



WEST COAST  
REGIONAL COUNCIL

**PUBLIC COPY**

**Meeting of Hokitika Joint Committee**

**Wednesday, 3 February 2025**

**2.00pm**

**Westland District Council Chambers**

**and**

**Live Streamed via Council's Facebook Page:**

**<https://www.facebook.com/WestCoastRegionalCouncil>**



# Hokitika Joint Committee

## Meeting

*(Te Huinga Tu)*

### AGENDA

*(Rarangi Take)*

Pg No.

1. **Welcome (*Haere mai*)**
2. **Apologies (*Ngā Pa Pouri*)**
3. **Declarations of Interest**
4. **Public Forum, Petitions and Deputations (*He Huinga tuku korero*)**
5. **Confirmation of Minutes (*Whakau korero*)** 7
  - 5.1 Minutes of Hokitika Seawall Joint Committee Meeting  
6 May 2024  
**Matters Arising**
6. **Chairs Report (verbal update)**
7. **Reports**
  - 7.1 Insurance Update Report 19
  - 7.2 Survey Strategy Report 25
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**8. General Business**

**Shanti Morgan**  
**Acting Chief Executive**



## **Purpose of Local Government**

The reports contained in this agenda address the requirements of the Local Government Act 2002 in relation to decision making. Unless otherwise stated, the recommended option promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future.

## **Health and Safety Emergency Procedure**

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**5 Minutes of Council Meeting of 6 May 2024**

**Author** Lillian Crozier, Business Support Officer

**Authorizer**

**Public Excluded** No

**Report Purpose**

The purpose of this report is to receive the minutes of the Joint Committee meeting of 6 May 2024.

**Recommendations**

***It is recommended that the Committee resolves to:***

1. *Confirm that the minutes of the Joint Committee meeting held on 6 May 2024 are a true and correct record.*

**Attachments**

Minutes of the Council meeting held on 6 May 2024.



## **MINUTES OF THE HOKITIKA RATING DISTRICT JOINT COMMITTEE**

**Monday 6<sup>th</sup> May 2024-12pm**

**WDC Chambers**

**HOKITIKA**

**Present:** Mayor H. Lash, Cr P. Haddock, Cr B. Cummings, Cr A. Campbell, Cr P. Phelps, Cr A. Cassin.

**In Attendance:** WDC – S. Bastian, T. Cook, O. Anderson WCRC – D. Lew, S. Morgan, K. Jacobsen, C. Zhao, L. Crozier, O. Rose, K. Maynard, S. Hoare, [Media], A. Pendergrast (via Zoom), J. Mandery (via Zoom)

**Welcome:** Chairman P. Haddock introduced himself to the committee and welcomed the Public and Media

### **Apologies:**

The Chair called for apologies. There were none.

### **Declaration of interest:**

The Chair called for Declarations of Interest. There were none, however it was discussed that Cr P. Phelps should have been included on Declaration of Interest Register.

### **Public Forum:**

No one present from the public spoke at the forum.

Cr A. Cassin raised that the public forum should have been advised in the public notification.

### **Matters arising from those minutes:**

An action arose from the previous minutes to bring correct finances 2021-2022 to the next meeting. Group Manager to circulate prior to next meeting via email.

### **Reports:**

#### **7.1**

**Financial report** – S. Morgan spoke to the financial report from the 2022-2023 financial year, it was noted that the finance report pertains to the previous year only. S. Morgan discussed the total expenditure.

Cr A. Cassin asked for clarification around the prudent reserve, would it be a multiyear approach. S. Morgan advised when we get to the rates strike, we have a proposed rates strike, it includes maintenance it does not include building your prudent reserve, S. Morgan advised open to that consideration.

**Moved** (Cr B. Cummings / Cr A. Campbell) that the committee receives the report.

*Carried*

## 7.2

**Seawall proposal** - J. Mandery spoke to the minor emergency works on the seawall.

S. Morgan explained the circumstances under which the emergency works were carried out. She acknowledged that the committee might be interested in restoring the sea wall but emphasized that the work done was an emergency measure. To restore the sea wall to standard, she recommended proceeding with the consent process, noting that this would bring it up to design standards but may not provide a long-term solution.

Mayor H. Lash inquired about the perceived risk. S. Morgan stated that the immediate risk was to beachgoers due to the king tides. She acknowledged that the need to act quickly was imperative, but also noted that communication with the committee could have been improved.

Mayor H. Lash expressed a significant concern regarding the alignment of this work with future projects. J. Mandery advised that any work done at this point would only serve as a temporary fix and would not provide a sustainable level of service.

D. Lew noted that the last storm had undermined the rock on the beach, posing a potential risk. He emphasized that, under pressure, the rocks could turn and potentially harm a child. This is a common issue with sea walls made of such rock, as there have been incidents leading to WorkSafe investigations. D. Lew stressed the importance of regular condition assessments of assets and taking appropriate actions when necessary. He supported the committee's position that no further work should be undertaken until a proper consent process, including a peer-reviewed design, is completed.



Mayor H. Lash expressed that they did not believe it was the right approach. D. Lew acknowledged that the community has strong views on the matter, highlighting the need to follow a proper process. Cr P. Haddock mentioned that when he was contacted about the issue, he requested that the staff also inform Mayor H. Lash, Cr A. Cassin, and Councillor Phelps.

Cr A. Campbell emphasized the importance of maintaining the rock to prevent children from getting under the banks and expressed that the community wants to have input on ongoing plans for the works. Cr B. Cummings recalled an incident where a child was killed by rolling logs on the beach. Cr P. Haddock inquired if the committee was willing to allocate the necessary funds for the project.

D. Lew advised that maintaining existing assets is a permitted activity and does not require consent. He noted that maintenance can be done on this part of the wall and the rock used will not be wasted, as it can be reused. The difficulty lies with the unconsented part of the wall, which either requires consent or emergency works. D. Lew emphasized the need to obtain a single consent for the entire wall to streamline the process, allowing for prompt action if another king tide occurs.

S. Morgan explained that the purpose of the report is to inform the committee of current actions. As D. Lew mentioned, these actions must comply with Section 330 unless they involve the consented part of the wall. Cr A. Campbell emphasized the necessity of taking action where safety is concerned. Cr P. Haddock concluded by stating that staff would continue to monitor the situation.

Mayor H. Lash pointed out that even adults can have accidents due to slips, suggesting the possibility of placing signs to advise the public to keep off the area while the project is being assessed. Mayor H. Lash also expressed interest in seeing the cost estimate for maintenance to address the gaps.

J. Mandery emphasized the council's responsibility regarding clearly dangerous and overhanging areas, noting that such hazards could be fatal if a child were involved. He explained that immediate maintenance costs for day works range from \$10,000 to \$20,000. Simply using rocks to patch holes would not be effective and would involve unnecessary handling. J. Mandery stressed the importance of aligning the committee's decisions with their desired outcomes.

Cr P. Haddock requested that staff monitor the situation to assess whether it poses any hazards to the public. J. Mandery clarified that there are currently no hazards present that would potentially fall onto anyone.

**Moved** (Cr B. Cummings / Cr A. Campbell) that the committee receives the report.

*Carried*

### 7.3

Mayor H. Lash pointed out that removing driftwood can diminish the natural protection of the beach. Cr P. Haddock then asked if there were any further points for discussion. Cr A. Cassin inquired about the budget for these works. S. Morgan responded that actual costs are not yet determined but are expected to be under \$40,000, covering rocks and overburden.

**Annual Works Report** – S. Morgan explained that this pertains to the details outlined in your finance report, including consultant costs. No capital works were undertaken during this period, with expenses covering advertising, insurance, and staff time. The works were conducted from June 1st, 2023, to July 30th, 2024, focusing on the seawall and emergency works as previously discussed. S. Morgan emphasized the importance of consulting with the committee regarding emergency works, as stipulated in the terms of reference.

Rates strike rating for maintenance of existing assets only.

There was a call for questions before the rates strike.

Cr A. Cassin inquired about whether any modelling had been conducted. S. Morgan clarified that no such modelling had been carried out, but if it were to be done. S. Bastian noted that any significant addition to the wall would involve substantial costs. S. Morgan added that constructing the wall to a higher standard could potentially reduce maintenance costs but emphasized the need for modelling to assess these factors. This could involve additional engineering costs and necessitate more staff for inspections, particularly with new walls requiring a more frequent inspection regime.

S. Bastian inquired about the current status of South Side Assets. K. Jacobsen clarified that this falls under a separate rating district and will be discussed in the Hokitika South Side meeting. Cr B. Cummings asked Cr A. Cassin if there was a



willingness to increase the wall height. Cr A. Cassin responded that a decision would depend on the results of the modelling.

D. Lew remarked that when constructing new river works to a higher level of service, they typically withstand initial floods well but require maintenance after the first few years. He noted that building more flood banks increases the maintenance workload. Considering the current rates and targets, he suggested maintaining the recommended rating for the next year and revisiting it at the following year's general meeting.

Cr P. Haddock suggested that the prudent reserve does not need to remain as high once Stage 1A and Stage 1B are completed. He expressed confidence that completing these stages should significantly reduce future risks.

Cr P. Phelps suggested that another approach could be drawing down on a loan. D. Lew cautioned that the challenge with this method is that it requires decisions from the committee. Without broader support through a targeted rating scheme, which aims to gain agreement from all ratepayers, achieving community consensus can be more challenging but leads to a smoother process overall.

Acting Corporate Services Manager A. Pendergrast added that another factor to consider is the reserve required for an asset under insurance policies, which typically includes an excess of \$250,000. In the event of a claim, this amount would need to be covered initially, potentially necessitating a loan. A. Pendergrast suggested viewing the reserve as a form of self-insurance for assets rather than simply as cash in the bank, which may involve drawing down on debt.

Cr B. Cumming remarked on the importance of having funds readily available in the bank to respond quickly to urgent needs. Cr P. Haddock added that some rating districts prefer to maintain larger prudent reserves, which can sometimes delay immediate action compared to districts with thinner reserves.

