



# Buller District Council

## Health Check Report

October 2021

**Document status**

<b>Job #</b>	<b>Version</b>	<b>Approving Director</b>	<b>Date</b>
2654	1	Dan Bonifant	15 September 2021
2654	2	Dan Bonifant	16 September 2021
2654	3	Dan Bonifant	29 September 2021
2654	4 (final)	Dan Bonifant	6 October 2021

## Contents

Executive Summary	1
Overall conclusions	1
Financial health check for Buller District Council	1
Infrastructure health check for Buller District Council	2
Regional context	2
High Level Health Check Report on Buller District Council	4
Overview	4
Observations and analysis	5
Leadership and management	5
Recovery management and capability	5
Flood protection and working with West Coast Regional Council	6
Financial health check	6
Summary results	6
Conclusions for financial health check	9
Infrastructure health check	10
Summary results for BDC	10
Conclusions for BDC infrastructure health check	14
Assessment of WCRC assets	15
Overview and regional context	15
Key issues	15
Conclusions for WCRC assets	16
Recommended way forward	16
Appendix A    Review interviewees	18
Appendix B    Full Infrastructure Health Check Report	20

## Executive Summary

1. Morrison Low and RBruce Robertson Ltd were engaged by the Department of Internal Affairs to provide quality assurance of Buller District Council's financial situation and capability and an understanding as to their operating constraints as a result of the floods. The review considered Council's' asset management capability and also included engagement with / assessment of West Coast Regional Council's assets also affected, flood protection issues and any financial impacts from rated properties damaged.
2. The main purpose of the review is a health check of Buller District Council's capability. This report covers the following Health Checks:
  - Financial health check – covering governance and management, financial situation and capability
  - Infrastructural health check – an assessment of Councils' asset management capability.

## Overall conclusions

3. This health check review was primarily interview based, supported by the review of relevant key documents.
4. It does not represent an audit but is of the nature of an overview. For example, we inquired of the Finance team about their financial processes and approach and corroborated that through discussion with the Chair of the Finance, Audit and Risk and Risk Committee and then reviewed the Committee papers. It does not constitute an in depth audit or review. Further, this report had to be prepared entirely by video conference due to COVID lockdown conditions.
5. In undertaking this work, we sought to form an understanding of the capacity and capability of the Council and matters which may affect its work over the coming medium term. In short, is Buller District Council in a position to lead the recovery and partner with its peer councils and the Government for the benefit of the Buller community.
6. Within the terms of our scope, approach and its overview basis, we consider that Buller District Council is capably governed and managed. It is well positioned to lead its communities' recovery effort and be an effective partner with the Government and its peer councils.

## Financial health check for Buller District Council

7. Council is competent in the management of its finances and the development and adherence to a Financial Strategy. It is managing its resources reasonably well.
8. The economic wealth within the community appears to be a hurdle for the community to fund its current programme outlined in the 2021/31 Long Term Plan based on increasing its economic opportunities, but then also deal with the effects of a flood event and probable requirement for building augmented flood protection works. The risk of meeting recovery costs diverts Council resources from needed community economic gains including employment opportunity.
9. There is a need to further scenario model the potential for how all the work can be funded, recognising the limit on the Buller community's ability to directly contribute and to assess the long term ability of the

community to afford maintenance of its expected levels of service.

## Infrastructure health check for Buller District Council

10. Overall, we assessed Buller District Council's asset management maturity at core level for its roading and transport, and three water assets, using the Asset Management Maturity Assessment Model (industry practice). They are effectively managing their assets at a level appropriate for a small rural District Council.
11. As part of the health check, the review assessed Council's capability to undertake the recovery programme as well as the business as usual capital programmes. For three waters, roading and transport, we are confident that Council can undertake larger capital programmes including flood recovery works and other externally funded projects through their established Project Management Office and use of external consultants and contractors. Council has been successful on delivering the three waters capital programme for 2019/20 and 2020/21. In addition, the Infrastructure Services Group management team is strong, so have capability to manage larger resources (internal and external).
12. We understand that the priorities and capital works programmes, including renewals, adopted in the 2021 Long Term Plan, are unchanged with the flood events. Council is also confident that the flood events will not have an impact on business as usual activities for the three waters, and roading and transport activities. Three waters capital programmes as adopted in its 2021 Long Term Plan is focused on meeting compliance with drinking water standards and resource consents.

