

Summary Annual Report from 2020/2021

Summary of Buller District Council's achievements from 2020/2021 Message from the Mayor & Chief Executive Officer

Tena koutou, Tena koutou, Tena kotou katoa

Welcome to Buller District Council's Annual Report for 2020/2021 which details our performance for the third year of the 2018-2028 Long Term Plan (LTP).

This included completing more than 90% of the infrastructure works programs, for the third year in a row – completing the Reefton swimming pool upgrade, Waimangaroa water project, completion of key Provincial Growth Fund projects such as the Hector landfill wall and the Tidal Creek bridge.

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.

Many of our projects take a collaborative approach and are aimed to help our community thrive. This has involved proactively working relationships with other organisations, particularly local iwi, neighbouring Councils, governance 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.

Jamie Cleine
Mayor

Sharon Mason
Chief Executive Officer

Overall financial result

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

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

- The Buller Precinct Port package and Fishing Assets Renewal projects (\$5.4m).
- 3-Waters Trunk Main Projects for both Punakaiki and Westport water supplies (\$1.9m).
- Tidal Creek No 2 Bridge replacement (\$1.8m).
- Old Hector Landfill Seawall (\$0.8m).
- Westport Waterfront Redevelopment project (\$0.6m).
- Coastal Planting (Worker Redeployment) (\$0.6m).
- Community Halls & War Memorials Upgrades (\$0.4m).
- Airport seawall protection rock wall (\$0.38m).
- Nile River Pedestrian Bridge (\$0.35m)
- Responsible camping fund (\$0.22m)
- Punakaiki Masterplan (\$0.20)
- Library Secondment (\$0.16m) and
- Whitebait Farm administration grant (\$0.093m)

Working with our Communities

Council embraces the four community well-beings:

- Cultural
- Social
- Economic
- Environment




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 regular functions.

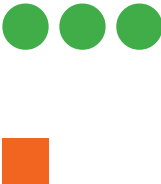
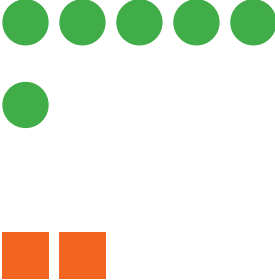


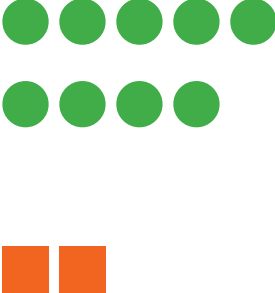
Community outcomes set the direction for the Long Term Plan (LTP) and the Annual Plan (AP). All activities including in the LTP or AP that Council undertakes, make a contribution toward achieving the community outcomes and well-beings.

Non-financial performance measures

Council measures its performance each year using a core set of Key Performance Indicators (KPI's) that are determined in the Long Term Plan. Council has 71 performance measures reported across 10 groups of activities.

During 2020/2021 Council met 49 of the 71 measures.

<p>Governance and Representation</p> <p><i>Council measures 6 KPIs. 4 were met and 2 were not met.</i></p> <p>A target that 85% of residents would be satisfied with the information Council distributes was measured and resulted at 82% (2020: not met as not measured).</p> <p>A target that 90% of residents are satisfied that Council consults with them on important issues was directly measured and customer satisfaction level was 70%, therefore the KPI could not be met (2020: not met as not measured).</p>	
<p>Customer and Support Services</p> <p><i>Council measures 2 KPIs, both were met (2020: both were met).</i></p>	
<p>Community Services</p> <p><i>Council measures 6 KPIs, with 5 met and 1 KPI not met.</i></p> <p>The measure was to achieve active library members by maintaining or increasing by 0-4% per annum. The actual result was a decrease of 0.67% this represents 2,633 active members (2020: 2% represents 2,651 active members, the target was met).</p>	