A. Pendergrast, raised the question of how reserves should be adjusted to accommodate changes or increases in levels of service. This adjustment can benefit the council from a cashflow perspective. Cr A. Cassin inquired about how these reserves are determined, and Cr B. Cummings explained that it typically correlates with the value of council assets.

Cr B. Cummings explained that smaller rating districts often enter into contracts where they agree to make payments at specific times.



S. Morgan suggested that the committee first discuss general business before finalizing the rate strike, as there are several matters included that could impact the decision regarding the maintenance rate.

**Moved** (Cr B. Cummings / Cr A. Campbell) that the committee receives the report.

*Carried*

### **General Business**

K. Jacobsen mentioned that drone surveys are beneficial for the catchment team, although conducting them here is more challenging due to proximity to the airport.

K. Jacobsen mentioned that cross-section surveys are scheduled to be conducted every three years, aiming to establish this practice for Kaniere. For the seawall, there are consent requirements in place. Regarding the rate strike, K. Jacobsen proposed including cross-section surveys in the budget. Additionally, there's a possibility of maintaining access ways, currently managed informally through topping up with gravel, and K. Jacobsen suggested allocating some of the rates to support this effort.

The Beca report includes recommendations that need to be implemented for the seawall, which is not designed to accommodate driftwood or informal access ways over it. This presents an opportunity to discuss whether to allocate maintenance funds towards removing large driftwood that proposed a risk to the structural integrity of the asset.

Cr P. Haddock asked about the budget, K. Jacobsen said 2024-2025 there is \$60,000 for the budget that has not been specifically broken into line items.

S. Morgan advised no quote today for cross section cost, but we can bring this back to the next meeting.

K. Jacobsen advised cross section surveys for the seawall must be done for consent requirement.

K. Jacobsen emphasized the need to bring contractors in for weed and vegetation clearance for the structural integrity of the groynes and enable visual inspection. S. Morgan added that while consultation with the committee is necessary, maintenance of these structures is essential. S. Morgan also provided

estimates for vegetation maintenance, highlighting its dependence on available funding. Essentially, if the allocated funds are not used, they can either be carried over for the prudent reserve or fully utilized for maintenance purposes.

Mayor H. Lash asked if removing vegetation would accelerate water movement. K. Jacobsen explained that it is not best practice to have vegetation on assets because roots can destabilize structures if removed, which could lead to erosion. K. Jacobsen agreed with Mayor H. Lash that vegetation can slow water flow but emphasized that it's preferable to avoid vegetation on structural assets to maintain their integrity. D. Lew elaborated on the risks associated with root networks, underscoring the importance of disciplined maintenance practices. He advocated for a stricter maintenance approach to ensure compliance with best engineering practices and minimize risks, which represents a higher level of cost but is necessary for long-term asset integrity. Mayor H. Lash sought clarification regarding driftwood, and K. Jacobsen pointed out that driftwood poses similar risks as vegetation when it accumulates around assets, potentially causing erosion. K. Jacobsen emphasized that while vegetation might be suitable on natural beaches, it is not recommended on structural assets.

Cr B. Cumming asked if the cross sections are intended to validate the lidar data. K. Jacobsen clarified that in this instance, the coastal cross sections are conducted to facilitate ground-based surveys, rather than to verify lidar data. Cr P. Haddock humorously remarked that driftwood is needed for the annual driftwood contest.

The discussion reiterated concerns about beach access, noting that tourists often climb over barriers. There is strong support for providing temporary access to reduce high risks, aiming to prevent serious accidents in these areas. Cr P. Haddock inquired whether WDC would collaborate with staff on this issue. S. Bastion explained that access points often get compromised after storms, but efforts are made to maintain access and take out smaller materials towards Sunset Point. WDC has instituted new access points.

D. Lew summarized the options, emphasizing that no immediate decisions need to be made today. The focus should be on complying with consent conditions for coastal surveys and deciding whether to proceed with conventional or LiDAR-based cross-section assessments, which will be determined based on cost-effectiveness for Kaniere. D. Lew also suggested exploring the costs associated



with vegetation removal outside of the meeting cycle. Regarding timber and other considerations, he emphasized that these decisions require engineering judgment, leaving it to the engineers to make informed assessments.

Councillor Cummings commented on the prudent reserve, noting that several thousand tons of rock were shifted years ago for emergency work. This should be considered as part of the prudent reserve, as it represents a significant asset.

Cr P. Haddock asked if everyone was happy with the \$60,000. Annual budget Council proposed rates strike of \$101,665.00 which included \$60,000 of rates maintenance, \$4,933.00 of infrastructure insurance and \$36,629.00 of engineering cost recovery.

**Rates 2024/2025:**

**Moved** (Cr B. Cummings/Cr A. Campbell) that the rate strike for Hokitika Rating District is \$101,562 Excl GST for the 2024-2025 financial year.

*Carried*

*All in favour*

**7.4**

**IRG Report** – S. Hoare provided an update: Stage 1A extends from Westland Milk Products to the state highway bridge, and Stage 2 covers Kaniere. Stage 3 spans from the state highway bridge to Sunset Point. Stage 1A was completed with additional funding from Westland Milk. WCRC consent has been finalized, with minor tasks remaining for vegetation clearance nearing completion. The tender for Stage 1B has been finalized, and the council has applied for Resource Consent, encountering delays due to Kiwi Rail's approval process as an affected party. Verbal approval from Kiwi Rail has been received, and all issues are nearly resolved, pending effective party approval with certain conditions. The project is now at a stage where the final district and regional consents are pending to mobilize contractors.

Stage 2 in Kaniere has been placed on hold as efforts focus on Stage 3. Initial surveys have been conducted, and a high-level cost estimate has been prepared to assess its budget implications. Ground penetration radar surveys will determine the composition of the existing bank, with further condition surveys planned due to some rockwork falling into the river. It's crucial to assess

associated risks and the impact on council infrastructure that traverses through the bank. Consultation will be integral to understanding how these factors affect the project's budget and compliance with flood protection requirements.

Regarding the seawall discussed earlier, there are two consents in progress: one for a new revetment and another for emergency works. The new revetment consent is awaiting a hearing date and has been publicly notified, receiving submissions both in favour and against, split evenly. This will proceed through a full public hearing process.

D. Lew mentioned that the consent process has been paused to allow for careful consideration of various issues. With the arrival of a new manager who will be involved from the outset, there is a focus on addressing concerns and attempting to resolve any outstanding matters that may arise.

Cr P. Haddock commented he is pleased we have made progress with Kiwi Rail approval.

Regarding Stage 3, S. Bastian expressed a desire to review the high-level design. S. Hoare clarified that they aim to provide an overview of the design's location and its intended support for the existing structure, emphasizing that it's not too late to share this information with S. Bastian.

S. Bastian noted WDC assets in that vicinity. S. Hoare assured our team are well aware of that.

Mayor H. Lash, speaking through the chair, asked if the consent process also involves consulting with local groups, considering the long-term engineering benefits. D. Lew clarified that the only parties involved in the application are Inovo and Beca, but expressed confidence that the new group manager would effectively address their concerns. Councillor P. Haddock thanked S. Hoare for his report.

**Moved** (Cr B. Cummings / Cr A. Campbell) that the committee receives the report.

*Carried*

## 7.5

**Impairment** – S. Morgan discussed the impairment report provided to all the rating districts, explaining that impairment refers to unexpected damage to an



asset. S. Morgan emphasized the importance of rating districts and communities understanding that while WCRC consults with them as thoroughly as possible, the council is ultimately empowered under the River and Soil Conservation Act to manage assets according to the Asset Management Plan (AMP).

**Management Update** – S. Morgan informed that the council has invested in new staff, including an asset management lead, K. Maynard, and construction engineer, J. Mandery. K. Jacobsen serves as the southern engineer, and a new Group Manager will start on the 20th of May. This investment aims to enhance confidence among the Joint Committee and rating districts in the management of river and coastal hazards, with plans to expand efforts in this area. Cr P. Haddock remarked that this approach resembles the catchment days, with more in-house staff and consultants used primarily for higher-level tasks such as consenting, ultimately saving money for the rating districts.

**Classification Review** – S. Morgan discussed the classification review offered to all rating districts for reclassifying their schemes. While it is less relevant to this particular district, bringing in a classifier next year across all rating districts will help save costs. The classification determines how different properties within the rating district are rated based on the protection they receive from the asset. S. Morgan advised that this review will be necessary with the implementation of new capital works and suggested waiting until after the completion of Stage 3 to avoid needing to repeat the process.

Cr P. Haddock suggested that the net might need to be widened so that everyone contributes. K. Jacobsen noted that this classification currently has only one zone in blue, indicating it may be a single zone. S. Morgan added that all relevant information is available on the WCRC website under asset management plans.

S. Bastion explained that the classification was initially formed as part of the 2020-2021 Long-Term Plan (LTP) based on stormwater management. It was designed to address surface or river flooding based on the extent of inundation.

No more general business.

Meeting closed 1:15pm.

**Actions:**

WCRC-Adopt to advertise public forum in the public notice.
WCRC-Update the declaration of interest register to include Cr P. Phelps
Inovo-S. Hoare to share Stage 3 High-Level design with WDC
Bring the correct finances from the 2021-2022 period (related to IRG works) to the next meeting, Group Catchment Manager to circulate via email prior to next meeting.
WDC-Staff to monitor the seawall area for hazards and consider installing signs to advise the public to keep off the area while it is assessed.
WCRC-Provide cost estimates for the seawall maintenance at the next meeting.
WCRC-Bring a quote for the cost of cross-section surveys to the next meeting.
Ensure groynes in Kaniere are clearly visible-weed and vegetation maintenance.

DRAFT/UNCONFIRMED

## 7.1 Insurance Update

**Author** Shanti Morgan, Group Manager Environmental Science and Chantel Mills, Project Accountant

**Authorizer** Darryl Lew, Chief Executive

### Report Purpose

The purpose of this report is to provide the Rating Districts with an update on Councils insurances including:

1. Clarification of WCRC's deductibles (i.e. excesses) under the infrastructure insurance policy
2. An **indication** of the 2024/25 insurance premium split across rating districts, and **estimated** 2025/26 insurance premium including **estimated** premium split across rating districts for budgeting purposes.

