



WEST COAST  
REGIONAL COUNCIL

**Meeting of Franz Josef Joint Committee**  
***(Te Huinga Tu)***

**Wednesday, 12 February 2025**  
**6.00pm**

**97 Cron Street, Franz Josef**

**and**

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

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



# Franz Josef

## Joint Committee Meeting

*(Te Huinga Tu)*

### AGENDA

*(Rarangi Take)*

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1. <b>Welcome (<i>Haere mai</i>)</b>	
2. <b>Apologies (<i>Ngā Pa Pouri</i>)</b>	
3. <b>Declarations of Interest</b>	
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6. <b>Matters Arising</b>	
7. <b>Chairs Report (verbal update)</b>	
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**9. General Business**

**D. Lew**  
**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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**WEST COAST REGIONAL COUNCIL**

**MINUTES OF THE FRANZ JOSEF JOINT COMMITTEE MEETING  
HELD ON 29 AUGUST 2024 AT ST JOHN MEETING ROOM,  
97 CRON STREET, MEDICAL CENTRE, FRANZ JOSEF COMMENCING AT 6 PM**

**PRESENT:** Cr A. Campbell (WCRC Westland Constituency & Chair of the Joint Committee), P. Madgwick (Te Runanga O Makaawhio – via Zoom), Cr P. Haddock (WCRC Westland Constituency), Cr B. Cummings (WCRC Grey Constituency, appointed as third WCRC member), Mayor H. Lash (Deputy Chair of the Joint Committee), Cr B. Manera (WDC), O. Kilgour (Department of Conservation), J. Caygill (NZTA – via Zoom); G. Berry, J. Williams (South side community representatives); K. Molloy, T. Hartshorne, G. Gibb, L. Skinner, K. Smith (North side community representatives)

**IN ATTENDANCE:** WCRC: Cr A. Birchfield, D. Lew (CE) T. Hopkins (Group Manager–Catchment Management), S. Morgan (Science/Business Unit Manager), K. Jacobsen (Area Engineer), R. Barrow (Executive Assistant), L. Crozier (Business Support Officer), A. Pendergrast (Acting Corporate Services Manager – via Zoom); M. Pinner (NZTA); S. Baxendale (CE, WDC); S. Hoare (Project Lead, Inovo – Via Zoom); L. Williams (Local Democracy Reporter)

**1. Welcome**

The Chair opened the meeting and welcomed all attendees. Although the meeting commenced a bit later than scheduled, the Chair expressed appreciation for the efforts made by participants to attend, particularly considering the time of year and the evening timing.

**2. Apologies**

The Chair called for any apologies. Apologies were received from A. Cassin, D. Straight, T. Brunning, S. Tinirau, and B. Green.

**Moved** (P. Haddock/K. Molloy) *that the apologies from A. Cassin, D. Straight, T. Brunning, S. Tinirau, and B. Green be received.*

*Carried*

### **3. Declarations of Interest**

The Chair called for declarations of interest. Cr P. Haddock declared an interest regarding MBD Contracting Ltd, and Cr A. Campbell declared an interest regarding Campbell Contracting Ltd.

### **4. Public Forum, Petitions and Deputations**

The Chair opened the meeting with a public forum. A speaker expressed concerns about the amalgamation of the Franz Josef and Lower Waiho rating districts, suggesting that both districts would need to be dissolved for it to proceed. They referenced the Canavan's North district, which was properly dissolved and compensated after being taken over by Transit.

The Chair explained that the amalgamation was directed by Kanoa, with a plan to ensure the north side would receive their funds back. The district was extended to include a lower-grade area near the lake. A discussion ensued about the boundaries and reasons for this extension.

The Chair highlighted that several rating districts, including those in Greymouth, Coal Creek, and Westport, help protect townships and infrastructure, emphasizing that these protection costs are a public responsibility. The discussion shifted to the amalgamation consultation process of 2020, which yielded 103 responses: 45% supported co-funding, 33% backed the proposed governance structure, and 52% approved the proposed boundaries.

The public forum concluded.

Cr B. Manera, S. Baxendale, and Mayor H. Lash joined the meeting at 6.20pm.

### **5. Confirmation of Minutes**

#### **5.1 Amended Minutes of the Franz Josef Joint Committee Rating District Meeting 18 December 2023**

The minutes of the Franz Josef Joint Committee Rating District Meeting held on 18 December 2023 were reviewed for confirmation.