## Regional context

13. West Coast Regional Council were also interviewed as part of the health check to understand the flood impact and recommend a way forward to best protect the Westport community. It is acknowledged that the two councils have different responsibilities and legislation in relation to three water assets and flood protection.
14. It was confirmed that there were no West Coast Regional Council assets damaged with the July 2021 floods. However, a number of key issues with flood protection provision between the two councils were identified through this review process.
15. A recommended way forward for agreeing on a flood protection approach between West Coast Regional Council and Buller District Council are categorised as follows:
  - West Coast Regional Council's 2021 Long Term Plan - Finalise and adopt the 2021 Long Term Plan as a very high priority.
  - Flood protection approach - West Coast Regional Council and Buller District Council to use the joint overarching approach to flood protection for Westport as a starting point for developing the strategy and joint governance.
  - Joint Governance Committee – Set up a Joint Governance Committee for the Westport Rating District to provide oversight and manage the risks as a very high priority. The committee must have a strong independent chair to ensure good governance, fair and transparent process for both councils.
  - Get the strategy right – Pause the technical reviews by both councils to allow time to jointly

agree and get the strategy right. The Joint Governance Committee should provide oversight of the strategy workstream. The strategy will outline the outcomes sought and determine the broad technical workstreams.

- Effective relationships - West Coast Regional Council and Buller District Council recognise the importance of establishing an effective relationship between the Buller Recovery Group with its role in overseeing the effective recovery including the use of Crown funding and the Joint Committee in its role to establish and deliver an effective solution to flood risk mitigation. It is critical that it is recognised their roles are different but must eventually be strategically aligned.

## High Level Health Check Report on Buller District Council

### Overview

16. There was significant flooding within Westport and across the Buller District, from both the Buller River and the Orowaiti estuary, from 15 to 18 July 2021. More than 800 properties were flooded, 71 homes were classified as red stickered, and 388 homes were yellow stickered (as at 30 July 2021).
17. Morrison Low and RBruce Robertson Ltd were engaged by the Department of Internal Affairs (DIA / Department) to provide quality assurance of Buller District Council's (Council / BDC) financial situation and capability and an understanding as to their operating constraints as a result of the floods. The review considered Council's' asset management (AM) capability and also included engagement with / assessment of West Coast Regional Council's (WCRC) assets also affected, flood protection issues and any financial impacts from rated properties damaged.
18. The main purpose of the review is a health check of BDC's capability. This report covers the following Health Checks:
  - Financial health check – covering governance and management, financial situation and capability
  - Infrastructural health check – an assessment of Councils' AM capability.
19. The overall objective of the Health Checks is to provide a level of assurance as to Council's financial situation and capability and an understanding as to their operating constraints as a result of the recent floods. The review considered:
  - Assessment of its AM practices compared to appropriate practices for similar sized district councils
  - What new tasks Council now have
  - What business as usual task have become harder to do
  - The changed priorities from the 2021 Long Term Plan (LTP) i.e. what will now be delivered
  - Ability to deliver the new priorities over the medium to long-term (including operational AM)
  - The impact in terms of cost, the local community rating base and affordability.

## Observations and analysis

20. In addition to the specific financial and infrastructure sections of the health check we form some observations and analysis centred around three themes – leadership, recovery management and flood protection. The themes are derived for clarity but they are not mutually exclusive and are supported by our observations on the Council’s financial and infrastructure “health”.

### Leadership and management

21. Leadership of a community is a combination of effective governance and management. Our interviews included a focus on reviewing the approach to both disciplines and their combination.

22. We were told that elected members at the start of this triennium adopted, with management, an approach to be strategy-led and consistent with good governance and management practice. This included affirming the roles of governance and management and how they would work together.

23. We noted:

- Our discussions with senior elected members and management reflected this approach. They all acknowledged the importance of developing their roles appropriately.
- It was clear that elected members retained a high level of knowledge – indeed detail – about the operations of the Council, but this is because of their presence in a small community and wide contacts, not because they were seeking to manage or second guess managements approach.

24. Senior management comments similarly reflected the adoption of the strategy-led and monitoring-implementation approach. There were few indications in our discussions that a suitable governance / management split was not being maintained.

25. We were told that Council is investing significantly in developing its leadership.

26. We also enquired about succession planning. Without seeking political commitments, there seemed a reasonable chance that governance would be stable, subject to the electoral cycle.

27. The Chief Executive has also been seeking to recruit and develop her second tier. Our interviews supported the “bench strength” of the current senior leadership team.

28. Overall we formed the view that Council’s governance and management is stable and likely to be into the medium term. Buller District Council’s leadership team is effective for a council of its size and scale.

### Recovery management and capability

29. The flood event, its response and recovery are a substantial challenge for Council.

30. The Chief Executive described the development arc that her management and staff have been on to upgrade their skill and discipline in order to deliver on “business as usual” and meet the current challenges facing the district (especially contributing to the district’s economy and prosperity) and including the current reform of 3 Waters.

31. While she has appointed one of her senior team to lead the recovery effort, the actual staffing of the



recovery is with fixed term Council employees brought on primarily for the recovery effort. This reflects the challenge of a small and lean council dealing with the extraordinary.

