>	<b>381,123</b>	<b>389,304</b>	<b>379,548</b>
<b>Total liabilities and equity</b>		<b>439,264</b>	<b>426,382</b>	<b>423,928</b>	<b>438,111</b>	<b>423,774</b>

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



# Statement of cashflows

## for the year ended 30 June 2021

	Notes	Parent			Group	
		2020/2021 Actual \$000	2020/2021 AP Budget \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Cashflows from operating activities</b>						
<i>Cash was provided from:</i>						
Rates		15,353	15,210	15,229	15,349	15,212
Other Income		19,215	9,790	10,436	29,293	19,863
Interest Received		383	848	737	381	801
Tax Received		0	0	0	9	0
Dividends & Subvention Payments Received		1,351	1,300	1,243	1,377	23
		<b>36,302</b>	<b>27,149</b>	<b>27,645</b>	<b>46,410</b>	<b>35,899</b>
<i>Cash was applied to:</i>						
Payments to Suppliers and Employees		22,854	19,162	19,138	30,340	25,124
Interest Paid		870	983	1,104	867	1,119
Income Tax Paid		0	0	0	1,296	0
Net GST Movement		(289)	0	(529)	(289)	(534)
		<b>23,436</b>	<b>20,145</b>	<b>19,713</b>	<b>32,214</b>	<b>25,709</b>
<b>Net cash from operating activities</b>		<b>12,866</b>	<b>7,004</b>	<b>7,932</b>	<b>14,196</b>	<b>10,190</b>
<b>Cashflows from investing activities</b>						
<i>Cash was provided from:</i>						
Rates		162	0	457	162	457
Investments realised		19,848	53	16,517	19,848	16,517
		<b>20,011</b>	<b>53</b>	<b>16,974</b>	<b>20,011</b>	<b>16,974</b>
<i>Cash was applied to:</i>						
Purchase of fixed assets		13,215	10,198	10,079	14,512	11,161
Purchase of investments		16,697	163	19,646	19,101	19,391
Purchase of intangibles		0	0	40	0	67
		<b>29,911</b>	<b>10,361</b>	<b>29,765</b>	<b>33,612</b>	<b>30,619</b>
<b>Net cash from investing activities</b>		<b>(9,901)</b>	<b>(10,308)</b>	<b>(12,791)</b>	<b>(13,602)</b>	<b>(13,645)</b>
<b>Cashflows from financing activities</b>						
<i>Cash was provided from:</i>						
Loans Raised		0	2,907	10,000	0	10,000
Principal Elements of Lease Payments		0	0	0	2	1
		<b>0</b>	<b>2,907</b>	<b>10,000</b>	<b>2</b>	<b>10,001</b>
<i>Cash was applied to:</i>						
Repayment of Loans		0	205	5,000	0	5,000
<b>Net cash from financing activities</b>		<b>0</b>	<b>2,702</b>	<b>5,000</b>	<b>2</b>	<b>5,001</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>2,966</b>	<b>(602)</b>	<b>141</b>	<b>596</b>	<b>1,546</b>
<b>Opening Cash as at 1 July</b>		<b>2,866</b>	<b>1,439</b>	<b>2,725</b>	<b>7,383</b>	<b>5,837</b>
<b>Closing Cash as at 30 June</b>		<b>5,832</b>	<b>837</b>	<b>2,866</b>	<b>7,979</b>	<b>7,383</b>

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

# Funding Impact Statement for Buller District Council

## for the year ended 30 June 2021

	2019/2020 AP Budget \$000	2019/2020 Actual \$000	2020/2021 AP Budget \$000	2020/2021 Actual \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties	8,638	8,833	8,686	8,711
Targeted rates	6,073	6,036	6,364	6,330
Subsidies and grants for operating purposes	2,299	3,308	2,391	10,118
Fees and charges	209	205	214	1,289
Internal charges and overheads recovered	2,204	1,937	1,881	1,736
Local authorities fuel tax, fines, infringements fees and other receipts	3,659	4,307	4,485	3,174
<b>Total operating funding</b>	<b>A</b>	<b>23,082</b>	<b>24,626</b>	<b>24,021</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	17,852	19,199	18,119	26,238
Finance costs	1,319	1,202	983	1,015
Other operating funding applications	616	545	480	1,094
<b>Total applications of operating funding</b>	<b>B</b>	<b>19,787</b>	<b>20,946</b>	<b>28,347</b>
<b>Surplus/ (deficit) of operating funding</b>	<b>A-B</b>	<b>3,295</b>	<b>3,680</b>	<b>4,439</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	2,308	2,009	2,640	9,481
Development and financial contributions	51	76	52	31
Increase/(decrease) in debt	3,256	5,000	2,702	0
Gross proceeds from sale of assets	52	199	53	162
Lump sum contributions	435	437	435	435
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>C</b>	<b>6,102</b>	<b>7,721</b>	<b>5,882</b>
<b>Application of capital expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	2,270	1,036	4,094	4,257
- to replace existing assets	5,153	8,554	6,104	10,548
Increase/ (decrease) in reserves	1,773	15,157	(93)	(2,523)
Increase/ (decrease) in investments	201	(13,346)	216	838
<b>Total applications of capital funding</b>	<b>D</b>	<b>9,397</b>	<b>11,401</b>	<b>13,120</b>
<b>Surplus/ (deficit) of capital funding</b>	<b>C-D</b>	<b>(3,295)</b>	<b>(3,680)</b>	<b>(4,439)</b>
<b>Funding balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Note 1 ~ Rates revenue

Rates revenue	2020/2021 Actual \$000	2019/2020 Actual \$000
General rates	8,605	8,833
<i>Targeted rates attributable to activities:</i>		
Water	2,973	2,835
Refuse and sanitation	3,358	3,204
Economic development	0	(2)
Penalties	106	135
<b>Total revenue from rates</b>	<b>15,042</b>	<b>15,005</b>

Rates revenue is shown net of rates remissions, BDC's rates remission policy allows BDC to remit rates on sporting, cultural and other community organisations

Rates remissions	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Total rates revenue</b>	<b>15,117</b>	<b>15,071</b>
<b>Rates remissions</b>		
Land used for sport	45	38
Land protected for historical or cultural purposes	30	28
<b>Total remissions</b>	<b>75</b>	<b>66</b>
<b>Rates revenue net of remissions</b>	<b>15,042</b>	<b>15,005</b>

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$370,434 (2020: \$378,379). For the Group, rates of \$370,434 (2020: \$378,379) have not been eliminated.

### Rating base information

The rating base used to set the rates for 2020/2021 were 7,511 rating units within the Buller District as at 30 June 2020. The total capital value of these rating units as at 30 June 2021 was \$2,332,191,560 of which \$1,115,216,200 consisted of land value (2019/2020: 7,466 rating units, capital value of \$2,313,428,930 which includes a land value of \$1,182,248,900).

## Note 2 ~ Investment revenue

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Investment revenue</b>				
Interest	864	1,232	864	1,296
Subvention/dividend	1,358	1,232	6	23
	<b>2,222</b>	<b>2,464</b>	<b>870</b>	<b>1,319</b>
Less: internal interest	486	527	486	527
<b>Total investment revenue</b>	<b>1,736</b>	<b>1,937</b>	<b>384</b>	<b>792</b>

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Other revenue</b>				
Investment loan discount amortisation revenue/(expense)	0	2	221	2
Donations	0	0	0	0
Found assets	600	0	600	0
Sundry income (wage subsidy received for Covid 19 from Central Government)	0	0	0	971
<b>Total other income</b>	<b>600</b>	<b>2</b>	<b>821</b>	<b>973</b>

## Note 3 ~ Operating revenue

Operating revenue	Parent			Group	
	2020/2021 Actual \$000	2020/2021 Budget \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Governance	0	0	36	0	36
Community services	1,606	815	755	1,606	755
Regulatory services	1,252	906	1,009	1,252	1,009
Amenities & Reserves	10,074	3,298	*3,635	10,074	*3,635
Roading & Urban Development	8,392	4,864	4,057	8,392	4,057
Solid Waste	1,639	855	718	1,639	718
Water Supplies	5,702	3,187	3,041	5,702	3,041
Wastewater	2,667	2,684	2,631	2,667	2,631
Stormwater	0	5	18	0	18
Airport	476	106	704	476	704
In House Professional Services <sup>7</sup>	927	859	777	927	777
Support Services	4,717	4,701	4,789	4,717	4,789
	<b>37,452</b>	<b>22,280</b>	<b>22,170</b>	<b>37,452</b>	<b>22,170</b>
General Rates	8,605	8,686	8,833	8,605	8,822
Rates Penalties	106	160	135	106	135
Investment Income	1,732	1,882	1,937	380	792
Profit on Sale of Assets	66	0	160	66	160
Gain on Sale of Investment Property	0	0	12	0	12
Vested Assets	0	52	208	0	208
Sundry Income	0	52	2	221	973
Gain on Derivative Contracts	1,353	0	0	1,353	0
Gain on Revaluation of Investment Land	2,419	37	455	2,439	475
Group Income	0	0	0	10,346	7,424
Share in Profit/(Loss) of Associate	0	0	0	0	0
	<b>51,733</b>	<b>33,149</b>	<b>33,912</b>	<b>60,967</b>	<b>41,171</b>
Less: Internal Recoveries	(5,988)	(5,911)	(5,924)	(5,988)	(5,924)
<b>Total Income</b>	<b>45,745</b>	<b>27,238</b>	<b>27,988</b>	<b>54,980</b>	<b>35,247</b>

\* This total includes outport dredging Income of \$1.09 million performed by the vessel Kawatiri.

## Note 4 ~ Operating expenditure

Expenditure by activity	Parent			Group	
	2020/2021 Actual \$000	2020/2021 Budget \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Governance	1,733	1,625	1,737	1,733	1,737
Community Services	4,692	3,825	3,852	4,692	3,852
Regulatory	2,121	2,022	1,977	2,121	1,977
Amenities and Reserves	11,720	4,178	4,703	11,720	4,703
Roading and Urban Development	3,820	3,729	4,210	3,820	4,210
Solid Waste	971	1,113	1,270	971	1,270
Water Supplies	1,798	1,898	2,031	1,798	2,031
Wastewater	1,498	1,494	1,456	1,498	1,456
Stormwater	219	308	268	219	268
Airport	160	170	143	160	143
In House Professional Services	1,048	801	809	1,048	809
Support Services	4,897	4,843	4,943	4,897	4,943
	<b>34,677</b>	<b>26,006</b>	<b>27,399</b>	<b>34,677</b>	<b>27,399</b>
<b>Plus</b>					
<i>Depreciation &amp; Amortisation</i>					
- Community Services	244	225	286	244	286
- Regulatory	25	20	56	25	56
- Amenities & Reserves	656	537	693	656	693
- Rooding & Urban Development	3,261	3,178	3,149	3,261	3,149
- Solid Waste	82	76	81	82	81
- Water Supplies	848	928	803	848	803
- Wastewater	784	873	830	784	830
- Stormwater	253	276	262	253	262
- Airport	32	33	32	32	32
- In House Professional Services	11	8	4	11	4
- Support Services	102	114	88	102	88
- Group Depreciation	0	0	0	1,427	1,307
Other Group Expenses	0	0	0	8,189	6,286
Assets Written Off	366	472	3,107	366	3107
Loss on Sale of Assets	722	0	0	719	0
Loss on Derivative Contracts	0	0	899	0	899
Loss on Sale/Write Off of Investment in Associate	0	0	0	0	38
Loss on Sale/Write Off of Investment Property	0	0	138	0	138
<b>Less</b>					
Internal Recoveries	(5,988)	(5,911)	(5,924)	(5,988)	(5,924)
Internal Interest	(487)	(510)	(527)	(487)	(527)
<b>Total Expenditure</b>	<b>35,588</b>	<b>26,325</b>	<b>31,376</b>	<b>45,201</b>	<b>39,007</b>

## Note 5 ~ Operating surplus

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Operating surplus was determined after accounting for:				
<b>Fees to principal auditor</b>				
Fees to Audit New Zealand for audit of Financial statements	122	115	204	197
Fees to Audit New Zealand for audit of Long Term Plan	89	0	89	0
Fees to Audit New Zealand for other services	5	0	5	0
Fees to other CA firms for audit of Subsidiaries	0	5	0	5
Grants and Donations Expense	1,119	545	1,119	545
Lease Income	354	398	359	330
Lease Expense	51	95	71	136
<b>Movement in provision doubtful debts</b>				
Accounts Receivable	31	(225)	31	(225)
	<b>1,751</b>	<b>933</b>	<b>1,858</b>	<b>988</b>

### (i) Remuneration

Remuneration - During the year to 30 June 2021 the total remuneration and value of non-financial benefits received by or payable to the Mayor, other Councillors and the Chief Executive Officer of the Council were as follows:	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Chief Executive Officer</b>		
Sharon Mason (commenced 29/10/2018)	243,808	235,789
<b>Total Chief Executive Officer</b>	<b>243,808</b>	<b>235,789</b>
<b>Mayor</b>		
Garry Howard (ceased 17/10/2019)	0	26,704
Jamie Cleine (commenced 18/10/2019, previously Councillor)	94,863	72,712
<b>Councillors</b>		
Graeme Neylon (ceased 17/10/2019)	0	11,275
Shayne Barry (ceased 17/10/2019)	0	7,839
Emily Miazga (ceased 17/10/2019)	0	6,273
Andrew Basher (commenced 17/07/2019, Ceased 17/10/2019)	0	5,228
Dave Hawes	22,827	22,452
Robyn Nahr	24,835	24,915
Sharon Roche	42,125	38,057
Philip Rutherford	28,850	26,333
Rosalie Sampson (commenced 22/02/2018)	22,827	24,027
John Bougen (commenced 18/10/2019)	22,827	16,287
Martin Hill (commenced 18/10/2019)	22,827	16,005
Grant Weston (commenced 18/10/2019)	24,835	17,223
Joanne Howard (commenced 18/10/2019)	24,835	17,223
Margaret Montgomery (commenced 18/10/2019)	28,850	19,900
<b>Total Mayor &amp; Councillors</b>	<b>360,501</b>	<b>352,453</b>

## (ii) Severance Payments

During the year to 30 June 2021 no severance payments were made (2019/2020: no severance payments).