<p>Regulatory Services</p> <p><i>Council measures 4 KPIs, with 3 being met.</i></p> <p>One KPI was not met because not all food, hairdresser, funeral homes, campgrounds and offensive trader premises were inspected. Under new legislation not all food premises are required to be inspected annually (8 overdue for inspection) (2020: 22 premises were overdue for inspection).</p>	
<p>Property Management</p> <p><i>Council measures 8 KPIs with 6 being met and 2 KPIs not met.</i></p> <p>Council planned to respond to service requests 100% of the time within 10 working days or less. The actual result was 54% if service requests were responded to within 10 working days (2020: 53%).</p> <p>Council also planned to complete a satisfaction survey during the year, but this was not undertaken due to day to day operating of the Housing for the Elderly work transitioned between staff members and broader, longer-term discussions began around future options for the HFTE portfolio. therefore the measure could not be met (2020: was not measured).</p> <p>The measure that at least 80% satisfaction survey on elderly housing provided was not met. This could not be measured as a questionnaire/survey was not completed. (2020: no questionnaire issued, target not met).</p>	
<p>In-house Professional Business Unit</p> <p><i>Council measured 1 KPI, which was met (2020: the measure was met).</i></p>	
<p>Stormwater</p> <p><i>Council measures 9 KPIs, all of which were met (2020: all measures met).</i></p>	
<p>Wastewater</p> <p><i>Council measures 11 KPIs, 9 were met, 2 were not met. (2020: 7 measures were met, 1 measure was not met).</i></p> <p>Providing sewer collection and disposal performance measure was not met for two areas: sewerage system blockages number of complaints was 13 (target ≤5 complaints per annum) (2020: 25, target not met).</p>	

Council response to issues target ≤ 5 complaints, actual result 6 complaints. (2020: 1 complaint, target was met).

Water Supplies

Council measures 16 KPIs. 8 were met, 8 KPIs were not met

Bacterial compliance was met for Westport, Carters Beach, Reefton and Inangahua Junction, but not for any other supplies. Protozoal compliance was not met for any supplies. The target is 100% compliance (2020: Bacterial compliance was met for Inangahua junction but not for any other supplies, protozoal compliance was not achieved for any water supplies). The target percentage of water loss from networked reticulation of 20% was not met because the plant item to measure water loss was not operational for the whole year and the water loss was unknown (2020: not measured).

The target to attend call outs within two hours, and target to resolve faults withing five hours have not been achieved. There were 32 urgent requests based on Council's service request system, 24 were attended within two hours and eight were attended late (2020: 25 urgent requests and 2 were attended late). There were 32 urgent requests based on Council's service request system, 25 were resolved within five hours and seven were resolved late (2020: 25 urgent requests and 2 were resolved late).

The target for average consumption of drinking water per day per resident of 700 liters was measured and the target has not been met for Inangahua which displayed 1,700 litres. Reefton, Punakaiki, Waimangaroa, Mokihinui, Little Wanganui, Ngakawau-Hector, and South Granity weren't measured due to unavailability of data to determine water usage. Water model showed Westport/Carters Beach average consumption of 493.73L/property/day (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).

The mandatory performance measure to have less than 5 complaints per 1,000 connections about the continuity of supply was not met (7.97) (2020: 6.23 target wasn't met), and the measure to have less than 5 complaints per 1,000 connections about drinking water pressure was not met (7.72) (2020: 4.98 target was met).

(2020: 10 out of 16 measures were met.)

Roading and Transport

Council measures 8 KPIs. 2 were met and 6 weren't met.

This was because the 2020/2021 reseal program focused predominantly on urban roads which have a greater width therefore Council did not achieve lane kilometers sealing area target of > 5.8%. The result was 4.5% (2020 4.7%).

The measure to reduce number of fatalities and serious injury crashes on the local road network from the previous financial year was not achieved as the number has increased from 2 to 3 compared to previous financial year. (2020: target was achieved).



