



BULLER
DISTRICT COUNCIL
Te Kaunihera O Kawatiri

Annual Report

for the year ended 30 June 2020

WEST COAST  **NEW ZEALAND**
UNTAMED NATURAL WILDERNESS

Contents

Introduction

Message from the Mayor and Chief Executive Officer	1
Mayor, Councillors & Community Board	3
Statement of Compliance & Responsibility	4
Consultation with Maori	5
Values, Purpose & Vision	5
Performance Review	6

Our Work in Detail

Environment and Planning:	
Regulatory Services	15
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:	
Governance and Representation	46
Customer Services and Support Services	49
Council Enterprises and Property:	
Property	52

Council Controlled Organisations

Westport Airport	58
Buller Holdings Limited	60
WestReef Services Limited	62
Buller Recreation Limited	64

Financial Statements

Statement of Comprehensive Revenue & Expense	67
Statement of Changes in Equity	68
Statement of Financial Position	69
Statement of Cashflows	70
Funding Impact Statement	71
Notes to the Financial Accounts	72
Accounting Policies	125
Audit Report	132

Introduction from the Mayor & Chief Executive

He Kupu Whakataki I te Kaiwhakahaere I te Kaihautu
Dear Buller District ratepayers & residents

Waiho i te toipoto, kua i te toiroa
Let us keep close together, not wide apart

This whakatauki speaks to the importance of keeping connected, of maintaining relationships and dialogue so that we can keep moving forward together.

Welcome to Buller District Councils Annual Report for 2019/2020 which details our performance for the second year of the Long Term Plan (LTP) 2018-2028. Despite the significant challenge of the Covid-19 lockdown and ongoing effects, we've kept a focus on the planned work program outlined in the LTP 2018-2028. This included the completion of the Westport water tunnel project, delivering the infrastructure works program, completing consultation on the Reefton swimming pool upgrade, road tested a new way of engagement with our community through the establishment of community reference groups to receive feedback on our annual plan and completion of the governance structure refresh through the formal appointment of the Reserve Subcommittee structures in April 2020 with Councillor representation in a bid to improve the way council works with our community.

We are so grateful to all those who came together in response to the Covid-19 lockdown and the recovery phase. Civil defence, Council staff, Iwi, Police, Red Cross, St John's, Health, Ministry social development, Community volunteers, Supermarket workers and many other frontline staff throughout the district. Our community came to the fore and were outstanding in both the response and the recovery phase.

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. We look forward to strengthening relationships with the new chair of Ngati Apa Hinemoa Connor.

Council embracing the Four Community Well-being's- Cultural, Social, Economic, 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. Council has delivered infrastructure vital to our economy, such as roads & footpath maintenance and renewals, progressed significant three waters projects across the district including preparedness to respond to the three waters reforms and transitioning of the community and council led revitalisation program into its 3rd year with a focus on cultural and social amenities.

District revitaliation projects undertaken this year include:

- Rotunda upgrades in Reefton and Granity
- New and upgraded bus shelters in Waimangaroa and Granity
- New basketball court Hector
- Contribution to the Rata reserve in Karamea
- Preliminary work for the Westport Bridge and Riverbank redevelopment

Covid-19 created funding opportunities via the Provincial growth fund and Council brought to life its strategic economic mind map and environmental advocacy through active submission or advocacy for the following projects. The intention of this strategy was protecting, optimising and growing business within Buller district:

- Westport Airport seawall- \$2 million dollars to prevent sea inundation.
- Pounamu pathway – \$18 million dollars across the region (\$5 million attributed to Coaltown museum).
- Worker redeployment contract tree planting \$900,000 across the North Beach and Carters Beach area.
- Renew port jetties (\$4 million dollars).
- Bridge & Waterfront project (\$1.8 million).
- Hector landfill (\$1 million).

Council made a key strategic decision to remove the Kawatiri dredge from the market. The Port Operations Manager and Commercial & Corporate Services Group manager have proactively and successfully sought external dredging contracts and with the certainty of PGF funding into the revitalisation of our port we are optimistic for the potential of future investment from private business into the port precinct area.

Council is also aware of the challenges to face related to New Zealand return schemes (packaging plastic, vehicles tyres, e-waste agrochemicals and synthetic greenhouse gases), as well changes in the curbside collection scheme by standardising model. Council embarked on a strategic review of waste minimization opportunities and has developed a multiyear program which includes but not limited to:

- Waste Management Education Campaign: how to improve our recycling, what can be recycled, to build collaborative relationships with other West Coast and 'top of the south' councils to address waste management challenges in our region.
- Implementation of resources that permit a more effective way to quantify waste and having an improved information basis, such as the weighbridges.
- Prevention of illegal dumping: continued education programmes, continuous monitoring and surveillance plans.
- Preparation and planning for the new waste levy by develop strategic actions towards the circular economy model.

Challenges

Climate Change

Coastal erosion remains a significant challenge in a number of coastal areas across the district. A mitigation plan is in place for the old Hector landfill and the Westport 2100 group have developed a set of recommendations for Council in partnership with the West coast Regional Council to review and consider a pathway forward.

Karamea Special Purpose Road

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

Te Tai Poutini (One District Plan)

Buller District Council is working constructively with our West Coast partners to progress the one district plan and find commonalities which enable the West Coast region to thrive. We acknowledge the proactive input from our planning team into the technical advisory group and the collaborative relationship between the management and governance teams to try and achieve the best outcome for Buller.

Rates review

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

Financial Performance

Council has performed well this year from a financial perspective taking into account non-cash transactions such as asset write offs and derivative movements that have affected the result. The year end result is a \$3.4m deficit compared to a budget of \$0.9m deficit. Council has also delivered on its capital expenditure program. Council budgeted to spend \$7.4m on capital expenditure in its Annual Plan. A total of \$9.6m was spent on capital expenditure in 2019/2020. This included expenditure on the Westport water tunnel upgrade, roading and footpath upgrades and community assets.

IN SUMMARY

Buller District Council has had a stable year in terms of the New Mayor and Councillors working in partnership with the CEO to build on the strong foundations put in place from the previous year. As in the case of most years, a significant proportion of our time has been spent rolling our sleeves up and delivering on business as usual. Many of these services are those we take for granted in our daily lives but have a large impact on what makes Buller successful and enables future success. We have continued to invest in improvements to our service delivery and public infrastructure in a planned and deliberate way.

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.



Sharon Mason
Chief Executive Officer



Jamie Cleine
Mayor, Buller District

Mayor, Councillors, Community Board

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Statement of Compliance & Responsibility

Compliance

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

Responsibility:

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

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

In the opinion of the Council and Management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2020 fairly reflect the financial position and operations of the Buller District Council and Group.



Jamie Cleine

Mayor, Buller District

16 December 2020



Sharon Mason

Chief Executive Officer

16 December 2020

Consultation with Maori

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

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

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

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

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

Notwithstanding, the relationship with Rūnanga, Council will consult with Ngāti 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.

Values, Purpose & Vision

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.

Performance Review

Overall Result

Total operating revenue was \$28.0 million which was greater than the anticipated budget of \$26.1 million. Council's total operating expenditure was \$31.4 million which exceeded the budget of \$26.9 million by \$4.5 million. Overall Buller District Council has a deficit of \$3.4m compared to a predicted deficit in the 2019/2020 Annual Plan of \$876,000.

Total operating revenue was greater than predicted. Subsidies and grants income were greater than anticipated due to additional grants received for a number of Central government grants received including grants from the Provincial Growth Fund and for responsible camping. Income for fees and charges was also greater than anticipated due primarily to additional dredging income received from outport harbour dredging activities.

Total operating expenditure was also over budget for the year. The main contributor was additional expenses incurred in providing outport harbour dredging activity in Gisborne and Oamaru. Operating expenses was also impacted by a significant non-cash entry of over \$0.9m relating to the market interest rate movement effect on Councils fixed interest debt and for \$3.1m write-off of infrastructure assets.

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

Statement of Performance

Operating Revenue

Subsidies and grants

(received \$0.7 million more than budgeted)

■ Council received a number of unbudgeted subsidies from external parties over the period. PGF grants from central government for the Airport rockwall accounted for \$0.6m, government funded shovel ready projects including tree planting projects (\$370,000) and Harbour (\$70,000) were received. There was also a grant of \$300,000 for responsible camping to cover expenses related to tourism activity. Funding was received from Oceania Gold for an economic development officer for Reefton for \$50,000. This was offset by less subsidies from NZTA for roading (\$0.7m).

Investment income

(\$267,000 less than budgeted)

■ The variance in investment income relates to interest received on Councils term investments which is lower compared to budget due to the decline in interest rates and lower than budgeted distribution from the Holding Company.

Fees and Charges

■ The variance of \$0.7m is primarily made up of additional Harbour income mainly from dredging (\$0.7m), Building income (\$108,000), and unbudgeted Roothing income for bridge remediation (\$70,000). This was offset by other smaller movements across a range of other Council activities.

Vested Assets

■ The variance in vested assets relates to additional roading assets that have vested in Council

Profit on Sale of Assets

■ Profit on sale for the period is due to proceeds from the sale of the Bob Gower pilot vessel for the harbour (\$150,000) and vehicle sales.

Gain on Revaluations of Investment Land

■ Improvements in the property market resulted in gains to Councils investment land. (\$455,000).

Operating Expenditure

Employee benefit expenses (*\$496,000 higher than budgeted*)

■ The variance is primarily made up of \$102,000 in the Harbour activity which relates to additional dredging work that was not budgeted, \$94,000 in Governance remuneration, \$72,000 in responsible camping wages which was covered by a government grant, as well as an economic development officer in Reefton (\$50,000) which was also covered by a grant. \$93,000 of Reserve Board wages that are now included which were not budgeted in this category. The remainder of the variance is within the Support Activity.

Depreciation & Amortisation (*\$367,000 lower than budgeted*)

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

Finance costs (*\$116,000 less than budgeted*)

■ Interest rates were less than anticipated during the period which accounted for some savings. This was offset by movements in discounting interest on Councils landfill provision which is also related to lower interest rates which was \$95,000 higher than budgeted.

Other expenses (*\$0.8m higher than budgeted*)

■ The variance in other expenses is primarily made up of additional expenses for the harbour and dredge (\$0.6m), unbudgeted costs for responsible camping which were covered by a government grant (\$176,000), additional building legal settlement costs \$142,000 offset by various other movements in other expense items.

Assets Written Off (*\$2.6m more than budgeted*)

■ The assets written off variance to budget primarily relates to Westport water tunnel assets that were written down in value.

Loss on derivative contracts (*\$0.9m higher than budgeted*)

■ There was a non-cash loss in derivative contracts of \$0.9m. This related to market interest rate movements that had a negative effect on the fixed portion of Councils debt facility.

■ Loss on Sale/Write Off of Investment Property

■ There were a number of properties categorised as investment property which were transferred out of this category during the period (\$138,000).

Statement of Position

Council's Net Debt Position

■ Net debt (debt less term deposits) was \$13.8m at balance date. The 2019/2020 Annual Plan budget estimated that net debt would be \$17m 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 Rough river bridge and upgrades to Brougham House.

Capital Expenditure

Council continued to maintain assets and upgrade them when required. 2019/2020 was a year where there was good progress made on upgrading capital projects. Council budgeted to spend \$7.4m on capital expenditure in the 2019/2020 Annual Plan. A total of \$9.6m was spent on capital expenditure in 2019/2020. Major projects this year have included:

■ Completion of the upgrade to the Westport water tunnels accounted for most of the \$4.4m for water.

■ Roading capital expenditure totaled \$1.6m for 2019/2020 compared to the budgeted spend of \$2.9m.

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

■ Council spent funds on a number of community assets during the year. District revitalisation expenditure totaled \$280,000.









Financial Prudence Benchmarks

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

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

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

The benchmarks required include:

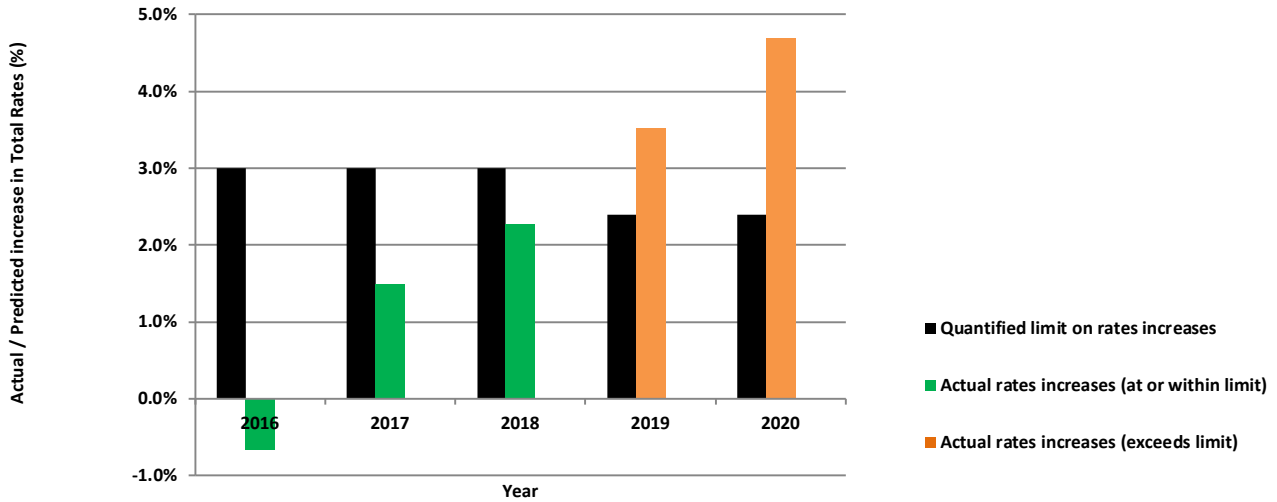
Affordability benchmarks	Rates Income affordability	Rates income complies with the limits set in the council’s financial strategy.	
	Rates increases affordability benchmark	Rates increases comply with the limits set in the council’s financial strategy.	
	Debt affordability benchmark	Debt complies with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

Benchmark met	
Benchmark not met	

Council has met 6 of the 8 financial prudence benchmarks for the 2019/2020 Annual Report

- Council has not met the rates increases affordability benchmark. This was anticipated in the Long Term Plan. Rates collected in 2019/2020 also included unbudgeted rates from abandoned land sales which increased the measure. The actual amount of rates set in the 2019/2020 Annual Plan was 3.3%.
- Council has not met the balanced budget benchmark. This was mainly due to the asset write-offs that were carried out over the period.

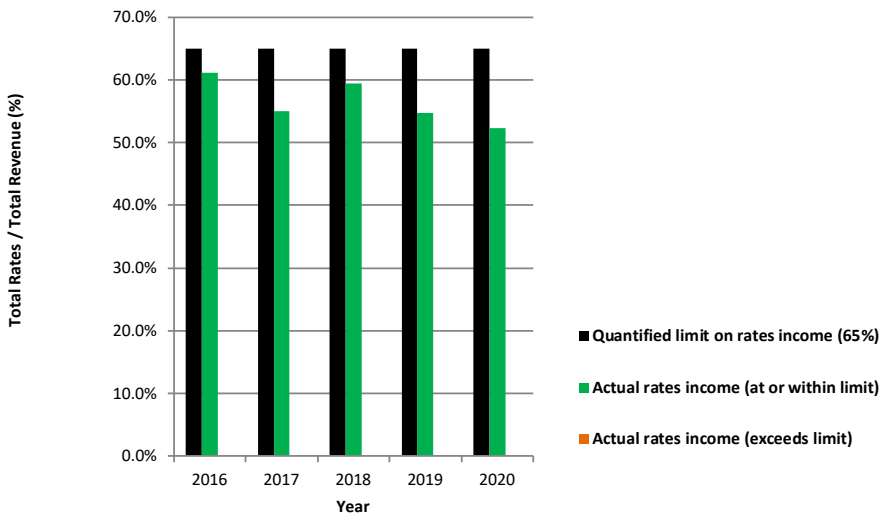
Rates Increases Affordability Benchmark



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.

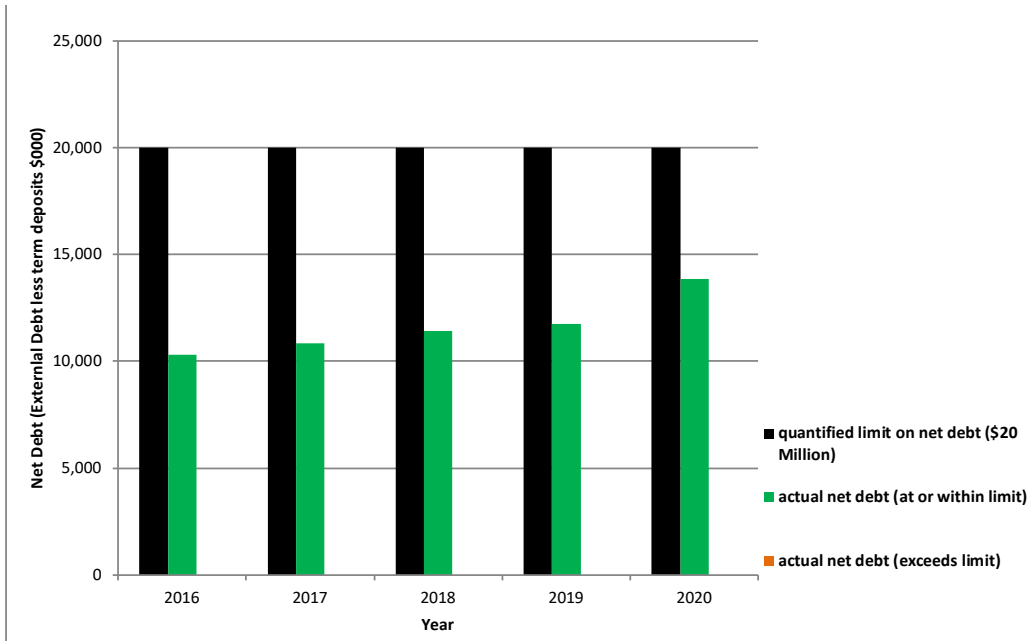
2019/2020: The benchmark was not met in 2019/2020 and this was also signaled in the LTP. Rates collected in 2019/2020 also included unbudgeted rates from abandoned land which increases the measure. The actual amount of rates set in the 2019/2020 Annual Plan was 3.3%.