<b>(iii) Employee Staffing Levels and Remuneration</b>	<b>2020/2021 Actual \$000</b>	<b>2019/2020 Actual \$000</b>
<b>Number of employees</b>		
Fulltime	55.0	47.0
Fulltime equivalent of other employees	19.4	15.7

Buller District Council defines a full time equivalent employee as one that works a minimum of 40 hours per week. However in 2020/2021 there were two employees who work 37.5 hours per week under historic employment agreements (2019/2020: 2 employees). These employees are regarded as full time employees for the purposes of this disclosure. At balance date the total number of employees employed by Council was 91 (2019/2020: 82).

## Remuneration levels

<b>2020/2021</b>	<b>less than \$60,000</b>	<b>\$60,000 to \$79,999</b>	<b>\$80,000 to \$99,999</b>	<b>\$100,000 to \$199,999</b>	<b>\$200,000 to \$249,999</b>
<b>Number of employees</b>	<b>53</b>	<b>18</b>	<b>11</b>	<b>9</b>	<b>1</b>

<b>2019/2020</b>	<b>less than \$60,000</b>	<b>\$60,000 to \$79,999</b>	<b>\$80,000 to \$99,999</b>	<b>\$100,000 to \$119,999</b>	<b>\$120,000 to \$239,999</b>
<b>Number of employees</b>	<b>38</b>	<b>22</b>	<b>8</b>	<b>7</b>	<b>7</b>

The Local Government Act (2002) requires that if the number of employees in a remuneration band is 5 or fewer then that band is combined with the next highest band. In 2020/2021 there were 5 or fewer employees in the \$100,000 to \$119,999 band, hence inclusion of those employees in a \$100,000 to \$199,999 remuneration band. The one employee in the \$200,000 to \$249,000 is disclosed separately.

In 2019/2020 there were 5 or fewer employees in the \$120,000 to \$139,999 band, hence inclusion of those employees in a \$120,000 to \$239,999 remuneration band.



## Note 6 ~ Income tax

Components of Tax Expense	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Current Tax Expenses	0	0	0	0
Adjustments to Current Tax in Prior Year	0	0	0	0
Deferred Tax Expenses	0	0	24	(1,417)
<b>Income Tax Expense</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>(1,417)</b>

Relationship between Tax and Accounting Profit	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Surplus/(Deficit) Before Tax	10,157	(3,388)	9,780	(3,760)
Tax @ 28%	2,844	(949)	2,738	(1,053)
Non-Deductible Expenditure	(1,531)	0	(2,731)	0
Non-Taxable Revenue	0	695	0	910
Prior Year Adjustment	0	0	(1)	0
Group Loss Offset	(1,300)	340	0	0
Temporary Differences Not Recognised	0	(132)	0	0
Tax Losses Not Recognised	(13)	46	0	0
Deferred Tax Adjustments	0	0	17	(1,274)
<b>Tax Expense</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>(1,417)</b>

## Deferred Tax Assets/(Liabilities)

Parent	Property, Plant & equipment	Employee entitlements	Other provisions	Tax Losses	Total
Balance at 1 July 2019	(40)	0	0	40	0
Credited to Profit and Loss	40	0	0	(40)	0
Credited to other comprehensive income	0	0	0	0	0
<b>Balance at 1 July 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Credited to Surplus or Deficit	(41)	0	0	41	0
Charged to Equity	0	0	0	0	0
<b>Balance at 1 July 2021</b>	<b>(41)</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>0</b>

Group	Property, Plant & equipment	Employee entitlements	Other provisions	Tax Losses	Total
Balance at 1 July 2019	(1,926)	157	33	332	(1,404)
Credited to Profit and Loss	1,398	26	(12)	5	1,417
Charged to Equity	0	0	0	0	0
<b>Balance at 1 July 2020</b>	<b>(528)</b>	<b>183</b>	<b>21</b>	<b>337</b>	<b>13</b>
Credited to Profit and Loss	(4)	3	(11)	(12)	(24)
Charged to Equity	0	0	0	0	0
<b>Balance at 1 July 2021</b>	<b>(532)</b>	<b>186</b>	<b>10</b>	<b>325</b>	<b>(11)</b>

Council has not recognised deferred tax assets in relation to tax losses of \$1,159,151 (2019/2020: \$1,205,320). The deferred tax asset has been recognised at the group level.

## Note 7 ~ Reconciliation of net surplus after tax to cashflows from operating activities

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Surplus/(deficit) after tax</b>	<b>10,157</b>	<b>(3,388)</b>	<b>9,756</b>	<b>(2,343)</b>
<b>Add/(less) non-cash items:</b>				
Depreciation & Amortisation Expense	6,296	6,285	7,724	7,592
Impairment	0	0	0	0
Movement in Provisions	(364)	91	(328)	91
Movement in Deferred Taxation	0	0	(11)	(1,415)
Donated Assets	0	0	0	0
Other Non Cash Items	0	0	(2,320)	0
Vested Assets	0	(208)	0	(208)
Loan Amortisation	0	(2)	0	0
(Gains)/Losses on Derivative Financial Instruments	(1,353)	899	(1,353)	899
	<b>4,578</b>	<b>7,065</b>	<b>3,712</b>	<b>6,959</b>
<b>Add/(less) Items Classified as Investing Activities:</b>				
(Gains)/Losses on Disposal of Investment Property and PPE	1,022	(33)	1,085	4
Non cash movement in Fixed Assets	(600)	3,107	(821)	3,700
(Gains)/Losses in Fair Value of Investment Property	(2,419)	(455)	(2,439)	(475)
	<b>(1,997)</b>	<b>2,619</b>	<b>(2,175)</b>	<b>3,229</b>
<b>Add/(less) Movements in Working Capital Items:</b>				
Trade and Other Receivables	(5,579)	631	(5,245)	467
Inventories	0	(1)	0	(87)
Other Current Assets	(39)	22	(102)	25
Trade and Other Payables	5,735	846	8,201	1,738
Employee Benefits	11	138	50	202
	<b>128</b>	<b>1,636</b>	<b>2,903</b>	<b>2,345</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>12,866</b>	<b>7,932</b>	<b>14,196</b>	<b>10,190</b>

## Note 8 ~ cash and cash equivalents

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Cash at bank and in hand</b>	1,842	2,866	3,387	4,463
Short term deposits maturing three months or less from the date of acquisition	3,990	0	4,592	2,920
<b>Total cash and cash equivalents</b>	<b>5,832</b>	<b>2,866</b>	<b>7,979</b>	<b>7,383</b>

### Cash and bank overdrafts include the following for the purpose of the cashflow statements:

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Cash at bank and in hand</b>	1,842	2,866	3,387	4,463
Short term bank deposits maturing within three months or less of date of acquisition	3,990	0	4,592	2,920
	<b>5,832</b>	<b>2,866</b>	<b>7,979</b>	<b>7,383</b>

## Note 9 ~ trade and other receivables

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Trade Receivables</b>	<b>5,920</b>	<b>1,045</b>	<b>6,743</b>	<b>2,081</b>
<b>Amounts due from Controlled Entities (excluding GST)</b>				
- WestReef Ltd	7	7	0	0
- Buller Holdings Ltd	20	20	0	0
Interest Receivable	48	54	48	54
Dividend / Subvention Receivable	1,300	1,216	0	0
<b>Other Receivables</b>				
NZTA Rooding Subsidies	2,006	1,284	2,006	1,284
Rates Receivable	954	1,017	954	1,017
<b>Total Trade Receivables</b>	<b>10,255</b>	<b>4,643</b>	<b>9,751</b>	<b>4,436</b>
<b>Less</b>				
Provisions for doubtful debts	(63)	(32)	(63)	(32)
	<b>10,192</b>	<b>4,611</b>	<b>9,688</b>	<b>4,404</b>
<b>Represented by:</b>				
Current Portion	5,867	4,611	5,362	4,404
Term Portion	4,325	0	4,325	0
	<b>10,192</b>	<b>4,611</b>	<b>9,688</b>	<b>4,404</b>
Buller District Council has classified the following receivables as exchange transactions	4,950	2,070	4,446	3,106
Buller District Council has classified the following receivables as non exchange transactions	5,242	2,541	5,242	1,298
	<b>10,192</b>	<b>4,611</b>	<b>9,688</b>	<b>4,404</b>

### Fair Value

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

### Impairment

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

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

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

	2020/2021			2019/2020		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	5,930	0	5,930	4,012	0	4,012
Past due 1-60 days	2,460	0	2,460	67	0	67
Past due 61-120 days	21	0	21	23	0	24
Past due > 120 days	1,844	63	1,780	541	32	509
<b>Total</b>	<b>10,255</b>	<b>63</b>	<b>10,192</b>	<b>4,643</b>	<b>32</b>	<b>4,612</b>
<b>Group</b>						
Not past due	5,377	0	5,378	3,767	0	3,767
Past due 1-60 days	2,508	0	2,508	72	0	72
Past due 61-120 days	21	0	21	24	0	24
Past due > 120 days	1,845	63	1,781	573	32	541
<b>Total</b>	<b>9,751</b>	<b>63</b>	<b>9,688</b>	<b>4,436</b>	<b>32</b>	<b>4,404</b>

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Provision for impairment</b>				
Individual Impairment	63	32	63	32
Collective Impairment	0	0	0	0
<b>Total Provision for Impairment</b>	<b>63</b>	<b>32</b>	<b>63</b>	<b>32</b>

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

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Individual impairment</b>				
Past Due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	0	0
Past due > 120 days	63	32	63	32
<b>Total Individual Impairment</b>	<b>63</b>	<b>32</b>	<b>63</b>	<b>32</b>

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

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Movement in the provision for impairment of receivables</b>				
At 1 July	32	257	32	257
Additional provisions made during the year	31	32	31	32
Provisions reversed during the year	0	(257)	0	(257)
Receivables written-off during the period	0	0	0	0
<b>At 30 June</b>	<b>63</b>	<b>32</b>	<b>63</b>	<b>32</b>

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

The carrying value of receivables that would otherwise be past due or impaired whose terms have been renegotiated is nil (2019: nil).

## Note 10 ~ other current assets

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Work In Progress	21	22	31	24
Prepayments	203	164	282	187
	<b>224</b>	<b>186</b>	<b>313</b>	<b>211</b>

## Note 11 ~ non current assets held for sale

As at 30 June 2021 Council had one asset held for sale (2019/2020: Council had no assets held for sale).