### Recommendations

***It is recommended that the Committee resolves to:***

1. *Receive the report and note the attachment.*
2. *Provide feedback on insurance premiums and excesses as related to the Rating District scheme.*

### Issues and Discussion

#### Background

Council has a range of insurance policies covering operational risks. AON is Council's insurance broker. Council is part of a shared insurance procurement collective with other South Island Councils called the South Island Council Collective (SICC).

#### Current situation

1. WCRC's **2024/25 Infrastructure Insurance was renewed** at 4pm on 1 November 2024 for a further one-year term (expiring 4pm 1 November 2025).

A summary of 2024/25 Infrastructure Assets Listing is provided in **attachment 1**.

2. The writer would like to take this opportunity to clarify Council's **Deductibles under the infrastructure insurance policy**. WCRC have two possible deductibles (i.e. excesses) under the policy pertaining to direct physical loss suffered and depending on the peril that caused the damage / loss.
  - i. Where the damage / loss is suffered due to Earthquake, Natural Landslip, Tsunami, Tornado, Volcanic Eruption, Hydrothermal & Geothermal activity, and Subterranean Fire, WCRC's deductible (i.e. excess) is **NZD\$250,000 for each and every loss (eel), or**
  - ii. Where the damage / loss is suffered due to Flood and Windstorm (including Storm Surge), WCRC's deductible (i.e. excess) is **NZD\$1,000,000 eel**.

Any deductible under the infrastructure policy applies to 100% of the loss or damage arising out of any one event to the property or asset.

3. Council is asking for feedback from Rating Districts on the current insurance excesses, which are being clarified in this paper for the Rating Districts. The Council will receive and consider Rating District feedback when undertaking the 2025/26 insurance renewal cycle.

## Considerations

### Implications/Risks

#### 1. Deductibles and the Financial Impact on Rating Scheme Coverage

##### Current Deductibles (excesses):

- \$250,000 per event for damages / losses caused by events like earthquakes, volcanic eruptions, and subterranean fires.
- \$1,000,000 per event for damages / losses due to flood, windstorm, and storm surge.

##### Implications:



- WCRC has 23 Rating Districts Schemes, two of which have declared asset values which are *less than* both deductibles (*i.e.* 2024/25 Neils Beach \$36,894, and Matainui Creek \$116,560). Several Rating schemes also have damage exposure values that are *less than* both deductibles
- Rating Schemes with lower-value assets and lower-damage exposure values are highly unlikely to ever make damage or loss claims for isolated events due to the level of the deductible(s).
- Rating Schemes with lower value assets and/or lower damage exposure values would be more likely to make an insurance claim if assets were damaged / lost in an event affecting multiple rating districts and multiple assets as a result of a single catastrophic event.
- For a summary of the declared asset values for the 2024/25 renewal sorted by value from highest to lowest please see **attachment 1**.
- The trade-off between lowering the deductible(s) is higher premiums across all 23 rating districts.
- Parts of the Coast experienced notable weather events in April 2024 and October / November 2024. These events have not resulted in any insurance claims as yet. WCRC staff have been assessing damage and the general view at this stage is that any damage suffered in the event were estimated to be well below the \$1,000,000 flooding event deductible for each event.
- Therefore, any damage from the April 2024 and October / November 2024 events to date are being repaired by Council on behalf of the Rating Districts as repairs & maintenance or through funds within each rating district prudent reserve.

## 2. **Financial Risk of Not Insuring**

- **Potential Cost of Damage:** When infrastructure assets suffer damage or loss the repair and replacement costs can escalate quickly. For example, if we consider an event affecting (5-20% of asset value) the reinstatement costs across the infrastructure assets could range between \$2,000 (Neils Beach) and \$7,925,863 (Wanganui).
- **Ratepayer Responsibility:** Without infrastructure insurance, all repair and replacement costs would need to be covered by respective Rating District reserves or through increased rates to service a loan, particularly for high-cost events.

- **Risk Tolerance:** Each Rating District will have a different risk tolerance and will need to carefully consider their respective financial capacities to finance major repairs / asset replacements independently should an event occur. How would the Rating District fund repair / replacement costs if no insurance is in place? Is Rating District willing to take the risk of not insuring its community's flood protection assets?

### 3. **Benefits and Limitations of Insuring**

#### **Advantages of Insurance:**

- **Catastrophic Event Protection:** Insurance can protect against significant financial losses in large-scale events that exceed the deductible amount.
- **Risk Management:** Insurance may reduce the financial burden on the district in severe events which are predicted to increase with climate change.

#### **Limitations:**

- **High Deductible Costs:** Understandably, no insurance claims are made when the repair / replacement costs are under the \$250,000 or \$1,000,000 excesses. This results in a burden of cost to rating district to fund necessary repair / replacement works on damaged or lost assets up to the deductible amounts.
- **Cost-Effectiveness:** For assets with lower damage exposure or value, the insurance premium may outweigh the potential benefits due to the deductible threshold.

### 4. **Considerations for Providing Feedback**

- **Risk and Financial Impact:** Consider the likelihood and potential cost of damage for your scheme and whether your Rating District can feasibly cover these costs without insurance.
- **Priorities and Preferences:** Feedback should reflect your district's priorities—whether you value protection against catastrophic loss or prefer to self-manage smaller damages and risks.
- **Alternative Preparedness:** If opting out of insurance, think about alternative strategies (like building reserves or implementing preventive measures) to address future damage or loss.

We welcome your feedback to help Councillors decide the best approach for insurance of scheme assets for the upcoming 2025/26 financial year.

### Other Funding Risks to consider

National Emergency Management Agency (NEMA) funding may be accessed for up to 60% of eligible rebuild costs **provided key criteria are met**.

Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:

- the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or
- the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery.

### Significance and Engagement Policy Assessment

There are no issues within this report which trigger matters in this policy.

### Tangata whenua views

Staff are not aware of any issues within this report which would impact tangata whenua.

### Views of affected parties

Views of affected parties are being collated during rating district meetings and will be presented back to council on insurance needs for each scheme with an associated risk profile.

### Attachments

**Attachment 1:** Summary of 2024/25 Infrastructure Insurance renewal declared values, 2024/25 Insurance premium rating district indicative split, and 2025/26 Estimated insurance including rating scheme premium split.

**Summary** of 2024/25 Infrastructure Insurance renewal declared values, 2024/25 Insurance premium rating district **indicative split**, and **2025/26 Estimated** insurance including rating scheme premium split.

<b>Infrastructure Assets</b>	<b>Declared Value (2024/25)</b>	<b>2024/25 Premium Indication</b>	<b>Estimated 2025/26 Premium</b>
<b>Wanganui</b>	39,629,315	35,770	37,630
<b>Greymouth Floodwall</b>	24,561,725	22,170	23,323
<b>Franz Josef Combined</b>	24,254,514	21,893	23,031
<b>Taramakau</b>	23,910,670	21,582	22,704
<b>Karamea</b>	11,414,646	10,303	10,839
<b>Kowhitirangi</b>	10,372,605	9,363	9,849
<b>Hokitka Seawall Combined</b>	8,554,347	7,721	8,123
<b>Inchbonnie</b>	7,802,261	7,042	7,409
<b>Waitangi-Taona</b>	7,391,652	6,672	7,019
<b>Nelson Creek</b>	6,938,935	6,263	6,589
<b>Punakaiki</b>	5,422,853	4,895	5,149
<b>Vine Creek</b>	5,159,546	4,657	4,899
<b>Mokihinui</b>	3,202,472	2,891	3,041
<b>Westport</b>	2,406,483	2,172	2,285
<b>Kongahu *</b>	2,214,694	-	-
<b>Redjacks Creek</b>	1,805,336	1,630	1,714
<b>Okuru</b>	1,404,921	1,268	1,334
<b>Whataroa</b>	1,360,799	1,228	1,292
<b>Raft Creek</b>	1,262,372	1,139	1,199
<b>Hokitka Southside</b>	1,165,987	1,052	1,107
<b>Matainui Creek</b>	116,560	105	111
<b>Neils Beach **</b>	36,894	-	-
<b>Rating District Administration ***</b>		73,650	77,479
<b>General Rate - Kongahu *</b>		1,999	2,103
<b>General Rate - Neils Beach **</b>		33	35
<b>Grand Total</b>	<b>190,389,588</b>	<b>245,499</b>	<b>258,265</b>

\* Per 2021-31 LTP Kongahu is a drainage scheme and should be excluded from the insurance policy.

\*\* Neils Beach is a 'sacrificial bund'. The insurance premium is under \$40 per year and covered by General Rate.

\*\*\* Per 2021-31 LTP 70% of infrastructure insurance premium is paid by the Target Rate to respective Rating District(s) and 30% is funded by General Rate.

## 7.2 Report on Riverbed Level Survey Programme

**Author** Max Dickens, Policy Manager,  
Paulette Birchfield, Area Engineer Catchment  
Management, Jordan Mandery, Construction Engineer.

**Authoriser** Shanti Morgan, Group Manager Environmental Science

### Report Purpose

To update rating districts on the proposed West Coast Regional Council 10-Year River and Coastal Survey Strategy.

### Report Summary

The WCRC has had a ten-year strategy in place for riverbed survey since 2014. This strategy is due for renewal and a new strategy has been proposed for adoption by the regional council (Attachment 1).

This report outlines the importance of riverbed and coastal surveys for the purpose of flood and coastal hazard protection.

Council have also been put forward a proposal to change the current funding model of survey work which is currently 50% funded by the relevant rating district, and 50% by the General Rate, to a 100% funding through the income council receives as a result of gravel royalties. The outcome of this proposal will be provided verbally to RDs during meetings.