Rates Income Affordability Benchmark



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

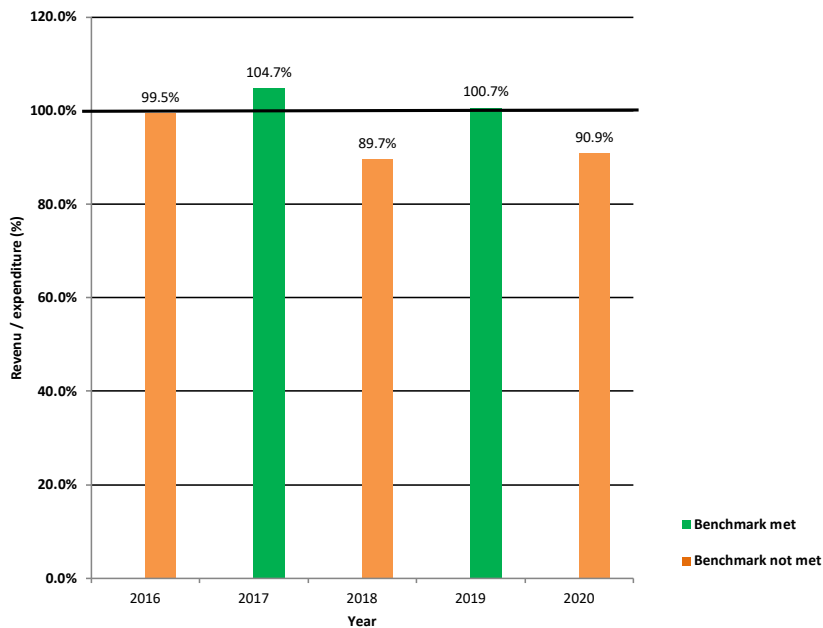
Debt Affordability Benchmark



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

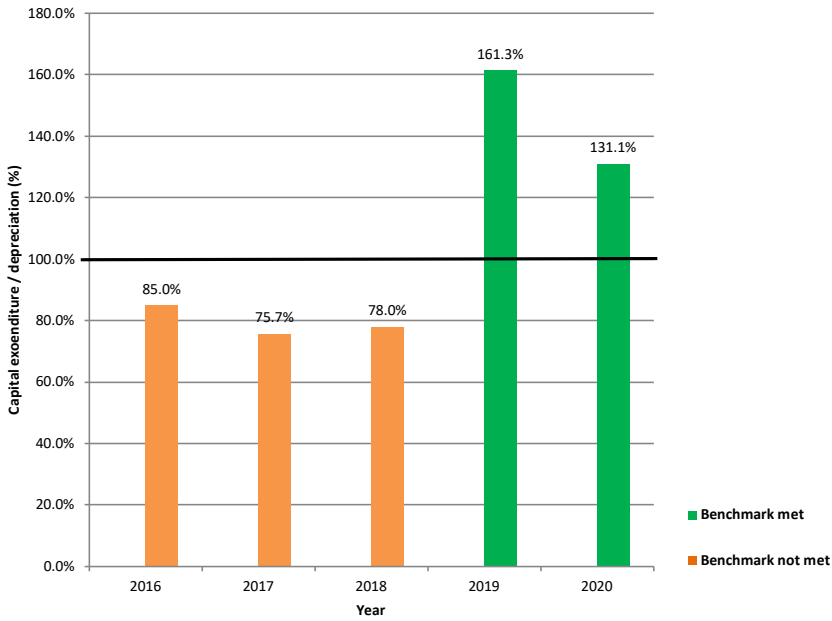


2015/2016: This is principally because of the effect of lower than expected income.

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

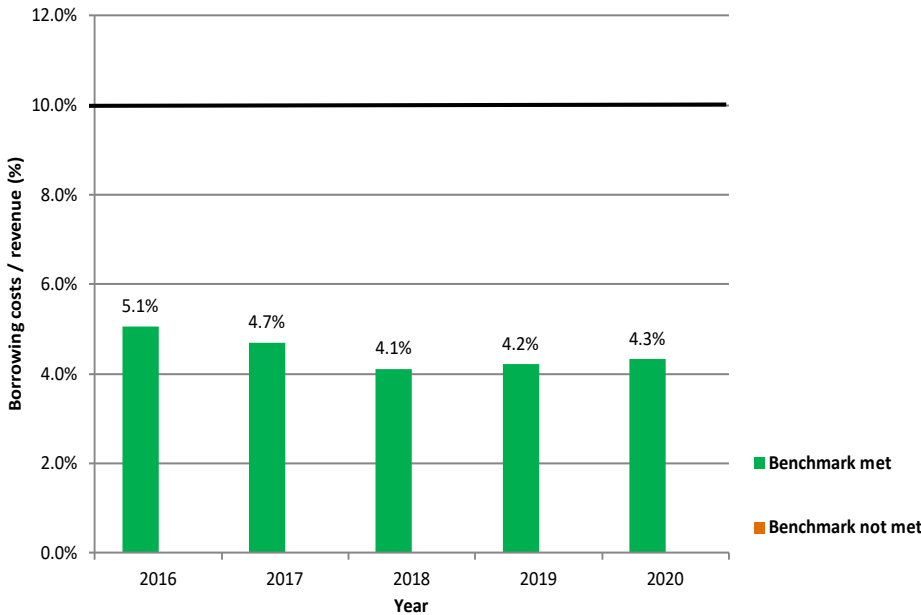


2015/2016: The difference is attributable to the water projects which were not been completed as planned in 2015/2016.

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.

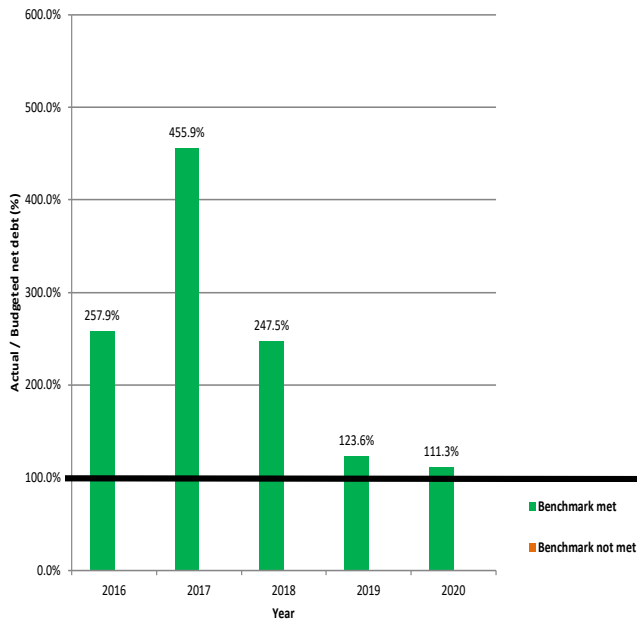
2017/2018: Depreciation has increased due to revluation of infrastructure assets. The capital program has not been adjusted to match, this will occur in 2018/2019. Council actually spent \$650,000 more in infrastructure capex compared to 2016/2017.

Debt Servicing Benchmark



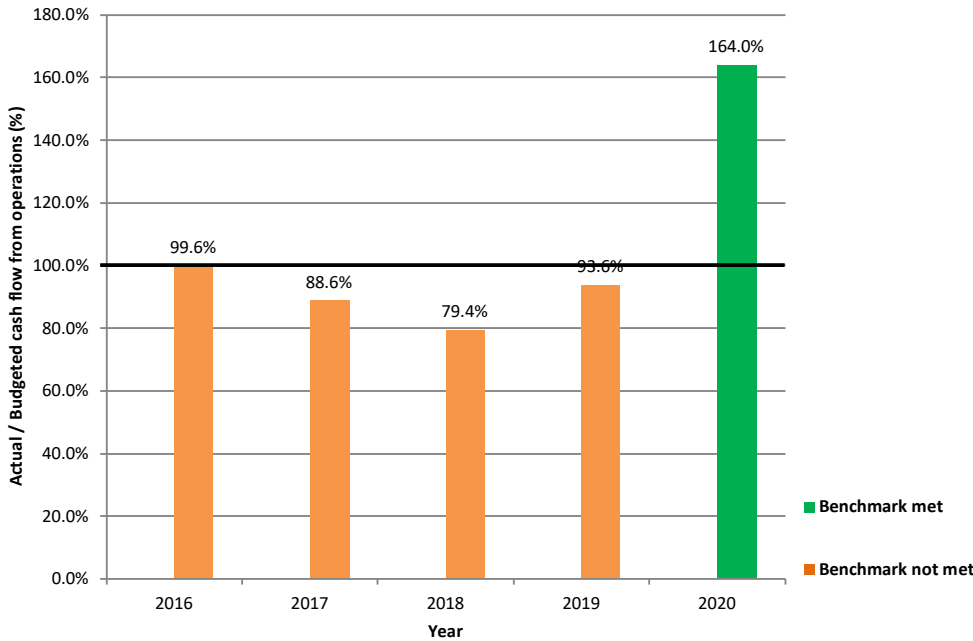
■ Council has continued to operate well within the low growth Council benchmark of 10%.

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



2015/2016: Due to lower income from Regulatory activity than budgeted.

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	✓	✓	✓	✓	✓	✓	✓		✓

Our Work in Detail

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

Council Activities:

Regulatory Services

Roading and Transport

Water Supplies

Wastewater/Sewerage

Stormwater

Solid Waste

In-house Professional Services

Community Services

Governance and Representation

Customer Services and Support Services

Property

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

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

Regulatory Services

Activities in this group include

- Animal management
- Plans, policies and guidance documents
- Processing of consents
- Building control
- Compliance and enforcement management
- Alcohol licensing
- Emergency management/Civil Defence
- Environmental health
- Freedom camping

Why we are involved with these activities

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

■ The animal and stock management service aims to provide a safer district by reducing dog-related offences through the registration of dogs, the education of their owners and the investigation of complaints.

■ The planning service ensures the District can promote development to support a prosperous community without compromising rights of residents and the district's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.

■ Council's building control services ensures that the district's buildings and other associated structures (such as swimming pools) are safe, habitable and meet national legislative requirements.

■ Compliance and enforcement management activities focus on working with the community to ensure the district remains a peaceful and attractive place to live and work. By applying bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.

■ Alcohol licensing ensures that the statutory requirements and the object of the Sale and Supply of Alcohol Act 2012 are being met, in that the sale and supply of alcohol is undertaken safely and responsibly and any harm caused by excessive or inappropriate consumption is minimised.

■ Civil Defence Emergency Management ensures the objectives of the Civil Defence Emergency Management Act 2002 are being met, in that we provide reduction, readiness, response and recovery plans in the event of a significant emergency.

■ Environmental health services ensure that operators meet required public health standards.

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 who determines the applications. Any applications for which objections have been received, and all temporary authority applications, must be determined by the full committee. All other unopposed applications may be determined by the Chairperson.

District Plan Review

■ 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 Council's 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 was to occur. Emergency management processes are also in place so we can better respond during a civil defence event.

Building Consent Authority Accreditation

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

Significant Variance Explanations compared to 2018-2028 Long Term Plan

Payments to staff and suppliers

■ Legal costs (\$141,000) and salary costs (\$78,000) offset by savings in a number of other areas.

Development and financial contributions

■ Variance is due to more resource consent activity for the period.

Increase (decrease) in reserves

■ Impact of variances above.

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:

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

How we do it	<ul style="list-style-type: none"> Process and grant building consents Process and grant resource consents 		
How we measure performance	Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of the Building Consent Authorities Regulation 2006.	Target	Performance
		Continue to retain accreditation by passing the biannual IANZ Audits.	2019/2020: BCA passed external audit via IANZ. 2018/2019: Next audit was due late 2019. A pre-audit audit has been carried out. System improvements have been identified and are tracking well and on target.
	Process non-notified resource consents within statutory timelines.	Continue to achieve 100% 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. 2018/2019: 100% achieved within statutory timeframes.

KEY PERFORMANCE MEASURE 2:

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

How we do it	<ul style="list-style-type: none"> Inspect and/or audit registered food premises and health premises 		
How we measure 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.	Target	Performance
		Continue to achieve 100%.	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 regards to onsite inspections that now need to be carried out remotely. BDC 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. 2018/2019: 82 premises have been inspected from a total of 105 - 78% of premises were inspected. Target not met. Existing businesses (registered under the Food Act 1981 or the Food Hygiene Regulations 1974 before 29 February 2016) will move to the new Food Act 2014 between 2016 and 2019.

Key Performance Indicators



What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 3:

- to establish an effective level of preparedness for Civil Defence disasters

<i>How we do it</i>	<ul style="list-style-type: none"> • Monitor and train volunteers 		
<i>How we measure performance</i>	Maintain three teams of trained volunteers, 30 trained volunteers.	<i>Target</i>	<i>Performance</i>
		Maintain three teams of trained volunteers.	<p>2019/2020: Community Volunteers and Council staff from throughout the Buller are trained to effectively provide a repose in the event of an emergency.</p> <p>75 community volunteers throughout the district</p> <p>20 staff & volunteers are trained for an activation of the Buller Emergency Operations Centre</p> <p><i>2018/2019: 75 community volunteers throughout the Buller District.</i></p> <p><i>10 staff are currently trained for an Emergency Operation Centre activation. In total there are 85 volunteers which is made up of 75 community volunteers and 10 staff. Community volunteers and Council staff from throughout Buller are trained to effectively provide response in the event of an emergency.</i></p>



KPI met	
KPI not met	

Funding Impact Statement

2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
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Operating Funding

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	1,022	1,069	1,107
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	2
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	880	898	923

Total Operating Funding	A	1,903	1,967	2,032
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Applications of Operating Funding

Payments to staff and suppliers	1,398	1,447	1,484
Finance costs	6	5	5
Internal charges and overheads applied	452	471	488
Other operating funding applications	0	0	0

Total Applications of Operating Funding	B	1,856	1,923	1,977
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Surplus/ (deficit) of Operating Funding	A-B	47	44	55
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Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	10
Development and financial contributions	50	51	76
Increase/(decrease) in debt	(7)	(7)	(7)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0

Total Sources of Capital Funding	C	43	44	79
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Capital Expenditure

Application of capital expenditure:			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	2	0	22
Increase/ (decrease) in reserves	89	88	112
Increase/ (decrease) in investments	0	0	0

Total applications of Capital Funding	D	90	88	134
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Surplus/ (deficit) of Capital Funding	C-D	(47)	(44)	(55)
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Funding Balance	((A-B)+(C-D))	0	0	(0)
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Roading and Transport

What do we do?

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

■ Providing, maintaining and renewing sealed and unsealed roads, bridges and culverts, footpaths, seats and shelters to enable people and businesses to move around for employment, recreation, shopping, social activities and business purposes. It also provides road signs, markings and street lighting to ensure that travel is safe and convenient. Improvements to the road network to meet changing needs are made and developed plans ensure the road network caters for future growth. Council also provides support for the continued operation of Westport Taxi services.

■ Urban development is continually undertaken to provide a more pleasant environment for our communities by use of plantings, street treatment and decorative measures.

Why are we involved in these activities?

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

How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

Sustainable Environment

- 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 provision of 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

Roothing funding

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

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

■ The financial assistance rate of 100% is guaranteed for special purpose roads (SPRs) until 2023/24. 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.

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

Major Projects

■ This year remedial upgrades to the Karamea Highway included drainage facilities, pavement rehabilitation and reseals.

■ Emergency works were undertaken district-wide to address drainage work and remedial structures, caused by adverse weather events.

■ Footpaths in Westport, Reefton and Karamea were progressively renewed/resurfaced to provide a safe environment. A total of 4,924m² of footpaths was completed out of planned 10,146m². Due to Covid-19 interrupting the contracted delivery of the programme the remainder of the programme will be completed in 2020/21. The period did see 272m² of new footpath installed in Reefton township.

■ Rosstown river protection works were completed.

■ Reseals throughout the district were also undertaken.

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

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

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

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

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

General rates, uniform annual general charge, rates penalties
 ■ Annual Plan rates budget allocation less than the Long Term Plan.

Subsidies and grants for operating purposes
 ■ The variance was for funding for additional roading maintenance that was not included in the Long Term Plan.

Increase (decrease) in debt
 ■ The variance is due to debt associated with the Rough River bridge which is still in the planning stages.

Local authorities fuel tax, fines, infringement fees and other receipts
 ■ Less fees received for petrol tax offset by a contribution for damage to a bridge guardrail.

Payments to staff and suppliers
 ■ The variance is mainly due to expenditure planned for the Rough River bridge (\$1.07m) which is still in the planning stage. This is offset by additional roading maintenance including footpaths and external consulting fees for roading projects and the Punakaiki Masterplan.

Internal charges and overheads applied
 ■ This is due to the decrease in expenses in areas that allocated overheads.

Increase (decrease) in reserves
 ■ Impact of variances above.

Significant Capital Expenditure

- Subsidies and grants for capital expenditure**
 - The variance is primarily related to additional subsidy from NZTA for capital expenditure including footpaths and LED streetlight replacement.
- Increase (decrease) in debt**
 - The variance is due to debt associated with the Rough River bridge which is still in the planning stages.
- To improve the level of service**
 - Variance in minor safety projects.
- To replace existing assets**
 - Increased footpath capex (\$134,000) and LED streetlighting replacements (\$111,000) offset by less expenditure in other areas .

Mandatory Performance Measures

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 1:

- provide a safe roading network

<i>How we do it</i>	<ul style="list-style-type: none"> • Provision of a safe sealed roading network • Provision of a sealed roading network that is fit for purpose • Provision of footpaths that are comfortable to walk on 		
<i>How we measure performance</i>	<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>Target</p> <p>No change or reduction in the safety quality of the roading network.</p>	<p>Performance</p> <p>2019/2020: The target of no change or reduction has been met (0 fatal and 2 serious accident).</p> <p><i>2018/2019: A total reduction of 1 fatal and 1 serious accident (0 fatal and 4 serious accidents).</i></p>

KEY PERFORMANCE MEASURE 2:

- provide a comfortable road network

<i>How we do it</i>	<ul style="list-style-type: none"> • Provision of a safe sealed roading network • Provision of a sealed roading network that is fit for purpose • Provision of a well maintained sealed roading network 		
<i>How we measure performance</i>	<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 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>Target</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>Performance</p> <p>2019/2020: Current smooth travel exposure (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><i>2018/2019: Current smooth travel exposure (STE) is 95% with the two-year average being 95%.</i></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>Target</p> <p>Continue to achieve ≥ 5.8% 10 year average (allow for some decrease on low hierarchy roads).</p>	<p>Performance</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><i>2018/2019: 5.4% with the 10 year average being 5.5%. This was not achieved because the latest reseal programme focused predominantly on urban roads which have a greater width than rural roads therefore lane kilometres sealed are less.</i></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>Performance</p> <p>2019/2020: 3,705m³ of metal per annum replaced on unsealed roads.</p> <p><i>2018/2019: 3,116m³ of metal per annum replaced on unsealed roads.</i></p>

Mandatory Performance Measures

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 3:

- 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.	Target	Performance
		Continue to achieve 75% of footpaths ranked as grade 1 and 2 (satisfactory) by MWH.	2019/2020: 89% of the footpath is ranked as grade 1 and 2 (satisfactory) by MWH. <i>2018/2019: 89% of the footpath is ranked as grade 1 and 2 (satisfactory) by MWH.</i>
	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.	2019/2020: 99% of the footpath is ranked as grade 1-3 (satisfactory or deficient) by MWH. <i>2018/2019: 99% of the footpath is ranked as grade 1 - 3 (satisfactory or deficient) by MWH.</i>

KEY PERFORMANCE MEASURE 4:



- 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. Ensure no prosecutions take place.	Target	Performance
		Continue to achieve no prosecutions	2019/2020: No prosecutions, 100% compliant. <i>2018/2019: No prosecutions, 100% compliant.</i>

KEY PERFORMANCE MEASURE 5:

- Customer Service Satisfaction

How we do it	• Provision of customer service request system		
How we measure performance	Mandatory performance measure five: road safety. Ensure that the percentage of customer service requests relating to roads and footpaths to which the territorial authority responds to within 15 days.	Target	Performance
		Achieve 80%	2019/2020: 100% service requests were responded to within 15 days. Performance achieved. <i>2018/2019: 73% - 35 service requests out of a total of 48 were responded to within 15 days. Performance achieved was lower than target due to the current system. Service requests are now being overseen by a Customer Services Manager to improve response time.</i>

KPI met	
KPI not met	

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		1,941	2,007	1,966
Targeted rates		0	0	0
Subsidies and grants for operating purposes		2,176	2,250	2,478
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		150	153	209
Total Operating Funding	A	4,267	4,410	4,653
Applications of Operating Funding				
Payments to staff and suppliers		2,763	3,897	3,348
Finance costs		5	5	5
Internal charges and overheads applied		846	925	855
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	3,614	4,827	4,208
Surplus/ (deficit) of Operating Funding	A-B	653	(417)	445
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		1,067	1,102	1,371
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(5)	1,068	(5)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	1,063	2,170	1,366
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		246	251	126
- to replace existing assets		1,438	1,470	1,445
Increase/ (decrease) in reserves		32	33	240
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	1,716	1,754	1,811
Surplus/ (deficit) of Capital Funding	C-D	(653)	417	(445)
Funding Balance	((A-B)+(C-D))	0	0	(0)

Core Asset Disclosures	2019				2020			
	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	254,162	2,331	0	348,902	252,541	1,590	208	357,155
Total	254,162	2,331	0	348,902	252,541	1,590	208	357,155

Water Supplies

What do we do?

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

Why are we involved in this activity?

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

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

How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

Well-being

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

■ By providing water for sanitary services.

■ By maintaining sufficient water for firefighting purposes.