**Moved** (P. Haddock/J. Williams) *that the minutes of the Franz Josef Joint Committee Rating District Meeting held on 18 December 2023 be confirmed as a true and correct record, with the noted amendments.*

*Carried*

## **5.2 Minutes of the Franz Josef Joint Committee Rating District Meeting 6 May 2024**

The minutes of the Franz Josef Joint Committee Rating District Meeting held on 6 May 2024 were reviewed. Several amendments were proposed:

1. On page 7, it was noted that the committee had requested not just the agenda, but all reports to be provided two weeks prior to meetings to allow time for consultation.
2. On page 17, it was requested to record the specific vote count of 6-1 in favour, rather than simply stating "motion lost".
3. On page 19, clarification was sought regarding D. Lew's comments about depreciation and maintaining banks to current service levels.
4. On page 19, L. Skinner's comment about stopbanks going up was flagged as potentially unclear and needing revision.
5. On page 19, the wording around Council's obligations to provide flood protection was discussed as needing clarification.

The committee discussed these amendments in detail, with particular focus on ensuring accuracy in recording votes and clarifying technical points about flood protection obligations.

**Moved** (P. Haddock/J. Williams) *that the minutes of the Franz Josef Joint Committee Rating District Meeting held on 6 May 2024 be confirmed as a true and correct record, subject to the agreed amendments.*

*Carried*

## **6. Actions List**

The Actions List was reviewed, and updates on the action items were provided during the discussion as noted below.

- Item 1: Completed. It was noted that the Council now pays a general rate on the ponds.
- Item 2: Ongoing. M. Pinner provided clarification on the \$55k corner stopbank construction and funding arrangements.
- Item 3: Completed. The action to distribute the agenda and relevant information two weeks prior to meetings is to be implemented.
- Item 4: Completed.
- Items 5 & 6: Completed.
- Item 7: Completed. To be addressed in a later agenda item.
- Items 8-9: Completed. To be addressed in later agenda items.
- Item 10: Completed. The committee was informed that votes are counted based on the majority of those voting, with abstentions excluded from the count.
- Item 11: Completed. To be addressed in a later agenda item.
- Item 12: Ongoing. L. Skinner raised concerns regarding the accuracy of the rating review, highlighting that multiple properties were not rated correctly. A. Pendergrast agreed to conduct another review.
- Items 13-14: Completed. To be addressed in later agenda items.
- Item 15: Completed.
- Items 16: Mayor H. Lash discussed the reason for the capital valuation hole in ground with sewage in it.
- Item 17 – 22: Completed or to be addressed in the meeting as agenda items.

The committee discussed the necessity for more detailed financial reporting, especially concerning Kanoa works.

It was agreed that completed items would be removed from the list, while ongoing items would be retained for the next meeting.

**Moved** (P. Haddock/G. Berry) *that the Actions List be received and updated as discussed.*

*Carried*

## **7. Reports**

### **7.1 Franz Josef Rating District Joint Committee Agreement Updated May 2024**

The updated Franz Josef Rating District Joint Committee Agreement was presented to the committee, having been amended as per requests from the previous meeting.

The committee reviewed the updated agreement and discussed its contents, with no specific issues or concerns raised during the discussion.

**Moved** (H. Lash/A. Campbell) *that the Franz Josef Rating District Joint Committee Agreement Updated May 2024 be accepted.*

*Carried*

### **7.2 Legal Opinion on Credit Liability to Franz Josef Rating District Ratepayers & Rock Stockpile Management**

The committee received a legal opinion regarding credit liability for Franz Josef Rating District ratepayers, indicating that the Council must repay \$414,000 plus interest held in the rating district reserve since the 2021 audit. Discussions focused on whether interest should be included, with comparisons made to the Kaniere North Rating District's dissolution, where both principal and interest were paid. It was noted that this matter was between the former Franz Josef Rating District and the Regional Council, not for the current joint committee to decide.

Additionally, the committee addressed the management of a 4,300T rock stockpile, which was previously rejected but is now considered suitable for the Havill Walls toe rock upgrade. Three options for using the rock were presented.

- i. Use the rock to upgrade the Havill Walls stock bank at no cost, reducing overall project costs.
- ii. Provide the rock to the project at current market rate and use funds to replenish rating district reserves.

- iii. Provide the rock at current market rate and reimburse beneficiaries of the former Franz Josef Rating District.

The committee agreed that, similar to the credit liability issue, the decision regarding the rock stockpile should be made between the Regional Council and the former Franz Josef Rating District, rather than by the current joint committee.

**Moved** (P. Haddock/B. Cummings) *that the West Coast Regional Council arrange a meeting with representatives of the former Franz Josef Rating District to discuss and resolve both the credit liability and rock stockpile management issues.*

*Carried*

### 7.3 **Rock Stockpile at Franz Josef**

The Committee received an update on the rock stockpile at Franz Josef and noted that an opportunity had been identified to source rock from the Canavans Knob area on privately owned land. The Quarry Manager visited the site and believed it had potential, despite a less favourable geological report from 1970 regarding the southern end of the source.