### Recommendations

***It is recommended that the Committee resolve to:***

1. *Receive this report.*
2. *Notes the 10-year river and coastal survey strategy*

### Issues and Discussion

### Background

The WCRC have had a 10-year river cross-section survey strategy in place since 2014. Historically these surveys have been funded 50% by the relevant rating district, and 50% by the General Rate. Out of the 23 West Coast Regional Council rating districts, 16 have regular cross-section surveys. The absence of regular surveys has resulted in a variation in the understanding of each scheme and the protection they provide. With some schemes having a well understood level of service where surveys have been undertaken and others a general understanding relating to historic flood levels which do not account for changing climatic conditions or changes in the physical environment.

### **Current situation**

The current 10-year strategy concludes this year. The Catchment Management group have drafted a new 10-year strategy (ref. Attachment 1) to conduct surveys across selected schemes to support and maintain the understanding of the level of service provided by the schemes maintained by the WCRC. This work will include, but is not limited to:

- bed and crest level surveys, with an increase in frequency/scope and scale in areas where gravel extraction is taking place,
- areas where additional monitoring or surveys may be needed depending on the nature of the gravel extraction application.
- other areas where surveying is considered necessary.

The new program aims to ensure compliance with regulatory consent conditions, improve infrastructure management, enhance flood prevention efforts, and provide valuable data for long-term planning and informed decision-making with regards to the effects of gravel extraction on the region's rivers and coastlines. This strategy provided a schedule for surveys of the rating districts where surveys were required.

This programme will build on the regular program of established surveys with additional cross section surveys and Mean Bed Level (MBL) analysis funded via the use of gravel royalties. This will provide high level data for flooding and infrastructure needs, as well as ensuring that an appropriate amount of gravel is being taken.

The new bed level survey programme will vary from 6 monthly to a 5-year return period<sup>1</sup> depending on the river in question. The programme will be developed considering what is achievable from both a budgetary and practical perspective. It may also include measuring coastal data if this is considered relevant.

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<sup>1</sup> Please note that following major events officers will likely need to re-survey affected schemes over and above the regular programme.

The programme will be designed specifically to ensure that it will be covered by a varying percentage of the gravel royalties. It will be flexible to ensure capacity for adjustments based on priority, funding availability, and emergent needs.

A proposal to fund this work program has been put forward to the WCRC which would result in a change to the current 50% by the relevant rating district, and 50% by the General Rate to a 100% funding through the income council receives as a result of gravel royalties. The outcome of this proposal will be provided verbally to RDs during meetings.

### **Considerations**

#### **Implications/Risks**

There are safety and infrastructure management risks associated with not improving our data around rivers.

#### **Significance and Engagement Policy Assessment**

This policy does not trigger the significance and engagement policy.

#### **Attachments**

Attachment 1: West Coast Regional Council 10-Year River and Coastal Survey Strategy

**West Coast Regional Council  
Hokitika Rating District Financial Accounts  
For the 12 Months to 30 June 2024**

	2023/2024 Jun-24	2023/2024 BUDGET	2022/2023 Jun-23
<b>RESERVES OPENING BALANCE 1 JULY 2023</b>	<u>244,332</u>	<u>                    </u>	<u>112,805</u>
<b>REVENUE</b>			
Internal Interest Earned / (Paid)	6,474		292
Rates - Loan	189,560	189,576	
Rates	101,033	101,052	299,823
<b>TOTAL REVENUE</b>	<u>297,067</u>	<u>290,628</u>	<u>300,115</u>
<b>EXPENDITURE</b>			
Advertising	0		798
Contractors	30,226	60,000	
Consultants	28,051		20,441
Insurance	6,534	4,428	4,327
Loan Interest	72,458	622,008	27,477
Resource Consents	7,637		
Staff Time	36,629	36,624	35,805
<b>TOTAL EXPENDITURE</b>	<u>181,534</u>	<u>723,060</u>	<u>88,848</u>
<b>NET SURPLUS/(DEFICIT)</b>	<u>115,533</u>	<u>-432,432</u>	<u>211,267</u>
Capital Expenditure			
Loan Principal Repaid	79,767		79,740
<b>RESERVES CLOSING BALANCE 30 JUNE 2024</b>	<u>280,098</u>	<u>                    </u>	<u>244,332</u>

Loan Summary at 30 June	2023/2024 Jun-24	2023/2024 Budget	2022/2023 Jun-23
<b>Opening Balance</b>	1,172,756		1,252,496
Loan Principal Repayment	(79,767)		(79,740)
<b>Closing Balance 30 June 2023</b>	<u>1,092,989</u>		<u>1,172,756</u>



\*All figures are GST exclusive



# HOKITIKA RIVER WALL IRG PROJECT UPDATE

PROJECT	Hokitika River Stopbanks Stages 1 and 3	DATE	15/01/225
SUBJECT	RD Meeting Update		
ISSUED BY	Scott Hoare	WCRC IRG Programme Manager	
ISSUED TO	Tom Hopkins	West Coast Regional Council	
FILE / REF No.	15408		

## Introduction

The purpose of this report is to provide an update and overview of the Hokitika River Stopbanks portion of the Infrastructure Resilience Group (IRG) project.

## PROJECT OVERVIEW

### Stage 1B (from SH6 upstream to Livingstone Street)

- The project start was delayed due to obtaining Resource Consent
- The upgrade works for Stage 1B were tendered in September/ October 2023 to four contractors. On completion of the tender analysis a recommendation was put forward in December 2023 to WCRC to engage Henry Adams Contracting to commence work once Resource Consents were received.
- Works to raise the stopbank commenced on Stage 1B in July 2024.
  - All riverside work adjacent to Wadeson Island was completed prior to whitebait season
  - All work is now substantially complete, with only minor defect remediation to be carried out. The work included:
    - Placement and compaction of bulk fill of approximately 19,000 m<sup>3</sup>,
    - Supply and placement of approximately 8,200 T of quarry rubble.
    - Supply and placement of approximately 3,200 T of toe rock.
- Some native planting of selected areas between the toe of the new bank and the Wadeson Island stream will be undertaken in March 2025.
- The forecast budget for completion this stage is \$2,260,000

### Stage 3 (from SH6 downstream to Sunset Point)

- A suitability study including geotechnical investigations has been undertaken to confirm existing stopbank and surrounding substrate is suitable for raising of the stopbank
- Following this, two possible concept designs were developed, and a meeting with WDC operations staff was held on 28 November 2024 to review the options (at a high level only).

Next Steps include the following

- Present current concept designs to WCRC Operations Committee and Hokitika Rating District Joint Committee (late January/early February 2025)
- Incorporate any further feedback, finalise concept(s) and commence more formal consultation with stakeholders, moving toward preparation of consent applications
- Update Project schedule to include timeframes for processing Resource Consent to be granted, Procurement of Contractors and Construction duration.
- The forecast budget for this stage is \$3,115, 220

Regards



**Scott Hoare**

WCRC IRG Programme Manager

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**7.5 Regional Infrastructure Fund Flood Resilience Projects:  
Tranche 2, Hokitika Flood Protection Scheme Upgrades  
Stage 2 (Kaniere)**

**Author** Freya Love, Chief Advisor

**Authorizer** Shanti Morgan, CEO (Acting)

**Public Excluded** No

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**Report Purpose**

The purpose of this report is to update the Hokitika Rating District Joint Committee on the status of Stage 2 of the Hokitika Flood Protection Scheme Upgrade, outline the steps required to secure funding for its completion, and seek endorsement to proceed with next steps. These include public consultation, detailed design finalisation, and resource consent acquisition.

The report aims to ensure alignment with West Coast Regional Council's (WCRC's) strategic objectives for flood resilience, meet funding application requirements for the Regional Infrastructure Fund (RIF) Flood Resilience Projects initiative, and highlight the benefits and implications of completing the project.

**Report Summary**

The Hokitika Flood Protection Scheme aims to enhance flood resilience for the Hokitika township by carrying out a comprehensive flood mitigation upgrade to the existing assets.

While Stages 1A, 1B, and 3 at Hokitika township are complete or underway, funding for Stage 2 at Kaniere was deprioritised due to funding constraints. To complete the full scheme, further funding is needed.

There may be an opportunity via the RIF Flood Resilience Projects initiative, for the Rating District to secure subsidised funding for the project through a 60% central government/40% local share co-funding arrangement for flood resilience projects. Through Regional Investment Fund (RIF)

Preparing a RIF application will require completing detailed designs, initiating formal public consultation and confirming that resource consents are in place.

The project triggers WCRC's significance and engagement policy, given its potential financial, impact on the community, and it is not fully funded in the current Long-Term Plan (LTP).

## Recommendations

***It is recommended that the Committee resolve to:***

1. *Receive the report.*
2. *Endorse proceeding with community consultation on the project in order to satisfy the special consultation requirements completion of Stage 2 of the Hokitika Flood Protection Scheme project (Kaniere Stopbank Upgrades) and the associated next steps (including submitting a RIF application for a funding subsidy).*

## Issues and Discussion

### Background

This project builds on the foundational work of the Provincial Growth Fund 'Shovel Ready' Projects. The focus for Stage 2 is on constructing new stopbanks adjacent to the Kaniere Bridge to enhance flood protection for the Kaniere township, in order to complete the full scheme.

Stage 2 of the Hokitika Flood Protection Scheme upgrades was originally consulted on with the Hokitika and Kaniere communities in 2020, along with Stages 1A, 1B and 3 (Hokitika township) and the extension of the Hokitika seawall. However, funding constraints and cost escalations required a reprioritisation of this work, leading to the discontinuation of the seawall extension work beyond consenting and the need to seek further funding to complete Stage 2 of the project.

### Current situation

There may be an opportunity via the RIF Flood Resilience Projects initiative, for the Rating District to access 60% central government/40% local share co-funding of capital works to improve community resilience to flooding.

The second stage of the funding application will include a full feasibility study and project plan.

To ensure council are prepared for this and funding can be secured, several critical steps are required (see Table 1).