Environment

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

Learning

■ By providing water conservation education.

Prosperity

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

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 started the replacement of the trunk main across the terrace section. This is a 600 metre section from the top of the terrace to the bottom and is scheduled to be completed in 2020/2021.

■ 2019/2020 saw the completion of the Westport water tunnel project which has reinstated the gravity fed raw water supply. Westport's alternative pump station will be utilised as required to retain raw water storage levels.

Waimangaroa rural drinking water upgrades

■ Council has resolved to upgrade the Conns Creek water supply to provide the community of Waimangaroa with safe and complaint drinking water.

Ngakawau - Hector

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

Punakaiki

■ Additional water storage for the Punakaiki community has also been established. Land acquisition around the intake weir is ongoing.

Levels of Service

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

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

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

■ Ensure that fire hydrants provide an adequate firefighting supply.

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

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

■ Minimise the quantity of unaccounted for water.

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

■ Ensure that supplies are managed in an environmentally sensitive manner.

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

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

Targeted rates

■ Higher targeted rates mainly in Westport water due to the additional costs budgeted for in this activity.

Payments to staff and suppliers

■ The variance is mainly due to additional expenses for electricity with the additional pumping of water that was required while the Westport tunnel upgrades were completed and also increased insurance costs (\$131,000). Costs associated with issues at Reefton water associated with the quality of the water supply (\$84,000).

Finance costs

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

Increase (decrease) in debt

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

Increase (decrease) in reserves

■ Impact of variances above.

Significant Capital Expenditure

To improve the level of service

■ There were additional replacements to the Westport trunkmain which were not included in the Long Term Plan.

To replace existing assets

■ The majority of the variance to the LTP budget relates to upgrades to the Westport water supply tunnels which were not included in the LTP budget but subsequently approved by Council.

Mandatory Performance Measures

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

- provide an adequate quality of water (see tables 1 and 2, page 29)

Is the water safe to drink?	Performance measure one (safety of drinking water):	The extent to which Council's water supply complies with: a) Part 4 of the Drinking Water Standards (bacteria compliance criteria). b) Part 5 of the Drinking Water Standards (protozoa compliance criteria)	Full compliance (100%) Bacteria	<table border="1"> <thead> <tr> <th colspan="2">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>2019/2020: 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 colspan="2">2018/ 2019</th> <th>Bacteria Compliance</th> <th>Protozoa Compliance</th> </tr> </thead> <tbody> <tr><td>Westport</td><td>Yes</td><td>No</td></tr> <tr><td>Carters Beach</td><td>Yes</td><td>No</td></tr> <tr><td>Reefton</td><td>No</td><td>No</td></tr> <tr><td>Punakaiki</td><td>Yes</td><td>No</td></tr> <tr><td>Ngakawau-Hector</td><td>No</td><td>No</td></tr> <tr><td>Mokihinui</td><td>No</td><td>No</td></tr> <tr><td>Little Wanganui</td><td>No</td><td>No</td></tr> <tr><td>Waimangaroa</td><td>No</td><td>No</td></tr> <tr><td>Inangahua</td><td>Yes</td><td>No</td></tr> </tbody> </table> <p>2018/2019: <i>Bacterial compliance was achieved for Westport and Carters Beach, Punakaiki and Inangahua Junction, but protozoal compliance was not achieved for any water supplies.</i></p> <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	2018/ 2019		Bacteria Compliance	Protozoa Compliance	Westport	Yes	No	Carters Beach	Yes	No	Reefton	No	No	Punakaiki	Yes	No	Ngakawau-Hector	No	No	Mokihinui	No	No	Little Wanganui	No	No	Waimangaroa	No	No	Inangahua	Yes	No
			2019/2020		Bacteria Compliance	Protozoa Compliance																																																												
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Full compliance (100%) Protozoa																																																																		

MANDATORY PERFORMANCE MEASURE 2:

- provide a reliable supply of water - maintenance of reticulation network (see table 3, page 29)





Maintenance of reticulation network.	Performance measure two (maintenance of reticulation network):	The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this)	20% water loss from the water reticulation system.	<p>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.</p> <p>2018/2019: 58% in Westport only. A replacement programme continues to be in place to address areas of significant water loss. Most of the leaks are related to the trunk main, there will be a focus moving forward on a staged replacement of the trunk main which is one of the main contributors to water loss. A Pressure Reduction Valve (PRV) to be installed in future years will also reduce the amount of water leakage. Refer to page 29 for further details.</p>
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Mandatory Performance Measures

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

- provide a reliable supply of water - fault response time







Fault Response Times	Performance Measure three (fault response times):	Where Council attends to a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:			
		a) Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site within 2 hours; and	2 hours	2019/2020: There were 25 urgent requests based on Council's Service Request system, 23 were attended to within 2 hours and 2 were attended late. The median response time was 20 minutes. <i>2018/2019: There were 2 urgent requests based on Council's Service Request System, both of which were resolved within 2 hours.</i>	
		b) Resolution of urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	5 hours	2019/2020: There were 25 urgent requests based on Council's Service Request system, 23 were resolved within 5 hours and 2 were resolved late. The median resolution time was 2 hours 25 minutes. <i>2018/2019: There were 2 urgent requests based on Council's Service Request System, both of which were resolved within 2 hours.</i>	
		c) Attendance for non-urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	1 working day	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 4 are incomplete. The median response time for non urgent callouts was 1 day. <i>2018/2019: 242 callouts were received in total. Of these, 28 callouts were attended within 1 working day, 65 were within 2-4 days notifications. The remaining 149 callouts were responded to within 5 working days with the median resolution time being 1 working day.</i>	
		d) Resolution of non-urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	5 working days	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 4 are incomplete. The median resolution time for non urgent callouts was 3.5 days. <i>2018/2019: 242 callouts were received in total. Of these, 28 callouts were attended within 1 working day 65 were within 2-4 days notification. The remaining 149 callouts were responded to within 5 working days with the median resolution time being 5 working days.</i>	

Mandatory Performance Measures

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

- provide water with the minimum environmental impact

Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:				
		a) Drinking water clarity	Less than 5 complaints per 1,000 connections.	No. of complaints	No. of complaints per 1,000 connections	
				2019/2020: 8 2018/2019: 0.	2019/2020: 1.99 2018/2019: 0.0	
		b) Drinking water taste	Less than 5 complaints per 1,000 connections.	2019/2020: 3 2018/2019: 1.	2019/2020: 0.75 2018/2019: 0.25	
		c) Drinking water odour	Less than 5 complaints per 1,000 connections.	2019/2020: 0 2018/2019: 0.	2019/2020: 0.0 2018/2019: 0.0	
		d) Drinking water pressure	Less than 5 complaints per 1,000 connections.	2019/2020: 20 2018/2019: 3.	2019/2020: 4.98 2018/2019: 0.75	
		e) Continuity of supply	Less than 5 complaints per 1,000 connections.	2019/2020: 25 2018/2019: 2.	2019/2020: 6.23 2018/2019: 0.5	
	f) Council's response to any of these issues.	Less than 5 complaints per 1,000 connections.	2019/2020: From the 36 complaints received, 35 have been resolved. Issues with gravel within the Waimangaroa water supply are being addressed. 2018/2019: From the 6 complaints Council received, all have been addressed and resolved.	2019/2020: 8.97 2018/2019: 1.49		



MANDATORY PERFORMANCE MEASURE 5:

- provide a reliable supply of water - fault response time

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

- provide a reliable supply of water

Can you rely on the water supply to be available?	To provide water into the system virtually all of the time.	Proportion of time that water is supplied into the reticulation. Targets: <ul style="list-style-type: none"> Water supplied 99% of the time 	Water supplied for at least 360 days per year (99% of the time).	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. 2018/2019: 10 supplies had water available for 100% of the time, with one supply (Waimangaroa) having water available 99.7% of the time. Overall water was supplied at 99.97% of the time.	
Is the use of water restricted?	To permit gardens to be maintained in a healthy state all year.	Number of days that water restrictions are in place. Targets: <ul style="list-style-type: none"> 100% compliance 	100% compliance The target in the 2018-2028 Long Term Plan is not specific.	2019/2020: 29 days for the Westport water supply. 0 days for other supplies. 2018/2019: 26 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 Granity 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****	Yes	No****	Yes
Reefton	951	No ****	Yes	No ****	Yes
Waimangaroa	300	No *	No	No *	No
Westport (including Carters Beach)	4,974	No ****	Yes	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 Granity 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 plant to enable compliance
- ** E.Coli detection in supply

Table 3: Water Leakage

Water Supply	Connections	Actual Performance	Target	Method
South Granity Tank Supply (administered by Council)	23	2019/2020 : not measured (2018/2019: not measured).	30%	MNF
Hector/Ngakawau	176	2019/2020 : not measured (2018/2019: not measured).	30%	MNF
Inangahua Junction	33	2019/2020 : not measured (2018/2019: 32%)	30%	MNF
Little Wanganui	78	2019/2020 : not measured (2018/2019: not measured).	30%	MNF
Mokihinui	50	2019/2020 : not measured (2018/2019: not measured).	30%	MNF
Punakaiki	93	2019/2020 : not measured (2018/2019: 41%)	30%	MNF
Reefton	663	2019/2020 : not measured (2018/2019: 39%)	30%	MNF
Waimangaroa	137	2019/2020 : not measured (2018/2019: not measured).	30%	MNF
Westport	2,694	2019/2020 : not measured (2018/2019: 58%)	30%	MNF

MNF = Minimum Night Flow

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

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		2,632	2,741	2,835
Subsidies and grants for operating purposes		0	0	0
Fees and charges		204	209	205
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	1
Total Operating Funding	A	2,836	2,950	3,041
Applications of Operating Funding				
Payments to staff and suppliers		1,192	1,043	1,289
Finance costs		386	382	282
Internal charges and overheads applied		433	433	460
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	2,012	1,857	2,031
Surplus/ (deficit) of Operating Funding	A-B	824	1,093	1,010
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		401	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(39)	(232)	(106)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	361	(232)	(106)
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		859	216	406
- to replace existing assets		741	560	3,984
Increase/ (decrease) in reserves		(415)	84	(3,486)
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	1,185	861	905
Surplus/ (deficit) of Capital Funding	C-D	(824)	(1,093)	(1,010)
Funding Balance	((A-B)+(C-D))	0	0	0

Core Asset Disclosures	2019				2020			
	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000	Closing Book Value \$000	Assets Constructed \$000	Assets Vested \$000	Replacement Cost \$000
Treatment plants and facilities	8,460	257	0	12,919	9,244	1,018	0	14,260
Other assets	19,176	535	0	48,926	23,353	7,428	0	57,578
Total	27,636	792	0	61,845	32,597	8,447	0	71,838

Wastewater / Sewerage

What do we do?

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

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

How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

Well-being

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

Sustainable Environment

- Protection of the environment through the treatment of wastewater.

Learning

- Provision of wastewater education via newsletters and other publications.

Prosperity

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

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 a number of more specific target performance standards:

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

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

Increase (decrease) in reserves

- Impact of variances below.

Significant Capital Expenditure

To improve the level of service

- 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
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MANDATORY PERFORMANCE MEASURE 1:

- provide adequate capacity

How often does the sewer overflow?	Performance measure one (system and adequacy):	The number of dry weather sewage overflows from Council's sewerage system expressed per 1,000 sewerage connections to Council's system.	≤5 sewerage overflows per 1,000 connections.	2019/2020: 0.3. 2018/2019: 3.	
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MANDATORY PERFORMANCE MEASURE 2:

- provide sewer collection and disposal with minimal environmental impact

Is the environment being harmed?	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of:			
		a) Abatement notices;	<5	2019/2020: 0. 2018/2019: 0.	
		b) Infringement notices;	0	2019/2020: 0. 2018/2019: 0.	
		c) Enforcement orders; and	0	2019/2020: 0. 2018/2019: 0.	
		d) Convictions received by Council in relation to those resource consents	0	2019/2020: 0. 2018/2019: 0.	


MANDATORY PERFORMANCE MEASURE 3:



- provide sewer collection and disposal with minimal environmental impact

Fault Response Times	Performance Measure three (fault response times):	Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the following median response times are measured:			
		a) Attendance time: from the time that Council receives notification to the time that service personnel reach the site; and	Within 2 hours	2019/2020: Five overflows were attended to, four were within two hours. Median attendance was one hour. 2018/2019: <i>Eight overflows were attended within the two hour timeframe. Median attendance time was one hour.</i>	
		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	2019/2020: Five overflows were resolved, three within the timeframe of one day. Median resolution was one day. 2018/2019: <i>Eight overflows were resolved within timeframe of one day. Median resolution time was one day.</i>	

MANDATORY PERFORMANCE MEASURE 4:

- provide sewer collection and disposal with minimal environmental impact

Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:				
		a) Sewerage odour;	≤5 complaints	No. of complaints	No. of complaints per 1,000 connections	
				2019/2020: 1. 2018/2019: 3.	2019/2020: 0.3. 2018/2019: 0.8.	
		b) Sewerage system faults;		2019/2020: 1. 2018/2019: 0.	2019/2020: 0.3. 2018/2019: 0.	
		c) Sewerage system blockages, and		2019/2020: 25. 2018/2019: 7.	2019/2020: 8.2. 2018/2019: 2.3.	
d) Council's response to issues with its sewerage system (expressed per 1,000 properties connected to Council's sewerage system).	2019/2020: 1. 2018/2019: 1.	2019/2020: 0.3. 2018/2019: 0.3.				

KPI met	
KPI not met	

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		2,606	2,638	2,614
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		5	5	17
Total Operating Funding	A	2,611	2,643	2,630
Applications of Operating Funding				
Payments to staff and suppliers		894	911	913
Finance costs		233	216	216
Internal charges and overheads applied		337	345	327
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	1,463	1,472	1,456
Surplus/ (deficit) of Operating Funding	A-B	1,148	1,171	1,175
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(301)	(318)	(301)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	(301)	(318)	(301)
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		20	20	217
- to replace existing assets		871	880	380
Increase/ (decrease) in reserves		(44)	(47)	277
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	847	853	874
Surplus/ (deficit) of Capital Funding	C-D	(1,148)	(1,171)	(1,175)
Funding Balance	((A-B)+(C-D))	0	0	0

Core Asset Disclosures	2019				2020			
	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	12,930	110	0	21,337	12,608	95	0	21,965
Other assets	15,076	453	0	29,287	15,028	462	0	30,482
Total	28,006	563	0	50,624	27,636	557	0	52,447

Stormwater

What do we do?

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

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

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

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

Why are we involved in this activity?

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

How do we contribute to Strategic Goals and Community Outcomes?

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

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

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 drain and other rural networks.

Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of 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 over 30-years without significant flooding or damage and to the satisfaction of the community.

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

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

General rates, uniform annual general charge, rates penalties

■ Annual Plan rates budget allocation less than Long Term Plan.

Increase (decrease) in reserves

■ Impact of variances above.

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 1:

- provide adequate stormwater capacity

Is there adequate stormwater drainage?	Performance measure one (system and adequacy):	a) The number of flooding events that occur in Council's systems.	No target has been established as flooding events are outside of Council's control.	2019/2020: There were 0 stormwater flooding events recorded from service requests (stormwater ponding within roadways is a regular occurrence because they are secondary flow paths- target not met. <i>2018/2019: There were 3 stormwater flooding events recorded from service requests (stormwater ponding within roadways is a regular occurrence because they are secondary flow paths - target not met.</i>	
		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	2019/2020: No houses inundated - target met. <i>2018/2019: 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.	2019/2020: No deficient designs were found. <i>2018/2019: No deficient designs were found.</i>	

MANDATORY PERFORMANCE MEASURE 2:

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


Is the environment being harmed?	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of:			
		a) Abatement notices;	Nil	2019/2020: Nil. <i>2018/2019: Nil.</i>	
		b) Infringement notices;	Nil	2019/2020: Nil. <i>2018/2019: Nil.</i>	
		c) Enforcement orders; and	Nil	2019/2020: Nil. <i>2018/2019: Nil.</i>	
		d) Convictions received by Council in relation to those resource consents	Nil	2019/2020: Nil. <i>2018/2019: Nil.</i>	

Mandatory Performance Measures

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



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

Fault Response Times	Performance Measure three (fault response times):	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	1 hour	<p>2019/2020: There were no service requests for flooding events recorded.</p> <p><i>2018/2019: Three service requests for flooding events were attended to within one hour, with the median response time being one hour - target met.</i></p>	
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MANDATORY PERFORMANCE MEASURE 4:

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

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

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		499	523	429
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		5	5	18
Total Operating Funding	A	503	527	447
Applications of Operating Funding				
Payments to staff and suppliers		149	152	139
Finance costs		23	28	21
Internal charges and overheads applied		100	104	108
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	272	285	268
Surplus/ (deficit) of Operating Funding	A-B	231	243	179
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		124	(32)	(26)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	124	(32)	(26)
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		150	0	0
- to replace existing assets		205	211	50
Increase/ (decrease) in reserves		0	0	103
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	355	211	153
Surplus/ (deficit) of Capital Funding	C-D	(231)	(243)	(179)
Funding Balance	((A-B)+(C-D))	0	0	0

Core Asset Disclosures

	2019				2020			
	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	10,541	172	0	22,881	10,316	21	0	24,016
Total	10,541	172	0	22,881	10,316	21	0	24,016

Solid Waste

What do we do?

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

Why are we involved in this activity?

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

How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

Well-being

- 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.
- Solid waste disposal minimises risk of waste being inappropriately or dangerously disposed of.

Learning

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

Prosperity

- Meet commercial needs for dealing with waste.

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 solid waste disposal and recycling systems.
- Economic** - Sustainable and regulated solid waste and recycling systems support the local economy.
- Environmental** - Protection of our environment to care for our land, water and natural taonga.

Statement of Service Performance

Contracted approach to Solid Waste

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

Karamea and Maruia

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

Bulk Recycling Containers

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

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

Targeted rates

- Targeted rates set were less in the 2019/2020 Annual Plan than the Long Term Plan:

Payments to staff and suppliers

- An increase in the contractor fees, increase in waste minimisation costs and costs associated with the Hector landfill mitigation accounted for most of the Long Term Plan budget variance.

Finance costs

- The variance is related to the movement in Councils landfill provision which is related to lower interest rates.

Internal charges and overheads applied

- The variance is additional overhead allocation related to additional staff activity in this area mainly related to the Hector landfill and waste minimisation.

Increase (decrease) in reserves

- Impact of variances above.

Significant Capital Expenditure

- No significant variances have been identified.

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		272	272	288
Targeted rates		627	653	590
Subsidies and grants for operating purposes		42	43	37
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		95	97	91
Total Operating Funding	A	1,036	1,065	1,006
Applications of Operating Funding				
Payments to staff and suppliers		783	799	906
Finance costs		61	60	155
Internal charges and overheads applied		119	120	209
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	963	979	1,270
Surplus/ (deficit) of Operating Funding	A-B	73	86	(264)
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(66)	(70)	(66)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	(66)	(70)	(66)
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		35	30	27
Increase/ (decrease) in reserves		(28)	(14)	(357)
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	7	16	(330)
Surplus/ (deficit) of Capital Funding	C-D	(73)	(86)	264
Funding Balance	((A-B)+(C-D))	0	0	0

In-house Professional Services

What do we do?

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

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

Why are we involved in this activity?

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

How do we contribute to Strategic Goals and Community Outcomes?

This activity supports the following community outcomes:

Well-being

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

Sustainable Environment

■ Monitoring landfills and wastewater treatment plants.

Prosperity

■ Requesting necessary maintenance on time.

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

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

Internal charges and overheads recovered

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

Payments to staff and suppliers

■ Savings in employment costs within the activity.

Increase (decrease) in reserves

■ Impact of variances above.

Significant Capital Expenditure


■ No significant variances have been identified.