32. However, to Council's credit, the recovery effort is able to be grafted to its established project management approach. Management has developed a "Projects and Partnership Framework" – essentially an approach to effective project management – for its business as usual needs, especially in the area of capital delivery. The recovery effort has been able to be "bolted on" to this discipline and enabling an organised recovery effort.
33. As noted, the question of being able to staff the recovery effort is different and clearly is stretching Council resources.

### Flood protection and working with West Coast Regional Council

34. The detail of flood protection is covered under the infrastructure section of this report. However the physical future of Westport, and its protection from floods and more widely the effects of climate change (which is a key matter in the Council's 2021/31 LTP) is a significant theme with undoubted impact. This matter makes the strength to the relationship with the WCRC key.
35. We have concern that while both councils acknowledge they must "get on with each other" and "will work" together, it is not yet a sound relationship between the councils. This is less about the current outstanding WCRC Long Term Plan, but more a longstanding legacy of poor understanding and relationship between the two councils over the last decade.
36. For clarity we do not, and see no need to, ascribe blame to either council. What is critical is the state of the relationship at the moment.
37. We consider there is real risk in the relationship and therefore the ability to effectively and expeditiously deal with the both the physical works and future of Westport and its environs. The mere constitution of a Joint Committee (being created to give effect to the Special Rating District (previously established by WCRC) will not, of itself, solve this issue but may become the centre for an on-going struggle.
38. Effective dealing with the future of Westport requires firstly a reworking of the relationship before there can be effective agreement on the best physical works (or alternatives) to protect the township.

## Financial health check

### Summary results

39. The financial processes and metrics of Council are reasonable reflecting a solid financial footing. The key to its Financial Strategy however is the affordability for the local community and the overall size, or lack of it, of the district.
40. Its median household income of \$54,600 is the lowest in New Zealand and restricts its financial resilience and flexibility. Its choices are limited.

## People, systems and processes

41. BDC has a competent finance team, having just successfully recruited an experienced general manager to oversee the function. Council has received an initial drawdown for the DIA appropriation for flood recovery. Part of the agreed use of this appropriation is to provide some supplementation for the finance function, for example supplementing the payable function, due to increased workloads over the recovery. This reflects an organised but lean operation.
42. The financial system does produce effective, regular financial reports. It operates on MagiQ and there is a level of manual work transferring information to spreadsheets for reporting. It is understood that staff are looking to upgrade their reporting to enable a more efficient and effective level of reporting.
43. We were told there is effective internal accountability by activity managers for their financial outturn.
44. There is regular monthly financial reporting to the Finance, Audit and Risk Committee. The chair – the Deputy Mayor, and herself having previously worked as an accountant in a local chartered accountancy firm - affirmed their strategic approach to governance of the finances.
45. Our discussion with the Chair was about the financial performance and the impact on the Financial Strategy. This is encouraging.
46. Within the constraints of a small council, the finance function is effective. Clearly without the current DIA's support, the additional resources required to service the recovery is stretching the capacity of the finance team (who are also dealing with the other externalities of lockdown and support for the 3 Waters reform).
47. Management explained that resourcing is required in addition to the immediate flood response and corporate functions that support this process. In the next 12 months, additional resources will be needed for corporate functions of financial management and regulatory (ie building inspectors) to enable the recovery programme.

## Financial position and strategy

48. Council's Financial Strategy is heavily influenced (and constrained) by the economic wealth of the community. It has a relatively high level of deprivation:
  - Only 20% of the population have a personal income greater than \$50,000 pa (compared to 31% nationally)
  - 42% of the population has a level of personal income less than \$20,000 p.a.
  - The current projected population is 9,600 and is predicted to decline gradually
  - There is an overweighting to those over 60 years old.
49. Further the financial constraint on Council is reflected by Ministry of Business Innovation and Employment data<sup>1</sup> that the district's median household income at \$54,600 is the lowest in the country.

---

<sup>1</sup> <http://webrear.mbie.govt.nz/theme/household-income-median/map/timeseries/2019/buller?accessedvia=west-coast&areatype=ta&right-transform=absolute>