<p>The target to measure smooth travel exposure (STE) by maintaining ≥ 90 STE count/km road roughness testing. Target not measured due to the road survey not being completed (2020: 89% target was achieved).</p> <p>Continue to achieve 75% of footpaths ranked as grade 1 and 2 (satisfactory) was not made. The result was 64% (2020: 89% target was achieved).</p> <p>Continue to achieve $\geq 95\%$ of footpaths ranked as grade 1-3(satisfactory or deficient) was not made. The result was 89% (2020: 99% target was achieved).</p> <p>Target to achieve 80% of customer service requests relating to roads and footpaths to which the territorial authority responds to within 15 days was not met. The result was 65% (2020: 100% target was achieved).</p> <p>Achieve $\geq 5.8\%$, 10 year average as a percentage of the sealed road network that is resurfaced was not met. The result was 3.1% with the 10 year average being 4.5%. (2020: 2.6%, 10 year average 4.7%, target not met).</p> <p>(2020: 7 KPI's were met, 1 was not met.)</p>	
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Statement of Compliance and Responsibility

The Annual Report Summary provides an overview of Council's activities, services and finances for the year 1 July 2020 to 30 June 2021. The information is taken from Council's audited 2020/2021 Annual Report, adopted by Council on 22 December 2021. Complete information about Council's financial position and operation is provided in the full 2020/2021 Annual Report. The summary Annual Report was authorised by the Chief Executive Officer of the Buller District Council on 21 January 2022.

A copy of the full 2020/2021 Annual Report is available to read online at www.bullerdc.govt.nz/annual-report and is also available from Council offices and libraries in Reefton and Westport.

Infrastructure assets

WASTEWATER / SEWERAGE | Monitoring and reporting of the Wastewater Treatment Plants has been undertaken in accordance with the resource consents.

The composting of bio-solids from the wastewater treatment plant with green waste has continued at Westport.

The sewer and stormwater system modelling and separation 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.

SOLID WASTE | The contracted approach to Solid Waste has seen an increase of 17% from last year in the solid waste transported to York Valley in Nelson. This is mainly due to the reduction in the types of waste that can be recycled and an increase in the contamination rate of the recycling collected.

Council has continued with district-wide education campaigns around recycling, reminding residents as to what can be recycled, as well as encouraging people to reduce and reuse waste.

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

WATER SUPPLIES

Westport | Council has resolved to replace the 14” trunk main due to the ongoing leakage issues.

The water model for Westport was completed during the year, the model included key insights into the function of the supply and indicated the extent of leakage within the network. A programme is planned for the 2021/2022 year to reduce leakage within the reticulation.

Waimangaroa | A compliant Conns Creek water supply will provide drinking water to the Waimangaroa township. This is due to go out to tender early in the 2021/2022 financial year.

Reefton

Reefton is currently on a precautionary boil water notice (BWN) following advice from the Canterbury District Health Board. In 2021/2022 work began on the Reefton water upgrade with the rising main being laid from the water treatment plant on The Strand to the base of the reservoir hill on Donovan Street.

Punakaiki | The replacement of the Punakaiki trunkmain commenced with stage 1 completed and stage 2 started within the 2021/2022 financial year. Upgrades to the Punakaiki klip tanks will also be installed.

ROADING & TRANSPORT

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 2020/2021 year.
- The financial assistance rate of 100% is guaranteed for special purpose roads (SPRs) until 2023/2024. A business case assessment has been completed and Council is negotiating a transition plan with Waka Kotahi/NZTA to determine if the Karamea SPR should be re-classified as State Highway.
- 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 Glasseye right turn bay, barrier installations, corner shaping and reseals.

- Tidal Creek Bridge No. 2 replacement was completed at a value of \$1.8m, fully funded by the Provincial Growth Fund.
- Nile/Waitakere River pedestrian bridge build was completed at a value of \$348,000 which was fully by NZTA.
- The seal at Kohaihai was extended by 4.1km through to tourist area at the entrance to the Heaphy Track.
- Footpaths in Westport and Reefton were progressively renewed and resurfaced to provide a safer pedestrian environment.
- Reseals through the district were also undertaken.
- Street lights undertook a LED replacement program throughout the district.