Discussions had begun with the landowner, but no commitment had been made to progress the idea at this stage, with the decision to proceed resting with the landowner.

The Committee acknowledged receipt of this information for their interest, noting that no formal decision or vote was required on the matter.

### 7.4 **Franz Josef Joint Committee Proposed Debt Merge**

The Franz Josef Joint Committee discussed a proposed debt merger for the rating district, presented by the Regional Council, which aimed to combine the north and south rating districts into a single method aligned with the joint committee structure. This merger was intended to facilitate asset investment decisions, improve rate affordability by spreading costs among more ratepayers, and simplify administration.

The proposal prompted extensive debate, particularly regarding its potential impact on ratepayers farther from the river who might see increased rates. The Regional Council clarified that while the total amount collected would

remain the same, it would be redistributed across the broader rating base, and various rate scenarios for different property values were presented.

In favour: Mayor H. Lash, Cr P. Haddock, Cr B. Cummings, P. Madgwick, B. Manara, K. Molloy, G. Berry, J. Williams

Against: L. Skinner, G. Gibb, K. Smith, T. Hartshorne

Abstained: NZTA, DOC representatives

**Moved** (P. Haddock/K. Molloy) *that the Franz Josef Joint Committee recommends to the West Coast Regional Council that Option 2 be adopted, merging both rating district lines into one rating method.*

*Carried*

The committee acknowledged that the proposal was a recommendation, with the final decision to be made by the West Coast Regional Council. Members requested detailed information be shared with all ratepayers prior to the final decision.

#### **7.5 Franz Josef Joint Committee Rating District-Proposed Merging of Rating Methods**

The proposal aimed to merge both rating districts into a single method aligned with the joint committee's governance structure, enhancing support for asset investment and maintenance, improving rate affordability, and reducing administrative complexity.

The committee discussed potential impacts on ratepayers and raised concerns about fairness. Questions were raised regarding the accuracy of claims about rate affordability, with arguments suggesting that some properties might incur higher rates. The proposal aimed to combine capital values from both districts to establish a uniform rate, thereby simplifying administration and broadening the capital base for rate generation.

Debate continued on the proposal's merits, with some members worried about those who had previously paid minimal river rates, while others emphasized the need for community unity and shared responsibility.

Following extensive discussion, a vote was held on the recommendation (Option 2) to adopt the proposal to merge the rating districts.

Abstained – NZTA and DOC representatives.

**Moved** (G. Berry/B. Cummings) *that the committee recommends Option 2 to the West Coast Regional Council, merging both rating district lines into one rating method in line with the single joint committee representation and governance structure.*

It was noted that this recommendation would be presented to the West Coast Regional Council for a final decision.

#### 7.6 **River Training Downstream of Waiho Loop**

The committee discussed a landowner's proposal for river training downstream of the Waiho Loop, noting that resource consent and procurement per council policy were required. Concerns were raised about using rating district reserves for funding, particularly regarding ongoing maintenance costs for a preferential channel on the northern side of the river.

Clarification was sought on whether the West Coast Regional Council or its river engineers recommended the work, as the proposal appeared neutral. It was stated that river training could proceed with the necessary consents but could require significant ongoing maintenance funds if river conditions deteriorated.

The proposal's cost was estimated at about one year's rate strike, potentially depleting the maintenance fund for that period. Additionally, it was noted that the original consultation suggested NZTA would cover 50% of maintenance costs.

The committee considered amending the recommendation to indicate this would be a one-off project, with any subsequent work needing further authorization. They also agreed to require a Department of Conservation concession alongside the resource consent.

**Moved** (K. Molloy/G. Gibb) *that the Committee resolves to -*

1. *Receive the report.*
2. *Note that the proposed work does not constitute emergency works.*
3. *Note that resource consent and DOC concession will be required.*
4. *Authorise the use of the rating district's reserves to fund the proposed one-off work, including costs for consent and concession, noting that considerable ongoing expenditure will more than likely be required to*

*maintain a preferential channel on the true right (north) side of the river. Any successive works and costs required to maintain this channel training must come back for authorisation.*

*Carried*

*Abstained: B. Cummings, L. Skinner, K. Smith, T. Hartshorne*

#### **7.7 Insurance Costs Clarification**

The committee received a memo clarifying the insurance costs for the 2024-25 financial year, confirming an amount of \$13,906, which represented a 2% increase from the previous year. This amount would be rated for the upcoming financial year.