Key Performance Indicators

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 1:

- provide engineering advice to Council and administer contracts

How we do it	● Provision of Asset Management Plans		
How we measure performance	Target	Performance	
Provide monthly reports on annual work programmes, monitor contract works. Prepare monthly contract progress. Prepare annual work programmes.	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.	2019/2020: Programme reports were provided to the Chief Executive Officer and all delays and overruns have been explained. 2018/2019: 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

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
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		915	932	777
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	0
Total Operating Funding	A	915	932	777
Applications of Operating Funding				
Payments to staff and suppliers		737	749	676
Finance costs		0	0	0
Internal charges and overheads applied		158	163	133
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	896	913	809
Surplus/ (deficit) of Operating Funding	A-B	20	19	(32)
Capital Funding				
Sources of Capital Funding				
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
Total Sources of Capital Funding	C	0	0	0
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		20	36	34
Increase/ (decrease) in reserves		0	(17)	(66)
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	20	19	(32)
Surplus/ (deficit) of Capital Funding	C-D	(20)	(19)	32
Funding Balance	((A-B)+(C-D))	0	0	(0)

Community Services

What we do

Community grants and funding

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

Sports, recreation, cultural facilities, and services

■ Council transferred ownership of the Pulse Energy Recreation Centre (PERC) to Buller Recreation Ltd on 1 July 2009 for improved commercial focus. Council continues to contribute towards the provision of recreation and aquatic facilities for Buller.

Libraries

■ Buller District Libraries provides 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, and online apps. Buller District Libraries promotes life-long learning through a variety of activities for community members and is 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

■ NBS Theatre is Buller's premiere entertainment venue with a live theatre auditorium and two cinemas. The venue is open seven days a week with multiple movie screenings and the auditorium is a great venue for live performances, meetings, weddings, cabaret, and funerals. The outdoor stage area has been well used over the summer months and looks to continue with multiple groups using the area.

Reefton cinema

■ The Reefton cinema screens a minimum of four days per week with additional screenings during the school holidays. The Reefton cinema is also used for meetings, live performances.

Communications

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

Why 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.

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.

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 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.

Who we are

■ Provide community grants and funding to support community organisations.

Sustainable environment

■ Provide 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 2019/2020 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

■ 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 which used to run in the St James, Onstage Productions, is looking at starting up again in the first quarter and make the NBS Theatre their home.

■ 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 2022.

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

Significant Variance Explanations compared to 2018-2028 Long Term Plan

General rates, uniform annual general charge, rates penalties

■ The rates budget allocation from the 2019/2020 Annual Plan was less than Long Term Plan.

Subsidies and grants for operating purposes

■ Additional grants received from Oceania Gold for funding a Reefton economic development position (\$50,000). Also additional Arts Council grants received.

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

■ The variance is due to lower income than budgeted mainly for the NBS theatre but also less income from library fees.

Payments to staff and suppliers

■ Additional position of Reefton economic development officer offset by savings in a number of expense areas .

Finance costs

■ Variance due to differences in interest rate assumptions from the Long Term Plan.

Other operating funding applications.

■ Less grants were distributed at balance date by Council.

Increase (decrease) in reserves

■ Impact of variances above.

Libraries and Aotearoa Peoples Network (APNK)

■ The library continues to be a well-used resource and community hub. This year we have seen the upgrade of the outside of the building. Customers have been incredibly pleased with the results and comment on how special the place feels. APNK hardware is still very popular and the new seats outside the library have allowed customers to be able to use the Wi-Fi outside of library hours in comfort.

■ Librarians continue to support customers to transition towards using our online apps. During Covid-19 the library made and released 'how to' YouTube videos on all our online services. These were popular. The lockdown also allowed the library to get systems and processes such as click and collect in place. If we should experience another Covid-19 wave and have to go back into lockdown we will be in a much better position to support our community.

■ Our Community Engagement Librarian has continued popular activities such as Kids Club and our school holiday programmes and introduced a childrens' book group. We have also seen an increase of groups using the Westport library and have a weekly knitting group and a scrabble club. Reefton has also increased their events by hosting a yearly author talk, a monthly knitting group and by providing activities to the children during the school holidays.

■ Libraries have been partnering with outside groups examples of these are Dementia Canterbury and our Next Chapter initiative. Pub Charities funded our very popular summer reading programme which saw an enthusiastic crowd of 100 students take part. We hope to extend that to 150 spots this year as we were oversubscribed. The Nelson Building Society also sponsored us five new Chromebooks.

■ Buller District Libraries has been networking with the wider library profession and brought some of their initiatives back to Buller. This has included a programme that reduces the barriers for children signing up to our library through partnering with the schools. We have made the sign-up process simpler for families but still meet all our statutory requirements.

■ Due to Covid-19, we were unable to complete the customer satisfaction survey as many responses we receive are hard-copy and we were not able to have that on offer at the time. We have, however, always scored in the high 90s for this. We have met our KPI of active users this year and have increased our user base by 2%.

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 and local businesses to submit multiple successful applications to the Provincial Growth Fund.

Significant Capital Expenditure

To replace existing assets






■ The variance is primarily due to less library book purchases than budgeted 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.

<i>How we do it</i>	<ul style="list-style-type: none"> • Provision of sport and recreation facilities • Provision of library facilities • Provision of theatre and cinema facilities 			
<i>How we measure performance</i>	Provide sport and recreation facilities through the Pulse Energy Recreation Centre and the Reefton swimming pool.	Target	Performance	
		Continue to submit Statements of Intent annually for Council approval by statutory deadlines (draft, February and final in June).	2019/2020: Statements of Intent were submitted and approved by Council February 2020 (draft) and June 2020 (final SOI) . 2018/2019: Statements of Intent were submitted and approved by Council February 2019 (draft) and June 2019 (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,	2019/2020: 2,651 active members (an increase of 2%). 2018/2019: 2,603 active members (a decrease of 0.95%).	
		Continue to achieve at least 80% respondents are 'satisfied' or 'very satisfied' with the library services.	2019/2020: Did not complete due to Covid-19. 2018/2019: 97% of respondents to the Library Survey are 'satisfied' or 'very satisfied' with library services.	
	Provide theatre and cinema facilities through the NBS Theatre in Westport.	Continue to provide performing arts events, exhibitions and shows.	2019/2020: 39 screenings per week – target met. 2018/2019: 40 screenings per week on average - target met.	
	Continue to hire out the auditorium for shows and performances for more than 30 days per year.	2019/2020: 54 days for the year – target met. 2018/2019: 45 days per year - target met.		

KEY PERFORMANCE MEASURE 2:

- to keep the community informed

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

KPI met	
KPI not met	

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		3,871	3,833	3,955
Targeted rates		0	0	-2
Subsidies and grants for operating purposes		21	21	83
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		346	353	237
Total Operating Funding	A	4,237	4,206	4,273
Applications of Operating Funding				
Payments to staff and suppliers		1,935	1,955	1,910
Finance costs		842	835	859
Internal charges and overheads applied		507	522	559
Other operating funding applications		640	584	524
Total Applications of Operating Funding	B	3,924	3,897	3,852
Surplus/ (deficit) of Operating Funding	A-B	314	309	421
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(125)	(127)	(101)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		435	435	437
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	310	308	336
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		112	104	72
Increase/ (decrease) in reserves		511	513	687
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	623	617	757
Surplus/ (deficit) of Capital Funding	C-D	(314)	(309)	(421)
Funding Balance	((A-B)+(C-D))	0	0	0

Governance and Representation

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 ten elected Councillors, the Mayor, and the Inangahua Community Board. They are supported by a Chief Executive and staff.

Why we do these activities

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

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

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

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

Community Outcomes and Well-beings

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

- Governance and Representation supports all of the well-beings as elected decision makers must take all of the well-beings into account.

Statement of Service Performance

Advocating for the district

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

Significant Variance Explanations compared to 2018-2028 Long Term Plan

General rates, uniform annual general charge, rates penalties

- The rates allocation for this activity is higher than the Long Term Plan due to the variance explanations below.

Payments to staff and suppliers

- The variance is mainly due to increases in elected member remuneration and a part time governance support position that was not budgeted in the Long Term Plan.

Internal charges and overheads applied

- The variance in overhead allocation is attributed to allocation of expenses attributed to providing an additional manager for Community Services and increases in allocation of overhead expenses within the CE and Manager Regulatory cost centres.

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

How we do it	• Provide annual budgeting and financial planning processes		
How we measure performance		Target	Performance
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.		Continue to meet statutory deadlines for adoption of Council's Long Term Plan and Annual Plan before 30 June in each respective year.	<p>2019/2020: Council met required statutory deadlines for the adoption of the 2020-2021 Annual Plan before 30 June 2020.</p> <p><i>2018/2019: Council met required statutory deadlines for the adoption of the 2019/2020 Annual Plan before 30 June 2019.</i></p>

Key Performance Indicators

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 2:

- to maintain customer satisfaction

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

KEY PERFORMANCE MEASURE 3:



- to maintain transparency, accountability and accessibility to the public

How we do it	• Provide Council remain accountable through transparency and accessibility		
How we measure performance		Target	Performance
	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.	Continue to provide a full opportunity for public participation in Council meetings through availability of speaking rights and the public forum.	<p>2019/2020: Public forum participation is advertised in advance of each monthly Council meeting- target met.</p> <p>2018/2019: Public forum participation is advertised in advance of each monthly Council meeting - target met.</p>
	Ensure at least 90% of Council business is conducted in open forum.	Continue to conduct at least 90% of Council business in open forum.	<p>2019/2020: 91.07% of Council's agenda items were discussed in the public arena.</p> <p>2018/2019: 82.89% of Council's agenda items were discussed in the public arena.</p>
	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.	<p>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.</p> <p>2018/2019: Council conducted a customer satisfaction survey in June 2019. This KPI was not directly measured but 32% of respondents related their satisfaction with Council's customer service overall at 9 or 10, out of 10, and 27% rated it between 6 and 8, out of 10.</p>

KEY PERFORMANCE MEASURE 4:

- to co-operate with other agencies

How we do it	• Participate in shared services		
How we measure performance		Target	Performance
	Ensure full participation in the Mayors, Chairs and CEO meetings with the other West Coast Council's.	Continue to attend 100% of West Coast Mayors, Chairs and CEO meetings.	<p>2019/2020: 100%- 4 meetings were held during the year. Meetings were attended through ZOOM during the Covid-19 lockdown.</p> <p>2018/2019: 100% - 4 meetings held per year.</p>

KPI met	
KPI not met	

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		1,210	1,285	1,481
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	41	36
Total Operating Funding	A	1,210	1,326	1,517
Applications of Operating Funding				
Payments to staff and suppliers		465	534	663
Finance costs		0	0	0
Internal charges and overheads applied		745	792	1074
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	1,210	1,326	1,737
Surplus/ (deficit) of Operating Funding	A-B	0	0	(220)
Capital Funding				
Sources of Capital Funding				
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
Total Sources of Capital Funding	C	0	0	0
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	0	0
Increase/ (decrease) in reserves		0	0	(220)
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	0	0	(220)
Surplus/ (deficit) of Capital Funding	C-D	0	0	220
Funding Balance	((A-B)+(C-D))	0	0	0

Customer Services and Support Services

What we do

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

- Customer service functions in Westport and Reefton
- Corporate planning
- Financial and accounting operations
- Generation of Annual Plans, Long Term Plans, and Annual Reports
- Rating operations and rates review project
- Human resources management
- Information technology management
- General administration
- Health and safety compliance and legal counsel
- Monitoring and compliance of all Council Controlled Organisations
- Guidance and monitoring of holding company performance
- Asset management
- Management functions

Why we do these activities

These 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 of Council to be undertaken.

Statement of Service Performance

Restructure of management portfolios

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

Rates policy overhaul

- Council continued to work on a land based rating model during 2019/2020. Although the rating model was close to being completed there was additional work required before this could be released for consultation with the public and ratepayers. The process will continue in 2020/2021 with a goal of introducing the proposal for consultation in the 2021/2031 Long Term Plan.

Health and safety

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

Significant Variance Explanations compared to 2018-2028 Long Term Plan

General rates, uniform annual general charge, rates penalties

- Annual Plan rates budget allocation more than the Long Term Plan.

Local authorities fuel tax, fines, infringement fees and other receipts

- The variance is due to lower income than budgeted mainly for the NBS theatre but also less income from library fees.

Payments to staff and suppliers

- Additional position of Reefton economic development officer offset by savings in a number of expense areas.

Finance costs

- Variance due to differences in interest rate assumptions from the Long Term Plan.

Other operating funding applications

- Less grants distributed at balance date by Council.

Increase (decrease) in reserves

- Impact of variances above.

Significant Capital Expenditure

To replace existing assets

- The variance is primarily due to less library book purchases than budgeted in the Long Term Plan.

Key Performance Indicators

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 1:

- to prioritise and manage operating expenditure and capital expenditure

How we do it	• Provide timely and accurate information			
How we measure performance		Target	Performance	
	<p>Ensure accountability to provide sound governance and financial management.</p> <p>Compliance with stated strategies in Annual Plan and Long Term Plan.</p>	<p>Continue to provide timely and accurate reports to the Finance and Audit Committee on all key financial operations for further action, and to monitor and proactively address variances.</p>	<p>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.</p> <p>2018/2019: 100% monthly reports were provided to the Finance and Audit Committee and the Senior Leadership Team in a timely and accurate manner – target met.</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		Target	Performance	
	<p>Ensure Council has systems, procedures and policies in place to comply with Health and Safety polices and legislation:</p> <ul style="list-style-type: none"> - Health and Safety at Work Act 2015 - Safety and Health in Employment Legislation 1995 - Employment Relations Amendment Act 2018 	<p>Continue to update systems, procedures and policies to comply with legislation.</p>	<p>2019/2020: “Vault” software used for capturing accidents, incidents and observations. Regular Health and Safety Meetings Held.</p> <p>2018/2019: Software system ‘Vault’ now utilised for reporting accidents, incidents and observations. Regular Health & Safety Committee meetings held. Held a staff workshop covering bullying & harassment</p>	●

KPI met	●
KPI not met	●

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		280	308	294
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	25
Fees and charges		0	0	0
Internal charges and overheads recovered		3,734	3,901	4,691
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		67	68	73
Total Operating Funding	A	4,081	4,277	5,083
Applications of Operating Funding				
Payments to staff and suppliers		3,155	3,303	3,946
Finance costs		132	133	77
Internal charges and overheads applied		949	1,046	905
Other operating funding applications		0	0	15
Total Applications of Operating Funding	B	4,237	4,482	4,943
Surplus/ (deficit) of Operating Funding	A-B	(156)	(205)	140
Capital Funding				
Sources of Capital Funding				
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	12
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	0	0	12
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		240	124	133
Increase/ (decrease) in reserves		(396)	(329)	19
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	(156)	(205)	152
Surplus/ (deficit) of Capital Funding	C-D	156	205	(140)
Funding Balance	((A-B)+(C-D))	0	0	0

Property

What we do

Amenities and reserves

■ Council provides and maintains active and passive recreational facilities in the Buller District to meet community and environmental needs.

■ These include parks, reserves and sports facilities.

Public toilets

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

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

Property management

■ Council owns and manages many properties and buildings throughout the district, providing sites, services and venues for community needs.

Cemeteries

Council provides adequate land and plots to meet the district's burial needs and operates these cemeteries:

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

Council provides adequate land and plots to meet the district's burial needs.

Punakaiki Beach Camp

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

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

Pensioner housing

Council provides 45 housing units for the elderly:

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

Westport harbour

■ During the year the Kawatiri Dredge successfully completed contracts in Nelson, Gisborne and a new contract for the Waitaki District Council at Port Oamaru. The dredge was removed from sale by resolution of Council at its meeting in May 2020.

■ A self-assessment of the port's safety management system was completed in June 2020 as required by the NZ Port and Harbour Marine Safety Code.

■ \$4m funding to replace the fishing jetties at the floating basin was announced through the Provincial Growth Fund in February 2020.

Why we do these activities

■ The provision and maintenance of parks and reserves create a pleasant environment in which to live, work and play, which is an important part of the vision for the district.

■ The provision of public toilet facilities assists with promoting the health and well-being of the district and environment for the public and visitors.

■ Jointly funding projects with other agencies allows the public access to facilities at an acceptable cost.

■ Council is responsible for operations under the Maritime Transport Act and is the holder of a Marine Transport Operators Certificate for the dredge Kawatiri. It is committed to a quality standard of practice for risk assessment and navigational safety at its port and harbour. It is an active member of the NZ Port and Harbour Marine Safety Code established by Maritime NZ.

How we contribute to Strategic Goals and Community Outcomes

This activity supports 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.

Social - Supports community networks and health.

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

Who we are

■ Supporting and organising community events and providing people with opportunity 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

■ The variance is unbudgeted grants from central government for tree planting, Westport Harbour and responsible camping

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

The variance in income is due to following items:

■ There was additional unbudgeted income of \$1.09m generated by harbour dredging contracts in Nelson, Gisborne and Oamaru ports;

■ This was offset by less fees from property rentals and cemetery plot fees.

Payments to staff and suppliers

■ The variance is primarily made up of additional harbour expenses of \$1.08m with much of this related to unbudgeted dredging work that was carried out.

■ In addition there were unbudgeted expenses of \$248,000 associated with implementation of the Responsible Camping initiative as well as some additional cost within property such as insurance and maintenance.

Internal charges and overheads applied

■ This is the result of allocation of overheads from other areas that allocated overheads that have additional costs.

Increase (decrease) in debt

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

Gross proceeds from sale of assets

■ This variance is the sale of leasehold properties during the period (\$188,000).

Increase (decrease) in reserves

■ Impact of variances above.

Significant Variances to Capital Expenditure

To improve the level of service

■ There was \$166,000 of Reserve Capital expenditure that was incorrectly categorised at improving the level of service in the LTP instead of replacing existing assets.

■ Once this is taken into account the variance is a \$130,000 underspend.

■ The variance relates to timing on expenditure for the Revitalisation projects.

To replace existing assets

■ Taking into account the \$166,000 error in asset classification in the Long Term Plan the variance of \$671,000 primarily relates to:

■ Budgeted expenditure on Brougham House upgrade (\$784,000).

■ Civil defence earthquake strengthening (\$134,000).

■ Punakaiki Community building (\$102,000) and Elderley Housing (\$96,000) that has been delayed.

■ This was offset by expenditure to replace items on the dredge (\$249,000), including those damaged and replaced under insurance.



■ In addition unbudgeted expenditure for the Domain Boards (\$151,000) and expenditure within property including toilets (\$56,000) contributed to the variance.

Key Performance Indicators

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 1:

- to provide and manage parks and reserves

How we do it	to provide and manage parks and reserves		
How we measure performance	Target	Performance	
Ensure checks on contractors standard of maintenance on active recreation areas are carried out.	Checks are undertaken on the maintenance contract for the whole period.	2019/2020: 100% checks were undertaken on the maintenance contracts and defects were notified to and/or by the contractor and re-mediated. 2018/2019: 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.	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. 2018/2019: 100% safety checks were completed on all playground equipment and defects notified to and/or by the contractor and re-mediated. The contractor provided records weekly checks.	