Financials as at 30 June 2021

Summary of Statement of Comprehensive Revenue & Expenses <i>for the year ended 30 June 2021</i>	Parent	Parent	Parent	Group	Group
	2020/2021	2020/2021	2019/2020	2020/2021	2019/2020
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Operating Revenue	45,744	27,238	27,988	54,979	35,247
Total Operating Expenditure *	35,588	26,325	31,376	45,199	39,007
Net Surplus (Deficit) from Continuing Operations	10,157	913	(3,388)	9,780	(3,760)
Surplus (Deficit) from Discontinued Operations	0	0	0	0	0
Net Surplus (Deficit) Before Taxation	10,157	913	(3,388)	9,780	(3,760)
Income Tax Expense	0	0	0	(24)	(1,417)
Net Surplus (Deficit) After Taxation	10,157	913	(3,388)	9,756	2,343
Other Comprehensive Revenue & Expense - Increase/Decrease in Asset Revaluation & Other Reserves	0	4,793	(19)	0	(19)
Total Comprehensive Revenue & Expense	10,157	5,706	(3,407)	9,756	(2,362)
* Includes finance costs and derivative losses of:	870	983	2,102	869	2,114

Summary of Statement of Changes in Equity <i>for the year ended 30 June 2021</i>	Parent	Parent	Parent	Group	Group
	2020/2021	2020/2021	2019/2020	2020/2021	2019/2020
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Equity As At 1 July	381,123	375,833	384,530	379,548	381,910
Total Comprehensive Revenue & Expense	10,157	5,706	(3,407)	9,756	(2,362)
Equity At The End Of The Year	391,280	381,539	381,123	389,304	379,548
Accumulated Funds	174,319	171,489	163,346	169,393	158,823
Reserves	5,972	4,319	5,893	5,972	5,893
Asset Revaluation Reserve	210,989	205,731	211,884	213,938	214,832
Total Equity	391,280	381,539	381,123	389,304	379,548

Summary of Statement of Financial Position <i>as at 30 June 2021</i>	Parent	Parent	Parent	Group	Group
	2020/2021	2020/2021	2019/2020	2019/2020	2019/2020
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Current Assets	31,084	24,027	25,691	35,558	30,237
Total Non Current Assets	408,179	402,355	398,236	402,553	393,537
Total Assets	439,264	426,382	423,926	438,112	423,774
Total Current Liabilities	29,847	10,058	16,803	30,628	18,195
Total Non Current Liabilities	18,136	34,785	26,003	18,179	26,031
Total Equity	391,280	381,539	381,123	389,304	379,548
Total Liabilities And Equity	439,264	426,382	423,928	438,111	423,774

Summary of Statement of Cash Flows <i>for the year ended 30 June 2021</i>	Parent	Parent	Parent	Group	Group
	2020/2021	2020/2021	2019/2020	2020/2021	2019/2020
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Net Cash Inflow (Outflow) From Operating Activities	12,866	7,004	7,932	14,196	10,190
Net Cash Inflow (Outflow) From Investing Activities	(9,901)	(10,308)	(12,791)	(13,602)	(13,645)
Net Cash Inflow (Outflow) From Financing Activities	0	2,702	5,000	2	5,001
Net Increase (Decrease) In Cash Held	2,966	(602)	141	596	1,546
Opening Cash Balance At 1 July	2,866	1,439	2,725	7,383	5,837
Closing Cash Balance	5,832	837	2,866	7,979	7,383

Audit New Zealand has issued an unmodified audit opinion for the full Annual Report. Audit New Zealand has raised an emphasis of matter regarding the Government's three waters reform program.

Without modifying their opinion, Audit New Zealand drew attention to the disclosures about the impact of the Government's three waters reform program on the District Council as set out in note 28 on page 123 to the financial statements.