A query was raised regarding the memo's date of 2 August, which was clarified as the date it was received and authorized for inclusion in the minutes.

No formal motion was made or carried, as the item was presented for information only.

#### **7.8 Canavan's Knob Rock Quarry Potential**

The Canavan's Knob Rock Quarry Potential memo was presented to the committee for information. The quarry manager identified an opportunity to source rock from the Canavan's North area on privately owned land. Despite an unfavourable 1970 geological report on the southern end, the quarry manager believed the site had potential.

Discussions were initiated with the landowner, but no commitment to progress the idea was made, leaving the decision to proceed with the landowner.

The committee received the memo, and no further action was taken at that time.

#### **7.9 Avulsion Development**

D. Lew presented the memo on avulsion development from January to July 2024, highlighting the following points:

- a) Channel deepening and widening continued but had slowed compared to the previous six months.

- b) A potential secondary avulsion channel could form upstream, posing risks to north bank farmland, oxidation ponds, and existing infrastructure.
- c) The fan downstream of the Tartare Gorge continued to aggrade, with material from the Waiho being deposited, likely shifting the river toward the south side farms.

It was noted that while the results were preliminary, a full analysis would be presented at the next joint committee meeting, including a comprehensive presentation similar to those previously given, addressing potential impacts and risks.

It was confirmed that the University of Canterbury was interested in ongoing work and research on the Waiho River, suggesting the possibility of future surveys at minimal or no cost due to scientific interest in the river's behaviour.

**Moved** (P. Haddock/B. Cummings) *that the committee receives the report on the Avulsion Development from January to July 2024.*

*Carried*

#### 7.10 **Before the Deluge 2 – Update on Waiho South Bank Capital works Proposal (late item)**

S. Hoare spoke to the report and provided an update on the Waiho South Bank Capital Works Proposal. A PowerPoint presentation outlined the overall project scope, which was divided into sections covering different parts of the bank. It was noted that some figures were based on high-level estimates due to the lack of detailed design for certain aspects.

The proposed scope, derived from the TAG report, focused on holding the line for the south side stopbanks and the Havill extension, with a design life of 5-10 years. The sections were outlined as follows:

- a) **Milton and Others:** Required toe repair below bed level and restacking of slumped areas.
- b) **Rubbish Dump Stopbank:** The upper section is lined, but some rock has fallen away; the downstream end is unlined and needs assessment.
- c) **Havill Wall Extension:** Ongoing morphological modelling and LiDAR surveys are being conducted to determine optimal alignment and extent.



- d) **NZTA Banks:** Only the front bank needs work, with potential freeboard and rock substitution required.

It was noted that access to MB funding was secured with a 60/40 split, requiring \$4 million in co-funding from the rating district for a total project cost of \$10 million. If the actual costs are below \$10 million, the full amount would not need to be drawn down.

D. Lew clarified that the terms and conditions of the grant from Kanoa had been received and were consistent with those offered to other regional councils. The Council staff expressed satisfaction with the terms and identified no issues.

Potential debt scenarios and rate impacts were presented based on different loan terms. For a \$4 million loan over 25 years at 5.5% interest, the annual rates increase would be \$164.89 per \$100,000 of capital value, while a 10-year loan term would raise this to \$269.03 per \$100,000.

Considerable discussion occurred regarding the consultation process, the transparency of information, and the necessity for a special consultative procedure. The committee agreed that detailed information, including cost breakdowns and impacts on different areas, should be provided to all ratepayers before any decisions are made.

It was agreed that the Council staff would prepare a comprehensive paper with recommendations, terms and conditions, and relevant attachments. This information would be distributed to committee members and ratepayers for consideration before the next meeting, scheduled in approximately six weeks.

It was noted that this was an informational update, with decisions to be addressed at a future meeting after further consultation.

## **8. General Business**

The committee discussed the following items:

- a) **River Update:** The Southern Area Engineer reported that multiple floods were forecast over the next 10 days, with potential for more later. Concerns were raised about a stockpile of rock moved by Glacier Contracting, which could be used to reinforce the rubbish dump bank if conditions worsened.

- b) **Interest Rate Forecast:** Financial advisors predicted that interest rates might drop to around 3% within 18–24 months, down from the current 5.5%, potentially easing loan repayment burdens.
- c) **Project Considerations:** It was suggested that the committee consider investing in a higher-quality project while funding is available, as future government funding for such projects remains uncertain.
- d) **Milton and Other Stopbanks Works:** The proposed works were discussed, emphasizing that they were based on the current impact of the river rather than previous rebuilds. The toe of the bank was assessed to estimate necessary requirements based on the current riverbed level.
- e) **Test Pits:** It was noted that test pits conducted by an engineer would contribute to an update on the Milton and Other stopbanks works.