50. This heavily influences the Financial Strategy and resultant decisions of Council.
51. The Financial Strategy is balanced and has an emphasis on working cooperatively to encourage economic development. Prior to the flood event we were told of some success in attracting either new or enlarged businesses with four opportunities giving rise to a potential of approximately 200 fulltime jobs.
52. Some of these economic opportunities also present a need for Council to contribute to ensure the gains are captured – often in the form of (renewed) infrastructure, including the quality of their existing asset base. Their 2021/31 LTP was very much informed by these opportunities and investing in supporting the prosperity of the community.
53. We were told that the flood event and risk of diverting substantial Council resources could impede its nascent progress in enabling the District to develop its long term economic strength after a period of downturn.
54. BDC is a small remote council. It has only 7,463 rating units and relatively low incomes. This reflects in the conservative financial prudence metrics of their Financial Strategy:
  - A reasonably conventional setting to limit rates to no more than 65% of total revenue. For 2021/22, it is projected to be 50% (\$16m/\$31m) rising to 55% in 2030/31.
  - A net debt cap of \$25m. This currently equates to 78% of total revenue (and through their Financial Strategy reduces to 72% in 10 years; consequently, interest to revenue metrics are low).
55. Against a limit of say 150% of revenue (not uncommon in the sector), Council has substantial debt headroom. Council acknowledges this but reflects that it set the conservative level against community wealth. Average rates are \$2,151 per rating unit (\$16m/7,463 rating units) and rise by 24% over the 10 years, based on sustained but static rating unit growth, to \$2,665.
56. Compared to the median household income rates are 4% rising to 4.9%. While this calculation does not speculate on rising household incomes, it reflects that half the households are at or near the limit commonly accepted in the sector of 5% of household incomes is an upper limit of rates affordability.
57. Against a low overall level of personal and household incomes, the average rate is a reasonable amount per rating unit for the community to fund.
58. Council is not immune to needing to increase their call on the ratepayer and its rating strategy requires significant rate increases in the first 4 years of the LTP. This substantially decreases in the outyears and would need to be confirmed in future long term plans. Combined with this variability in rating is a focus on funding renewals rather depreciation – especially for roading. It may be arguable that the current ratepayer is not contributing enough. However to “correct” these metrics would require further rate increases, something which the Council considers not possible given its community ability to pay.
59. Managing the ability to sustain their resources and asset base in future years appears challenging.
60. Council is also conscious that their community must also meet WCRC rates, including many being affected by needing to pay rates as they are within the special rating district for flood protection.

## Conclusions for financial health check

61. While Council is competently managing its finances, including being strategy-led through its Financial Strategy, there are reasonable ground to reflect that its ability to deal with recovery costs as well its planned expenditure to enable economic growth cannot be afforded solely by the district's ratepayers. This should be tested further.
62. Within the terms of our scope, approach and its overview basis, we consider that BDC is capably governed and managed. It is well positioned to lead its communities' recovery effort and be an effective partner with the Government and its peer councils.

## Infrastructure health check

### Summary results for BDC

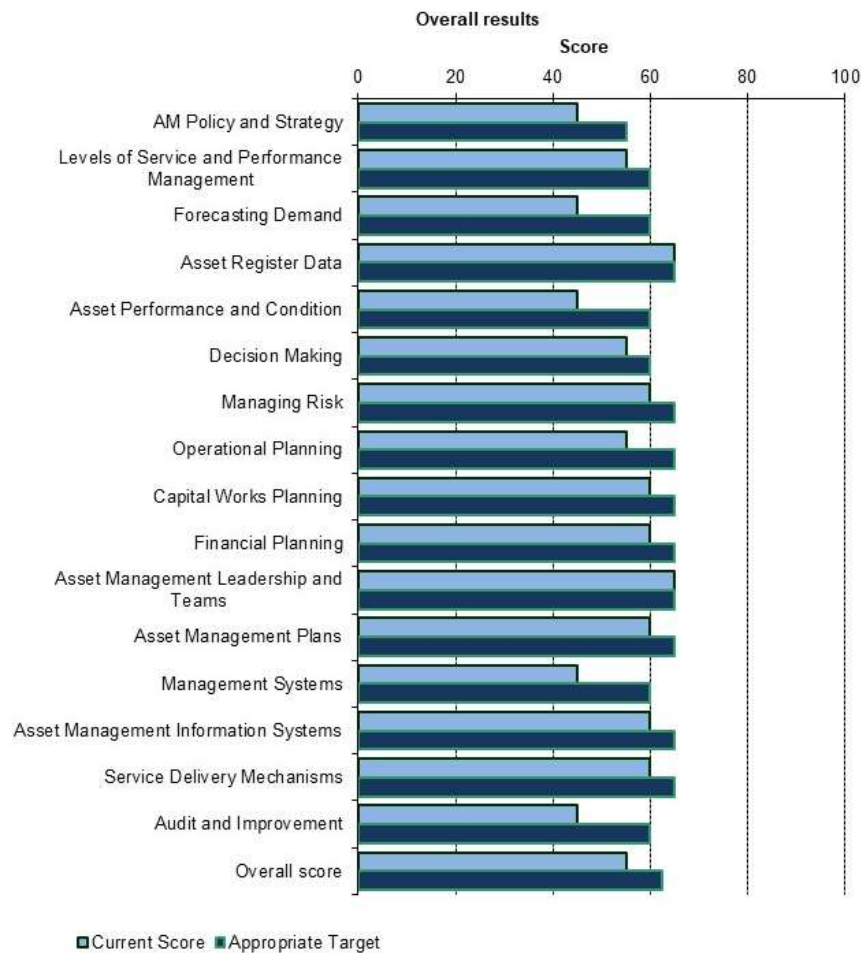
63. This section presents the summary results for Council’s three waters, roading and transport, and other asset portfolios. . The full Infrastructure Health Check Report is provided in Appendix B.