Notes to the Accounts

- Part 6 Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of information contained in its full financial report.
- All figures reported in the summary are presented in New Zealand dollars and are rounded to the nearest thousand dollar amount.
- Comparative information for the previous reporting period is shown for all items disclosed in the summary financial statements, except when such information is not disclosed in the full financial statements.
- The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 22 December 2021 and authorised for issue by the Buller District Councillors on that date. This summary has been prepared in accordance with Public Benefit Entity (PBE) FRS 43: Summary Financial Statements.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The report dated 22 December 2021 has received an unmodified audit report. A copy of the full financial report may be obtained from Council's offices or on the Council's website (www.bullerdc.govt.nz).
- This summary financial report has been examined by the auditor for compliance with the full financial report. An unmodified auditor's report is included with this summary.
- The information included in the summary financial report has been extracted from the audited full annual report and authorised for issue by the Chief Executive on 21 January 2022..
- Council's summary financial report has been prepared in accordance with NZ GAAP. The report complies with PBE Standards as they relate to the summary financial statements.
- Council's full financial statements have been prepared in accordance with NZ GAAP. They comply with PBE Accounting Standards as applicable for a Tier 1 Public Benefit Entity.
- There has been no new standards and amendments issued which are relevant to the Council and group, which have been adopted.
- Post Balance Date Events**

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

12. Contingent Liabilities

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

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

Eight school buildings (one in Auckland) built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court. The court has directed that the trial be staged. The first stage was to be a 6 month hearing commencing in April 2020, to determine whether shadow clad is inherently defective.

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

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

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

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

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

Group

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

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

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

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

13. Covid-19

The Covid-19 pandemic has not significantly impacted the Buller District Council financial results. During Alert Level 1 and 2 the Council was able to operate at close to usual capacity by providing essential services for the community as allowed for under each Alert Level.

Financial results

Revenue and Expenditure

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

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

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

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

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

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

Major projects this year have included:

Reefton Water Supply upgrade spend at balance date was \$854,000 that has been carried over to be completed in the 2021/2022 financial year ; and

Roading capital expenditure totalled \$6.4m for 2020/2021 compared to the budgeted spend of \$3.1m. \$1.8m related to Tidal Creek Bridge No 2 and \$348,000 for Nile River Bridge. Council received government funding for both bridges.

Council spent funds on a number of community assets during the year.

Reefton Pool upgrade \$544,000.

District revitalisation expenditure totalled \$1.4m against a budget of \$410,000. Council received \$600,000 in government funding in 2020/2021 relating to the Westport Waterfront Development. The spend at balance date for this project was \$1.2 million that has been carried over to be completed in the 2021/2022 financial year.

Council's Annual Report shows that it exceeded its essential services benchmark on capital expenditure by increasing the level of capital expenditure for the year. The expected statutory benchmark for capital expenditure delivery for infrastructure is 100%. Council delivered above 221.9%.

Buller Holdings Ltd | Council-owned Buller Holdings Ltd had another good year, the cash distribution was \$1.3m in line with Council budget predictions. Moving forward the holding company is in a strong financial position and is well poised to deliver a good result for the ratepayer in the 2021-2022 financial year.

Independent Auditor's Report

To the readers of the Buller District Council's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Buller District Council (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 2 to 5 and 7 to 9:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include other explanatory information; and
- the summary non-financial performance measures.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 22 December 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 28 on page 123 to the financial statements. The Government has announced it will introduce legislation to establish four publicly owned water services

entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services. These matters are addressed in note 11 of the summary financial statements.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

In addition to our reporting on the summary and full annual reports, we have audited the District Council's 2021-2031 long-term plan and performed a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.

Two blue ink signatures are present. The first signature is a stylized, cursive 'S' followed by a horizontal line. The second signature is a more complex, cursive scribble.

Stephen Lucy
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
21 January 2022

Buller District Mayor:

Mayor Jamie Cleine

e: jamie.cleine@bdc.govt.nz

Westport ward:

Councillor Joanne Howard

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Councillor Margaret Montgomery

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Councillor Robyn Nahr

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Deputy Mayor Sharon Roche

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Councillor Phil Rutherford

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Councillor Grant Weston

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Inangahua ward:

Councillor John Bougen

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Councillor Dave Hawes

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Seddon ward:

Councillor Rosalie Sampson

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Council representative:

Rod Fox Group Manager Commercial and Corporate Services

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