As per the paper's recommendations, staff are seeking endorsement from the Hokitika Joint Committee for completion of the Stage 2 works. The recommendations from the committee will then be presented to WCRC councillors with the proposed next steps:

1. Initiate formal public consultation inclusive of project benefits and rating impacts.
2. Continue with and complete detailed design and costings for Hokitika Stage 2
3. Continue with and secure consents for the project

**Table 1:** Task list for completion of the Hokitika Stage 2 feasibility study for RIF Flood Resilience Projects funding application

<b>Task</b>	<b>Status</b>	<b>Risks</b>
Concept design	Complete	- NA
Detailed design	In progress	- Budgets are to be revised following detailed design completion
Consent preparation	In progress	- Delays in consenting may impact project timelines and result in cost escalation
Community consultation	project has previously been consulted on at an 'in principle' level for the PGF 'Shovel Ready' Projects initiative	<ul style="list-style-type: none"> <li>- This project triggers the WCRC significance and engagement policy and therefore formal consultation is required</li> <li>- Delays may result in the inability to secure RIF Flood Resilience co-funding</li> </ul>

If the Stage 2 works do not go ahead, the Hokitika flood protection Scheme upgrades will not be complete, potentially leaving the community exposed to risk when another flood event occurs.

### Options Analysis

- **Option 1: Endorse the Stage 2 Upgrade proposal and proceed with next steps**
  - Concludes the programme of upgrades to the Hokitika and Kaniere Flood Protection Scheme that will ensure flood resilience and protection for critical assets valued at a total of \$1 billion across both locations.
  - Reduces long-term exposure to flood risks at Kaniere Township.
  - Provides a comprehensive catchment approach to flood management in line with the original 2020 proposal for upgrades of the full scheme.
- **Option 2: Do Nothing**
  - Leaves the community and assets vulnerable to significant flood damage due to the gap in the scheme.

### Costs and Benefits

- **Estimated Cost:** Capital cost of \$4m, \$2.4m government funding and \$1.6m local share. Raising a loan for local share will need final approval by West Coast Regional Council, contingent on central government proceeding with a formal offer of a subsidy of 60%.
- **Benefit:** Enhanced flood protection, safeguarding local infrastructure and community wellbeing.

### Considerations

#### Implications/Risks

- The delay in funding could lead to increased costs and risks to community assets, due to the incomplete nature of the scheme.
- If RIF funding is not sought, or the government decides not to proceed with a potential 60% grant, then the cost of developing detailed design, public consultation, and obtaining consent will not be able to be recovered from the project cost and will be borne by the rating district.

#### Significance and Engagement Policy Assessment

This project is a new Significant Activity and therefore triggers consultation under Council's significance and engagement policy. This assessment has been made on the basis that:

- The community interest is high, and the likely consequences of not proceeding may be significant.
- The proposal affects the level of service of a significant activity (Infrastructure).
- The level of financial consequence of the proposal requires that consultation is necessary.
- The proposal will affect a large portion of the community.

- There are likely impacts to Māori cultural values and their relationship to land and water.
- Formal consultation has been used in the past for similar proposals and decisions.

### **Tangata whenua views**

Tangata whenua views will be sought during consultation. However, Iwi have expressed support for like projects and earlier stages of the flood protection scheme upgrades in the Hokitika area.

### **Views of affected parties**

Affected parties' views will be sought during the formal consultation process. However, parties affected by the earlier stages of the flood protection scheme upgrades in the Hokitika area have been supportive in principle.

### **Financial implications**

- **Current Budget:** Development of detailed design, public consultation and consenting and build cost is estimated to be around \$4m, \$2.4m government funding and \$1.6m local share, local share will need final approval by West Coast Regional Council
- **Future Implications:** Maintenance of the current scheme at Kaniere is provisioned under the existing Hokitika Rating District. We will provide full costs of the loan and maintenance costs as part of the special consultation process.

### **Legal implications**

Work can be completed under existing consents, with no anticipated legal risks.

### **Attachments**

Attachment 1: Tranche 2 Proposal Summary

<b>7.6</b>	<b>Hokitika Seawall Extension Project Update</b> Tom Hopkins, Capital Programme Manager
<b>Authorizer</b>	Shanti Morgan, (Acting) Chief Executive Officer
<b>Public Excluded</b>	No

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### Report Purpose

The purpose of this report is to summarise the background and current situation with the Hokitika Seawall Extension Project and temporary seawall, and to receive endorsement from the Joint Committee on the transfer of expenditure from a “Work in Progress” account associated with work on the temporary seawall in September 2021 to the Hokitika Rating District through loan funding. The report also asks the committee to note that there is a projected shortfall in the budget for the seawall extension project and makes recommendations about how this shortfall should be funded.

### Report Summary

A proposal to extend the Hokitika seawall as part of a package of flood and coastal protection scheme upgrades was proposed in 2019 and initiated in 2020 after co-funding between central government and local share was secured.

In 2021, while planning & design was underway for the seawall extension a temporary seawall was constructed due to immediate and increasing erosion of the dune seaward of beachfront property. It was intended that the temporary seawall would be replaced by the seawall extension once design and consent were obtained.

However, due to funding shortfalls and project reprioritisation within the Hokitika and Kaniere Resilience Project the scope and funding for the Hokitika seawall extension was reduced in 2022, reallocating resources to the flood protection scheme upgrades along the Hokitika River. The reduced budget for the seawall extension would allow for the continuation of design and consenting for the seawall extension which would then enable its construction in the future should additional funding be secured. In April 2022 a ‘for consent’ design for the seawall extension was completed and consent applications lodged with both WCRC and Westland District Council (WDC).

With regards to the temporary seawall A consent application for was not lodged within the statutory timeframe specified in Resource Management Act emergency



works provisions. The unconsented temporary seawall now requires retrospective consent to discharge the West Coast Regional Council's (WCRC's) legal obligations and ensure it can be maintained and provide some level of protection to beachfront properties.

In March 2024 a decision was made by the WCRC to proceed with the consent application for the Hokitika seawall extension in conjunction with the retrospective consent application for the temporary seawall. Proceeding with consents for both projects ensures compliance, addresses submitters' concerns, and supports adaptive coastal management while involving the community in decision-making.

However, there is a projected shortfall in the budget for design and consenting for the seawall extension (current budget \$740,000, forecast cost at completion of the design and consenting phase of \$1,071,000, meaning the current project budget has a shortfall of \$331,000). It is proposed to top up the budget from rating district finances.

In addition, the cost of construction and consents for the temporary seawall will have to be capitalised and transferred from a WCRC 'Work in Progress' (WIP) account to the Hokitika Rating District loan account. The total cost of construction and retrospective consent is estimated to be \$518,000.

### **Recommendations**

***It is recommended that the Committee resolve to:***

1. *Receive the report.*
2. *Endorse the transfer of the expenditure associated with the construction and consenting of the temporary seawall from a WCRC WIP account to the Hokitika Rating District account through an extension of the existing loan. The extension of the existing loan is expected to be valued at \$518,000.*
3. *Note that there is a projected shortfall in the seawall extension budget for design and consent of \$331,000.*
4. *Endorse the topping up of the budget for design and consent of the seawall extension from rating district finances.*
5. *Note the proposed programme for the seawall extension and temporary seawall design and consenting phases.*

## Issues and Discussion

### Background

In 2020 \$7,000,000 in funding was obtained by WCRC to upgrade existing flood protection assets on the north bank of the Hokitika River and extend the existing seawall on Hokitika Beach (the Hokitika and Kaniere Resilience Project). The project is co-funded between the Government's Provincial Growth Fund 'Shovel Ready' Projects initiative (75%) and local share (25%).

The seawall extension is proposed to be 1100m in length from Stafford Street to Richards Drive. The original estimate for design and construction of the seawall extension was \$5m.

During the late 2010s/early 2020s an erosion event north of the existing Hokitika seawall led to WCRC placing a total of c.16,000 tons of rock along the erosion scarp between Stafford Street and Richards Drive. The work was carried out in three stages between 2019 and 2021. The final stage of the work in September 2021 involved the placement of 10,072 tons of rock at a cost of \$456,000 and was undertaken with the endorsement of the Hokitika Seawall Joint Committee<sup>1</sup> and approval of WCRC Councillors<sup>2</sup>. The rock was placed under emergency work provisions, as a temporary measure to provide some level of protection over the short term. It was intended that the rock placed would be re-used for the seawall extension when constructed. Consent for the temporary seawall was not secured at this time.

However, in late 2022/early 2023 the scope and budget for the seawall extension project was reduced to design and consenting only, with the funds for construction being re-prioritised to Hokitika River flood protection scheme upgrades. The seawall extension budget was reduced to \$740,000.

In April 2022 a 'for consent' design for the seawall extension was completed and consent applications lodged with both WCRC and Westland District Council (WDC). The term of consent sought from WDC is indefinite, and from WCRC is 15 years. The purpose of the consent is "... (to implement a) short to medium term interim solution....to allow for WCRC to plan and implement a longer term adaptive coastal management strategy". Construction consents are proposed to be for a 5-year term. Note: the lapse period for a consent is 5 years but can be extended to 10 years. The applications were publicly notified in June 2023, and 37 submissions were received (19 oppose, 16 support, 2 neutral). The applications were subsequently requested to be placed on hold by WCRC.

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<sup>1</sup> Minutes of the Special Meeting of the Hokitika Joint Seawall Committee, September 2021

<sup>2</sup> Minutes of Council Meeting, September 2021

Key themes from the submissions are set out in Attachment 1.

In October 2023 retrospective applications were lodged with both WCRC and WDC for the temporary seawall. The purpose of the consent is for a temporary seawall until a properly designed seawall can be designed and installed. A 15-year term is proposed. The applications were subsequently requested to be placed on hold by WCRC.

### **Current situation**

The consent applications have remained on hold while new WCRC Catchment Management Group staff were recruited and then worked to understand the status of the seawall extension project and temporary seawall and associated issues.