Key Performance Indicators

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 2:

- to provide and manage housing for the elderly

How we do it	• Provide affordable and well maintained elderly housing		
How we measure performance	Ensure at least 90% occupancy of elderly persons housing.	Target	Performance
		Occupancy rate of elderly persons housing to be 90% or greater.	2019/2020: 99% occupancy of the pensioner units <i>2018/2019: 98% occupancy.</i>
	Ensure at least 80% satisfaction on elderly housing provided.	Satisfaction rate of elderly housing provided to be at least 80%.	2019/2020: No questionnaires were issued this year due to Covid-19. <i>2018/2019: 37 questionnaires were returned from 45 units, with a satisfaction rate of 82% received.</i>

KEY PERFORMANCE MEASURE 3:

- to provide and manage cemeteries

How we do it	<ul style="list-style-type: none"> • Provide and manage cemeteries that meet community needs. • Provide adequate plots and land to meet the districts burial needs. 		
How we measure performance	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.	Target	Performance
		Continue to provide and maintain cemetery facilities to the appropriate national standard, with public records available on request.	2019/2020: Cemetery facilities have been maintained to the appropriate national standard and public records are available on request. <i>2018/2019: Cemetery facilities have been maintained to the appropriate national standard and public records are available on request.</i>
	Ensure sufficient burial plots are available in all wards to meet current and future demands.	Continue to provide adequate plots and land to meet the district's burial needs.	2019/2020: An extension is planned for 2020/21 <i>2018/2019: No extensions were required to meet the target.</i>

KEY PERFORMANCE MEASURE 4:

- to provide and manage sufficient public toilets to meet the needs

How we do it	• Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations		
How we measure performance	Ensure facilities are cleaned, inspected and maintained to a serviceable standard.	Target	Performance
		Continue to clean, inspect and maintain toilet facilities to a serviceable standard.	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. <i>2018/2019: Facilities were inspected, cleaned and maintained to safe and acceptable standards. Contracts are in place for appropriate monitoring, cleaning and servicing of all Council toilet facilities throughout the Buller District.</i>

Key Performance Indicators

What we plan to do and our levels of service

KEY PERFORMANCE MEASURE 5:

- to provide and manage Council's properties

<i>How we do it</i>	• Provide property management of Council's properties to enable service delivery and safety for its users.		
<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.	Target Continue to maintain Council's properties and respond to 100% of service requests within 10 working days.	Performance 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. 2018/2019: 58% of service requests were responded to within 10 working days. 42% of service requests were not completed within 10 working days but may have been responded to within the 10 working day target, however this target was not measured. As the target of responding to requests within 10 working days was not measured this target cannot be met.



KPI met	
KPI not met	

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		1,906	1,818	1,999
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	685
Fees and charges		0	0	0
Internal charges and overheads recovered		406	478	454
Interest and dividends from investments		0	0	7
Local authorities fuel tax, fines, infringements fees and other receipts		1,442	1,475	2,482
Total Operating Funding	A	3,754	3,771	5,627
Applications of Operating Funding				
Payments to staff and suppliers		2,479	2,574	4,031
Finance costs		121	122	106
Internal charges and overheads applied		456	482	561
Other operating funding applications		0	0	5
Total Applications of Operating Funding	B	3,056	3,178	4,703
Surplus/ (deficit) of Operating Funding	A-B	698	592	924
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		200	0	7
Development and financial contributions		0	0	0
Increase/(decrease) in debt		49	671	(80)
Gross proceeds from sale of assets		0	0	188
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
Total Sources of Capital Funding	C	249	671	115
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		858	583	287
- to replace existing assets		651	1,254	750
Increase/ (decrease) in reserves		(562)	(574)	2
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	947	1,263	1,039
Surplus/ (deficit) of Capital Funding	C-D	(698)	(592)	(924)
Funding Balance	((A-B)+(C-D))	0	0	0

Council Controlled Organisations

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

Council's Controlled Organisations

Westport Airport

Buller Holdings Limited

WestReef Services Limited

Buller Recreation Limited

Westport Airport

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.

The commentary below is a summary of the Westport Airport Authority's 2019/2020 audited financial statements:

Performance commentary (results compared to the 2019/2020 Statement of Intent)

- Operating revenue for the Westport Airport Authority was \$66,903 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 \$46,926 lower than budgeted. This was primarily due to reduction in depreciation due to the write-off of 2004 runway seal which became obsolete this year. There were also minor reductions in expenses to adjust for unplanned Covid-19 restrictions which impacted operations.
- Interest costs of \$7,971 were incurred (2019: \$10,809) but not budgeted due to the current account which was overdrawn for much of the financial year.
- The capital budget allowed for \$10,200 of capital expenditure. This budget was for various small value fixed assets. During the year more was spent 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 \$2,400,000 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.

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

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

- Less landing fee income due to the effect of Covid-19 restrictions.

Subsidies and grants for capital expenditure

- Central government PGF grants for construction of the airport seawall.

Increase (decrease) in reserves

- Impact of variances above.

Significant Capital Expenditure

To replace existing assets

- The variance relates to construction of a PGF funded seawall to protect the airport. The capital expenditure was primarily funded by a PGF grant from central government.

Performance Targets

The joint operation performance is judged against the following measures:

Financial Performance	Actual 2018/2019 \$	AP Budget 2018/2019 \$	Actual 2019/2020 \$	AP Budget 2019/2020 \$
Operating revenue	229,229	200,500	165,089	231,992
Operating expenditure	410,500	368,755	342,670	389,596
Net profit (loss)	(192,080)	(168,255)	(177,580)	(157,604)
Capital expenditure	517,467	1,061,550	1,663,650	10,200

Ratio of Shareholder Funds to total assets

The forecast ratio of shareholder funds to total assets:

Actual 2018/2019	AP Budget 2018/2019	Actual 2019/2020	AP Budget 22019/2020
85%	99%	87%	99%

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

Funding Impact Statement

		2018/2019 LTP Budget \$000	2019/2020 LTP Budget \$000	2019/2020 Actual \$000
Operating Funding				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties		84	106	79
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		100	102	83
Total Operating Funding	A	184	208	162
Applications of Operating Funding				
Payments to staff and suppliers		116	131	125
Finance costs		0	0	4
Internal charges and overheads applied		14	15	14
Other operating funding applications		0	0	0
Total Applications of Operating Funding	B	131	146	143
Surplus/ (deficit) of Operating Funding	A-B	54	62	19
Capital Funding				
Sources of Capital Funding				
Subsidies and grants for capital expenditure		0	0	621
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
Total Sources of Capital Funding	C	0	0	621
Capital Expenditure				
Application of capital expenditure:				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		531	10	1,658
Increase/ (decrease) in reserves		(477)	52	(1,018)
Increase/ (decrease) in investments		0	0	0
Total applications of Capital Funding	D	54	62	640
Surplus/ (deficit) of Capital Funding	C-D	(54)	(62)	(19)
Funding Balance	((A-B)+(C-D))	0	0	0

Buller Holdings Limited

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 2019/2020 \$000	Actual 2019/2020 \$000
Group revenue	12,717	15,279
Group expenditure	11,983	14,340
EBITDA	1,917	2,299
Provision for capex	450	1,086
Return on revenue	0.0%	9.94%
Distribution	1,000	1,316

Financial Results

Group

■ In the 2019/2020 year the group generated a loss before taxation of \$329,000 (2019: \$365,000).

■ A subvention payment of \$1,220,000 was made during the year from Buller Holdings Limited to Buller District Council. The total distribution during the financial year was \$2,536,000.

Subsidiary companies

■ WestReef Services Limited has had another strong year generating revenue of \$13,772,000 although this was down approximately \$244,000 on the 2019 figure of \$14,016,000.







■ 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 generated a loss before taxation of \$426,000- this exceeds the budget of \$552,000.

■ It is pleasing to see membership numbers well up at the year end. The acquisition of 24HR Fitness during the year 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 2019	Achievement 2020	Achieved
Operational	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 seven times on Board meeting days: 28 September 2018; 30 October 2018; 12 December 2018; 19 February 2019; 17 April 2019; 14 May 2019; and 25 June 2019.	The Board met with the CCO Committee four times during the year.	
	The Buller Holdings' Chief Executive will provide a formal and/or informal report to Council as requested.	Three 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.	Regular monthly meetings with the CEO and BDC have been completed.	Four meetings with the CEO and BDC have been completed.	
Safety	Total recordable injury frequency rate per 1,000,000 hours	0.0 injury frequency rate.	0.0 injury frequency rate.	
	Nil serious harm incidents to customers or staff	0- achieved.	0- achieved.	
Statement of Intent	The Directors shall provide a Statement of Intent (SOI) by 1 March for approval by Council	Achieved	Achieved	

KPI met	
KPI not met	

WestReef Services Limited

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

The company is the largest civil and maintenance company in the Buller District and is the Council's most utilised 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?

- 2019/2020 was a challenging yet successful year for the company with sound achievements relating to business resilience and continuity, development and financial performance.
- The greatest challenge (along with the rest of NZ) was the emergence of Covid-19 forcing our business into level 4 lockdown. This unprecedented and fast-moving phenomenon represented a challenging, unusual and busy period especially for our management team. Working remotely staff worked alongside clients to safely deliver essential services. The quantum of work undertaken on the ground during the lockdown period was significantly reduced at approximately 18% of 'normal' hours worked for the same period in 2018/2019.
- Considering the disruption associated with Covid-19, results exceeded forecast figures. Operating revenue generated for the period exceeded budget (\$10.64m) at \$13.77m. A profit margin of \$1.29m versus budgeted \$1.30m was also realised representing a 9% margin.
- Notable and significant tender successes included the Westport Footpath contract, Lake Gault Track (Fox Glacier), Kawatiri Coastal Trail and the Westport Terrace Trunk main renewal. A total of 62% of total revenue was competitively procured this financial year.
- After more than two years of remote backcountry work, the Paparoa Track was completed in collaboration with the Department of Conservation (DOC) this year. This was a major milestone and although the project was extremely demanding it was rewarding for all staff involved.
- The company successfully maintained ISO 45001 Health and Safety and TQS1 accreditations.
- Staff turnover continues to sit well below the nation average of 18.1% at 10.4%.
- As a community-oriented company WestReef Services Limited has continued to provide significant support to various organisations in the community.

Key Performance Indicators

Achieved

Performance Measure	Target	Achievement 2019	Achievement 2020	
Financial	Revenue, expenditure and provision for Capex in line with the budget.			
	Revenue over budget- \$10.646m.	\$14.016m.	\$13.772m	
	Expenditure over budget- \$9.346m.	\$12.634m.	\$12.482m.	
	Provision for Capex- \$550,000.	\$769,000. Additional capex spend was required due to project requirements and unforeseen plant upgrades.	\$637,000. Trailer ordered in June 2020, received in July 2020 (\$130,000).	
	Net operating surplus >\$1.300m.	\$1.382m.	\$1.290m.	
	Gross revenue before subvention payment 12%.	10%- not achieved.	9%- not achieved.	
	Ratio of shareholder funds to total assets >60%.	75%.	66%.	
	40% of revenue to be competitively procured.	66%	66%.	
Quality	Renewal of TQS1 certification.	Achieved 23 March 2019.	Due to Covid-19 this certification was extended until September 2020.	
Client satisfaction	Meet monthly with major clients and BDC engineers to obtain feedback on specific contract performance. Minimum of 12 meetings per year.	Meetings held: - 12 x BDC contract meetings. - 7 x DOC contract meetings. - NOC contract meetings, held as required.	Meetings held: - 12 BDC contract meetings . - 7 DOC contract meetings. - NOC contract meetings, held as required.	
Community support	Support at least 25 community activities.	53 community activities were supported. Target is conservative.	60 communities activities were supported. Target is conservative.	
Environmental	Receive no enforcement notices.	No enforcement notices were received.	Nil- no enforcement notices were received.	
Employee satisfaction	Undertake a staff satisfaction survey every two years to provide feedback on staff engagement and to use as a benchmark for future years.	Staff satisfaction survey was completed and presented to all staff on 10 December 2018. Positive feedback was received from staff.	Staff engagement survey to be completed in September 2020.	
	Employee turnover < 15% per annum.	9.2% staff turnover, below the national average of 18.1%.	10.2% turnover- achieved. Relatively low turnover compared to national average of 18.1%.	
	Hold weekly staff meetings with minutes kept.	Weekly 'toolbox meetings' were held with all departments.	Not achieved due to Covid-19.	
Safety	Medical treatment injuries, target Nil.	7- not achieved.	5- not achieved.	
	Lost time incidents target of zero.	6 - 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

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 2019/2020 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 was shut for seven weeks while in Alert Levels 3 and 4- as per national health requirements.
- A significant business transaction occurred with the purchase of 24HR Fitness. This has resulted in moving the gym to the old function room space to create a large gym area that has been well received by existing and new members.
- Fitness member numbers have increased to record levels.
- Fees have been substantially reduced for older members to enable more of the community to enjoy the facility.
- The aquatic centre continues to deliver quality programmes 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 personalised swim lessons.
- The Reefton pool had another good season. The facility delivers a good level of service for the community. Substantial improvements are to be undertaken by Buller District Council prior to opening for the 2020/2021 season.
- Staff are focused on improving the marketing distribution and ensuring better utilisation of social media to keep up to date with technological mechanisms. This will result in improved awareness of the Pulse Energy Recreation Centre and the services that are delivered.

Key Performance Indicators

Performance Measure	Target	Achievement 2019	Achievement 2020	Achieved
Financial	Revenue, expenditure and provision for Capex in line with the budget.			
	Revenue budget- \$707,000 (excluding management fees).	\$611,000	\$610,000 plus Covid-19 payment \$151,000.	
	Expenditure budget- \$2.109m.	\$2.037m	\$2.042m	
	Capex budget- \$255,000.	\$54,000	\$284,000	
	Net operating surplus (deficit) <(\$552,000).	(\$575,000)	(\$427,000)	
	BDC service fee- \$851,000.	\$851,000	\$851,000	
	Ratio of shareholder funds to total assets >60%.	84%	92%	
Fitness membership	Average membership over 12 months of 455 members.	453	683	
	Average retention rate over 12 months >75%.	96%	100%	
Aquatic centre usage	Average 4,080 visits per month over 12 months.	4,653	3,530- not achieved due to Covid-19.	
	Achieve 150 swimming students averaged over four swimming terms.	153	106	
Safety	Medical treatment injuries, target Nil.	4	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.	Weekly meetings held with Management and quarterly meetings with each department.	Weekly meetings held with management and quarterly meetings held with departments.	
	Review the succession plan for key positions and identify training needs and actions for the next 12 months.	Achieved. Consideration is given at Management meetings to skills and training if personnel in key positions leave.	Achieved. 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 July 2019.	Achieved by June 2020.	
	Undertake a staff satisfaction survey every second year.	Achieved during September 2018.	Due September 2020.	
Asset Management Plan (AMP).	Complete review of the Asset Replacement Schedule annually.	Each area working through comprehensive asset stocktake.	Achieved - comprehensive review undertaken.	
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Major Assets purchased included: Pool thermal blankets, pool vacuum, safety frames, hockey nets, co2 bank/ Ezitrol feeder, heat pump water heater	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

Contains

Statement of Comprehensive Revenue and Expenses

Statement of Changes in Equity

Statement of Financial Position

Statement of Cashflows

Funding Impact Statement

Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2020

	Notes	Parent			Group	
		2019/2020 Actual \$000	2019/2020 AP Budget \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
CONTINUING OPERATIONS						
Operating Revenue						
General Rates	1	8,833	8,638	8,354	8,822	8,343
Targeted Rates (excluding Metered Water)	1	6,037	6,073	5,850	6,032	5,845
Metered Water Charges		205	209	226	205	226
Rate Penalties	1	135	160	139	135	139
Subsidies and Grants		5,755	5,041	5,474	5,755	5,474
Investment Income	2	1,937	2,204	1,856	792	630
Other Income	2	2	0	3	973	3
Development and Financial Contributions		76	51	8	76	8
Fees & Charges		4,173	3,499	4,406	11,602	12,115
Gain on Sale of Investment Property		12	0	28	12	28
Vested Assets		208	52	0	208	0
Profit on Sale of Assets		160	0	0	160	17
Gain on Derivative Contracts	3	0	0	0	0	0
Gain on Revaluations of Investment Land	3	455	163	3	475	0
Share in Profit (Loss) of Associate		0	0	0	0	7
Total Operating Revenue	3	27,988	26,090	26,347	35,247	32,835
Operating Expenditure						
Employment Costs		5,786	5,290	5,037	12,479	11,517
Depreciation & Amortisation		6,285	6,652	6,340	7,592	7,728
Finance Costs (excluding loss on derivative contracts)		1,203	1,319	1,110	1,215	1,101
Loss on Derivative Contracts	4	899	0	1,072	899	1,072
Other Expenses		13,958	13,178	13,228	13,539	12,354
Loss on Sale of Assets	4	0	0	30	0	31
Assets Written Off		3,107	527	344	3,107	344
Loss on Revaluations of Investment Land		0	0	0	0	17
Loss on Revaluations of Assets Held for Sale		0	0	2	0	2
Loss on Sale/Write off Investment in Associate		0	0	0	38	
Loss on Sale/Write Off of Investment Property		138	0	75	138	75
Total Operating Expenditure	4	31,376	26,966	27,238	39,007	34,241
Net Surplus/(Deficit) from Continued Operations	5	(3,388)	(876)	(891)	(3,760)	(1,406)
DISCONTINUED OPERATIONS						
Surplus (deficit) for the year from discontinued operations		0	0	0	0	0
Net Surplus (Deficit) before Taxation		(3,388)	(876)	(891)	(3,760)	(1,406)
Income tax expense	6	0	0	0	(1,417)	(53)
Net Surplus/(Deficit) after Taxation		(3,388)	(876)	(891)	(2,343)	(1,353)
Other Comprehensive Revenue and Expenses						
Gain on Revaluations of Assets Held for Sale		0	0	0	0	0
Increase / (decrease) in infrastructure revaluation reserves		0	0	43,554	0	44,086
Gain / (loss) on investment recognised in asset revaluation reserve		(19)	0	2	(19)	0
Total Comprehensive Revenue and Expense		(3,407)	(876)	42,665	(2,362)	42,733

■ 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 2020

	Parent			Group		
	Notes	2019/2020 Actual \$000	2019/2020 LTP Budget \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Equity as at 1 July		384,530	334,337	341,865	381,910	339,177
Total Comprehensive Income		(3,407)	(876)	42,665	(2,362)	42,733
Transactions with Owners recorded directly in Equity		0	0	0	0	0
Total Equity at End of Year		381,123	333,461	384,530	379,548	381,910
Components of Equity:						
Accumulated Funds	20	163,346	170,673	165,752	158,823	160,185
Reserves	21	5,893	5,405	5,650	5,893	5,650
Asset revaluation reserve	22	211,884	157,383	213,128	214,832	216,075
Total Equity as at 30 June		381,123	333,461	384,530	379,548	381,910

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

		Parent			Group	
Statement of Financial Position as at 30 June 2020	Notes	2019/2020 Actual \$000	2019/2020 LTP Budget \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Current Assets						
Cash and Cash Equivalents	8	2,866	1,078	2,725	7,383	5,837
Trade and Other Receivables	9	4,611	5,401	5,243	4,404	4,871
Derivative Financial Instruments	16	0	0	0	0	0
Inventories		15	15	13	227	140
Other Current Assets	10	186	35	208	211	236
Short Term Investments		18,013	17,501	15,017	18,013	15,976
Assets Held for Sale	11	0	0	276	0	276
Total Current Assets		25,691	24,030	23,482	30,238	27,336
Non Current Assets						
Investment in Council Controlled Organisations	12	19,056	20,378	18,820	26	45
Other Investments	12	583	0	440	583	478
Investment Property	12	7,761	8,333	7,546	7,221	6,986
Infrastructural Assets	13	345,917	297,852	346,815	345,749	346,814
Other Non Current Assets	13	24,901	24,738	22,759	39,197	37,231
Derivative Financial Instruments	16	0	0	0	0	0
Deferred Tax	6	0	0	0	13	0
Intangible Assets	14	19	271	12	747	711
Total Non Current Assets		398,237	351,572	396,392	393,536	392,265
Total Assets		423,928	375,602	419,874	423,774	419,601
Current Liabilities						
Cash and Cash Equivalents	8	0	0	0	0	0
Trade and Other Payables	15	5,051	4,652	3,723	5,762	4,023
Derivative Financial Instruments	16	617	65	440	617	440
Tax Payable		0	0	0	0	0
Employee Benefits	17	727	527	595	1,408	1,212
Provisions	19	408	0	259	408	259
Current Portion of Borrowings	18	10,000	120	5,000	10,000	5,000
Total Current Liabilities		16,803	5,363	10,017	18,195	10,934
Non Current Liabilities						
Derivative Financial Instruments	16	2,404	940	1,682	2,404	1,682
Provisions	19	1,575	1,247	1,633	1,575	1,633
Bond Deposits		88	82	82	88	82
Employee Entitlements	17	161	140	156	189	184
Deferred Tax	6	0	0	0	0	1,402
Borrowings	18	21,774	34,368	21,774	21,774	21,774
Total Non Current Liabilities		26,002	36,777	25,327	26,030	26,757
Equity						
Accumulated Funds	20	163,346	170,673	165,752	158,823	160,185
Reserves	21	5,893	5,405	5,650	5,893	5,650
Asset Revaluation Reserve	22	211,884	157,383	213,128	214,832	216,075
Total Equity		381,123	333,461	384,530	379,548	381,910
Total Liabilities and Equity		423,928	375,602	419,874	423,774	419,601