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Non-current Assets held for sale are:</b>				
Structures	5	0	5	0
<b>Total Assets Held for Sale</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>



## Note 12 ~ investment in Council Controlled Organisations and other investments

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Investment in CCO's</b>				
Investment in CCO's (Buller Holdings Ltd)	17,754	17,530	0	0
Investment in CCO's (Loans to Subsidiaries)	1,500	1,500	0	0
Investments in other CCO's (NZ Local Government Insurance Corporation Ltd)	26	26	26	26
<b>Total Investment in CCO's</b>	<b>19,280</b>	<b>19,056</b>	<b>26</b>	<b>26</b>
<b>Other Investments</b>				
Investment in Associate	0	0	0	0
Term Deposits (maturity greater than one year)	0	0	0	0
DWC Community Loans	4	25	4	25
Bond Deposits	237	238	237	238
Borrower Notes LGFA	410	320	410	320
<b>Total Other Investments</b>	<b>651</b>	<b>583</b>	<b>651</b>	<b>583</b>

Council subscribed for 223,000 of additional shares in Buller Holdings Limited in 2020/2021 for \$223,000 in cash payments. The equity was to be used to fund capital expenditure in Buller Recreation Limited (2019/2020: \$255,000 of additional shares acquired by Buller District Council).

There was no impairment of investment in Buller Holdings in 2020/2021 (2019/2020 Nil impairment).

	Parent	
	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Investments acquired</b>		
Investments acquired - shares issued by Buller Holdings Limited	224	255
Investments acquired (disposed of) Advances and Loans	0	0
	<b>224</b>	<b>255</b>

All loans to Council Controlled Organisations have been advanced at market interest rates.

The fair value of loans to related parties in 2020/2021 is \$1,500,000 (2019/2020: \$1,500,000). Fair value has been determined using cash flows discounted at a rate based on market interest rates including an additional risk to take into account the specific risks of each loan. The interest rate on the loan of \$1,500,000 to Buller Holdings Ltd is the 90 day interest rate plus 1%.

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Investment property</b>				
Balance at 1 July	7,761	7,546	7,221	6,986
Additions	0	225	0	225
Transfers (to)/from Non Current Assets Held for Sale	0	48	0	48
Disposals/Adjustments	(79)	(513)	(99)	(513)
Fair value gains/(losses) on valuation	2,419	455	2,399	475
<b>Balance 30 June</b>	<b>10,101</b>	<b>7,761</b>	<b>9,521</b>	<b>7,221</b>

Parent	Group
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Investment property - revenue and expenses	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Rental Revenue from Investment Property	205	207	134	139
Direct Expenses of Income Generating Investment Property	23	36	7	36
Direct Expenses of Non-income Generating Investment Property	0	0		0

Buller District Council investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence as at 30 June 2021. The valuation was performed by Quotable Value, an independent valuer. Quotable Value are an experienced valuer with extensive market knowledge in the types of investment properties owned by Council. The total value of investment property valued by Quotable Value as at 30 June 2021 was \$10,101,000 (2019/2020: \$7,761,000).

As at 30 June 2021 there were no leasehold properties lodged at Council's solicitors pending completion of sale, this is disclosed in note 11. (2019/2020: nil properties).

# Note 13 ~ property, plant and equipment

## Council 2021

### Infrastructure Assets

	Cost/ Revaluation 01-07-20	Accumulated Depreciation 01-07-20	Carrying Amount 01-07-20	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-21	Accumulated Depreciation 30-06-21	Carrying Amount 30-06-21
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,404	0	19,404	0	0	0	0	0	0	0	19,404	0	19,404
Sewerage	28,474	(838)	27,636	562	(100)	0	0	(823)	0	0	28,936	(1,661)	27,275
Stormwater	10,561	(245)	10,316	38	(2)	0	0	(253)	0	0	10,597	(498)	10,099
Roads and Bridges	255,676	(3,135)	252,541	6,728	(198)	(5)	0	(3,250)	(20)	(684)	261,497	(6,385)	255,112
Water supplies	33,387	(790)	32,597	1,197	(65)	0	0	(808)	0	0	34,519	(1,598)	32,921
Airport runway	311	(147)	164	0	0	0	0	(8)	0	0	311	(155)	156
Landfills/Transfer Stations	1,809	(907)	902	868	0	0	0	(65)	0	0	2,677	(972)	1,705
Wharves	1,998	(774)	1,224	0	0	0	0	(33)	0	0	1,998	(807)	1,191
Work in Progress	1,133	(1)	1,132	3,802	0	0	0	0	(430)	0	4,505	(1)	4,504
	<b>352,753</b>	<b>(6,837)</b>	<b>345,916</b>	<b>13,195</b>	<b>(365)</b>	<b>(5)</b>	<b>0</b>	<b>(5,240)</b>	<b>(450)</b>	<b>(684)</b>	<b>364,444</b>	<b>(12,077)</b>	<b>352,367</b>

### Other Fixed Assets

	Cost/ Revaluation 01-07-20	Accumulated Depreciation 01-07-20	Carrying Amount 01-07-20	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-21	Accumulated Depreciation 30-06-21	Carrying Amount 30-06-21
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	5,587	0	5,587	22	0	0	0	0	0	0	5,609	0	5,609
Buildings	20,504	(7,670)	12,834	817	0	0	0	(526)	0	0	21,321	(8,196)	13,125
Office Equipment, Furniture & Fittings	2,147	(1,802)	345	66	(1)	0	0	(102)	0	0	2,212	(1,904)	308
Vehicles	1,119	(913)	206	37	(12)	0	0	(46)	0	0	1,144	(959)	185
Library Books	1,094	(1,078)	16	60	0	0	0	(58)	0	0	1,154	(1,136)	18
Plant and Equipment	2,339	(2,120)	219	20	0	0	0	(70)	(4)	0	2,355	(2,190)	165
Other Assets	5,749	(2,468)	3,281	1,362	(5)	0	0	(255)	0	0	7,106	(2,723)	4,383
Vessels	4,384	(4,339)	45	0	0	0	0	(1)	0	0	4,384	(4,340)	44
Work in Progress	2,368	0	2,368	1,613	0	0	0	0	(2,065)	0	1,916	0	1,916
	<b>45,291</b>	<b>(20,390)</b>	<b>24,901</b>	<b>3,997</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>(1,058)</b>	<b>(2,069)</b>	<b>0</b>	<b>47,201</b>	<b>(21,448)</b>	<b>25,753</b>
<b>TOTAL</b>	<b>398,044</b>	<b>(27,227)</b>	<b>370,817</b>	<b>17,192</b>	<b>(383)</b>	<b>(5)</b>	<b>0</b>	<b>(6,298)</b>	<b>(2,519)</b>	<b>(684)</b>	<b>411,645</b>	<b>(33,525)</b>	<b>378,120</b>

**Group 2021**

**Infrastructure Assets**

	Cost/ Revaluation 01-07-20	Accumulated Depreciation	Carrying Amount 01-07-20	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-21	Accumulated Depreciation 30-06-21	Carrying Amount 30-06-21
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,408	0	19,408	0	0	0	0	0	0	0	19,408	0	19,408
Sewerage	28,445	(830)	27,615	449	(100)	0	0	(823)	0	0	28,794	(1,653)	27,141
Stormwater	10,580	(262)	10,318	32	(2)	0	0	(253)	0	0	10,610	(515)	10,095
Roads and Bridges	255,606	(3,138)	252,469	6,523	(198)	(5)	0	(3,250)	(12)	(684)	261,230	(6,388)	254,842
Water supplies	33,365	(803)	32,562	1,082	(65)	0	0	(808)	0	0	34,382	(1,611)	32,771
Airport runway	308	(147)	161	0	0	0	0	(8)	0	0	308	(155)	153
Landfills/Transfer Stations	1,765	(911)	854	868	0	0	0	(65)	0	0	2,633	(976)	1,657
Wharves	2,004	(776)	1,229	0	0	0	0	(33)	0	0	2,004	(809)	1,195
Work in Progress	1,133	0	1,133	3,802	0	0	0	0	(430)	0	4,505	0	4,505
	<b>352,614</b>	<b>(6,867)</b>	<b>345,749</b>	<b>12,756</b>	<b>(365)</b>	<b>(5)</b>	<b>0</b>	<b>(5,240)</b>	<b>(442)</b>	<b>(684)</b>	<b>363,874</b>	<b>(12,107)</b>	<b>351,767</b>

**Other Fixed Assets**

	Cost/ Revaluation 01-07-20	Accumulated Depreciation	Carrying Amount 01-07-20	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-21	Accumulated Depreciation 30-06-21	Carrying Amount 30-06-21
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	6,138	0	6,138	22	0	0	0	0	162	0	6,322	0	6,322
Leasehold Improvements	278	(83)	195	0	0	0	0	(19)	0	0	278	(102)	176
Buildings	37,231	(14,670)	22,561	1,013	0	0	0	(10,297)	0	0	38,244	(24,967)	13,277
Office Equipment, Furniture & Fittings	2,776	(2,303)	473	104	(1)	0	0	(134)	0	0	2,879	(2,437)	442
Vehicles	7,483	(4,667)	2,816	826	(16)	0	0	(493)	0	0	8,293	(5,160)	3,133
Library Books	1,095	(1,078)	17	60	0	0	0	(58)	0	0	1,155	(1,136)	19
Plant and Equipment	4,658	(3,516)	1,142	192	(38)	0	0	(331)	(16)	0	4,796	(3,847)	949
Other Assets	5,779	(2,475)	3,304	1,358	(5)	0	0	(255)	0	0	7,132	(2,730)	4,402
Vessels	4,387	(4,339)	48	0	0	0	0	(1)	0	0	4,387	(4,340)	47
Work in Progress	2,503	0	2,503	1,613	0	0	0	0	(2,196)	0	1,920	0	1,920
	<b>72,328</b>	<b>(33,131)</b>	<b>39,197</b>	<b>5,188</b>	<b>(60)</b>	<b>0</b>	<b>0</b>	<b>(11,588)</b>	<b>(2,050)</b>	<b>0</b>	<b>75,406</b>	<b>(44,719)</b>	<b>30,687</b>
<b>TOTAL</b>	<b>424,939</b>	<b>(39,998)</b>	<b>384,946</b>	<b>17,944</b>	<b>(425)</b>	<b>(5)</b>	<b>0</b>	<b>(16,828)</b>	<b>(2,492)</b>	<b>(684)</b>	<b>439,280</b>	<b>(56,826)</b>	<b>382,454</b>

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Work in Progress: Property, plant and equipment in the course of construction by class of asset</b>				
Water System	3583	426	3583	426
Road Network	49	365	49	365
Other Assets	2790	2,710	2790	2,845
<b>Total Work in Progress</b>	<b>6422</b>	<b>3,501</b>	<b>6,422</b>	<b>3,636</b>

**Council 2020**

**Infrastructure Assets**

	Cost/ Revaluation 01-07-19	Accumulated Depreciation	Carrying Amount 01-07-19	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-20	Accumulated Depreciation 30-06-20	Carrying Amount 30-06-20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,402	0	19,402	2	0	0	0	0	0	0	19,404	0	19,404
Sewerage	28,006	0	28,006	557	(89)	0	0	(830)	0	0	28,474	(838)	27,636
Stormwater	10,541	0	10,541	21	(1)	0	0	(262)	0	0	10,561	(245)	10,316
Roads and Bridges	254,162	0	254,162	1,798	(284)	0	0	(3,138)	0	0	255,676	(3,135)	252,541
Water supplies	27,636	0	27,636	8,447	(2,696)	0	0	(803)	0	0	33,387	(790)	32,597
Airport runway	341	(135)	206	0	(27)	0	0	(15)	(3)	0	311	(147)	164
Landfills/Transfer Stations	1,837	(845)	992	0	0	0	0	(65)	(29)	0	1,809	(907)	902
Wharves	1,999	(743)	1,256	0	0	0	0	(33)	(1)	0	1,998	(774)	1,224
Work in Progress	4,614	0	4,614	767	(4,248)	0	0	0	0	0	1,133	(1)	1,132
	<b>348,538</b>	<b>(1,723)</b>	<b>346,815</b>	<b>11,592</b>	<b>(7,345)</b>	<b>0</b>	<b>0</b>	<b>(5,146)</b>	<b>(33)</b>	<b>0</b>	<b>352,753</b>	<b>(6,837)</b>	<b>345,916</b>