Catchment Management Group staff have completed a review of the current status of both the seawall extension project and the temporary seawall and assessed a range of options. In March 2024, Council through the Infrastructure Governance Committee agreed to progress consent applications for both the seawall extension AND the temporary seawall, which has the following benefits:

- The opportunity is retained for the community to participate in decision making about coastal protection strategy between Stafford St and Richards Dr
- Expenditure to date on consenting for both temporary seawall and seawall extension results in an outcome
- The outcome provides certainty to the community in terms of strategy going forward
- Hearing both applications at the same time is a more efficient use of funds and results in a broader discussion and more informed decision
- The temporary seawall is consented, WCRC's legal obligations are met in this regard, and the temporary seawall is able to be maintained (note: minimal maintenance only, enough to 'make safe' and reduce risk to the public)
- Consent for the seawall extension is in place and can be activated if required

As above, the seawall extension project scope is for design and consent only. The project has a current budget of \$740,000 with a forecast cost at completion of the design and consenting phase of \$1,071,000, meaning the current project budget has a shortfall of \$331,000. It is proposed that this shortfall is funded from rating district finances.

The cost of the temporary seawall to date is \$493,000 including construction and consent costs. This expenditure is currently sitting in a WCRC WIP account. The cost of construction and consents for the temporary seawall will have to be capitalised and funded by the Rating District.

This report recommends the expenditure to construct and consent the temporary seawall in be moved from WIP to the Hokitika Rating District account and seeks the committee's endorsement of this. The recommendation is to increase the loan balance to cover the expenditure and maintain the current prudent reserve which is intended to be immediately available for emergency works.

## Considerations

### Implications/Risks

Progressing the consent applications for both the seawall extension AND the temporary seawall has implications as follows:

- **Temporary Seawall:**
  - The cost of construction, consenting and ongoing maintenance will be borne 100% by the rating district, there is no opportunity to incorporate rock from the temporary seawall into the seawall extension project at this stage
  - The temporary seawall is not built to any accepted design standard, and the expert advice is that it largely provides only a very low level of protection from coastal erosion
  - Accordingly, ongoing maintenance should be minimal, enough to 'make safe' and reduce risk to the public (e.g. rocks overturning on people traversing the seawall)
  - If consent is not granted (because the temporary seawall is assessed as having an adverse effect the environment) then the structure will have to be removed
  - Removal of the temporary seawall may have benefits for other projects e.g. rock supply to Hokitika River Wall Stage 3
- **Seawall Extension:**
  - There are no funds available at present to construct the seawall extension, and in any event the current cost estimate (\$11,000,000) may not be acceptable to ratepayers and representatives
  - Expenditure on design and consents will have to be expensed in the interim until there is a constructed asset to capitalise that expenditure against
  - There are insufficient funds available to complete the design/consent phase and the budget will require topping up from either rating district finances. The estimated additional budget required is \$331,000
  - Acceptance of conditions recommended by some submitters opposed to the proposal will likely be required to obtain consent and reduce the risk of appeal. This particularly applies to the 'trigger line' provision and amending the proposed location of the seawall to 10-15m from property boundaries
  - The proposed 'trigger line' may not be reached before the consent lapses (5 years plus a possible further 5-year extension)

### **Significance and Engagement Policy Assessment**

There are no issues within this report which trigger matters in this policy. The seawall extension project was identified in the previous long-term plan (2021-2031). The seawall extension consent application has been publicly notified.

### **Tangata whenua views**

Tangata whenua have not been consulted with in the preparation of this paper. However, both hapū of Poutini Ngāi Tahu are represented on the Joint Committee and accordingly have the opportunity to make their views on matters contained within this report known at the Joint Committee meeting.

### **Views of affected parties**

The views of Hokitika and Kaniere Rating District ratepayers were sought when consulting on the proposal to access PGF 'Shovel Ready' funds to implement the seawall extension project in 2020.

The views of representatives of Hokitika Rating District ratepayers (i.e. the Hokitika Seawall Joint Committee and West Coast Regional Councillors) were sought when seeking approval to complete the construction of the temporary seawall.

Further views of Hokitika Rating District ratepayers and other stakeholders were sought on the seawall extension project by publicly notifying the consent application. Submissions have been received, and submitters views are known.

The views of Hokitika Rating District ratepayers and other stakeholders have not yet been sought on the temporary seawall, although most submitters to the seawall consent application made their views about the temporary seawall known via their submissions.

### **Financial implications**

#### *Current budget*

- **Seawall Extension (PGF 'Shovel Ready' Projects/Local Share Funded):**
  - Budget \$740,000, Expenditure Life-to-Date (LTD) \$619,000, Remaining Budget \$121,000
  - Expenditure LTD is currently sitting in a WCRC Work in Progress (WIP) account
- **Forecast Cost to Complete design/consent for seawall extension** (including consent for temporary seawall, if the two applications are considered in tandem):
  - Expenditure LTD = \$619,000
  - Cost estimate to prepare for and hold hearing = \$292,000
  - Cost estimate for other remaining work post-hearing to conclusion of design phase = \$160,000

- Total cost estimate to obtain consent and 'for tender' design = \$452,000
  - Remaining budget = \$121,000
  - Forecast cost at completion ( $\$619,000 + \$452,000$ ) = \$1,071,000
  - Available Budget = \$740,000
  - Shortfall = \$331,000
- **Temporary Seawall (Rating District Funded):**
    - Expenditure LTD \$493,000
    - Expenditure LTD is currently sitting in a WCRC Work in Progress (WIP) account.
  - **Forecast Cost to Complete construction/retrospective consent for temporary seawall:**
    - Expenditure LTD = \$493,000
    - Cost estimate to complete retrospective consent application (application fees, technical review of temporary seawall) = \$25,000
    - Forecast Cost at Completion ( $\$493,000 + \$25,000$ ) = \$518,000

#### *Future implications*

- **Seawall Extension:**
  - The forecast cost at completion of the design/consent phase for the seawall extension project is \$1,071,000, presenting a shortfall of \$331,000. Therefore, the budget will require topping up from rating district finances.
  - In any event, the cost of design and consents for the seawall extension project will have to be expensed in the interim as there will be no asset to capitalise against. Expensing design and consent costs will have implications for Rating District finances in that Rating District finances will be the 'holding pen' for this expenditure.
- **Temporary Seawall:**
  - The forecast cost at completion for the temporary seawall is \$518,000. The cost of construction and consents for the temporary seawall will have to be capitalised and funded by the Rating District (at the end of the 2023/24 financial year the reserve balance was \$274,000 (target prudent reserve balance being \$460,000) and the loan balance was \$1,093,000).

#### **Legal implications**

The key legal risks are as follows:

- Risk of compliance action if proper process is not followed to continue holding the applications while a strategy going forward is agreed. Legal advice on how to manage this risk has been obtained and we understand the process we need to follow.

- Risk of compliance action if the temporary seawall remains in place unconsented. Legal advice on how to manage this risk has been obtained and we understand the process we need to follow.
- Risk of appeal and environment court hearing if affected parties cannot be satisfied by conditions of consent for the seawall extension particularly.

### **Attachments**

Attachment 1: Key Themes from Seawall Extension Consent Submissions

Attachment 2: Programme Next Steps

**Attachment 1: Key Themes from Seawall Extension Consent Submissions**

- **Support:**
  - Improved protection for private property
  - Improved public access along the beach (proposed walkway on/adjacent to seawall)
  
- **Oppose:**
  - The proposal is contrary to s6(a) and 6(d) of the RM Act, the New Zealand Coastal Policy Statement (NZCPS), the NZCPS guidance reports and other planning documents
  - Urgency overstated, should go straight to adaptive coastal management strategy, noting that a properly designed and consented seawall may be a part of that strategy
  - Hard structures can result in increased erosion and degradation of the beach over the medium to long term (wave reflection/scour/lowering of the beach and end effects) – as evidenced by the performance of the existing seawall
  - Not located far enough landward, should be closer to private property
  - Located too far landward, should follow same alignment as the existing seawall
  - Expensive for 15yr lifespan (NB – Construction cost \$5m at the time application notified, now \$11m)
  - Loss of amenity, privacy (due to vegetation clearance and proposed walkway), and habitat for flora and fauna, destroying naturally functioning dune system
  - Open to a consented structure, but with a longer lifespan and construction in stages triggered by proximity to private property boundary (e.g. 10-15m not 23-40m at present)



**Attachment 2: Program Next Steps**

Milestone	Date
Hokitika Joint Committee Update	3-Feb 2025
Temporary seawall application notified (if required to be notified)	21-Feb 2025
Seawall extension and temporary seawall consent applications heard/considered	18-Apr 2025
Consents granted	16-May 2025
Further design work required as condition(s) of consent completed (if required)	31-May 2025
Project complete	31-May 2025

## West Coast Regional Council –Hokitika Joint Committee

### Annual Works Report on Rating District Assets

#### 1. Executive summary

This report outlines a summary of work undertaken as part of the Hokitika Rating Districts annual works program for the 2023/2024 financial year including any maintenance, capital works and surveys undertaken. Additionally, this report details scheduled work for the 2024/2025 FY and proposes work required for the 2025/2026 Financial year which includes consultation of the 2025/2026 maintenance rate, insurance premiums and engineer cost recovery.