### Assessment of three waters

64. Overall Council scored at higher level of core level of maturity at 55% in the management of its three water activities using the AM Maturity Assessment Model. The results for each of the 16 elements for Council are shown in the figure below. Note that core maturity level is between 40% to 60%.

65. An overall maturity target of 60% is recommended for Council’s three water activities based on Morrison Low’s Strategic AM Specialist industry knowledge. This is appropriate for a small rural district council.

Figure 1: Overall AM Maturity results for Buller – Three Waters Activities



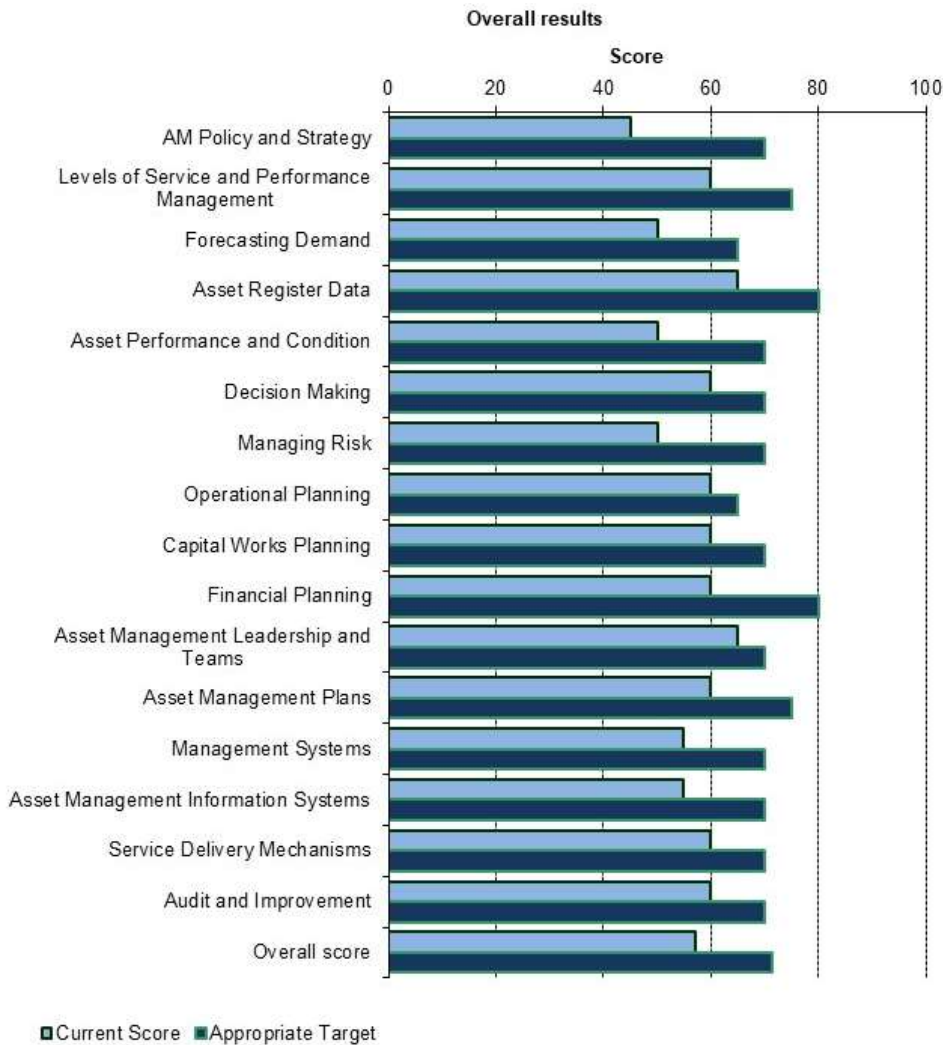
### Recovery capability for three waters

66. As part of the health check, the review assessed Council's capability to undertake the recovery programme as well as the business as usual capital programmes. For three waters, we are confident that Council can undertake a larger capital programme through their established Project Management Office (PMO) and use of external consultants and contractors. Council has been successful on delivering the three waters capital programme for 2019/20 and for 2020/21. In addition, the Infrastructure Services Group management team is strong, so have capability to manage larger resources (internal and external).
67. Three waters capital programmes as adopted in its 2021 LTP is focused on meeting compliance with drinking water standards and resource consents. We understand that these priorities are unchanged with the flood events.