**Other Fixed Assets**

	Cost/ Revaluation 01-07-19	Accumulated Depreciation	Carrying Amount 01-07-19	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-20	Accumulated Depreciation 30-06-20	Carrying Amount 30-06-20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	5,428	0	5,428	159	0	0	0	0	0	0	5,587	0	5,587
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	20,194	(7,128)	13,066	220	0	0	0	(540)	90	0	20,504	(7,668)	12,834
Office Equipment, Furniture & Fittings	2,062	(1,806)	256	86	(1)	0	0	4	0	0	2,147	(1,802)	345
Vehicles	1,076	(872)	204	92	(49)	0	0	(41)	0	0	1,119	(913)	206
Library Books	1,050	(1,003)	47	44	0	0	0	(75)	0	0	1,094	(1,078)	16
Plant and Equipment	2,306	(1,996)	310	33	0	0	0	(124)	0	0	2,339	(2,120)	219
Other Assets	5,113	(2,241)	2,872	643	(11)	0	0	(227)	4	0	5,749	(2,468)	3,281
Vessels	4,339	(4,339)	0	45	0	0	0	0	0	0	4,384	(4,339)	45
Work in Progress	576	0	576	2,045	(252)	0	0	0	0	0	2,368	0	2,368
	<b>42,144</b>	<b>(19,385)</b>	<b>22,759</b>	<b>3,367</b>	<b>(313)</b>	<b>0</b>	<b>0</b>	<b>(1,003)</b>	<b>94</b>	<b>0</b>	<b>45,291</b>	<b>(20,390)</b>	<b>24,901</b>
<b>TOTAL</b>	<b>390,681</b>	<b>(20,956)</b>	<b>369,725</b>	<b>14,959</b>	<b>(7,658)</b>	<b>0</b>	<b>0</b>	<b>(6,303)</b>	<b>62</b>	<b>0</b>	<b>398,044</b>	<b>(27,227)</b>	<b>370,817</b>

**Group 2020**

**Infrastructure Assets**

	Cost/ Revaluation 01-07-19	Accumulated Depreciation	Carrying Amount 01-07-19	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-20	Accumulated Depreciation 30-06-20	Carrying Amount 30-06-20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,406	0	19,406	2	0	0	0	0	0	0	19,408	0	19,408
Sewerage	28,019	0	28,019	515	(89)	0	0	(830)	0	0	28,445	(830)	27,615
Stormwater	10,562	0	10,562	19	(1)	0	0	(262)	0	0	10,580	(262)	10,318
Roads and Bridges	254,174	0	254,175	1,716	(284)	0	0	(3,138)	0	0	255,606	(3,138)	252,469
Water supplies	27,654	0	27,654	8,407	(2,696)	0	0	(803)	0	0	33,365	(803)	32,562
Airport runway	335	(132)	203	0	(27)	0	0	(15)	0	0	308	(147)	161
Landfills/Transfer Stations	1,765	(846)	919	0	0	0	0	(65)	0	0	1,765	(911)	854
Wharves	2,004	(743)	1,262	0	0	0	0	(33)	0	0	2,004	(776)	1,229
Work in Progress	4,614	0	4,614	767	(4,248)	0	0	0	0	0	1,133	0	1,133
	<b>348,535</b>	<b>(1,721)</b>	<b>346,814</b>	<b>11,423</b>	<b>(7,345)</b>	<b>0</b>	<b>0</b>	<b>(5,146)</b>	<b>0</b>	<b>0</b>	<b>352,614</b>	<b>(6,867)</b>	<b>345,749</b>

**Other Fixed Assets**

	Cost/ Revaluation 01-07-19	Accumulated Depreciation	Carrying Amount 01-07-19	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers /Others	Revaluation Gains	Cost/ Revaluation 30-06-20	Accumulated Depreciation 30-06-20	Carrying Amount 30-06-20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	6,138	0	6,138	0	0	0	0	0	0	0	6,138	0	6,138
Leasehold Improvements	280	(63)	217	0	0	0	0	(20)	(2)	0	278	(83)	195
Buildings	36,696	(13,510)	23,193	430	0	0	0	(1,160)	98	0	37,231	(14,670)	22,561
Office Equipment, Furniture & Fittings	2,584	(2,089)	495	241	(133)	0	(84)	(130)	84	0	2,776	(2,303)	473
Vehicles	7,177	(4,596)	2,584	744	(49)	0	395	(466)	(392)	0	7,483	(4,667)	2,816
Library Books	1,049	(1,002)	47	46	0	0	0	(76)	0	0	1,095	(1,078)	17
Plant and Equipment	4,571	(3,353)	1,218	292	(2)	0	205	(368)	(203)	0	4,658	(3,516)	1,142
Other Assets	4,987	(2,230)	2,757	803	(11)	0	0	(245)	0	0	5,779	(2,475)	3,304
Vessels	4,342	(4,339)	3	45	0	0	0	0	0	0	4,387	(4,339)	48
Work in Progress	579	0	579	2,176	(252)	0	0	0	0	0	2,503	0	2,503
	<b>68,403</b>	<b>(31,182)</b>	<b>37,231</b>	<b>4,787</b>	<b>(447)</b>	<b>0</b>	<b>516</b>	<b>(2,465)</b>	<b>(415)</b>	<b>0</b>	<b>72,328</b>	<b>(33,131)</b>	<b>39,197</b>
<b>TOTAL</b>	<b>416,937</b>	<b>(32,903)</b>	<b>384,045</b>	<b>16,210</b>	<b>(7,792)</b>	<b>0</b>	<b>516</b>	<b>(7,611)</b>	<b>(415)</b>	<b>0</b>	<b>424,939</b>	<b>(39,998)</b>	<b>384,946</b>

## Note 14 ~ intangible assets

Cost	Parent		Group		
	Software & licences \$000	Total \$000	Goodwill \$000	Software & licences \$000	Total \$000
Balance at 1 July 2019	730	730	698	760	1,458
Transfers	0	0	0	0	0
Additions	11	10	30	11	41
Disposals	0	0	0	18	18
<b>Balance at 30 June 2020</b>	<b>741</b>	<b>740</b>	<b>728</b>	<b>753</b>	<b>1,481</b>
Balance at 1 July 2020	741	741	728	753	1,481
Transfers	0	0	0	0	0
Additions	16	16	0	16	16
Disposals	0	0	0	0	0
<b>Balance at 30 June 2021</b>	<b>757</b>	<b>757</b>	<b>728</b>	<b>769</b>	<b>1,497</b>

Accumulated amortisation and impairment	Parent		Group		
	Software & licences \$000	Total \$000	Goodwill \$000	Software & licences \$000	Total \$000
Balance at 1 July 2019	718	718	0	747	747
Transfers	0	0	0	0	0
Amortisation charge	3	3	0	4	4
Disposals	0	0	0	18	18
<b>Balance at 30 June 2020</b>	<b>721</b>	<b>721</b>	<b>0</b>	<b>733</b>	<b>733</b>
Balance at 1 July 2020	721	721	0	733	733
Transfers	0	0	0	0	0
Amortisation charge	8	8	0	8	8
Disposals	0	0	0	0	0
<b>Balance at 30 June 2021</b>	<b>729</b>	<b>729</b>	<b>0</b>	<b>741</b>	<b>741</b>

Carrying amounts	Parent		Group		
	Software & licences \$000	Total \$000	Goodwill \$000	Software & licences \$000	Total \$000
Balance at 30 June 2020	20	19	728	20	748
Balance at 30 June 2021	28	28	728	28	756

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



## Note 15 ~ trade and other payables

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Trade payables	5,677	3,352	8,137	5,135
<i>Amounts due to related parties:</i>				
- WestReef Ltd	2,300	1,072	0	0
Revenue Received in Advance	3,712	627	3,589	627
<b>Total trade and payables</b>	<b>11,689</b>	<b>5,051</b>	<b>11,726</b>	<b>5,762</b>
Buller District Council has classified the following payables as exchange transactions	7,523	4,081	7,560	4,794
Buller District Council has classified the following payables as non exchange transactions	4,166	970	4,166	968
<b>Total</b>	<b>11,689</b>	<b>5,051</b>	<b>11,726</b>	<b>5,762</b>

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

## Note 16 ~ derivative financial instruments

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<i>Current Asset Portion</i>				
Interest Rate Swaps	0	0	0	0
<b>Total Current Asset Portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Non Current Asset Portion</i>				
Interest Rate Swaps	0	0	0	0
<b>Total Current Asset Portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Current Liability Portion</i>				
Interest Rate Swaps	0	617	0	617
<b>Total Current Liability Portion</b>	<b>0</b>	<b>617</b>	<b>0</b>	<b>617</b>
<i>Non Current Liability Portion</i>				
Interest Rate Swaps	1,668	2,404	1,668	2,404
<b>Total Non Current Liability Portion</b>	<b>1,668</b>	<b>2,404</b>	<b>1,668</b>	<b>2,404</b>

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2021 were \$19,340,000 (2019/2020: \$19,340,000).

At 30 June 2021 the fixed interest rates of interest rate swaps range from 2.17% to 4.34% (2019/2020: 2.17% to 4.34%)

The interest rate swaps have been included at fair value .

The termination date of the interest rate swap contracts of \$19,340,000 at 30 June 2021 range from 31 March 2024 to 30 March 2027 (2019/2020: 31 March 2024 to 31 March 2027 ).

## Note 17 ~ employment benefit liabilities

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Accrued pay	212	147	212	147
Annual Leave & Long Service Leave	582	636	1,334	1,317
Retirement Gratuities	105	105	105	133
Sick leave	0	0	0	0
<b>Total Employee Benefit Liabilities</b>	<b>899</b>	<b>888</b>	<b>1,651</b>	<b>1,597</b>
<i>Comprising:</i>				
Current	738	727	1,458	1,408
Non-current	161	161	193	189
<b>Total Employee Benefit Liabilities</b>	<b>899</b>	<b>888</b>	<b>1,651</b>	<b>1,597</b>

## Note 18 ~ borrowings

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<i>Current</i>				
Bank overdraft	0	0	0	0
Secured loans	16,774	10,000	16,774	10,000
<b>Total current borrowings</b>	<b>16,774</b>	<b>10,000</b>	<b>16,774</b>	<b>10,000</b>
<i>Non-current</i>				
Secured loans	15,000	21,774	15,000	21,774
<b>Total non-current borrowings</b>	<b>15,000</b>	<b>21,774</b>	<b>15,000</b>	<b>21,774</b>
<b>Total borrowings</b>	<b>31,774</b>	<b>31,774</b>	<b>31,774</b>	<b>31,774</b>

On 4 November 2016 Council negotiated a \$20,000,000 facility with the Local Government Funding Agency (LGFA). An additional commercial debt facility is in place for \$14,000,000 and matures on 1 July 2024. (2019/2020: \$12,000,000 commercial debt facility maturing 1 July 2021.)

Buller District Council's has debt of \$12,433,860 on floating interest rates (2019/2020: \$12,433,860). Floating interest rates are set quarterly at the 90-day bill rate + margins between 0.65% and 1.17%

Council has interest rate swaps and floating rates for fixed interest rates for \$19,340,000 (2019/2020: \$19,340,000) of this debt. For more details of the swaps refer to note 16 in the financial accounts.

### Credit Cards

Council has credit card facilities provided by Westpac Banking Corporation with credit limits totalling \$30,000 (2019/2020: \$30,000).

### Security

The overdraft is secured by a general security agreement. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2019/2020: \$500,000). There are no restrictions on the use of this facility.

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

2020/2021	Overdraft Council \$000	Overdraft Group \$000	Secured loans Council and Group \$000
Less than one year	0	0	\$16,774
Weighted average effective interest rate	7.3%	7.3%	2.8%
Later than one year but not more than five years	0	0	\$15,000
Weighted average effective interest rate	0.0%	0.0%	2.6%
Later than five years	0	0	0
Weighted average effective interest rate	0.0%	0.0%	0.0%

2019/2020	Overdraft Council \$000	Overdraft Group \$000	Secured loans Council and Group \$000
Less than one year	0	0	\$10,000
Weighted average effective interest rate	7.3%	7.3%	3.5%
Later than one year but not more than five years	0	0	\$21,774
Weighted average effective interest rate	0%	0.0%	4.7%
Later than five years	0	0	0
Weighted average effective interest rate	0.0%	0.0%	0.0%

## Fair value of non-current borrowings

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

## Internal Borrowings

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

## Internal loans

Council had the following Internal Loans allocated to the listed Groups of Activities at balance date:

2020/2021	Loans repaid during the period \$000	Loans drawn down during the period \$000	Interest paid for the year \$000	Balance as at 30 June \$000
Support Services	0	0	0	0
Community Services	100	0	86	1,707
Regulatory Services	8	0	4	54
Property Management , Amenities & Reserves	61	0	47	835
Water Supplies	121	0	75	1,046
Solid Waste	74	0	52	842
Wastewater	336	0	198	3,316
Stormwater	30	0	19	268
Roading	5	0	4	106
Professional Services Business Unit	0	0	0	0
	<b>735</b>	<b>0</b>	<b>485</b>	<b>8,174</b>

2019/2020	Loans repaid during the period \$000	Loans drawn down during the period \$000	Interest paid for the year \$000	Balance as at 30 June \$000
Support Services	0	0	0	0
Community Services	105	0	91	1,808
Regulatory Services	7	0	5	62
Property Management , Amenities & Reserves	64	0	50	896
Water Supplies	114	0	83	1,167
Solid Waste	70	0	56	916
Wastewater	318	0	216	3,652
Stormwater	28	0	21	297
Roading	5	0	5	111
Professional Services Business Unit	0	0	0	0
	<b>711</b>	<b>0</b>	<b>527</b>	<b>8,909</b>

## Note 19 ~ provisions

	Landfill aftercare provision	Contaminated site remediation	Total environmental provisions	Total environmental provisions
Environmental provision	2020/2021 Actual \$000	2020/2021 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Opening balance	1,759	9	1,768	1,661
Additional provisions	0	0	0	0
Amounts used	(19)	0	(19)	(28)
Other adjustments (including unused provision reversed)	(173)	0	(173)	(10)
Discounting changes	44	0	44	136
<b>Closing balance</b>	<b>1,611</b>	<b>9</b>	<b>1,620</b>	<b>1,759</b>

	Parent		Group	
Provision for slipping	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Opening balance	216	223	216	223
Additional provisions	0	190	0	190
Amounts used	(216)	(197)	(216)	(197)
Other adjustments	0	0	0	0
<b>Closing balance</b>	<b>0</b>	<b>216</b>	<b>0</b>	<b>216</b>

2020/2021: There is no Provision for Slipping included in the Current Liability section of the Parent Total Provisions table.