#### 2. Summary of asset maintenance 2023/2024 FY

<i>Emergency rock repair work of temporary seawall (April 2024)</i>	\$30,225.50
<b>Total Contractors costs:</b>	<b>\$30,225.50</b>
<i>Pre-construction survey data for emergency works (April 2024)</i>	\$1,222.00
<i>Existing seawall annual inspection (for yr ending June 2023)</i>	\$7,483.74
<i>Temporary seawall consent application preparation*</i>	<i>\$19,345.23*</i>
<b>Total consultant costs:</b>	<b>\$28,050.97</b>
<b>Total maintenance expenditure</b>	<b>\$58,276.47</b>
<hr/>	
<b>3. Administration (other expenditure)</b>	
<i>Resource Consents*</i>	<i>\$7,636.75*</i>
<b>Total:</b>	<b>\$65,913.22</b>

*\*Expenditure associated with temporary seawall capital project work, will be reversed and recoded to the temporary seawall project in the 2024/2025 FY*

Expenditure total after reversal **\$38,931.24**

#### 4. Scheduled maintenance 2024/2025

Annual beach profile survey (6 transects) for RC 13131	\$1,722.00
Beach profile survey following a significant storm event (allows for 2 events)	\$3,443.00
Rock nourishment and driftwood removal on CBD seawall (estimate)	\$40,000.00
Vegetation maintenance of Kaniere assets (estimate)	\$5,000.00
Allow for unforeseen maintenance	\$3,835.00
Temporary seawall maintenance	\$6,000.00
Design and consultation for Hokitika Stage 2 (estimate)	\$80,000.00
<b>Total</b>	<b>\$140,000.00</b>

#### 5. Capital works summary 2023/2024

Refer to capital works report

#### 6. Hokitika Rating District financial balance

The balance in the rating district account at the beginning of the 2025 / 2026 financial year is likely to be approximately \$209,000

This target balance for the 'prudent reserve' for this rating district is \$460,000 and currently the balance is below what is required.

This prudent reserve does not meet the target balance, however the funds that exist are immediately accessible for urgent emergency works that may be required following a major coastal or flooding event.

#### 7. Proposed rates for the 2025 / 2026 financial year

Rates Maintenance	
Surveying for Resource Consent 13131 (3 surveys)	\$6,000.00
Asset maintenance allowance*	\$103,014.00*
Engineers Cost Recovery	\$40,700.00
Infrastructure Insurance	\$8,123.00
<b>Total:</b>	<b>\$157,837.00</b>

\* Includes a new allowance for maintenance of the Hokitika River stopbanks between Town Belt East (Westland Milk Products) and State Highway 6, as provided for in West Coast Regional Council's Long-term Plan 2024-2034. The additional budget is calculated at 1% of the capital cost of the work to that stopbank (\$4,301,387 x 1% = \$43,014).

**Council recommends a total rate strike of \$157,837 excluding GST.**

## **8. General Business**

- Temporary Seawall Erosion Remediation Optioneering Report (Ref Attachment 1)

**Attachment 1: Temporary Seawall Erosion Remediation Optioneering Report**

# Inspection Summary & Options for Hokitika Seawall Remediation (Unconsented Section) 2024NOV4

The inspection by WCRC Catchment Management staff on 4 November 2024 revealed several significant issues along the seawall frontage:

## 1. Key Issues Identified

1. **Uneven Rock Protection:** Slumping has caused height discrepancies, exposing dune material to continued erosion.
2. **Dangerous Cavities:** Large gaps have opened up behind recently placed rock, posing significant risks and in particular, safety risks to children and pets.
3. **Displaced Filter Cloth:** The slumping has displaced the original filter cloth laid beneath the armour rock which will lead to further rock slumping when the cloth fails due to abrasion damage.
4. **Public Safety Hazards:** Displaced individual rock units pose a serious crush risk to the general public at multiple locations on the frontage.
5. **Insufficient Armour Rock:** A top-up of approximately 15 tonnes per linear meter (LM) will be required to provide adequate rock protection to the land behind the seawall.
6. **Bedding Material:** Remedial work should incorporate a 500mm deep layer of suitable bedding material below the filter cloth across the full height of the protection work.
7. **Lack of Public Safety Signage:** Currently, there is no signage indicating the risk to the public, further compounding safety concerns.

## 2. Immediate Recommendations

Implement Option 5 as outlined in this report:

1. **Urgent Rock Stabilisation:** Deploy a medium-sized excavator to stabilise loose rocks along the frontage as soon as possible.
2. **Temporary Cavity Filling:** Urgent placement of an imported clay/gravel mixture is recommended in the interim to fill multiple large erosion cavities at the rear of the rock wall where required to reduce this serious hazard to people (falls into the cavities).
3. **Install Danger Signs:** Set up danger signs to warn the public of the hazards along this stretch of the seawall (see reference image for signage style).
4. **Cost Estimate:** The work recommended in Option 5 is estimated to cost a maximum of \$6,000

## 3. Options for Seawall Remediation

### Option 1: Do Nothing

- **Action:** No further intervention or expenditure.
- **Outcome:** Erosion and public safety risks remain unaddressed, leading to ongoing liability.

### Option 2: Communication & Signage Only

- **Action:** No physical work on the wall. Instead, install prominent danger signs (cost of \$667) and communicate public risks effectively.
- **Outcome:** Informing the public reduces liability by raising awareness of the hazards without physical reinforcement.
- **Cost Estimate:** \$1,000



#### Option 3: Partial Rock Top-Up & Cavity Filling

- **Action:** Place additional rock in high-risk areas.
- **Estimate:** Approximately \$60/tonne carted and placed, requiring 15T/m in selected priority areas.
- **Outcome:** Provides localised stabilisation and increased level of protection in critical sections.
- **Cost Estimate:** \$5,000 – 30,000

#### Option 4: Full Seawall Reinforcement

- **Action:** Comprehensive additional rock placement across the entire seawall frontage. See further detail of proposed scope in Section 4
- **Estimate:** \$60/tonne at 5-15T/m, applied across the full length – breakdown shown in report
- **Outcome:** Ensures longer-term stability and significantly reduces public safety hazards.
- **Cost Estimate:** \$632,940

#### Option 5 (Recommended): Communication to Joint Committee, Signage, Cavity Filling & Reposition Loose Rock

- **Action:** Install danger signs (cost of \$667) and communicate public risks to the Joint Committee. Fill obvious cavities with imported material (gravel/clay mix), or, if needed for cost, sand (though this will wash out faster). Reposition loose rock to improve temporary stability (cost of <\$5,000 of digger works).
- **Outcome:** Informs the public, raises awareness of hazards, and addresses immediate safety concerns. The Joint Committee needs to be made aware of the unsustainable maintenance

requirements for the non-consented seawall, as recent remediation efforts have failed to hold long-term. Continuous washouts and erosion occur regardless of ongoing maintenance expenditure.

- **Cost Estimate:** Max \$6,000

#### 4. Section-Specific Remediation Outline for Option 4:

These are rough estimates based on the inspections conducted by Oliver Rose and John Ellis (WCRC) on November 1<sup>st</sup> and 4<sup>th</sup>, 2024. The rating district likely cannot and will not fund the top-ups suggested below. This isn't our recommended option, but rather highlights the higher-risk areas experiencing greater erosion, providing the reader with an understanding of the site without needing to conduct a site inspection.



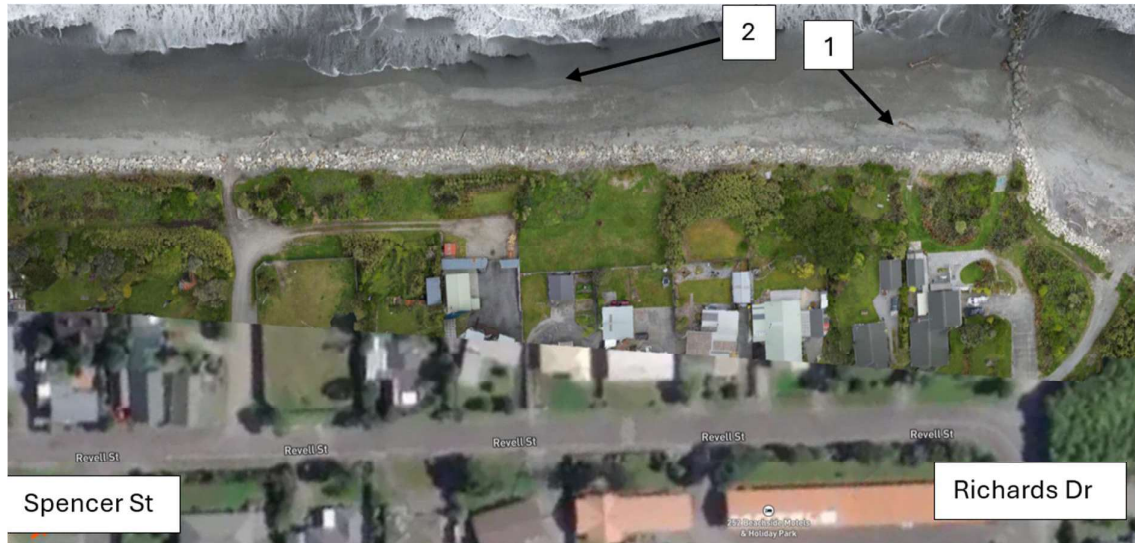
**Richards Dr to Spencer St:**

This section has been broken down into two lengths requiring differing amounts of rock.

$$65\text{m} \times 10\text{T/m} = 650\text{T} \times \$60/\text{T} = \$39,000$$

$$240\text{m} \times 7\text{T/m} = 1,680\text{T} \times \$60/\text{T} = \$100,800$$

Total: \$139,800





**Spencer St to Tudor St:**

This section has been broken down into two lengths requiring differing amounts of rock.