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

	Parent			Group	
Statement of Cashflows for the year ended 30 June 2020	2019/2020 Actual \$000	2019/2020 LTP Budget \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Notes					
Cashflows from Operating Activities					
Cash was provided from:					
Rates	15,229	14,871	14,294	15,212	14,278
Other Income	10,436	8,540	10,252	19,863	18,141
Interest Received	737	804	612	801	612
Tax Received	0	0	0	0	0
Dividends & Subvention Payments Received	1,243	1,660	458	23	0
	27,645	25,875	25,616	35,899	33,031
Cash was applied to:					
Payments to Suppliers and Employers	19,138	18,793	18,417	25,124	23,902
Interest Paid	1,104	1,319	1,035	1,119	1,026
Income Tax Paid	0	0	0	0	0
Net GST Movement	(529)	0	348	(534)	336
	19,713	20,112	19,800	25,709	25,264
Net Cash from Operating Activities	7	7,932	5,763	10,190	7,767
Cashflows from Investing Activities					
Cash was provided from:					
Disposal of Fixed Assets	457	52	98	457	103
Investment Realised	16,517	0	14,257	16,517	13,393
	16,974	52	14,355	16,974	13,496
Cash was applied to:					
Purchase of Fixed Assets	10,079	7,423	9,075	11,161	9,914
Purchase of Investments	19,646	3,555	13,490	19,391	13,520
Purchase of Intangibles	40	0	0	67	0
	29,765	10,978	22,565	30,619	23,434
Net Cash from Investing Activities	(12,791)	(10,926)	(8,210)	(13,645)	(9,938)
Cashflows from Financing Activities					
Cash was provided from:					
Loans Raised	10,000	3,527	7,000	10,000	7,000
Principal elements of lease payments	0	0	0	1	0
Cash was applied to:					
Repayment of loans	5,000	120	5,000	5,000	5,000
Net Cash from Investing Activities	5,000	3,407	2,000	5,001	2,000
Net Increase/(Decrease) in Cash	141	(1,756)	(394)	1,546	(171)
Opening Cash as at 1 July	2,725	2,834	3,119	5,837	6,008
Closing Cash as at 30 June	8	2,866	1,078	7,383	5,837

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

Funding Impact Statement for whole of Council for the year ended 30 June 2020

		2018/2019 AP Budget \$000	2018/2019 Actual \$000	2019/2020 AP Budget \$000	2019/2020 Actual \$000
Operating Funding					
Sources of Operating Funding					
General rates, uniform annual general charge, rates penalties		8,379	8,354	8,638	8,833
Targeted rates		5,866	5,850	6,073	6,036
Subsidies and grants for operating purposes		2,239	2,471	2,299	3,308
Fees and charges		204	226	209	205
Interest and dividends from investments		1,956	1,856	2,204	1,937
Local authorities fuel tax, fines, infringements fees and other receipts		3,240	4,545	3,659	4,307
Total Operating Funding	A	21,885	23,302	23,082	24,626
Applications of Operating Funding					
Payments to staff and suppliers		16,127	17,588	17,852	19,199
Finance costs		1,222	1,110	1,319	1,202
Other operating funding applications		640	680	616	545
Total Applications of Operating Funding	B	17,990	19,378	19,787	20,946
Surplus/ (deficit) of Operating Funding	A-B	3,895	3,924	3,295	3,680
Capital Funding					
Sources of Capital Funding					
Subsidies and grants for capital expenditure		1,668	2,528	2,308	2,009
Development and financial contributions		50	8	51	76
Increase/(decrease) in debt		339	2,000	3,256	5,000
Gross proceeds from sale of assets		1,250	225	52	199
Lump sum contributions		435	475	435	437
Other dedicated capital funding		0	0	0	0
Total Sources of Capital Funding	C	3,742	5,236	6,102	7,721
Capital Expenditure					
Application of capital expenditure:					
- to meet additional demand		0	0	0	0
- to improve the level of service		2,133	1,333	2,270	1,036
- to replace existing assets		4,826	8,660	5,153	8,554
Increase/ (decrease) in reserves		(573)	(2,487)	1,773	(2,838)
Increase/ (decrease) in investments		1,250	1,654	201	4,649
Total applications of Capital Funding	D	7,636	9,160	9,397	11,401
Surplus/ (deficit) of Capital Funding	C-D	(3,895)	(3,924)	(3,295)	(3,680)
Funding Balance	((A-B)+(C-D))	0	0	0	0

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

Notes to the Financial Statements

Contains:

- Note 1** ~ Rates Revenue
- Note 2** ~ Investment Revenue
- Note 3** ~ Operating Revenue
- Note 4** ~ Operating Expenditure
- Note 5** ~ Operating Surplus
- Note 6** ~ Income Tax
- Note 7** ~ Reconciliation of Net Surplus after Tax to Cashflows from Operating Activities
- Note 8** ~ Cash and Cash Equivalents
- Note 9** ~ Trade and Other Receivables
- Note 10** ~ Other Current Assets
- Note 11** ~ Non Current Assets held for sale
- Note 12** ~ Investment in Council Controlled Organisations and Other Investments
- Note 13** ~ Property, Plant and Equipment
- Note 14** ~ Intangible Assets
- Note 15** ~ Trade and other Payables
- Note 16** ~ Derivative Financial Instruments
- Note 17** ~ Employment Benefit Liabilities
- Note 18** ~ Borrowings
- Note 19** ~ Provisions
- Note 20** ~ Accumulated Funds
- Note 21** ~ Reserves
- Note 22** ~ Assets Revaluation Reserves
- Note 23** ~ Related Party Transactions and Balances
- Note 24** ~ Council Subsidiaries, Associates and Joint Operations
- Note 25** ~ Statement of Commitments, Contingent Liabilities and Contingent Assets
- Note 26** ~ Capital Management
- Note 27** ~ Financial Instruments
- Note 28** ~ Post Balance Date Events
- Note 29** ~ Explanations of Major Variances against Budget
- Note 30** ~ Insurance of Assets
- Note 31** ~ Covid-19 Disclosure

Rates Revenue	2019/2020	2018/2019
	Actual \$000	Actual \$000
General Rates	8,833	8,354
Targeted Rates attributable to Activities:		
Water	2,835	2,638
Refuse and Sanitation	3,204	3,212
Roading	0	0
Economic Development	(2)	0
Penalties	135	139
Total Revenue from Rates	15,005	14,343

Rates Remissions	Parent	
	2019/2020 Actual \$000	2018/2019 Actual \$000
Rates revenue is shown net of rates remissions, BDC's rates remission policy allows BDC to remit rates on sporting, culture and other community organisations.		
Total Rates Revenue	15,071	14,406
Rates Remissions:		
Land used for sport	38	37
Land protected for historical or cultural purposes	28	27
Total Rates Remissions	66	64
Rates Revenue net of Remissions	15,005	14,343

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$378,379 (2019: \$327,965). For the Group, rates of \$378,379 (2019: \$327,965) have not been eliminated.

Rating Base Information

The rating base used to set the rates for 2019/2020 were 7,466 rating units within the Buller District as at 30 June 2019. The total capital value of these rating units as at 30 June 2019 was \$2,313,428,930, of which \$1,182,248,900 consisted of land value.

(2018/2019: 7,463 rating units, capital value of \$2,299,982,230 which includes a land value of \$1,181,178,200).

Investment Revenue	Parent		Group	
	2019/2020	2018/2019	2019/2020	2018/2019
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Interest	1,232	1,196	1,296	1,197
Subvention/Dividend	1,232	1,227	23	0
	2,464	2,423	1,319	1,197
Less: Internal Interest	527	567	527	567
Total Investment Revenue	1,937	1,856	792	631

Other Revenue	Parent		Group	
	2019/2020	2018/2019	2019/2020	2018/2019
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Investment Loan Discount Amortisation Revenue/(Expense)	2	3	2	3
Donations	0	0	0	0
Sundry Income	0	0	971	0
Total Other Revenue	2	3	973	3

Operating Revenue	Parent			Group	
	2019/2020 Actual \$000	2019/2020 LTP Budget \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Governance	36	30	3	36	3
Community Services	755	762	800	755	800
Regulatory Services	1,009	916	894	1,009	872
Amenities & Reserves	* 3,635	2,320	3,827	3,635	3,726
Roading & Urban Development	4,057	4,686	4,322	4,057	4,318
Solid Waste	718	731	763	718	763
Water Supplies	3,041	3,053	3,041	3,041	3,041
Wastewater	2,631	2,643	2,612	2,631	2,612
Stormwater	18	5	15	18	15
Airport	704	116	115	704	115
In House Professional Services	777	838	844	777	844
Support Services	4,789	4,698	4,092	4,789	4,092
	22,170	20,798	21,201	22,170	21,201
Plus:					
General Rates	8,833	8,638	8,354	8,822	8,343
Rates Penalties	135	160	139	135	139
Investment Income	1,937	2,204	1,856	792	630
Profit on Sale of Assets	160	0	0	160	17
Gain on Sale of Investment Property	12	0	28	12	28
Vested Assets	208	52	0	208	0
Sundry Income	2	0	3	973	3
Gain on Derivative Contracts	0	0	0	0	0
Gain on Revaluation of Investment Land	455	163	0	475	3
Group Income	0	0	0	7,424	7,701
Share in Profit/(Loss) of Associate	0	0	0	0	7
	33,912	32,015	31,584	41,171	38,072
Less: Internal Recoveries	(5,924)	(5,925)	(5,237)	(5,924)	(5,237)
Total Operating Revenue	27,988	26,090	26,347	35,247	32,835

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

Expenditure by Activity	Parent			Group	
	2019/2020 Actual \$000	2019/2020 AP Budget \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Governance	1,737	1,511	1,342	1,737	1,342
Community Services	3,852	3,997	3,901	3,852	3,901
Regulatory	1,977	1,927	1,669	1,977	1,669
Amenities & Reserves	4,703	3,692	4,404	4,703	4,404
Roading & Urban Development	4,210	4,757	3,826	4,210	3,826
Solid Waste	1,270	1,009	1,134	1,270	1,134
Water Supplies	2,031	1,958	1,696	2,031	1,696
Wastewater	1,456	1,428	1,412	1,456	1,412
Stormwater	268	265	274	268	274
Airport	143	138	169	143	169
In House Professional Services	809	770	876	809	874
Support Services	4,943	4,797	4,477	4,943	4,476
	27,399	26,250	25,180	27,399	25,180
Plus:					
Depreciation & Amortisation					
- Governance	0	0	0	0	0
- Community Services	286	246	311	286	311
- Regulatory	56	29	51	56	51
- Amenities & Reserves	693	706	675	693	675
- Roothing & Urban Development	3,149	3,156	3,147	3,149	3,147
- Solid Waste	81	82	80	81	80
- Water Supplies	803	1,028	818	803	818
- Wastewater	830	908	819	830	819
- Stormwater	262	260	270	262	270
- Airport	32	57	41	32	41
- In House Professional Services	4	10	7	4	7
- Support Services	88	170	120	88	120
- Group Depreciation	0	0	0	1,307	1,388
Other Group Expenses	0	0	0	6,286	5,597
Assets Written Off	3,107	527	344	3,107	344
Loss on Sale of Assets	0	0	30	0	31
Loss on Derivative Contracts	899	0	1,072	899	1,072
Loss on Revaluations of Investment Land	0	0	0	0	17
Loss on Revaluations of Assets Held for Sale	0	0	2	0	2
Loss on Sale/Write Off of Investment in Associate	0	0	0	38	0
Loss on Sale of Investment Property	138	0	75	138	75
Less:					
Internal Recoveries	(5,924)	(5,056)	(5,237)	(5,924)	(5,237)
Internal Interest	(527)	(538)	(567)	(527)	(567)
Total Expenditure	31,376	27,837	27,238	39,007	34,241

Operating Surplus was determined after accounting for:	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Fees to Principal Auditor:				
Audit fees for financial statement audit	115	114	197	195
Additional Audit Fees Recoverable 2018/2019 Audit	0	5	0	0
Audit fees for long term plan audit	0	0	0	0
Audit fees (1/2 share WAA)	5	5	5	5
Grants and Donations Expense	545	659	545	659
Lease Income	398	415	330	347
Lease Expense	95	62	136	103
Movement in provision doubtful debts:				
Accounts Receivable	(225)	25	(225)	25
	933	1,285	988	1,334

(i) Remuneration	Parent	
	2019/2020 Actual \$000	2018/2019 Actual \$000
During the year to 30 June 2020 the total remuneration and value of non-financial benefits received by or payable to the Mayor, other Councillors and the Chief Executive of the Council were as follows:		
Chief Executive:		
K Marshall (resigned 26 October 2018)	0	88,485
Sharon Mason (commenced 29 October 2018)	235,789	155,000
Total Chief Executive:	235,789	243,485
Mayor:		
Garry Howard (ceased 17 October 2019)	26,704	83,358
Jamie Cleine (commenced 18 October 2019, previously a Councillor)	72,712	20,323
Councillors:		
Gregory Hart (resigned 07 June 2019)	0	19,041
Graeme Neylon (ceased 17 October 2019)	11,275	36,962
Shayne Barry (ceased 17 October 2019)	7,839	24,553
Emily Miazga (ceased 17 October 2019)	6,273	19,470
Andrew Basher (commenced 17 July 2020, ceased 17 October 2019)	5,228	0
Dave Hawes	22,452	19,414
Robyn Nahr	24,915	23,697
Sharon Roche	38,057	31,355
Philip Rutherford	26,333	25,607
Rosalie Sampson (commenced 22 February 2018)	24,027	20,877
John Bougen (commenced 18 October 2019)	16,287	0
Martin Hill (commenced 18 October 2019)	16,005	0
Grant Weston (commenced 18 October 2019)	17,223	0
Joanne Howard (commenced 18 October 2019)	17,223	0
Margaret Montgomery (commenced 18 October 2019)	19,900	0
Total Mayor and Councillors	352,453	324,657

(ii) Severance Payments

During the year to 30 June 2020 no severance payments were made (2018/2019: no severance payments).

(iii) Employee staffing levels and remuneration

2019/2020	2018/2019
Actual	Actual
\$000	\$000

Number of employees:

Fulltime	47.0	42.0
Fulltime Equivalent of other employees	15.7	16.9

Buller District Council defines a full time equivalent employee as one that works a minimum of 40 hours per week. However in 2019/2020 there were two employees who work 37.5 hours per week under historic employment agreements (2018/2019: 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 82 (2018/2019: 80).

Remuneration Levels

2019/2020

	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$119,999	\$120,000 to \$199,999	\$220,000 to \$239,999
Number of Employees	38	22	8	7	6	1

2018/2019

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

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 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.

(In 2018/2019 there were 5 or fewer employees in the \$160,000 to \$179,999 bands, hence inclusion of those employees in a \$160,000 to \$239,999 remuneration band.)

Components of Tax Expense	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 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	(1,417)	(53)
Income Tax Expense	0	0	(1,417)	(53)

Relationship between Tax and Accounting Profit	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Surplus/(Deficit) before Tax	(3,388)	(891)	(3,760)	(1,406)
Tax @ 28%	(949)	(249)	(1,053)	(394)
Non-Deductible Expenditure	0	0	0	0
Non-Taxable Revenue	695	(48)	910	341
Prior Year Adjustment	0	0	0	0
Group Loss Offset	340	344	0	0
Temporary Differences Not Recognised	(132)	0	0	0
Tax Losses Not Recognised	46	(47)	0	0
Deferred Tax Adjustments	0	0	(1,274)	0
Tax Expense	0	(0)	(1,417)	(53)

Deferred Tax Assets/(Liabilities)

Parent	Property, Plant and Equipment	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2018	(183)	0	0	183	0
Credited to Profit & Loss	143	0	0	(143)	0
Balance at 1 July 2019	(40)	0	0	40	0
Credited to Profit & Loss	40	0	0	(40)	0
Charged to Equity	0	0	0	0	0
Balance at 1 July 2020	0	0	0	0	0

Group	Property, Plant and Equipment	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2018	(1,989)	139	25	368	(1,457)
Credited to Profit & Loss	63	18	8	(36)	53
Balance at 1 July 2019	(1,926)	157	33	332	(1,404)
Credited to Profit & Loss	1,398	26	(12)	5	1,417
Charged to Equity	0	0	0	0	0
Balance at 1 July 2020	(528)	183	21	337	13

Additional disclosures

2019/2020: Council has not recognised deferred tax assets in relation to temporary differences of \$132,414 (2018/2019: nil) and tax losses of \$1,205,320 (2018/2019: \$1,041,412). The deferred tax asset has been recognised at the group level.

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Surplus/(Deficit) before Tax	(3,388)	(891)	(2,343)	(1,200)
Add/(Less) Non-cash Items				
Depreciation & Amortisation Expense	6,285	6,340	7,592	7,728
Impairment	0	0	0	0
Movement in Provisions	91	247	91	247
Movement in Deferred Taxation	0	0	(1,415)	(208)
Donated Assets	0	0	0	0
Other Non Cash Items	0	0	0	0
Vested Assets	(208)	0	(208)	0
Loan Amortisation	(2)	(3)	0	0
(Gains)/Losses on Derivative Financial Instruments	899	1,072	899	1,072
	7,065	7,656	6,959	8,839
Add/(Less) Items as Investing Activities:				
(Gains)/Losses on Disposal of Investment Property and PPE	(33)	76	4	58
Non Cash Movement in Fixed Assets	3,107	343	3,700	71
(Gains)/Losses in Fair Value of Investment Property	(455)	(3)	(475)	17
	2,619	416	3,229	146
Add/(Less) Movements in Working Capital Items:				
Trade and Other Receivables	631	(1,155)	467	(450)
Inventories	(1)	4	(87)	6
Other Current Assets	22	(170)	25	(235)
Trade and Other Payables	846	(46)	1,738	619
Employee Benefits	138	2	202	42
	1,636	(1,365)	2,345	(18)
Net Cash Inflow/(Outflow) from Operating Activities	7,932	5,816	10,190	7,767

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Cash at bank and in hand	2,866	2,725	4,463	5,837
Short term deposits maturing three months or less from the date of acquisition	0	0	2,740	0
Total cash and cash equivalents	2,866	2,725	7,383	5,837

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

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Cash at bank and in hand	2,866	2,725	4,463	5,837
Short term bank deposits maturing within three months	0	0	2,740	0
Bank overdrafts	0	0	0	0
	2,866	2,725	7,383	5,837

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Trade Receivables	1,045	1,719	2,081	2,590
Amounts due from Controlled Entities (excluding GST):				
WestReef Ltd	7	16	0	0
Buller Holdings Ltd	20	0	0	0
Buller Recreation Ltd	0	0	0	0
Buller Health Trust	0	0	0	0
Interest Receivable	54	85	54	85
Dividend / Subvention Receivable	1,216	1,227	0	0
Other Receivables:				
NZTA Rooding Subsidies	1,284	1,237	1,284	1,237
Rates Receivable	1,017	1,216	1,017	1,216
	4,643	5,500	4,436	5,128
Less:				
Provisions for doubtful debts	(32)	(257)	(32)	(257)
	4,611	5,243	4,404	4,871
Represented by:				
Current Portion	4,611	5,243	4,404	4,871
Term Portion	0	0	0	0
Buller District Council has classified the following receivables as exchange transactions	2,070	2,039	3,106	2,911
Buller District Council has classified the following receivables as non exchange transactions	2,641	3,204	1,298	1,961
	4,611	5,243	4,404	4,871

Fair Value

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

Impairment

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

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

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

	2019/2020			2018/2019		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	4,012	0	4,012	4,625	0	4,625
Past due 1-60 days	67	0	67	74	0	74
Past due 61-120 days	23	0	23	41	0	41
Past due > 120 days	541	32	509	760	257	503
Total	4,643	32	4,611	2,200	257	5,243
Group						
Not past due	3,767	0	3,767	4,185	0	4,185
Past due 1-60 days	72	0	72	129	0	129
Past due 61-120 days	24	0	24	51	0	51
Past due > 120 days	573	32	541	763	257	506
Total	4,436	32	4,404	5,128	257	4,871

Provision for Impairment:

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Individual Impairment	32	257	32	257
Total Provision for Impairment	32	257	32	257

Individual Impairment:

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Past Due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	0	0
Past due > 120 days	32	257	32	257
Total Individual Impairment	32	257	32	257

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
At 1 July	257	232	257	232
Additional provisions made during the year	32	25	32	25
Provisions reversed during the year	(257)	0	(257)	0
At 30 June	32	257	32	257

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

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Other current assets:				
Work In Progress	22	22	24	24
Prepayments	164	186	187	212
	186	208	211	236

As at 30 June 2020 Council had no assets held for sale (2018/2019: Council had two investment properties (land), two motor vessels and one motor vehicles for sale).