2019/2020: The Provision for Slipping is included in the Current Liability section of the Parent Total Provisions table.

	Parent		Group	
Total provisions	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<i>Council and Group:</i>				
Current liability	80	408	80	408
Non-current liability	1,540	1,575	1,540	1,575
	<b>1,620</b>	<b>1,983</b>	<b>1,620</b>	<b>1,983</b>

### Landfill Aftercare Provision

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

#### **Closure responsibilities**

- Lay cover and revegetation
- Drainage control
- Water quality monitoring

#### **Post Closure responsibilities**

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

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

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

The cash outflows for landfill post-closure costs have been estimated to occur for a period of 25-50 years from the closure of the site. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 2.96% which is based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2019/2020: 3.38%).

## Note 20 ~ accumulated funds

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Opening balance as at 1 July</b>	<b>163,346</b>	<b>165,752</b>	<b>158,823</b>	<b>160,185</b>
Net surplus (deficit) for the period	10,157	(3,388)	12,370	(2,343)
Transfer from reserves	1,046	1,259	1,046	1,259
Transfer from asset revaluation reserve on disposal of assets	895	1,225	895	1,225
Transfer to reserves	(1,124)	(1,502)	(1,125)	(1,502)
<b>Balance at 30 June</b>	<b>174,320</b>	<b>163,346</b>	<b>172,009</b>	<b>158,823</b>



## Note 21 ~ reserves

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Balance as at 1 July	5,893	5,650	5,893	5,650
Add: Transfer from Accumulated Funds	1,124	1,502	1,124	1,502
	7,017	7,152	7,017	7,152
Less: Transfer to Accumulated Funds	(1,046)	(1,259)	(1,047)	(1,259)
<b>Balance at 30 June</b>	<b>5,973</b>	<b>5,893</b>	<b>5,972</b>	<b>5,893</b>

### Reserve Fund Disclosures

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

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

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2019	Transfers to Reserves	Balance as at 30 June 2020	Opening Balance 1 July 2020	Transfers to Reserves	Transfers from Reserves	Balance as at 30 June 2021
			\$000	\$000	\$000	\$000	\$000	\$000	\$000
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	365	365	0	0	365
Community Development - Other	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	3,944	1,425	4,145	4,145	1,092	983	4,253
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	1,172	76	1,215	1,215	31	60	1,185
Miles Bequest	Property Management, Amenities and Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	0	0	(0)	0	0	0	0
Powell Bequest	Property Management, Amenities and Reserves	Funds bequested to Council for the purchase of public seating in Westport	0	0	0	0	0	0	0
Isdell Trust	Property Management, Amenities and Reserves	Funds requested for the purpose of providing assistance towards relief of poverty, improvement of public reserves, parks and Crown Land, the erection of public or school gymnasiums, all educational purposes and recreations pursuits of benefit to society in promotion of public welfare.	14	0	14	14	0	0	14
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	8	1	7	7	2	1	7
Kater Plot	Property Management, Amenities and Reserves	n/a will be rounded down to 0	0	0	0	0	0	0	0
Boiler Replacement Fund	Property Management, Amenities and Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7	0	7	7	0	0	7
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	119	0	119	119	0	0	119
Sale of gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11	0	11	11	0	0	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10	0	10	10	0	0	10
<b>TOTAL Reserves Only</b>			<b>5,651</b>	<b>1,502</b>	<b>5,892</b>	<b>5,892</b>	<b>1,124</b>	<b>1,045</b>	<b>5,971</b>
Refuse Collection	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection activity	0-	0	0	0	0	0	0
Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the recycling activity	0	0	0	0	0	0	0
Contracted Refuse/ Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection and recycling activities	59	592	(63)	(63)	707	699	(55)
Karamea Solid Waste	Solid Waste		37	65	37	37	74	72	38
Maruaia Solid Waste	Solid Waste		13	13	8	8	18	42	(16)
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(844)	10,188	(474)	(474)	4,374	1,686	2,214
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(190)	397	(299)	(299)	406	393	(285)
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	42	18	46	46	18	35	29
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	36	13	37	37	13	25	24

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2019	Transfers to Reserves	Balance as at 30 June 2020	Opening Balance 1 July 2020	Transfers to Reserves	Balance as at 30 June 2021
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	360	54	397	397	54	384
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	17	57	5	5	81	(10)
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	518	74	564	564	74	617
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(326)	83	(342)	(342)	90	(366)
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(112)	16	(129)	(129)	16	(157)
South Granity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	16	6	20	20	6	16
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(20)	0	(20)	(20)	0	(49)
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	207	2,252	449	449	2,289	613
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	318	340	389	389	339	499
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	44	38	47	47	39	54
Inangahua Junction Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(2)	0	(2)	(2)	0	(2)
Punakaiki Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	(16)	(16)	0	(16)
Punakaiki Camp	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(295)	50	(283)	(283)	7	(314)
Punakaiki Sea Wall	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	2	2	0	2
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(270)	152	(333)	(333)	264	(274)
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	0	0	0	0	50	(140)
<b>TOTAL Separate Balances Only</b>			<b>(407)</b>	<b>14,408</b>	<b>40</b>	<b>39</b>	<b>8,918</b>	<b>40</b>
<b>TOTAL Reserves and Separate Balances</b>			<b>5,244</b>	<b>15,909</b>	<b>5,933</b>	<b>5,932</b>	<b>10,042</b>	<b>6,011</b>

## Note 22 ~ asset revaluation reserves

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Opening Balance as at 1 July	211,884	213,128	214,832	216,075
Change in Asset Values through Comprehensive Revenue	0	(19)	0	(19)
Transfer to accumulated funds on disposal of assets	(895)	(1,225)	(895)	(1,225)
<b>Closing Balance as at 30 June</b>	<b>210,989</b>	<b>211,884</b>	<b>213,937</b>	<b>214,832</b>
<i>Comprising:</i>				
Library Books	258	258	258	258
Roads and Bridges	178,236	179,058	179,600	180,422
Sewerage	13,133	13,182	13,432	13,481
Stormwater	8,503	8,504	8,846	8,847
Water Supplies	10,857	10,882	11,801	11,824
Landfill	210,989	211,884	213,937	214,832
Assets held for Sale	0	0	0	0
Investment Revaluation Reserve	0	0	0	0
<b>Balance at 30 June</b>	<b>210,991</b>	<b>211,884</b>	<b>213,937</b>	<b>214,832</b>

## Note 23 ~ related party transactions and balances

Buller District Council is the ultimate parent of the group and controls three entities in the Buller Holdings Group, being Buller Holdings Limited, Westreef Services Limited and Buller Recreation Limited (comparatives include Westport Harbour Limited which is included within Council parent operations for the 2019/2020 financial year). Council also controls Westport Airport Authority and Buller Health Trust.

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

	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>WestReef Services Limited</b>		
Services provided by Council during the year	110	85
Services provided to Council during the year	10,500	6,742
Accounts payable to Council at 30 June	7	7
Accounts receivable from Council at 30 June	2,300	1,072
Asset purchased from Council during the year	0	0
Subventions revenue to Council during the year	1,358	1,209
Subventions payable to Council at 30 June	1,300	1,216
<b>Buller Recreation Limited</b>		
Service level fee paid by Council to Buller Recreation	851	851
Grant provided to Buller Recreation during the year	0	0
Services provided to Council during the year	1	0
Services provided by Council during the year	3	2
Accounts payable to Council at 30 June	0	0
Accounts receivable from Council at 30 June	82	82
Loans owed to Council at 30 June	0	0
<b>Buller Holdings Limited</b>		
Accounts payable to Council at 30 June	20	20
Loans owed to Council at 30 June	1,500	1,500
Subventions revenue to Council during the year	1,274	0
Subventions payable to Council at 30 June	0	0
Interest Expenses paid to Council	32	32
Total Shares Issued to Council	19,832	19,609
Shares Issued during the year	223	255
Asset purchased from Council during the year	0	0
Assets Purchased by Council during the Year	0	0
<b>Westport Airport Authority</b>		
Services provided by Council during the year	183	186
Services provided by Westreef during the year	57	2
Rates, lease and interest charges paid to Council during the year	1	8
Current account balance owed (to) from Council at 30 June	(132)	(79)
Equity contribution made by Council for the year ended 30 June	282	215
Lease Payments made to Westport Harbour during the year	0	0
<b>Buller Health Trust</b>		
No related party transactions other than administration services provided by Council to Buller Health Trust during the year for no consideration.	0	0

No debts or transactions were written off between parties during the period (2019/2020: No debts were written off.)

### Key Management and Members of Council

Councillor Sharon Roche is a director/shareholder of ITatWORK. In 2020/2021 goods and services to the value of \$33,172 were provided to Council (2019/2020: \$19,526).

Councillor John Bougen is a director/shareholder of Retail Solutions Limited. In 2020/2021 goods and services to the value of \$51,853 were provided to Council (2019/2020: \$19,174).

Key management personnel compensation	2020/2021 Actual	2019/2020 Actual
<b>Mayor and Councillors:</b>		
Full-time equivalent members	11.0	11.0
Remuneration	\$360,501	\$ 352,453
<b>Senior Management Team, including Chief Executive:</b>		
Full-time equivalent members	5.0	5.0
Remuneration	\$1,010,726	\$ 947,907
Total full-time Equivalent personnel	16.0	15.5
Total key management personnel remuneration	\$1,371,226	\$1,300,360

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

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

## Note 24 ~ Council subsidiaries, associates and joint ventures

Council has a significant interest in the following entities:

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

### CCO is a Council Controlled Organisation

#### Westport Airport Authority

- Westport Airport Authority is proportionately consolidated on a line by line basis in the Parent Financial Statements.
- In 2020/2021 contributions totalling \$538,458 were made by the joint operation holders (2019/2020: contributions totalling \$430,000 were made).
- Buller District Council's 50% share of its interest in the joint operation is detailed below.

	2020/2021 Actual \$000	2019/2020 Actual \$000
Current Assets	20	22
Long Term Assets (represented by Equity)	3,918	3,616
Current Liabilities	178	298
Long Term Liabilities	0	0
Operating Revenue	98	83
Operating Expenses	178	171

## Note 25 ~ Statement of commitments, contingent liabilities and contingent assets

Commitments	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Capital Commitments Approved and Contracted</b>				
Westport Water Supply	2,603	0	2,603	0
Floating Jetties project	1,334	0	1,334	0
Westport River Bank	1,167	0	1,167	0
Reefton Water Supply	660	0	660	0
Punakaiki Water Supply	165	0	165	0
	<b>5,929</b>	<b>0</b>	<b>5,929</b>	<b>0</b>
<b>Non-cancellable Operating Lease Commitments</b>				
<i>Motor Vehicles:</i>				
Not later than a year	0	0	0	0
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Office Equipment:</i>				
Not later than a year	36	42	36	42
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	<b>36</b>	<b>42</b>	<b>36</b>	<b>42</b>
<i>Plant &amp; Equipment</i>				
Not later than a year	0	0	0	0
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Land &amp; Buildings</i>				
Less than a year	16	11	16	11
More than 1 year less than 2	8	11	8	11
More than 2 years less than 5	0	6	0	6
Later than five years	0	0	0	0
	<b>24</b>	<b>28</b>	<b>24</b>	<b>28</b>

2020/2021: The Kiwi Rail (Ontrack) lease assigned to Buller District Council upon the transfer of port operation is for a period of 10 years and commenced on 1 January 2013. (2019/2020: Kiwi Rail 10 year lease commenced 1 January 2013).