### Assessment of roading and transport

68. Overall Council scored at core level of maturity in the management of its roading activity using the AM Maturity Assessment Model. The results for each of the 16 elements for Council are shown in the figure below. Note that core maturity level is between 40% to 60%.
69. The target level for each element has been taken from the 2021 Transport AMP, as a collective target across the three West Coast councils (Buller, Grey and Westland District Councils) for the roading activity with the councils working towards an AM maturity level of core to intermediate. This is considered suitable for a rural district council.

Figure 2: Overall AM Maturity results for Buller – Roading Activity



### Recovery capability for roading and transport

70. As part of the health check, we considered Council’s capacity and capability to undertake the recovery programme as well as delivering the business as usual operational and capital programmes. For the transport activity, with the recently established PMO that provides a focussed capital projects team, we are confident that Council can deliver the larger capital programme, including flood recovery works and other externally funded projects. Professional services providers and contractors will continue to be engaged as required to work with Council in delivering the works. Council has a capable management team who have been successful in delivering the transport capital programme for 2019/20 and for 2020/21 through internal and external resources.

71. We understand that the priorities and capital works programmes, including renewals, adopted in the 2021 LTP, are unchanged with the flood events. Council is also confident that the flood events will not have an impact on business as usual activities for the roading and transport activity.

### Assessment of other asset portfolios

72. Other assets that were also impacted by the July 2021 floods included housing for seniors, Westport Airport, Westport port and solid waste. A high level health check was completed as part of this review and summarised in the following table.

Table 1 Summary results for other asset portfolios

Asset portfolio	Summary of high level health check
Housing for seniors	In summary, 5 of the 26 units in Westport were flood damaged. The insurance application has been approved and remedial work is underway. The housing portfolio is being managed adequately appropriate for the size and improvements have been identified as part of this high level review such as preparing an AMP. The 2021 LTP recognised that it is difficult to invest in staff and capital on the properties with the current constrained budgets. Council has approved as part of the 2021 LTP to review suitable future management options for the housing portfolio.
Westport Airport	In summary, the terminal building and lighting equipment at Westport Airport were impacted by the floods. However, the sealed main runway was not damaged by the floods. The Westport Airport portfolio is being managed adequately for the size and complexity and meeting all its mandatory obligations. No process improvements were identified as part of this high level review.
Westport Harbour	In summary, the Kawatiri Dredge damaged the cut off wharf piles when it came down during the sea level surges associated with the floods. The Westport Harbour portfolio including the port and Kawatiri Dredge are being managed adequately for the size and complexity. Council is proactively taking steps to ensure the long term viability of this portfolio. No process improvements were identified as part of this high level review.
Solid waste	In summary, the Westport Refuse Transfer Station was damaged by the July 2021 floods from the Orowaiti estuary. Flood waters inundated the facility offices. The remediated Hector Closed Landfill performed reasonably well during the storm event and there was no asset damage. The solid waste activity is being managed adequately for the size and complexity. No process improvements were identified as part of this high level review.



## Conclusions for BDC infrastructure health check

### Conclusions for three waters

73. Overall, we assessed Council's AM maturity at core level for its three water assets. They are effectively managing their assets at a level appropriate for a small rural District Council.
74. Overall Council's Infrastructure Services Group has increased its capability to undertake many of these AM elements internally rather than solely relying on external consultants. The 2021 Infrastructure Strategy is a good example of this. There has been strong achievement on delivery of the capital programme for three waters at 97% for 2019/20 and at 100% for 2020/21. The original programme for both years has doubled as well so these are impressive results.
75. For three waters, we are confident that Council can undertake a larger capital programme through their established PMO and use of external consultants and contractors. A market analysis and engagement process should be completed prior to implementing the recovery programme to determine the best procurement approach. The Local Government sector and its key suppliers are experienced in recovery works.

### Conclusions for roading and transport

76. Overall, we assessed Council's AM maturity at core level for its roading and transport assets. They are effectively managing their assets at a level appropriate for a small rural District Council. Initiatives are underway where there are gaps or areas for strengthening with a challenging but achievable Improvement Plan as part of the 2021 Transport AMP. With a recent restructure of the infrastructure Services Group and the establishment of the PMO, there is a high level of in-house capability and capacity with external specialists used as appropriate.
77. Whilst the July 2021 flooding events have had an impact on the roading assets with repairs required, the BDC team is committed to delivery of the business as usual works as outlined in the 2021 LTP. The establishment of the PMO has enabled this, undertaking initial inspections after the floods and then procuring services to complete detailed inspections, professional services and physical works.
78. With a capable management team and the recent establishment of the PMO, focussed on delivery of capital works projects, we understand that the priorities and capital works programmes, including renewals, adopted in the 2021 LTP, are unchanged with the flood events. Council is confident that the flood events will not have an impact on business as usual activities for the roading and transport activity.
79. Council will continue to engage professional service providers and contractors to work with them in delivering increased capital works programme, including both flood recovery works and other externally funded projects.