50m x 12T/m = 600T x \$60/T = \$36,000

110m x 10T/m = 1,100T x \$60/T = \$66,000

Total: \$99,000







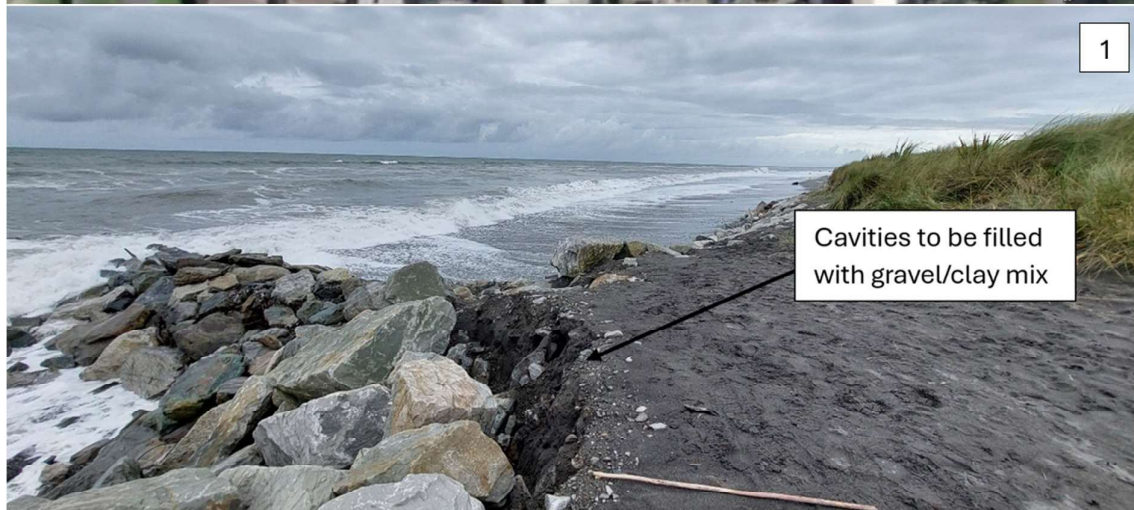
**Tudor St to Park St:**

This section has been broken down into two lengths requiring differing amounts of rock.

$110\text{m} \times 5\text{T/m} = 550\text{T} \times \$60/\text{T} = \$33,000$

$155\text{m} \times 15\text{T/m} = 2,325\text{T} \times \$60/\text{T} = \$139,500$

Total: \$172,500









**Park St to Hampden St:**

This section has been broken down into two lengths requiring differing amounts of rock.

$$60\text{m} \times 12\text{T/m} = 720\text{T} \times \$60/\text{T} = \$43,200$$

$$90\text{m} \times 15\text{T/m} = 1350\text{T} \times \$60/\text{T} = \$81,000$$

Total: \$124,400







**Hampden St to Beach St ('Trigger Line' provided for in RC13131 for the consented seawall):**

This section has been broken down and given an average of 7T/m across 232m round the curve of the trigger line.  $232m \times 7T/m = 1624T \times \$60/T = \$97,440$



Total length of the unconsented seawall is roughly 1112m with a large volume of rock required to bolster the failing wall along the entire length. Based on breaking the seawall into sections of varying lengths a rough estimate of the minimum amount for a chance at protecting long-term is 10,600T and at \$60/T this equates to \$632,940.

Summary

Richards to Spencer

$65m \times 10T/m = 650T \times \$60/T = \$39,000$

$240m \times 7T/m = 1,680T \times \$60/T = \$100,800$

Spencer to Tudor

$50m \times 12T/m = 600T \times \$60/T = \$36,000$

$110m \times 10T/m = 1,100T \times \$60/T = \$66,000$

Tudor to Park

$110m \times 5T/m = 550T \times \$60/T = \$33,000$

$155m \times 15T/m = 2,325T \times \$60/T = \$139,500$

Park to Hampden

$60m \times 12T/m = 720T \times \$60/T = \$43,200$

$90m \times 15T/m = 1350T \times \$60/T = \$81,000$

Hampden to Beach

$232m \times 7T/m = 1624T \times \$60/T = \$97,440$

This distance is far too great to continue to remediate within any realistic yearly maintenance budget for the Hokitika Rating District.



## Final Recommendation

Given that rock placed along the seawall will continue to slump and degrade over time, further investment in rock placement alone is unsustainable for the rating district and would quickly exhaust limited funds. This limits the viable options down to constructing the seawall as per the BECA design, or what we recommend below.

The best course of action is to raise these concerns with the Joint Committee, presenting evidence, including images, to highlight the ongoing costs and limitations of maintaining the non-consented seawall. Repairs are extensive, and any work undertaken now could misallocate funds if a capital project is anticipated in the near future. While there is an argument for placing rock now, with the possibility of covering costs through a future capital project that could reimburse the rating district at the market rate for repurposing existing rock, significant risks remain. These include potential coastal inundation and erosion of existing vegetation and dunes from wave run-up. Notably, any rockwork placed in the interim is not lost; it is largely reusable when a capital project begins, providing protection in the short term and supplying rock material for future efforts.

Without a properly engineered design, taking out a loan for these repairs may be unwise, as the rating district could incur substantial debt and, over time, have no lasting asset if the seawall continues to slump. A design prepared by BECA includes essential elements like filter fabric, bedding material, sufficient rock thickness, and an appropriate batter slope.

### Recommendation: Option 5

The recommended approach is to proceed with **Option 5**, which includes:

- **Installing danger signs** at a cost of \$667 and communicating public risks to the Joint Committee. A small additional cost of a post for each sign isn't accounted for in that figure.
- **Filling obvious cavities** with imported material (gravel/clay mix) or, if needed for cost savings, sand (although sand will wash out more quickly).
- **Repositioning loose rocks** to improve the temporary stability of the seawall and reduce the risk of rocks dislodging or causing injury. (<\$5,000 worth of digger work would be required)

The work recommended in Option 5 is estimated to cost a maximum of \$6,000.

It's essential to note that without consent, any rockwork would violate the Resource Management Act (RMA), risking penalties and making further expenditure likely unproductive.

The support of WDC will be crucial if WCRC is to secure loan funding for extensive maintenance repairs. Only a long-term, well-planned solution will provide necessary stability; meanwhile, minimal action should be taken to manage erosion as effectively as possible.

In the immediate term, installing danger signs and using a digger to stabilise loose rocks and fill large cavities may be the most prudent use of funds. These measures would address public safety concerns and reduce immediate liability without committing to costly, unsustainable interventions. The Joint Committee should also be informed of the unsustainable nature of ongoing maintenance on this non-consented seawall, given that washouts and erosion persist despite these efforts.

There may also be merit in spending additional funds to prevent potential public outcry should a major erosion event occur or if wave action overtops the unprotected sections, which are currently under significant stress.

Oliver Rose  
Catchment Officer  
West Coast Regional Council

John Ellis  
Engineering Officer  
West Coast Regional Council



Figure 3: Coastal erosion, over-hanging vegetation, strewn filter fabric, armour rock slumping.

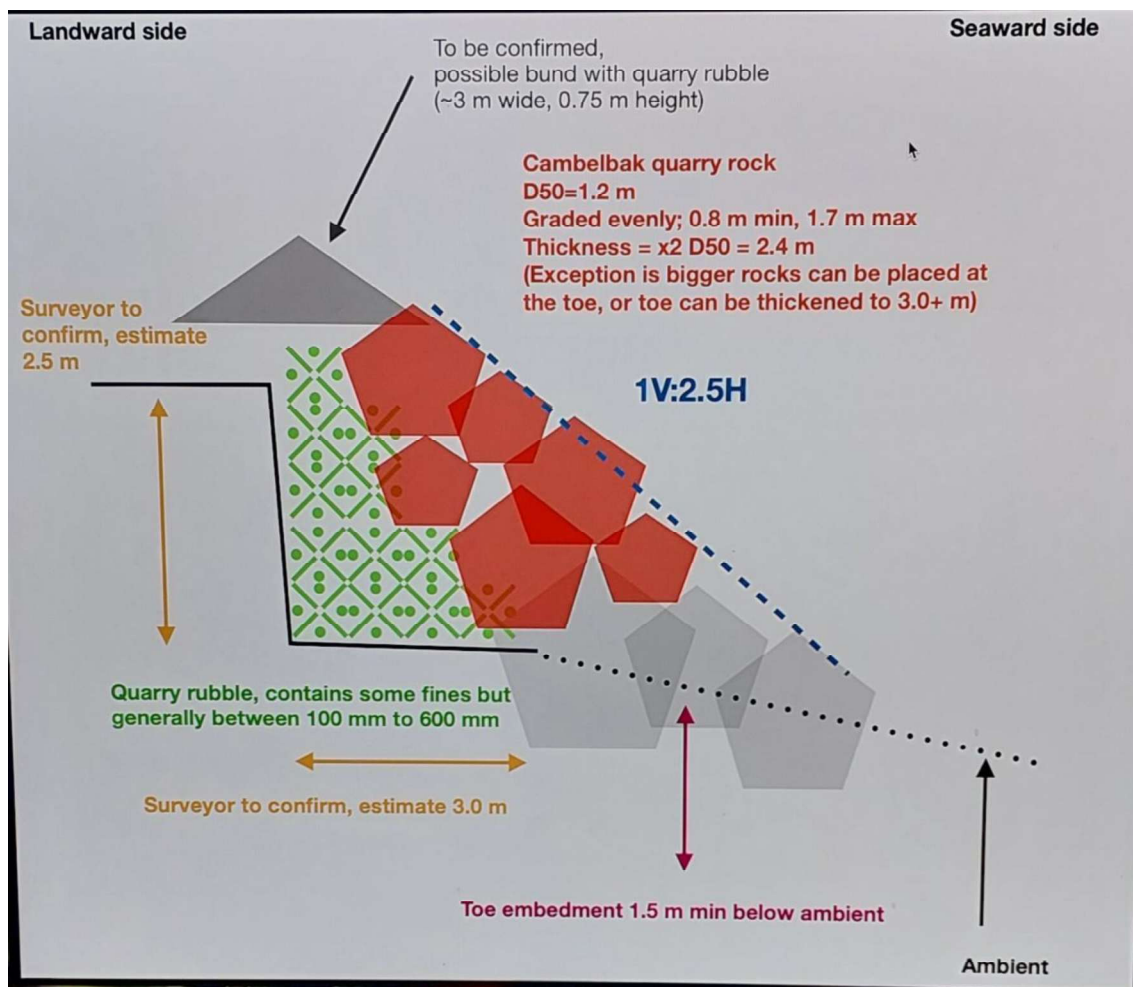


Figure 4: Cross section details for construction





Figure 5: Completed work (same location as Figure 2)



Figure 6: Completed work (northern section)



**Attachment 2: Images of damage to and repair of temporary seawall post-April 2024 event**



Figure 1: Project extent - plan view



Figure 2: Boulders dangerously perched at the top of the slope shoulder.