### Other Contracts Commitments

Buller District Council has a commitment to purchase land to the value of \$55,000 to be used for operating purposes (2019/2020: \$55,000).



Buller District Council has a commitment to construct Floating pontoons at the Port of Westport under a Provincial Growth Fund agreement with the Ministry of Business, Innovation and Employment dated 13 May 2020. The Ministry is funding \$6,000,000 to construct the pontoons which are principally for the fishing fleet usage. As at 30 June 2021 \$5,003,303 has been spent on this project (2020: \$ nil). Following completion of the pontoons Council will lease them from the Ministry for the amount of \$1 per annum for a term yet to be negotiated.

The following contracts (except for the Refuse, Recycling and Landfill contract) were renewed with Westreef Limited in 2018/2019 for another 5 years and expire on 25 January 2024. The Refuse, Recycling and Transfer Station contract was awarded to Smart Environmental Limited in 2013/14 for a term of 10 years and expire on 31 January 2024. We expect the annual amounts to be as follows:

	2020/2021 Actual \$000	2019/2020 Actual \$000
Utility Services and Maintenance	1,467	1,329
Parks, Reserves, and Cemeteries	1,055	1,010
Refuse Collection, Recycling and Landfill Operation	645	635
	<b>3,167</b>	<b>2,758</b>

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

### Roading

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

	2020/2021 Actual \$000	2019/2020 Actual \$000
Roothing Network Maintenance	3,792	2,621

### Lease Commitments as Lessor

Council has a leases in place with Coaltown Trust and the West Coast Primary Health Organisation. (2019/2020: Coaltown Trust, Coast West Holdings Limited and the West Coast Primary Health Organisation.) The lease commitments are as follows:

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Less than a year	89	111	89	111
More than 1 year less than 2	60	111	60	111
More than 2 years less than 5	0	83	0	83
Greater than 5 years	0	0	0	0
	<b>149</b>	<b>305</b>	<b>149</b>	<b>305</b>

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

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

Council's obligation to construct a rockwall to contain the erosion of the Hector landfill site has been mitigated by the July 2020 allocation of a Provincial Growth Fund grant to complete this project of \$1,000,000 (2019/2020: Hector landfill site rockwall, liability unknown at balance date).

#### **Ministry of Education and Carter Holt Harvey (CHH)**

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. The MOE's claim against CHH is for 833 school buildings, 36 of which are located within the Auckland region. In 2016, CHH commenced proceedings against 48 councils, including Auckland Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

Eight school buildings (one in Auckland) built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court.

The court has directed that the trial be staged. The first stage was to be a 6 month hearing commencing in April 2020, to determine whether shadow clad is inherently defective.

Uncertainty existed at the end of the 2019/2020 financial year and preceding period. However, the notice of discontinuance signed on 3 September 2020 has now removed this uncertainty and the Council is no longer a subject to this legal proceeding. No settlement by the Council has been made.

#### **Homeowners and CHH**

During the 2018/2019 financial year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. CHH has joined 19 Councils as co-defendants in this claim.

At 30 June 2021, there is still insufficient information to conclude on potential liability and claim quantum, if any (2019/2020: CHH proceedings, liability unquantified).

Council has one resource consent decision subject to appeal in the Environment Court for which it may be liable for costs should the appeal be upheld. The resource consent decision relates to an open cast coal mine in the Te Kuha area. The extent of any potential liability was unknown at balance date. The court process was put on hold on 22 June 2018 at the request of the resource consent applicant and remains on hold post balance date (2019/2020: Potential liability for unknown level of costs should the Te Kuha open cast coal mine consent decision appeal be upheld in the Environment Court).

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

WestReef had \$130,000 in Performance Bonds outstanding with Westpac as at 30 June 2021 (2019/2020: \$130,000).

Buller Health Trust has no contingent liabilities as at 30 June 2021 (2019/2020: nil).

Buller Recreation Limited has a contingent liability at 30 June 2021 to complete the purchase of the 24 Hour gym, subject to certain conditions being met (2019/2020: nil).

Buller Holdings Limited has no contingent liabilities as at 30 June 2021 (2019/2020: nil).

### **Contingent Assets**

The Buller District Council and the Group has no contingent assets as at 30 June 2021 (2019/2020: nil).

## Note 26 ~ Capital management

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

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

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

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

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

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

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

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

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

## Note 27 ~ Financial instruments

### Financial Instrument Risks

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

### Market Risk

#### Price Risk

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

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

#### Currency Risk

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

#### Interest Rate Risk

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

#### Fair Value Interest Rate Risk

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

#### Cashflow Interest Rate Risk

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

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

#### Credit Risk

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

#### Liquidity risk

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

In meeting its liquidity requirements Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of Council's 2018/2028 Long Term Plan.

Council has a maximum amount that can be drawn against its overdraft facility of \$500,000 (2019/2020: \$500,000). There are no restrictions on the use of this facility.

The maturity profiles of Council's interest bearing investments and borrowings are disclosed in Note 12 and 18.

Financial Assets	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
<b>Loans and Receivables</b>				
Cash and Cash Equivalents	1,842	2,866	3,989	7,383
Debtors and Other Receivables	10,429	4,848	9,925	4,641
<b>Other Financial Assets:</b>				
- Short Term Deposits	18,806	18,013	21,433	18,013
- Term Deposits (maturity greater than one year)	410	320	410	320
- Community Loans	4	25	4	25
- Loans to Related Parties	1,500	1,500	0	0
<b>Total Loans and Receivables</b>	<b>32,991</b>	<b>27,572</b>	<b>35,760</b>	<b>30,382</b>

### Fair Value Through Other Comprehensive Income

#### Other Financial Assets:

- unlisted shares	26	26	26	26
<b>Total Fair Value Through Other Comprehensive Revenue</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>

### Fair Value Through Surplus or Deficit - Held For Trading

Derivative Financial Instrument Assets	0	0	0	0
<b>Total Financial Assets At Fair Value Through Surplus or Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Financial Liabilities	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000

### Fair Value Through Surplus or Deficit - Held For Trading

Derivative Financial Instrument Liabilities	1,668	3,021	1,668	2,122
<b>Total Financial Liabilities At Fair Value Through Surplus or Deficit</b>	<b>1,668</b>	<b>3,021</b>	<b>1,668</b>	<b>2,122</b>

### Financial Liabilities At Amortised Cost

Creditors And Other Payables	7,977	5,051	7,940	5,762
<b>Borrowings:</b>				
- Bank Overdraft	0	0	0	0
- Secured Loans	31,774	31,774	31,774	31,774
<b>Total Financial Liabilities At Amortised Cost</b>	<b>39,751</b>	<b>36,825</b>	<b>39,714</b>	<b>37,536</b>

## Fair Value Hierarchy Disclosures

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

Valuation techniques using observable inputs (level 2)- Financial instruments with quoted prices for similar instruments in active markets or quoted with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Valuation techniques with significant non-observable inputs (level 3)- Financial instruments valued using models where one or more significant inputs are not observable.

2020/2021	Observable inputs \$000	Significant non-observable inputs \$000	Total \$000
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### Parent

#### Financial Assets

Unlisted Shares	0	26	26
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#### Financial Liabilities

Derivative Financial Instrument Liabilities	1,668	0	1,668
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### Group

#### Financial Assets

Unlisted Shares	0	26	26
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#### Financial Liabilities

Derivative Financial Instrument Liabilities	1,668	0	1,668
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2019/2020	Observable inputs \$000	Significant non-observable inputs \$000	Total \$000
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<b>Parent</b>	\$000	\$000	\$000
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#### Financial Assets

Unlisted Shares	0	26	26
Derivative Financial Instrument Assets	0	0	0

#### Financial Liabilities

Derivative Financial Instrument Liabilities	3,021	0	3,021
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### Group

#### Financial Assets

Unlisted Shares	0	26	26
Derivative Financial Instrument Assets	0	0	0

#### Financial Liabilities

Derivative Financial Instrument Liabilities	3,021	0	3,021
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## Maximum Exposure to Credit Risk

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

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000
Cash at Bank and Term Deposits	21,057	21,199	25,831	25,716
Debtors and Other Receivables	10,429	4,848	9,925	4,641
Community and Related Party Loans	1,504	1,526	4	25
<b>Total Credit Risk</b>	<b>32,991</b>	<b>27,573</b>	<b>35,760</b>	<b>30,382</b>

## Credit Quality of Financial Assets

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

	Parent		Group	
	2020/2021 Actual \$000	2019/2020 Actual \$000	2020/2021 Actual \$000	2019/2020 Actual \$000

### Counterparties with credit ratings

#### Cash at Bank and Term Deposits:

AA+	410	320	410	320
AA-	17,179	17,411	19,326	21,928
BB+	3,468	3,468	3,468	3,468
<b>Total Cash at Bank and Term Deposits</b>	<b>21,057</b>	<b>21,199</b>	<b>23,204</b>	<b>25,716</b>

### Counterparties without credit ratings

#### Cash at Bank and Term Deposits:

Existing counterparty with no defaults in the past	0	0	0	0
<b>Total Cash at Bank and Term Deposits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Community and Related Party Loans:

Existing counterparty with no defaults in the past	1,504	1,526	4	25
<b>Total Community and Related Party Loans</b>	<b>1,504</b>	<b>1,526</b>	<b>4</b>	<b>25</b>

## Contractual Maturity Analysis of Financial Liabilities

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

2020/2021	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$0000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
<b>Parent</b>						
Creditors and Other Payables	7,977	7,977	7,977	0	0	0
Net Settled Derivative Liabilities	1,668	1,668	826	366	475	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	31,774	34,982	17,669	5,750	11,562	1
<b>Total</b>	<b>41,419</b>	<b>44,627</b>	<b>26,472</b>	<b>6,116</b>	<b>12,037</b>	<b>1</b>

### Group

Creditors and Other Payables	8,015	8,015	8,015	0	0	0
Net Settled Derivative Liabilities	1,668	1,668	826	366	475	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	31,774	34,982	17,669	5,750	11,562	1
<b>Total</b>	<b>41,457</b>	<b>44,665</b>	<b>26,510</b>	<b>6,116</b>	<b>12,037</b>	<b>1</b>

2019/2020	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$0000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
<b>Parent</b>						
Creditors and Other Payables	5,051	5,051	5,051	0	0	0
Net Settled Derivative Liabilities	3,021	3,021	0	0	1,084	1,937
Bank Overdraft	0	0	0	0	0	0
Secured Loans	31,774	36,817	11,029	17,666	7,339	783
<b>Total</b>	<b>39,846</b>	<b>44,889</b>	<b>16,080</b>	<b>17,666</b>	<b>8,423</b>	<b>2,720</b>

### Group

Creditors and Other Payables	5762	5762	5762	0	0	0
Net Settled Derivative Liabilities	3021	3021	0	0	1084	1937
Bank Overdraft	0	0	0	0	0	0
Secured Loans	31,774	36,817	11,029	17,666	7,339	783
<b>Total</b>	<b>40,557</b>	<b>45,600</b>	<b>16,791</b>	<b>17,666</b>	<b>8,423</b>	<b>2,720</b>



## Contractual Maturity Analysis of Financial Assets

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

2020/2021	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$0000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
<b>Parent</b>						
Cash and Cash Equivalents	5,842	5,842	5,842	0	0	0
Debtors and Other Receivables	10,192	10,192	10,192	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	14,486	14,679	14,679	0	0	0
- Term Deposits (maturity greater than one year)	330	338	0	82	255	0
- Community Loans	4	4	4			0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	1,500	1,513	1,513	0	0	0
	<b>32,552</b>	<b>32,765</b>	<b>32,428</b>	<b>82</b>	<b>255</b>	<b>0</b>
<b>Group</b>						
Cash and Cash Equivalents	3,989	3,989	3,989	0	0	0
Debtors and Other Receivables	9,688	9,688	9,688	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	18,684	18,877	18,877	0	0	0
- Term Deposits (maturity greater than one year)	330	338	0	82	255	0
- Community Loans	4	4	4	0	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	0	13	13	0	0	0
	<b>32,695</b>	<b>32,908</b>	<b>32,571</b>	<b>82</b>	<b>255</b>	<b>0</b>