### Conclusions for other asset portfolios

80. Other asset portfolios that were also impacted by the July 2021 floods included housing for seniors, Westport Airport, Westport port and solid waste. A high level health check was completed as part of this review and found that these asset portfolios were being managed adequately for the size and risk. A number of AM improvements have been identified as part of this high level review such as preparing an AMP for the housing portfolio.

## Assessment of WCRC assets

### Overview and regional context

81. WCRC were also interviewed as part of the health check to understand the flood impact and recommend a way forward to best protect the Westport community. This section outlines the key issues with flood protection provision between WCRC and BDC. Joint governance issues and rates loss projections are covered in the Financial Health Check – Observations and analysis.
82. It is acknowledged that WCRC and BDC have different responsibilities and legislation in relation to three water assets and flood protection as follows:
- BDC – management and operation of three water assets in the district’s urban areas
  - WCRC - management and operation of flood protection schemes in the region.
83. It was confirmed that there were no WCRC assets damaged with the July 2021 floods.

### Key issues

84. Overall the relationship between the two councils is problematic. This has resulted in no joint agreement for a flood protection approach for Westport. The key issues with flood protection provision between WCRC and BDC are categorised as follows:

- **Draft 2021 LTP** - WCRC is late in finalising and adopting their draft 2021 LTP. It must be adopted by early October 2021. The 2021 Long Term Consultation Document presented two options for the Westport flood protection works. Option 1 was identified as the preferred in the document. The options are:
  - Option 1 - partial stopbanks and flood wall scheme estimated at \$3.4 million
  - Option 2 – extensive stopbanks and flood wall scheme estimated at \$10.2 million

WCRC have now received submissions on the Consultation Document with range of feedback. Most submissions supported undertaking works with the majority supporting Option 2. The draft LTP is being progressed ready for adoption with Option 2 starting in 2022/23 and spread evenly over four years.

BDC submitted on WCRC’s draft 2021 LTP in relation to the proposed flood protection works. It supported that do nothing was not an option. BDC did not support options 1 and 2. It preferred a broader flood management solution package. It supports the flood modelling review, design and survey works for option 1 in 2021/22. The BDC submission includes an appendix with technical advice by Tonkin & Taylor Consultants.

- **Westport Rating District** - A new rating district for Westport was established in 2020 to access Government funding and deliver the proposed flood protection works programme for this community. There have been discussions on the defined area boundary for the Westport Rating District in relation to the beneficiaries and those that pay. A draft Terms of Reference has been prepared for the Joint Governance Committee for the Westport Rating District. The Joint Committee makes recommendations to WCRC for consideration and implementation once approved.

- **Historical flood studies and working groups** – There are various historical flood studies of Westport and the wider Buller catchment prior to 2014. The 2014 Buller Working Group involved Councillors and staff from both Councils and investigated a range of flood mitigation options. The Buller Working Group selected various flood mitigation options based on modelling and outcomes. These flood mitigation options were consulted on in 2017 by WCRC. However, there was limited community appetite to implement the works at that time.

The Westport 2100 Working Group was set up in 2018 with an independent chair and community based group. It took a hazardscape view to the natural hazards (i.e. wider than flooding including liquification and tsunamis) facing Westport in the short, medium and long term. The Westport 2100 recommendations were presented to both Councils in 2019. BDC requested more time to review the options.

WCRC submitted two projects and applied to the Crown Infrastructure Partners project fund that was made available as part of Central Government’s COVID 19 economy stimulus package in April 2020. The advance evacuation warning project was successful in securing funding but the \$10.2 million flood protection scheme application did not meet the shovel ready criteria at the time of evaluation.

Following the consultation with the community on providing the required co-funding for the advance evacuation warning project and considering the feedback, WCRC formed the Westport Rating District in 2020.

Through the interview process, WCRC stated that they validated the flood model against the July 2021 flood event. It calibrated extremely well against the actual event. The flood model was peer reviewed by DHI (external consultants) in 2018.

NIWA provided technical advice to WCRC with the latest event in July and August 2021 and completed field work including flood extent assessment and model calibration.

- **Flood protection approach** - Both councils have different flood protection approaches as noted above. WCRC’s overarching approach to flood protection for Westport which BDC supports is:
  - Supports fit for purpose flood protection scheme
  - Best intentions for the Westport community
  - Wishes to work together with BDC based on an open and transparent manner and good will.