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Non-current Assets held for sale are:				
Investment Properties (2018/2019: 2)	0	106	0	106
Motor Vessels (2018:2019: 2)	0	168	0	168
Motor Vehicle	0	2	0	2
	0	276	0	276

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Investment in CCOs				
Investment in CCOs (Buller Holdings Ltd)	17,530	17,275	0	0
Investment in CCOs (Loans to Subsidiaries)	1,500	1,500	0	0
Investments in other CCOs (NZ Local Government Insurance Corporation Ltd)	26	45	26	45
Total Investment in CCOs	19,056	18,820	26	45

Other Investments:

Investment in Associate	0	0	0	38
Term Deposits (maturity greater than one year)	0	0	0	0
DWC Community Loans	25	54	25	54
Bond Deposits	237	66	237	66
Borrower Notes LGFA	320	320	320	320
Total Other Investments	583	440	583	478

■ Council subscribed for 255,000 of additional shares in Buller Holdings Limited in 2019/2020 for \$255,000 in cash payments. The equity was to be used to fund capital expenditure in Buller Recreation Limited (2018/2019: \$73,000 of additional shares acquired by Buller District Council).

■ There was no impairment of investment in Buller Holdings in 2019/2020 (2018/2019: Buller District Council investment in Buller Holdings Limited was not impaired).

■ Council has provided a loan of \$1.5m to Buller Holdings Limited for working capital.

■ Council has future intentions to provide financial support to Buller Recreation Limited for capital expenditure.

Investments Acquired

	2019/2020 Actual \$000	2018/2019 Actual \$000
Investments acquired- shares issued by Buller Holdings Limited	255	73
Investments acquired (disposed of)- advances and loans	0	0
	255	73

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

■ The fair value of loans to related parties in 2019/2020 is \$1,500,000 (2018/2019: \$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 1.35%.

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Investment Property				
Balance at 1 July	7,546	7,793	6,986	7,253
Additions	225	0	225	0
Transfers (to)/from Non Current Assets Held for Sale	48	(53)	48	(53)
Disposals/Adjustments	(513)	(197)	(513)	(197)
Fair value gains/(losses) on valuation	455	3	475	(17)
Balance at 30 June	7,761	7,546	7,221	6,986

Investment Property- Revenue and Expenses	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Rental Revenue from Investment Property	207	240	139	172
Direct Expenses of Income Generating Investment Property	36	25	36	25
Direct Expenses of Non-income Generating Investment Property	0	0	0	0

■ Buller District Council investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence as at 30 June 2020. 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 2020 was \$7,761,000 (2018/2019: \$7,546,000).

■ As at 30 June 2020 there were no leasehold properties lodged at Council’s solicitors pending completion of sale, this is disclosed in note 11. (2018/2019: two properties).

Council 2020

Infrastructure Assets

	Cost/ Revaluation 01-07-19 \$000	Accumulated Depreciation 01-07-19 \$000	Carrying Amount 01-07-19 \$000	Current Year Addition \$000	Current Year Disposals \$000	Transfer (to)/from Assets Held for Sale \$000	Accumulated Depreciation on Disposals \$000	Current Year Depreciation / Impairment Charges \$000	Transfers /Others \$000	Revaluation Gains \$000	Cost/ Revaluation 30-06-20 \$000	Accumulated Depreciation 30-06-20 \$000	Carrying Amount 30-06-20 \$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
	348,538	(1,723)	346,815	11,592	(7,345)	0	0	(5,146)	(33)	0	352,753	(6,837)	345,916

Other Fixed Assets

	Cost/ Revaluation 01-07-19 \$000	Accumulated Depreciation 01-07-19 \$000	Carrying Amount 01-07-19 \$000	Current Year Addition \$000	Current Year Disposals \$000	Transfer (to)/from Assets Held for Sale \$000	Accumulated Depreciation on Disposals \$000	Current Year Depreciation / Impairment Charges \$000	Transfers /Others \$000	Revaluation Gains \$000	Cost/ Revaluation 30-06-20 \$000	Accumulated Depreciation 30-06-20 \$000	Carrying Amount 30-06-20 \$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
	42,144	(19,385)	22,759	3,367	(313)	0	0	(1,003)	94	0	45,291	(20,390)	24,901
TOTAL	390,681	(20,956)	369,725	14,959	(7,658)	0	0	(6,303)	62	0	398,044	(27,227)	370,817

Group 2020

Infrastructure Assets

	Cost/ Revaluation 01-07-19 \$000	Accumulated Depreciation 01-07-19 \$000	Carrying Amount 01-07-19 \$000	Current Year Addition \$000	Current Year Disposals \$000	Transfer (to)/from Assets Held for Sale \$000	Accumulated Depreciation on Disposals \$000	Current Year Depreciation / Impairment Charges \$000	Transfers /Others \$000	Revaluation Gains \$000	Cost/ Revaluation 30-06-20 \$000	Accumulated Depreciation 30-06-20 \$000	Carrying Amount 30-06-20 \$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
	348,535	(1,721)	346,814	11,423	(7,345)	0	0	(5,146)	0	0	352,614	(6,867)	345,749

Other Fixed Assets

	Cost/ Revaluation 01-07-19 \$000	Accumulated Depreciation 01-07-19 \$000	Carrying Amount 01-07-19 \$000	Current Year Addition \$000	Current Year Disposals \$000	Transfer (to)/from Assets Held for Sale \$000	Accumulated Depreciation on Disposals \$000	Current Year Depreciation / Impairment Charges \$000	Transfers /Others \$000	Revaluation Gains \$000	Cost/ Revaluation 30-06-20 \$000	Accumulated Depreciation 30-06-20 \$000	Carrying Amount 30-06-20 \$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
	68,403	(31,182)	37,231	4,787	(447)	0	516	(2,465)	(415)	0	72,328	(33,131)	39,197
TOTAL	416,937	(32,903)	384,045	16,210	(7,792)	0	516	(7,611)	(415)	0	424,939	(39,998)	384,946

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Work in Progress: Property, plant and equipment in the course of construction by class of asset				
Water System	426	4,342	426	4,342
Road Network	365	53	365	53
Other Assets	2710	795	2,845	798
Total Work in Progress	3501	5,190	3,636	5,193

Council 2019

Infrastructure Assets

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

Other Fixed Assets

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

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

Group 2019

Infrastructure Assets

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

Other Fixed Assets

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

Cost	Parent		Group		
	Software & Licences \$000	Total \$000	Goodwill \$000	Software & Licences \$000	Total \$000
Balance at 1 July 2018	730	730	698	760	1,458
Transfers	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Balance at 30 June 2019	730	730	698	760	1,458
Balance at 1 July 2019	730	730	698	760	1,458
Transfers	0	0	0	0	0
Additions	10	10	30	10	40
Disposals	0	0	0	18	18
Balance at 30 June 2020	740	740	728	752	1,480

Accumulated Amortisation and Impairment

Balance at 1 July 2018	675	675	0	7014	704
Transfers	0	0	0	0	0
Amortisation	43	43	0	43	43
Disposals	0	0	0	0	0
Balance at 30 June 2019	718	718	0	747	747
Balance at 1 July 2019	718	718	0	747	747
Transfers	0	0	0	0	0
Amortisation	3	3	0	4	4
Disposals	0	0	0	18	18
Balance at 30 June 2020	721	721	0	733	733

Carrying Amounts

Balance at 30 June 2019	12	12	698	13	754
Balance at 30 June 2020	19	19	728	19	747

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Trade payables	3,352	2,077	5,135	3,421
Amounts due to related parties:				
WestReef Ltd	1,072	1,044	0	0
Buller Arts & Recreation Trust	0	0	0	0
Buller Health Trust	0	0	0	0
Buller Holdings Ltd	0	0	0	0
Buller Recreation Ltd	0	0	0	0
Westport Harbour Ltd	0	0	0	0
Revenue Received in Advance	627	602	627	602
Total Trade and Payables	5,051	3,723	5,762	4,023
Buller District Council has classified the following payables as exchange transactions	4,081	2,922	4,793	3,222
Buller District Council has classified the following payables as non exchange transactions	970	801	968	801
Total	5,051	3,723	5,762	4,023

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Current Asset Portion:				
Interest Rate Swaps	0	0	0	0
Total Current Asset Portion	0	0	0	0
Non-Current Asset Portion:				
Interest rate swaps	0	0	0	0
Total Non-Current Asset Portion	0	0	0	0
Current Liability Portion				
Interest rate swaps	617	440	617	440
Total Current Liability Portion	617	440	617	440
Non-Current Liability Portion				
Interest rate swaps	2,404	1,682	2,404	1,682
Total Non-Current Liability Portion	2,404	1,682	2,404	1,682

- The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2020 were \$19,340,000 (2018/2019: \$19,340,000).
- At 30 June 2020 the fixed interest rates of interest rate swaps range from 2.17% to 4.34% (2018/2019: 3.19% to 4.34%)
- The interest rate swaps have been included at fair value.
- The termination date of the interest rate swap contracts of \$19,340,000 at 30 June 2020 range from 31 March 2024 to 30 March 2027 (2018/2019: 31 March 2022 to 31 March 2026).

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Accrued pay	147	101	147	104
Annual Leave & Long Service Leave	636	548	1,317	1,164
Retirement Gratuities	105	102	133	128
Total Employment Benefit Liabilities	888	751	1,597	1,396
Comprising:				
Current	727	595	1,408	1,212
Non-current	161	156	189	184
Total Employee Benefit Liabilities	888	751	1,597	1,396

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Current:				
Bank overdraft	0	0	0	0
Secured loans	10,000	5,000	10,000	5,000
Total Current Borrowings	10,000	5,000	10,000	5,000
Non-Current:				
Secured loans	21,774	21,774	21,774	21,774
Total Non-Current Borrowings	21,774	21,774	21,774	21,774
Total Borrowings	31,774	26,774	21,774	26,774

■ On 4 November 2016 Council negotiated a \$20,000,000 facility with the Local Government Funding Agency (LGFA). An additional commercial debt facility is in place for \$12,000,000 and matures on 1 July 2021. (2018/2019: \$12,000,000 commercial debt facility maturing 1 July 2021.)

■ Buller District Council's has debt of \$12,433,860 on floating interest rates (2018/2019: \$7,433,860). \$9,433,860 of this floating interest rate is set quarterly at the 90-day bill rate + 0.95%. The remaining \$3,000,000 is set quarterly by LGFA.

■ Council has interest rate swaps and floating rates for fixed interest rates for \$19,340,000 (2018/2019: \$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 (2018/2019: \$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 (2018/2019: \$500,000). There are no restrictions on the use of this facility.

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

Refinancing

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

Maturity Analysis and Effective Interest Rates

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

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
2019/2020			
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	21,773
Weighted average effective interest rate	0.0%	0.0%	4.7%
Later than five years	0	0	0
Weighted average effective interest rate	0.0%	0.0%	0.0%
	0	0	31,773

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

Fair value of non-current borrowings

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

Internal Borrowings

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

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

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

2019/2020	Loans repaid during period \$000	Loans drawn down during period \$000	Interest paid for the year	\$000	Balance as at 30 June \$000
Support Services	0	0			0
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
	711	0		527	8,909

Environmental Provision	Landfill Aftercare Provision	Contaminated Site Remediation	Total Environmental Provisions	Total Environmental Provisions
	2019/2020 Actual \$000	2019/2020 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Opening Balance	1,660	9	1,669	1,594
Additional Provisions	0	0	0	0
Amounts Used	(28)	0	(28)	(26)
Other Adjustments (including un-used provision reversed)	(10)	0	(10)	(11)
Discounting Changes	136	0	136	112
Closing Balance	1,758	9	1,767	1,669

Provision for Slipping	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Opening Balance	223	51	223	51
Additional Provisions	190	172	190	172
Amounts Used	(197)	0	(197)	0
Other Adjustments	0	0	0	0
Closing Balance	216	223	216	223

■ 2019/2020: The Provision for Slipping is included in the Current Liability section of the Parent Total Provisions table (2018/2019: The Provision for Slipping is included in the Current Liability section of the Parent Total Provisions table.)

Total Provisions	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Council and Group:				
Current Liability	408	259	408	259
Non-current Liability	1,575	1,633	1,575	1,633
	1,983	1,892	1,983	1,892

Landfill Aftercare Provision

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

Closure responsibilities:

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

Post Closure responsibilities:

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

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

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

■ The cash outflows for landfill post-closure costs have been estimated to occur for a period of 25-50 years from the closure of the site. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 3.38% which is based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2018/2019: 3.85%).

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Opening Balance as at 1 July	165,752	166,340	160,185	161,235
Net Surplus (Deficit) for the period	(3,388)	(891)	(2,343)	(1,353)
Transfer from Reserves	1,259	1,282	1,259	1,282
Transfer from Property Revaluation Reserve on disposal	1,225	404	1,225	404
Transfer to Reserves	(1,502)	(1,383)	(1,502)	(1,383)
Balance at 30 June	163,346	165,752	158,823	160,185

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Balance as at 1 July	5,650	5,549	5,650	5,549
Add: Transfer from Accumulated Funds	1,502	1,383	1,502	1,383
	7,152	6,932	7,152	6,932
Less: Transfer to Accumulated Funds	(1,259)	(1,282)	(1,259)	(1,282)
Balance at 30 June	5,893	5,650	5,893	5,650

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 2018 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance as at 30 June 2019 \$000	Opening Balance 1 July 2019 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance as at 30 June 2020 \$000
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	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	3,699	1,359	1,114	3,944	3,944	1,425	1,224	4,145
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	1,332	8	168	1,172	1,172	76	33	1,215
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.	0	14	0	14	14	0	0	14
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	6	2	0	8	8	1	2	7
Boiler Replacement Fund	Property Management, Amenities and Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7	0	0	7	7	0	0	7
Development Contributions	Regulatory	Proceeds form commercial and industrial development to provide for social and recreation need of the area	119	0	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	0	11	11	0	0	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10	0	0	10	10	0	0	10
TOTAL Reserves Only			5,549	1,383	1,282	5,650	5,650	1,502	1,259	5,893

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	0
Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the recycling activity	0	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	111	633	685	59	59	592	714	(63)
Karamea Solid Waste	Solid Waste		37	63	65	35	36	65	65	36
Maruia Solid Waste	Solid Waste		8	12	7	13	13	13	17	8
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(1,336)	2,183	1,690	(843)	(843)	10,188	9,818	(473)
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(199)	369	360	(190)	(190)	397	505	(298)
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	37	17	12	42	42	18	14	46
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	40	12	17	35	35	13	12	36
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	319	54	12	361	361	54	18	397
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	7	53	45	15	15	57	69	3
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	475	74	32	517	518	74	28	564
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(230)	292	388	(326)	(326)	83	99	(342)

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2018 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance 30 June 2019 \$000	Opening Balance 1 July 2019 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance as at 30 June 2020 \$000
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(84)	16	43	(111)	(111)	16	33	(128)
South Gravity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	14	6	3	17	16	6	1	21
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(20)	0	0	(20)	(20)	0	0	(20)
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(333)	2,235	1,695	207	206	2,252	2,010	448
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	488	339	509	318	318	340	269	389
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	77	38	71	44	44	38	35	47
Inangahua Junction Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(2)	0	0	(2)	(2)	0	0	(2)
Punakaiki Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	0	(16)	(16)	0	0	(16)
Punakaiki Camp	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(249)	43	88	(294)	(293)	50	39	(282)
Punakaiki Sea Wall	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	0	2	2	0	0	2
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(249)	215	235	(269)	(269)	152	216	(333)
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	0	0	0	0	0	0	0	0
TOTAL Separate Balances Only			(1,104)	6,654	5,957	(407)	(407)	14,408	13,962	40
TOTAL Reserves and Separate Balances			4,446	8,036	7,239	5,244	5,244	15,910	15,221	5,933

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Opening Balance as at 1 July	213,128	169,976	216,075	172,393
Change in Asset Values through Comprehensive Revenue	(19)	43,556	(19)	44,086
Transfer to accumulated funds on disposal of assets	(1,225)	(404)	(1,225)	(404)
Balance at 30 June	211,884	213,128	214,832	216,075
Comprising:				
Library Books	258	258	258	258
Roads and Bridges	179,058	179,260	180,422	180,622
Sewerage	13,182	13,224	13,481	13,523
Stormwater	8,504	8,505	8,847	8,848
Water Supplies	10,882	11,863	11,824	12,806
Investment Revaluation Reserve	0	18	0	18
Balance at 30 June	211,884	213,128	214,832	216,075

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 2020/2021 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:

	2019/2020 Actual \$000	2018/2019 Actual \$000
WestReef Services Limited		
Services provided by Council during the year	85	97
Services provided to Council during the year	6,742	7,328
Accounts payable to Council at 30 June	7	16
Accounts receivable from Council at 30 June	1,072	1,044
Asset purchased from Council during the year	0	0
Subventions revenue to Council during the year	1,209	1,227
Subventions payable to Council at 30 June	1,216	1,227
Buller Recreation Limited		
Service level fee paid by Council to Buller Recreation	851	851
Service level fee paid in advance by Council to Buller Recreation	0	0
Services provided to Council during the year	0	2
Services provided by Council during the year	2	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
Buller Holdings Limited		
Accounts payable to Council at 30 June	20	0
Loans owed to Council at 30 June	1,500	1,500
Subventions revenue to Council during the year	0	0
Subventions payable to Council at 30 June	0	0
Interest Expenses paid to Council	32	72
Total Shares Issued to Council	19,609	19,354
Shares Issued during the year	255	73
Asset purchased from Council during the year	0	0
Assets Purchased by Council during the Year	0	0
Westport Airport Authority		
Services provided by Council during the year	186	173
Services provided by Westreef during the year	2	22
Rates, lease and interest charges paid to Council during the year	8	11
Current account balance owed (to) from Council at 30 June	(79)	(537)
Equity contribution made by Council for the year ended 30 June	215	28
Lease Payments made to Westport Harbour Ltd during the year	0	1
	2019/2020 Actual \$000	2018/2019 Actual \$000
Buller Health Trust		
No related party transactions other than administration services provided by Council to Buller Health Trust during the year for no consideration.		0

■ No debts or transactions were written off between parties during the period. (2018/2019: No debts were written off.)

Key Management and Members of Council

Councillor Sharon Roche is a director/shareholder of ITatWORK. In 2019/2020 goods and services to the value of \$19,526 were provided to Council. (2018/2019: \$22,105).

Councillor John Bougen is a director/shareholder of Retail Solutions Limited. In 2019/2020 goods and services to the value of \$19,174 were provided to Council. (2018/2019: n/a)

Key Management Personnel Compensation	2019/2020 Actual	2018/2019 Actual
Mayor and Councillors:		
Full-time equivalent members	11.0	11.0
Remuneration	\$352,453	\$324,658
Senior Management Team, including Chief Executive:		
Full-time equivalent members	5.0	4.5
Remuneration	\$947,907	\$838,366
Total full-time equivalent personnel	16.0	15.5
Total key management personnel remuneration	\$1,300,360	\$1,163,024

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 5.