2019/2020	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$0000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Parent</b>						
Cash and Cash Equivalents	2,866	2,866	2,866	0	0	0
Debtors and Other Receivables	4,611	4,611	4,611	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	18,013	18,240	18,240	0	0	0
- Term Deposits (maturity greater than one year)	0	0	0	0	0	0
- Community Loans	25	25	15	10	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	1,500	1,513	1,513	0	0	0
	<b>27,015</b>	<b>27,255</b>	<b>27,245</b>	<b>10</b>	<b>0</b>	<b>0</b>
<b>Group</b>						
Cash and Cash Equivalents	7,383	7,383	7,383	0	0	0
Debtors and Other Receivables	4,404	4,404	4,404	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	18,013	18,240	18,240	0	0	0
- Term Deposits (maturity greater than one year)	0	0	0	0	0	0
- Community Loans	25	25	15	10	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
	<b>29,825</b>	<b>30,052</b>	<b>30,042</b>	<b>10</b>	<b>0</b>	<b>0</b>

## Financial Instrument Risks

### Sensitivity Analysis

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

Council - Interest Rate Risk	Note	2020/2021 \$000				2019/2020 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>									
Cash and Cash Equivalents	<b>1</b>	(6)	0	6	0	(14)	0	14	0
Other Financial Assets- Short Term Deposits & deposits with maturities greater than 1 year	<b>2</b>	(188)	0	188	0	(180)	0	180	0
<b>Financial Liabilities</b>									
Derivatives- Held for Trading	<b>3</b>	(193)	0	193	0	(193)	0	193	0
Borrowings- Secured Loans	<b>4</b>	124	0	(124)	0	124	0	(124)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(263)</b>	<b>0</b>	<b>263</b>	<b>0</b>	<b>(283)</b>	<b>0</b>	<b>283</b>	<b>0</b>

### Explanation of Sensitivity Analysis - Council

#### Financial Assets

##### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$5,832,000 (2019/2020: \$2,866,000) of which \$600,000 (2019/2020: \$1,465,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$6,000 (2019/2020: \$14,000).

##### 2. Other Financial Assets - Short Term Deposits & Deposits with maturities greater than 1 year

Short Term Deposits consist of term deposits at financial institutions and total \$18,806,000 (2019/2020: \$18,013,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$187,000 (2019/2020: \$180,000).

#### Financial Liabilities

##### 3. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$1,668,000 (2019/2020: \$3,021,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$193,000 (2019/2020: \$193,000).

##### 4. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$12,434,000 (2019/2020: \$12,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$124,000 (2019/2020: \$124,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Group - Interest Rate Risk	Note	2020/2021 \$000				2019/2020 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>									
Cash and Cash Equivalents	<b>1</b>	(21)	0	21	0	(41)	0	41	0
Other Financial Assets- Short Term Deposits & deposits with maturities greater than 1 year	<b>2</b>	(220)	0	220	0	(180)	0	180	0
<b>Financial Liabilities</b>									
Derivatives- Held for Trading	<b>3</b>	(193)	0	193	0	(193)	0	193	0
Borrowings- Secured Loans	<b>4</b>	124	0	(124)	0	124	0	(124)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(310)</b>	<b>0</b>	<b>310</b>	<b>0</b>	<b>(290)</b>	<b>0</b>	<b>290</b>	<b>0</b>

## Explanation of Sensitivity Analysis - Group

### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$7,979,000 (2019/2020: \$7,383,000) of which \$2,212,000 (2019/2020: \$3,241,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$44,249 (2019/2020: \$41,400).

### 2. Other Financial Assets - Short Term Deposits & Deposits with maturities greater than 1 year

Short Term Deposits consist of term deposits at financial institutions and total \$17,443,000 (2019/2020: \$18,013,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$388,000 (2019/2020: \$180,130).

## Financial Liabilities

### 3. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$1,668,000 liability (2019/2020: \$3,021,000 liability). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/ (payments) on the derivatives during the period of \$387,000 (2019/2020: \$193,000).

### 4. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$12,434,000 (2019/2020: \$12,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$248,000 (2019/2020: \$124,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

## Note 28 ~ Post balance date events

### 2020/2021

#### Three Water Reform

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

#### Covid-19

The Covid-19 pandemic has not significantly impacted the Buller District Council financial results. Further commentary on the Covid-19 pandemic is included in note 31.

### 2019/20

No significant post balance date events have occurred.

## Note 29 ~ Explanations of major variances against budget

Explanations of major variances from Council's budgeted figures in the 2020/2021 Annual Report are as follows:

### Operating Revenue

Total revenue was \$45.7m compared to a budget of \$27.2m:

- Subsidies and grants were \$14.6 million more than budgeted. Council received a number of unbudgeted grants from central government agencies (Provincial Growth Fund, Ministry for Business Innovation and Employment, Department of Internal Affairs, New Zealand Transport Agency – Waka Kotahi) for the Buller Port Precinct Package and Fishing Assets Renewal, 3 Waters, Tidal Creek Bridge No 2 and Nile Creek Bridge, Old Hector Landfill Seawall, Westport Waterfront Redevelopment Project, Coastal Planting (Worker Redeployment), Airport sea protection rock wall, Community Halls and War Memorials upgrades, Responsible Camping, Punakaiki Master Plan, Library secondment and Whitebait Farm. These grants totaled \$12.9 million. Mayor's Taskforce for Jobs revenue was \$577,000 over budget and Waka Kotahi subsidies \$1.2 million over budget.
- Council recorded other income of \$600,000 not budgeted to recognise a historical roading asset that had been found during the year that was not recorded in the asset register.
- Fees and charges were \$93,000 less than budget primarily made up of lower than anticipated Westport Harbour income from dredging (\$130,000) and Port lease income (\$150,000). This was offset by building application fee revenue being \$176,000 greater than budget due to building activity being more than anticipated in the 2020/2021 Annual Plan.
- Council entered into a number of interest rate swaps some time ago when interest rates were expected to remain relatively high or potentially increase. These were entered into to protect the Council from increasing interest rates. However, as interest rates have fallen and continue to fall due to the recent uncertain global economic conditions and the COVID-19 pandemic, the impact of these swaps is that the Council, for the remaining term of the swaps, is forecast to pay higher cash interest payments than the standard market interest rates that were available at 30 June 2021. Accounting standards require Council to recognise the present value of the forecast payments above (or below) market rate as a liability (or asset) at balance date. As a result, the change in valuation is required to be recognised as an expense (or revenue) during the year.
- There was a non-cash gain in derivative contracts of \$1.35 million. This related to market interest rate movements that had a positive effect on the fixed portion of Council's debt facility.
- Gains on Revaluations of Investment Land were \$2.4 million due to improvements in the property market which resulted in increases to Council's investment land value.

### Operating Expenditure

Total expenses were \$35.6m compared to a budget of \$26.3m:

- Employee benefit expenses were \$584,000 higher than budget. The variance is primarily made up of costs funded from central government funding not budgeted for: \$54,000 in the Harbour activity for the Port PGF projects, \$90,000 for the project management office that was stood up to ensure delivery of the government funded projects, \$104,000 in Libraries for the Library secondment project and \$51,000 in responsible camping wages, and \$96,000 of Reserve Board wages that are now included which were not budgeted in this category. The remainder of the variance is spread throughout Council's activities with more detail provided in the Activity Sections.
- Other expenses were \$8.1m higher than budget. The variance in other expenses is primarily made up of unbudgeted expenses relating to operational central government funded projects including: the Port PGF projects totaling \$5.3 million; Coastal Planting (Worker Redeployment) \$730,000; the Community Halls & War Memorials upgrade projects of \$649,000; Responsible Camping \$159,000; Punakaiki Master Plan \$146,000; Whitebait Farm administration grant \$93,000. Mayor's Taskforce for jobs subsidies paid out were \$600,000 over budget. Dredging expenditure was \$640,000 over budget primarily relating to contractors' fees being under budgeted for in the 2020/2021 Annual Plan.
- Finance costs were \$113,000 less than budget due to the movement in discounting interest and unwinding of Council's landfill provision of (\$147,000), offset by interest expense being over budget by \$34,000.
- There was a \$722,000 loss on revaluations of assets held for sale that relates to the existing Tidal Creek No 2 deck replaced during the year, which is now held for sale. A prior year revaluation contained an error that saw the value of this asset overstated which had to be written off.

### Total Comprehensive Revenue & Expense

- Council achieved a \$10.1 million surplus against a budgeted \$913,000 surplus in Total Comprehensive Revenue and Expense. The difference is mainly due to capital grant revenue highlighted in the note above.

## Statement of Financial Position

- Cash and cash equivalents were \$4.9 million higher than budget due to differences highlighted to budget in cash revenue items less cash expenses items.
- Trade and other receivables were \$4.6 million higher than budget mainly due to Provincial Growth Fund money outstanding of \$4 million relating to the Port PGF projects and Department of Internal Affairs money of \$480,000 accrued at balance date relating to the 3 Waters projects.
- Short-term investments were \$2.7 million less due to \$3.9 million of deposits being classified as cash and cash equivalents due to them maturing three months or less from the date of acquisition..
- Investment in Council Controlled Organisations was \$1.2 million lower than budget as the requirement to fund capital expenditure over time has been below expectations.
- Other Investments of \$651,000 not budgeted for relate to Local Government Funding Agency borrower notes and bonds put on long-term deposit.
- Investment property was \$1.7 million more than budgeted due to variations in estimates to market movements.
- Infrastructure assets were \$4.8 million higher than budget due to actual capital expenditure being higher than planned, primarily due to central government funded capital projects not budgeted for.
- Intangible assets are \$245,000 less than budgeted due to delays implementing the information management project.
- Trade and other payables are \$7.1 million more than budgeted, primarily due to the payments due on Central government funded projects of \$3.7 million and revenue in advance recorded for the Port PGF and 3 Waters projects of \$3.1 million that weren't budgeted for.
- Derivatives Financial Instruments are \$454,000 less than budgeted due to unanticipated upward movements in interest rates that effect the fixed interest portion of Council's borrowings.
- Total Borrowings that takes into account the movements in current and term borrowings were \$4.4 million lower than budgeted due to deferral of some debt funded capital projects such as the Reefton and Waimangaroa Water Supply upgrades, and Brougham House.

## Cashflow Statement

- Other income was \$9.4 million greater than budgeted mainly due to additional income from government and external party subsidies.
- Interest Received was \$465,000 less than budgeted due to the decline in interest rates being greater than anticipated in the 2020/2021 Annual Plan.
- Payments to Suppliers & Employees was \$3.7 million greater than budgeted due to unbudgeted Central government funded operational projects.
- Investments realised, and Investments purchased were \$19.8 million and \$20.7 million higher than budgeted due to maturation and subsequent re-investments of term deposits.
- Purchase of fixed assets were \$3.0 million higher mainly due to the Central government funded projects not budgeted for.
- Loans raised were \$2.9 million less and loans repaid were \$205,000 less than budgeted for due to timing of the Reefton and Waimangaroa Water Supply upgrades, and the Brougham House upgrade.

## Note 30 ~ insurance of assets

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

### Water, Waste Water and Storm Water Assets

The total value of this asset category in the financial statements as at 30 June 2021 is \$74,072,000 (2020: \$72,443,000) (cost/revaluation). These activities have a total asset value for insurance purposes of \$150,195,000 (2020: \$150,195,000). Of this \$25,075,000 (2019/2020: \$25,075,000) of mainly above ground infrastructure plant is fully insured for replacement value. Council insures 40% of the remaining assets of \$125,120,000 (2020: \$125,120,000) via Lloyd's of London with the remaining 60% being funded by Central Government.

### Roading and Footpath Assets

The total value of these assets in the financial statements at 30 June 2021 is \$255,122,000 (2020: \$225,680,000) (cost/revaluation). These activities are not insured by Council and do not have an asset value for insurance purposes for this activity of assets. Council would receive a minimum of 72% subsidy from the NZTA with the remaining portion of the loss likely to be loan funded by Council to replace the assets. There is no self insurance fund maintained by Council for replacement of roading assets in the event of a loss.

### Wharves, Vessels and Maritime Navigation Assets

The total value of these assets in the financial statements as at 30 June 2021 is \$6,383,000 (2019/2020: \$6,383,000) (cost/revaluation). These assets have an asset value for insurance purposes of \$15,370,000 (2020: \$15,370,000). Vessels and hydrographical equipment are fully insured for \$1,894,000 (2020: \$1,184,000). The remaining assets comprising wharves and land based navigational assets \$13,476,000 (2020: \$13,476,000) are partially insured. Council insures 40% of the value of these assets with Lloyds of London. The remaining 60% of the insurance value of these assets is self insured by Council. There is currently no self insurance fund maintained by Council for replacement of these assets in the event of a loss.