## Conclusions for WCRC assets

85. It was confirmed that there were no WCRC assets damaged with the July 2021 floods. However, a number of key issues with flood protection provision between WCRC and BDC were identified through this review process.

## Recommended way forward

86. A recommended way forward for agreeing on a flood protection approach between WCRC and BDC are categorised as follows:

- WCRC’s 2021 LTP - Finalise and adopt WCRC’s 2021 LTP as a very high priority. This should

include a capital allowance for flood protection in Westport recognising that it requires further refinement (subject to Audit New Zealand approving this flexible approach).

- Flood protection approach - WCRC and BDC to use the joint overarching approach to flood protection for Westport as a starting point for developing the strategy and joint governance.
- Joint Governance Committee – Set up a Joint Governance Committee for the Westport Rating District to provide oversight and manage the risks as a very high priority. The committee must have a strong independent chair to ensure good governance, fair and transparent process for both councils.
- Get the strategy right – Pause the technical reviews by both councils to allow time to jointly agree and get the strategy right. The Joint Governance Committee should provide oversight of the strategy workstream. The strategy will outline the outcomes sought and determine the broad technical workstreams.
- Effective relationships - WCRC and BDC recognise the importance of establishing an effective relationship between the Buller Recovery Group with its role in overseeing the effective recovery including the use of Crown funding and the Joint Committee in its role to establish and deliver an effective solution to flood risk mitigation. It is critical that it is recognised their roles are different but must eventually be strategically aligned.

## Appendix A Review interviewees

Summary of review interviewees for the financial health check is presented in the following table.

Table 2: Summary of interviewees for financial health check

Person	Role	Functional area	Date
Jamie Cleine	BDC Mayor	Governance	30 August 2021
Sharon Mason	BDC Chief Executive	Strategic oversight	30 August 2021
Rachel Townrow	BDC Deputy Chief Executive Officer	Strategic oversight	30 August 2021
Rod Fox	BDC Commercial and Corporate Services Manager	Financial management	2 September 2021
Sharon Mason	BDC Chief Executive	Financial management	2 September 2021
Lynn Brooks	BDC Finance Manager	Financial management	2 September 2021
Sharon Mason	BDC Chief Executive	LTP and future plans (recovery plan) required	6 September 2021
Rachel Townrow	BDC Deputy Chief Executive Officer	LTP and future plans (recovery plan) required	6 September 2021
Deputy Mayor Sharon Roche	Chair Finance Risk & Audit Committee	Financial governance and planning	6 September 2021
Mayor Jamie Cleine	Mayor Jamie Cleine, Infrastructure and Strategy Committee	Infrastructure planning	6 September 2021
Heather Mabin	WCRC Acting Chief Executive	Rate loss projections, damaged regional assets	8 September 2021
Randal Beal	WCRC Director of Operations	Rate loss projections, damaged regional assets	8 September 2021
Neil Selman	WCRC Acting Corporate Services Manager	Rate loss projections, damaged regional assets	8 September 2021

Summary of review interviewees for the infrastructure health check is presented in the following table.

Table 3: Summary of interviewees for infrastructure health check

Person	Role	Functional area	Date
Jamie Cleine	BDC Mayor	Governance	30 August 2021
Sharon Mason	BDC Chief Executive	Strategic oversight	30 August 2021
Rachel Townrow	BDC Deputy Chief Executive Officer	Strategic oversight	30 August 2021
Eric de Boer	BDC Manager Infrastructure Delivery	Operational planning, decision making, risk, asset data, capital planning, asset performance, capital works planning, AM Teams, AM information systems, service delivery, quality management	1 September 2021
Mike Williams	BDC Manager Infrastructure Planning	AM Policy and Strategy, levels of service, demand, asset register, asset condition, decision making, risk, financial planning, AM teams, AMPs, AM information systems	3 September 2021
Rachel Townrow	BDC Deputy Chief Executive Officer	Pensioner housing and other damaged assets	3 September 2021
Krissy Trigg	BDC Acting Group Manager Commercial and Corporate Services	Pensioner housing and other damaged assets	3 September 2021
Mike Duff	BDC Group Manager Infrastructure Services	Strategic planning, AM Policy and Strategy, AM Teams, risk, capital planning, financial planning, regional collaboration	3 September 2021
Heather Mabin	WCRC Acting Chief Executive	Rate loss projections, damaged regional assets, flood protection approach	8 September 2021
Randal Beal	WCRC Director of Operations	Rate loss projections, damaged regional assets, flood protection approach	8 September 2021
Neil Selman	WCRC Acting Corporate Services Manager	Rate loss projections, damaged regional assets, flood protection approach	8 September 2021



## **Appendix B      Full Infrastructure Health Check Report**