Council has a significant interest in the following entities:

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

CCO: Council Controlled Organisation

- The nature of the interests has not changed during the year.
- The main risk with the Westport Airport Authority is that the other party to this joint arrangement may not pay their share of costs and capital expenditure. However this risk is considered low because the other party is the Crown.
- There are no identified rules with the other Associates.
- All of the interests above are domiciled in New Zealand and operate under New Zealand jurisdiction.
- The Westport Airport Authority is strategic to the Council activities because the provision of air services supports visitors and stakeholders, it also has links to all Council activities. The Associates of Council are not key strategic interests of Council.

Westport Airport Authority

- Westport Airport Authority is proportionately consolidated on a line by line basis in the Parent Financial Statements.
- In 2019/2020 contributions totalling \$30,000 were made by the joint operation holders (2018/2019: contributions totalling \$55,000 were made).
- Buller District Council's 50% share of its interest in the joint operation is detailed below.

	2019/2020 Actual \$000	2018/2019 Actual \$000
Current Assets	22	22
Long Term Assets (represented by Equity)	3,616	2,721
Current Liabilities	298	18
Long Term Liabilities	0	0
Revenue	83	115
Expenses	171	205

Commitments	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000

Capital commitments approved and contracted

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

Motor Vehicles:

Not later than a year	0	0	0	0
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	0	0	0	0

Office Equipment:

Not later than a year	42	36	42	36
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	42	36	42	36

Plant and Equipment:

Not later than a year	0	10	0	10
Later than one year but not later than five years	0	14	0	14
Later than five years	0	0	0	0
	0	24	0	24

Land and Buildings:

Less than a year	11	11	11	11
More than 1 year less than 2	11	11	11	11
More than 2 years less than 5	6	17	6	17
Later than five years	0	0	0	0
	28	39	28	39

2019/2020: 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. (2018/2019: Kiwi Rail 10 year lease commenced 1 January 2013).

Other Contract Commitments

Buller District Council has a commitment to purchase land to the value of \$55,000 to be used for operating purposes. (2018/2019: \$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 \$4,000,000 to construct the Pontoons which are principally for the fishing fleet usage. 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. Council received a \$70,000 advance payment towards this project in the 2019/2020 year.

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:

	2019/2020 Actual \$000	2018/2019 Actual \$000
Utility services and fire fighting	1,329	1,170
Parks, reserves and cemeteries	1,010	979
Refuse collection, recycling and landfill operation	635	609
	2,974	2,758

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

Roading

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

	2019/2020 Actual \$000	2018/2019 Actual \$000
Roothing: not later than one year	2,621	2,741

Lease Commitments as Lessor

Council has a leases in place with Coaltown Trust, New World Investment NZ Limited and the West Coast Primary Health Organisation. (2018/2019: Coaltown Trust, Coast West Holdings Limited and the West Coast Primary Health Organisation.) The lease commitments are as follows:

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Less than a year	111	94	111	94
More than 1 year less than 2	111	85	111	85
More than 2 years less than 5	83	163	83	163
Greater than 5 years	0	0	0	0
	305	342	305	342

Contingent Liabilities for Council and the Group are as follows:

Council:

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

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

Council'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 (2018/2019: 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 present, there is still insufficient information to conclude on potential liability and claim quantum, if any (2018/2019: 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. (2018/2019: 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.

Group:

WestReef had \$130,000 in Performance Bonds outstanding with Westpac as at 30 June 2020 (2018/2019: \$30,000).

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

Buller Recreation Limited has no contingent liabilities as at 30 June 2020. (2019 nil.).

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

Contingent Assets

The Buller District Council and the Group has no contingent assets as at 30 June 2020 (2018/2019: Nil).

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

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

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

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

Buller District Council has the following Council created reserves:

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

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus 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.

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 2016/2017 Annual Plan.

Council has a maximum amount that can be drawn against its overdraft facility of \$500,000 (2018/2019: \$500,000). There are no restrictions on the use of this facility.

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Financial Assets				
Loans and Receivables:				
Cash and cash equivalents	2,866	2,725	7,383	5,837
Debtors and other receivables	4,611	5,243	4,404	4,871
Other financial assets:				
- Short term deposits	18,013	15,017	18,013	15,976
- Term deposits (maturity greater than one year)	0	0	0	0
- Community loans	25	54	25	54
- Loans to related parties	1,500	1,500	0	0
	27,016	24,539	29,826	26,738

Fair Value through other Comprehensive Income				
Other Financial Assets:				
- Unlisted shares	26	45	26	45
	26	45	26	45

Fair Value through Surplus or Deficit - held for trading				
Derivative financial instrument assets	0	0	0	0
Total Financial Assets at Fair Value through Surplus or Deficit	0	0	0	0

Financial Liabilities				
Fair value through Surplus or Deficit - held for trading				
Derivative Financial Instrument Liabilities	3,021	2,122	3,021	2,122
	3,021	2,122	3,021	2,122
Financial Liabilities at Amortised Cost				
Creditors and other payables	5,051	3,723	5,762	4,023
Borrowings:				
- Bank overdraft	0	0	0	0
- Secured loans	31,774	26,774	31,774	26,774
Total Financial Liabilities at Amortised Cost	36,825	30,497	37,536	30,797

Fair Value Hierarchy Disclosures

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

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

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

2019/2020	Observable	Significant	Total
	Inputs	Non-observable	
	\$000	inputs	\$000
		\$000	
Parent			
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
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

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

Maximum Exposure to Credit Risk

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

	Parent		Group	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Cash at Bank and Term Deposits	20,879	17,742	25,396	21,813
Debtors and Other Receivables	4,611	5,243	4,404	4,871
Community and Related Party Loans	1,526	1,554	25	54
Total Credit Risk	27,016	24,539	29,826	26,738

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	
	2019/2020 Actual \$000	2018/2019 Actual \$000	2019/2020 Actual \$000	2018/2019 Actual \$000
Counterparties with Credit Ratings				
Cash at Bank and Term Deposits:				
AA	17,411	14,274	21,928	18,345
BB	3,468	3,468	3,468	3,468
Total Cash at Bank and Term Deposits	20,879	17,742	25,396	21,813
Counterparties without Credit Ratings				
Cash at Bank and Term Deposits:				
Existing counterparty with no defaults in the past	0	0	0	0
Total Cash at Bank and Term Deposits	0	0	0	0
Community and Related Party Loans:				
Existing counterparty with no defaults in the past	1,526	1,554	25	54
Total Community and Related Party Loans	1,526	1,554	25	54

Contractual Maturity Analysis of Financial Liabilities

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

2019/2020	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Parent						
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
Total	39,846	44,889	16,080	17,666	8,422	2,720

Group						
Creditors and Other Payables	5,762	5,762	5,762	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
Total	40,556	45,599	16,791	17,666	8,422	2,720

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

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

Contractual Maturity Analysis of Financial Assets

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

2019/2020	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Parent						
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
Other Financial Assets:						
- 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
	27,016	27,255	27,245	10	0	0
Group						
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
Other Financial Assets:						
- 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
	29,826	30,052	30,042	10	0	0
2018/2019						
Parent						
Cash and Cash Equivalents	2,725	2,725	2,725	0	0	0
Debtors and Other Receivables	5,243	5,243	5,243	0	0	0
Other Financial Assets:						
- Short Term Deposits	15,017	15,257	15,257	0	0	0
- Term Deposits (maturity greater than one year)	0	0	0	0	0	0
- Community Loans	54	54	15	0	29	10
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	1,500	1,513	1,513	0	0	0
	24,539	24,790	24,753	0	29	10
Group						
Cash and Cash Equivalents	5,837	5,837	5,837	0	0	0
Debtors and Other Receivables	4,871	4,871	4,871	0	0	0
Other Financial Assets:						
- Short Term Deposits	15,976	16,216	16,216	0	0	0
- Term Deposits (maturity greater than one year)	0	0	0	0	0	0
- Community Loans	54	54	15	0	29	10
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
	26,738	26,978	26,939	0	29	10

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	2019/2020 \$000				2018/2019 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Financial Assets									
Cash and Cash Equivalents	1	(14)	0	14	0	(13)	0	13	0
Other Financial Assets- Short Term Deposits & deposits with maturities greater than 1 year	2	(180)	0	180	0	(150)	0	150	0
Financial Liabilities									
Derivatives- Held for Trading	3	(193)	0	193	0	(193)	0	193	0
Borrowings- Secured Loans	4	124	0	(124)	0	74	0	(74)	0
Total Sensitivity to Interest Rate Risk		(263)	0	263	0	(282)	0	282	0

Explanation of Sensitivity Analysis- Council

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$2,866,000 (2018/2019: \$2,725,000) of which \$1,465,000 (2018/2019: \$1,094,000) 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 \$14,000 (2018/2019: \$16,300).

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

Short Term Deposits consist of term deposits at financial institutions and total \$18,013,000 (2018/2019: \$15,017,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$180,000 (2018/2019: \$150,000).

Financial Liabilities

3. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$3,021,000 (2018/2019: \$2,122,000). 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 (2018/2019: \$193,000).

4. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$12,434,000 (2018/2019: \$7,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$124,000 (2018/2019: \$74,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Group - Interest Rate Risk	Note	2019/2020 \$000				2018/2019 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Financial Assets									
Cash and Cash Equivalents	1	(41)	0	41	0	(16)	0	16	0
Other Financial Assets- Short Term Deposits & deposits with maturities greater than 1 year	2	(180)	0	180	0	(160)	0	160	0
Financial Liabilities									
Derivatives- Held for Trading	3	(193)	0	193	0	(193)	0	193	0
Borrowings- Secured Loans	4	124	0	(124)	0	74	0	(74)	0
Total Sensitivity to Interest Rate Risk		(290)	0	290	0	(295)	0	295	0

Explanation of Sensitivity Analysis- Group

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$7,383,000 (2018/2019: \$5,837,000) of which \$3,241,000 (2018/2019: \$3,876,000) 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 \$41,400 (2018/2019: \$19,600).

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

Short Term Deposits consist of term deposits at financial institutions and total \$18,013,000 (2018/2019: \$15,976,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$180,100 (2017/2018: \$159,800).

Financial Liabilities

3. Derivatives - held for trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$3,021,000 (2018/2019: \$2,122,000). 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 (2018/2019: \$193,000).

4. Borrowings - secured loans

Council has floating rate debt with a principal amount totalling \$12,434,000 (2018/2019: \$7,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$124,000 (2018/2019: \$74,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

- 2019/2020: Council signed a delivery plan and funding agreement for the Three Waters Reform on 23 October 2020. Council's maximum amount payable under the funding agreement is \$4.54m.
- 2018/2019: In August 2019 the motor vessel Bob Gower categorised as an asset held for sale was sold by Council. The sale price is \$150,000 (GST exclusive)
- 2018/2019: Council has entered into a Settlement Agreement in respect to a leaky home claim relating to a residential property in the Reefton area constructed in 2008. The settlement amount paid in September 2019 is \$124,000.
- 2018/2019: Subsequent to balance date the Reserve Bank reduced the Official Cash Rate (OCR) on 7 August to 1.0% and market interest rates have reduced. This will reduce Council's interest costs on floating rate borrowings.

Explanations of major variances from Council's budgeted figures in the 2019/2020 Annual Report are as follows:

Operating Revenue

Total revenue was \$28.0m compared to a budget of \$26.1m:

- Subsidies and grants were \$0.7 million more than budgeted. Council received a number of unbudgeted subsidies from external parties over the period. PGF grants from central government for the Airport rockwall accounted for \$0.6m, government funded shovel ready projects including tree planting projects (\$370,000) and Harbour (\$70,000) were received. There was also a grant of \$300,000 for responsible camping to cover expenses related to tourism activity. Funding was received from Oceania Gold for an economic development officer for Reefton for \$50,000. This was offset by less subsidies from NZTA for roading (\$0.7m).
- Fees and charges were \$0.7m higher than budgeted which is primarily made up of additional Harbour income mainly from dredging (\$0.7m), Building income (\$108,000), and unbudgeted Roading income for bridge remediation (\$70,000). This was offset by other smaller movements across a range of other Council activities.
- Gain on Revaluations of Investment Land were \$455,000 due to improvements in the property market resulted in gains to Councils investment land.

Operating Expenditure

Total expenses were \$31.4m compared to a budget of \$26.9m:

- Employee benefit expenses were \$0.5m higher than budgeted. The variance is primarily made up of \$102,000 in the Harbour activity which relates to additional dredging work that was not budgeted, \$94,000 in Governance remuneration, \$72,000 in responsible camping wages which was covered by a government grant, as well as an economic development officer in Reefton (\$50,000) which was also covered by a grant. \$93,000 of Reserve Board wages that are now included which were not budgeted in this category. The remainder of the variance is within the Support Activity.
- Other expenses were \$0.8m higher than budgeted. The variance in other expenses is primarily made up of additional expenses for the harbour and dredge (\$0.6m), unbudgeted costs for responsible camping which were covered by a government grant (\$176,000), additional building legal settlement costs \$142,000 offset by various other movements in other expense items.
- Depreciation & Amortisation was \$0.4m lower than budgeted mainly due to variations in the capital expenditure to budget and adjustments in infrastructure valuation.
- Finance costs were less than budgeted due to interest rates were less than anticipated during the period which accounted for savings. Offset by movements in discounting interest on Council's landfill provision. Council entered into a number of interest rate swaps some time ago when interest rates were expected to remain relatively high, if not 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 2020. 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 variance in the non-cash write off of assets that amounted to \$2.6m more than budgeted. This was due to a large write off of the old Westport water tunnels.
- There was a non cash loss in derivative contracts of \$0.9m. This related to market interest rate movements that had a negative effect on the fixed portion of Councils debt facility.

Total Comprehensive Revenue & Expense

- Council budgeted for \$876,000 deficit in Total Comprehensive Revenue and Expense but achieved a \$3.4m deficit. The difference is mainly due to asset writeoffs and the loss on derivative contracts offset by revaluations in investment properties, highlighted in the note above.

Statement of Financial Position

- Cash and cash equivalents were \$1.8m higher than budget due to differences highlighted to budget in cash revenue items less cash expenses items.
- Trade and other receivables were \$0.8m less than budget mainly due to efforts in managing debtor account balances.
- Short term investments were \$0.5m higher due to excess cash funds being available for investment.
- Investment in Council Controlled Organisations was \$1.3m lower than budget as the requirement to fund capital expenditure over time has been below expectations.
- Other Investments were \$0.6m more than budget due to higher than expected non-current term deposits and bonds.
- Investment property was \$0.6m less than budgeted due to variations in estimates to market movements.
- Infrastructure assets were \$48m higher than budget principally due to variations in the extent and timing of revaluations.
- Intangible assets are \$0.2m less than budgeted due to delays implementing the information management project.
- Trade and other payables are \$0.4m more primarily related to the timing of operating expenditure and payments related to capital projects.
- Current Provisions are \$0.4m higher than budgeted due to providing for a slipping provision for the dredge which was not provided for in budgets.
- Derivatives Financial Instruments are \$2.1m greater than budgeted due to unanticipated downward movements in interest rates that effect the fixed interest portion of Councils borrowings.
- Total Borrowings which takes into account the movements in current and term borrowings was \$2.7m lower than budgeted due to deferral of some debt funded capital projects such as bridges and Brougham House.

Cashflow Statement

- Rates income was \$0.4m higher than budgeted due to Council collecting additional rates from abandoned land and the movement in rates arrears over the period.
- Other income was \$1.9m greater than budgeted mainly due to additional income from dredge operations as well as additional income from government and external party subsidies.
- Dividends & Subvention Payments Received was \$0.4m less than budgeted due to the timing of the cash payments received.
- Investments realised & Investments purchased were \$15.9m and \$15.3m higher than budgeted due to maturation and subsequent re-investments of term deposits.
- Disposal of assets were \$0.4m more than budgeted due to sale of the harbor pilot vessel and motor vehicles which were not budgeted.
- Purchase of fixed assets were \$2.7m higher mainly due to the Westport water tunnel project.
- There was a variance of \$6.5m for loans raised and \$4.9m for loans repaid which relates to renewal of a tranche of debt during the period and the timing of drawdowns for capital items particularly the Westport water tunnel project, bridges and the Brougham House upgrade.

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

Water, wastewater and stormwater assets

- The total value of this asset category in the financial statements as at 30 June 2020 is \$72,443,000 (2019: \$68,117,000) (cost/revaluation).
- These activities have a total asset value for insurance purposes of \$150,195,000 (2019: \$123,072,000). Of this \$25,075,000 (2019: \$23,805,000) of mainly above ground infrastructure plant is fully insured for replacement value.
- Council insures 40% of the remaining assets of \$125,120,000 (2019: \$107,803,000) 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 2020 is \$255,680,000 (2019: \$257,305,000) (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 66% 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 2020 is \$6,383,000 (2019: \$6,337,000) (cost/revaluation). These assets have an asset value for insurance purposes of \$15,370,000 (2019: \$15,770,000). Vessels and hydrographical equipment are fully insured for \$1,894,000 (2019: \$2,294,000). The remaining assets comprising wharves and land based navigational assets \$13,476,000 (2019: \$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 2020 is \$33,952,000 (2019: \$32,903,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$53,933,000 (2019: \$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 2020 is \$1,119,000 (2019: \$1,055,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$1,009,000 (2019: \$1,049,000). All vehicles are insured for market value. The Council is insured for all glass related claims.

Covid-19

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

During Alert Level 3 and 4 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.

Financial Performance

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 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.

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.

Non-Financial Performance

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 is 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.

Subsequent Events

There are no subsequent events for matters that occurred after 30 June 2020 due to Covid-19.

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.

Statement of Accounting Policies

Reporting Entity

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

The Buller District Council group consists of Buller District Council and its subsidiaries Buller Holdings Ltd (BHL), WestReef Services Ltd (WSL) and Buller Recreation Ltd (BRL), subsidiaries in substance Buller Health Trust (BHT) and Westport Airport Authority (WAA) which is owned as a 50% joint 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 2020. The financial statements were authorised for issue by Council on 16 December 2020.

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

Which are relevant to the Council and group are:

- Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34- 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6- 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted. Council applied the new standards in preparing the 30 June 2020 financial statements.

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 2020. 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.
- 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
Airport runway:		
■ 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)
Roads:		
■ Formation	Not depreciated	
■ Basecourse- unsealed roads	Not depreciated	
■ Basecourse- sealed roads	1% to 2%	50- 100
■ Seal	4% to 12.5%	8- 25
Footpaths:		
■ 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
Water Reticulation:		
■ 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
Stormwater Reticulation:		
■ Pipes	1% to 1.54%	65- 100
Sewerage Reticulation:		
■ 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

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP or Public Benefit Entity Accounting Standards, using accounting policies that are consistent with those adopted by Buller District Council for the preparation of the financial statements.

Cost Allocation

Buller District Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Classification of Property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Landfill Aftercare Provision

The Landfill Aftercare Provision Note discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, eg Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also

carried out regularly as part of Council's Asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers prepare Council's roading asset revaluations and peer review the 3-waters revaluations. The last roading revaluation was prepared by BECA on 30 June 2019. The last 3-waters revaluation was prepared in-house and was peer reviewed by BECA on 30 June 2019.

Independent Auditor's Report

To the readers of the Buller District Council's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of the 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 16 December 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 67 to 70 and 73 to 131:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2020;
 - 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 71, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;

- the statement of service provision (described as “Our work in detail”) on pages 14 to 56:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, 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 14 to 56, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s annual plan; and
- the funding impact statement for each group of activities on pages 14 to 56 and 59, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 8 to 12, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in note 31 to the financial statements and pages 16, 19, 43 to 44, 47, and 54 of the statement of service provision.

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 7, 13, 57 to 58, and 60 to 65 but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: 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 carried out a limited assurance engagement related to the District Council's debenture trust deed, which is 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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