### Buildings, Plant & Equipment & Other Assets

The total value of these assets in the financial statements as at 30 June 2021 is \$37,135,000 (2020: \$33,952,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$53,933,000 (2019/2020: \$52,259,000). This includes assets such as non infrastructure assets, Council plant and buildings and airport assets, excluding runways.

### Vehicles

The total value of assets in this category in the financial statements as at 30 June 2021 is \$1,156,222 (2020: \$1,119,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$1,009,000 (2020: \$1,009,000). All vehicles are insured for market value. The Council is insured for all glass related claims.



## Note 31 ~ Covid-19 disclosure

### Covid-19

The Covid-19 pandemic has not significantly impacted the Buller District Council financial results.

The local economy in Buller is a diverse economy and it is supported by a strong agricultural base therefore the potential impact due to Covid-19 was lessened. In addition to this, Council does not place heavy reliance upon commercial leases to generate income for Council, and this also lessened the impact.

During Alert Level 1 and 2 the Council was able to operate at close to usual capacity by providing essential services for the community as allowed for under each Alert Level.

*(2020: Under Alert Level 3 and 4 the financial performance of Council was affected in a small way because of necessary closures during Alert Level 3 and 4. This mainly affected theatre income, library income and Westport Airport Authority income. However these reduced lines of income were offset by a reduction in interest rates on borrowings and greater than budgeted subsidies and grants.*

*The Covid-19 Alert Level 3 and 4 restrictions meant Council incurred some unbudgeted costs during the year. These costs are included in each activity of Council and include advertising, signage and media, accommodation, health and safety consumables as well as increased costs for rubbish disposal. The total expenditure was \$44,000. In addition to this capital expenditure of \$11,000 was required for laptops so that staff could work remotely.*

*Council put a policy in place to allow debtors to have a longer time to pay rates and rents if needed, and not incur late payment penalties. This policy has not been applied in many instances. The only significant write-off of an amount owed to Council was \$19,000 which was written off Westport Airport Authority airport charges income.*

*The non-financial performance of Council was not adversely affected and the Council is still able to provide services and support for the community. There were some (expected) time delays with usual regulatory outputs, but those have been caught up when Alert Levels have gone down.*

*There were also some delays in completion of capital projects due to Alert Level 3 and 4 restrictions limiting the activity that contractors could undertake. However it was expected that these projects will be completed just a little later than scheduled and that the cost will not be greatly affected).*

### Key Assumptions used for preparation of the Annual Report

Key assumptions concerning the future of the Council is that it will be able to continue to operate as a going concern into the future and to also meet all statutory requirements in relation to the Annual Reporting as outlined in the Local Government Act (2002).

While it is difficult to predict any future changes to Alert Levels and changes that may impact the local economy, Council does receive a majority of income from general and targeted rates plus government subsidies and grants. These streams of income have less uncertainty around collection of income than other types of income such as investment property or other investments, and this provides some assurance that the basis of preparation under the going concern principle is appropriate.

### Restatements Required

There has been no material restatement required nor any estimates included in this annual report due to Covid-19 (2020 \$nil).

### Impact of Fair Value of Property, Plant and Equipment

There is no impact of fair value of property, plant and equipment due to Covid-19 (2020: no impact).

## Reporting Entity

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

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

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

The financial statements of Buller District Council are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 22 December 2021.

## Basis of Preparation

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

## Statement of Compliance

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

## Presentation Currency and Rounding

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

## Standards and amendments, issued that have been adopted

There has been no new standards and amendments issued which are relevant to the Council and group, which have been adopted.

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

The following new standards, interpretations and amendments have been issued but are not yet effective as at 30 June 2021. The Buller District Council and Group has not early adopted these standards and interpretations:

## - Financial instruments

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

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Amendment to PBE IPSAS 2 Cash Flow Statement An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council will not early adopt this amendment.
- PBE IPSAS 40 PBE Combinations PBE IPSAS 40 replaces PBE IFRS 3 Business Combinations. PBE IFRS 3 excluded from its scope combinations under common control and combinations arising from local authority reorganisations. These are now included within the scope of PBE IPSAS 40, through the inclusion of both acquisition and amalgamation accounting. This new standard is effective for the year ending 30 June 2022 and is applied prospectively. The Council will not early adopt this amendment.
- PBE FRS 48 Service Performance Reporting PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.
- Revised hedge accounting requirements to better reflect the management of risks.

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

## Subsidiaries

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

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

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

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

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

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

### Associates

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

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

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

### Joint Operation

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

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

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

### Revenue

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

### Rates Revenue

The following policies for rates have been applied:

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

revenue when the Council has received an application that satisfies its rates remission policy.

- Rates collected on behalf of the West Coast Regional Council (WCRC) are not recognised in the financial statements, as the Council is acting as an agent for the WCRC.

### Other Revenue

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

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

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

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

### Borrowing Costs

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

### Grant Expenditure

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

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

### Income Tax

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

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill, or from the initial recognition of an asset and liability in a transaction that is not

a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

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

## Leases

### Finance Leases

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

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

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

### Operating leases

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

### Cash and Cash Equivalents

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

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

## Trade and other receivables

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

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

A provision for impairment of receivables is established when there is objective evidence that Buller District Council will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the

debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

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

## Inventories

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

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

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

## Non Current Assets Held for Sale

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

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

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

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

## Financial Assets

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

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

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

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

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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

This category has two sub-categories:

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

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

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

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

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

### Held to Maturity Investments

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

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

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

### Loans and Receivables

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

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

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

### Fair Value Through Other Comprehensive Revenue & Expenses

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

*This category encompasses:*

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

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

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

Investments in this category include shares in other companies.

### Impairment of Financial Assets

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

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

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

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

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

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

### Derivative Financial Instruments

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

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

The gain or loss on re-measurement to fair value is recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates

and the current creditworthiness of the swap counter-parties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

## Property, Plant and Equipment

*Property, plant and equipment consist of:*

**Council Assets** – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

**Infrastructure Assets** – These include roads, footpaths, traffic facilities, street lights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

**Harbour Assets** – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

**WestReef Assets** – These include leasehold improvements, plant and equipment, office equipment, office furniture, fittings and computer equipment.

**Buller Health Trust Assets** – These include plant and equipment and furniture and fittings.

**Property, plant and equipment** is shown at cost or revaluation, less accumulated depreciation and impairment losses.

## Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be reliably measured.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

The cost of day-to-day servicing of property, plant and equipment are recognised in the surplus or loss as they are incurred.

## Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

## Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be measured reliably.

## Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land or erosion protection assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major

classes of assets have been estimated as follows:

Council assets	Depreciation rate (%)	Useful life (years)
Motor vehicles	15%	7
Office equipment	10% to 50%	2- 10
Plant and machinery	3.33% to 15%	7- 30
Buildings	1% to 10%	10- 100
Library Books	10%	10
<b>Airport runway:</b>		
Basecourse	1.3%	75
Seal	5%	20

Harbour assets	Depreciation rate (%)	Useful life (years)
Wharves	1.67%	60
Buildings	2.5%	40
Plant and Machinery	3.3% to 10%	10- 30
Office Equipment	20% to 33.5%	3- 5
Motor Vehicles	10% to 20%	5- 10
Harbour Vessels	5% to 6.7%	15- 20

WestReef Services Limited assets	Depreciation rate (%)	Useful life (years)
Leasehold Improvements	6.5% to 15%	6.7- 15
Plant and Equipment	5.5% to 40%	2.5- 18
Vehicles	8% to 29%	3- 12
Office Equipment	8% to 40%	2.5- 12.5
Office Furniture & Fittings	8% to 24%	4- 12.5
Computer Equipment	18% to 36%	3- 5.5

Buller Health Trust assets	Depreciation rate (%)	Useful life (years)
Plant and Equipment	10% to 50%	2- 10
Furniture and Fittings	7% to 13.5%	7.4- 14.3
Furniture and Fittings (accommodation)	16.2% to 48%	2.1- 6.2

Infrastructure assets	Depreciation rate (%)	Useful life (years)
<b>Roads:</b>		
■ Formation	Not depreciated	
■ Basecourse- unsealed roads	Not depreciated	
■ Basecourse- sealed roads	1% to 2%	50- 100
■ Seal	4% to 12.5%	8- 25
<b>Footpaths:</b>		
■ Basecourse	Not depreciated	
■ Pavement	1.25% to 10%	10- 80
■ Traffic facilities	5% to 10%	10- 20
■ Street lights	3.33%	30
■ Bridges	1% to 2%	50- 100
■ Culverts	1.11% to 1.25%	80- 90
<b>Water Reticulation:</b>		
■ Drains	Not depreciated	
■ Kerb and Channelling	1.25%	80
■ Pipes	1.10% to 4.10%	25- 100
■ Valves, hydrants	1.67%	60
■ Intake structures	1.11% to 2%	50- 90
■ Reservoirs	1.25%	80
■ Resource Consents	2.85%	35
■ Pump stations	2% to 6.67%	15- 50
■ Treatment Equipment	2% to 6.67%	15 – 50
■ Tunnels	0.7% to 4%	25- 150
<b>Stormwater Reticulation:</b>		
■ Pipes	1% to 1.54%	65- 100
<b>Sewerage Reticulation:</b>		
■ Pipes	1% to 1.42%	70- 100
■ Treatment Plants	1.11% to 6.67%	15- 90
■ Pump Stations	1.11% to 6.67%	15- 90
■ Manholes	1.11%	90

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

## Revaluation

Those asset classes that are revalued are valued on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

### Council Land

The Airport land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Council land is recognised at deemed cost.

### Harbour Land

The Harbour land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Harbour land is recognised at deemed cost.

## Infrastructural Assets

The infrastructural assets are valued on a three yearly valuation cycle at fair value determined on a depreciated replacement cost basis with preparation or peer review by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent roading valuation was performed by BECA and the valuation is effective as at 30 June 2019. All infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets valued by or peer reviewed by BECA on 30 June 2019 was \$320,371,044.

## Accounting for Revaluation

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

## Intangible Assets

### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:  
Computer software 3 to 5 years 20 to 33.3%

### Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

### Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Value with an effective date as at 30 June 2019.

Gains or losses arising from a change in the fair value of investment property are recognised in the Surplus or Deficit.

### Impairment of Non Financial Assets

Property, plant and equipment assets, measured at fair value are not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the asset class is revalued. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Property, plant and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed each balance date for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, and goodwill, are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cashflows.

## Employee Entitlements

### Short Term Benefits

Employee benefits that Buller District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Buller District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Buller District Council anticipates it will be used by staff to cover future absences.

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### Long Term Benefits

#### - Long Service Leave and Retirement Leave

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement; and

The present value of the estimated future cashflows. A discount rate of 1.9%, and a inflation factor of 3.9% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

### Superannuation Schemes

#### - Defined Contributions Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

### Provisions

Buller District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### Payables

Short-term creditors and other payables are recorded at their face value.

### Borrowings

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



## Equity

Equity is the community's interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

*The components of equity are:*

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.

## Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP or Public Benefit Entity Accounting Standards, using accounting policies that are consistent with those adopted by Buller District Council for the preparation of the financial statements.

## Cost Allocation

Buller District Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

## Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

## Classification of Property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

## Landfill Aftercare Provision

The Landfill Aftercare Provision Note discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

## Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, eg Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of Council's Asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers prepare Council's roading asset revaluations and peer review the 3-waters revaluations. The last roading revaluation was prepared by BECA on 30 June 2019. The last 3-waters revaluation was prepared in-house and was peer reviewed by BECA on 30 June 2019.

## Three Waters Reform

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach, Council continues to recognise its three waters assets at 30 June 2021, in accordance the accounting policies set out on pages 74 and 76. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024.

As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

## Independent Auditor's Report

### To the readers of Buller District Council's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of Buller District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 22 December 2021. This is the date at which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 67 to 71 and 73 to 135:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2021;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 72, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the statement of service provision (described as “Our work in detail”) on pages 13 to 56:
  - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2021, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 18 to 57, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s long-term plan; and
- the funding impact statement for each group of activities on pages 18 to 57, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

### **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 8 to 11, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

### **Emphasis of matter – The Government’s three waters reform programme announcement**

Without modifying our opinion, we draw attention to note 28 on page 123, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

## **Basis for our opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan and long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 2, 5 to 7 and 12, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's 2021-2031 Long-term plan and performed a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



S B Lucy  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand





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