The Chair concluded by emphasising the importance of working collectively for the betterment of Franz Josef, rather than focusing on individual interests. She noted that the regional council has significant work ahead in terms of information gathering and dissemination. The next meeting date will be confirmed, with an expectation of two meetings before Christmas - one in approximately six weeks to discuss the information presented today, and another in November for the annual general meeting.

No formal motions were moved or carried during this general business discussion.

## 10. Next Meeting

The committee discussed the timing of the next Franz Josef Joint Committee meeting, which would focus on reviewing and potentially approving proposed flood protection works and funding. D. Lew indicated that a few weeks would be needed to prepare a comprehensive paper detailing design and funding options, suggesting a meeting in November to coincide with the regular rating district meeting cycle.

Concerns were raised about the tight timeframe, particularly regarding the need for thorough consultation with ratepayers, with emphasis on informing absentee property owners. The committee agreed that additional time was necessary to prepare and distribute information to ratepayers before decisions could be made, suggesting that two meetings might be required before Christmas. The committee planned to hold a meeting in approximately six weeks to review the detailed Minutes of the Franz Josef Joint Committee Meeting – 29 August 2024

proposal and funding options. Additionally, the regular annual general meeting (AGM) is scheduled for November, where financial reports and work plans will be presented.

D. Lew agreed to provide a specific timeline for the next meeting after the information package is prepared. No formal motion was made regarding the meeting date, and the committee decided to wait for further information from West Coast Regional Council staff before finalizing it.

The meeting concluded at 9.22pm.

.....  
Chair

.....  
Date

**WEST COAST REGIONAL COUNCIL**

**MINUTES OF THE EXTRAORDINARY MEETING OF THE FRANZ JOSEF JOINT  
COMMITTEE HELD ON 27 NOVEMBER 2024 AT ST JOHN MEETING ROOM,  
97 CRON STREET, MEDICAL CENTRE, FRANZ JOSEF COMMENCING AT 6.00 PM**

**COMMITTEE**

**MEMBERS**

**PRESENT:**

- Mayor H. Lash, Chair of the Joint Committee
- Cr A. Campbell, WCRC Westland Constituency, Deputy Chair of the Joint Committee
- Cr A. Cassin, WDC
- Cr B. Manera WDC
- P. Madgwick, Te Runanga O Makaawhio
- Cr P. Haddock WCRC Westland Constituency
- Cr B. Cummings WCRC Grey Constituency, appointed as third WCRC member
- O. Kilgour Department of Conservation via-zoom
- J. Caygill, NZTA-via Zoom
- G. Berry, South side community representative
- J. Williams, South side community representative
- K. Molloy, South side community representative
- T. Hartshorne via zoom, North side community representative
- L. Skinner via zoom, North side community representative
- K. Smith, North side community representative

**COMMITTEE**

**MEMBERS**

**ABSENT:**

- G. Gibb, North side community representative

**1. Welcome**

The Chair opened the meeting and welcomed all the attendees.

**2. Apologies**

The Chair called for any apologies. Apologies were received from Grant Gibb.

**Moved** (Haddock/ Cassin) *that the Committee receives the apologies from G Gibb.*

*Carried*

A query was raised regarding a proxy vote for Grant Gibb. It was confirmed that K Smith held G Gibb's proxy vote.

### **3. Declarations of Interest**

The Chair called for any declarations of interest. Declarations of Interest were noted on pages one to four of the agenda. There were none.

### **4. Public Forum, Petitions and Deputations**

The Chair opened the Public Forum, Petitions, and Deputations section, emphasizing the limited opportunity for contributions before proceeding to the special consultation process.

It was clarified that a document shared the previous evening was not a late agenda item but the format for the evening's presentation.

With no items raised for discussion, the meeting moved into the special consultation process.

### **5. Waiho River Southside Protection Stopbank and Northside Havill Wall Stopbank loan special consultation process**

River Engineer Matt Gardner presented an updated A scientific assessment of the Waiho River system was presented to the meeting. This is attached as Attachment 1.

Historical imagery highlighted changes in the river system since the 1940s, noting how human interventions, such as stopbanks, have altered natural flow patterns. Consequently, riverbed levels have risen rapidly since the 1950s, with current riverbed levels exceeding the elevation of the Franz Josef township.

Data analysis has revealed fluctuations in bed levels but an ongoing trend of aggradation, with approximately seven million cubic metres of sediment deposited over the past eight years. The evolution of the river system, including the development of the current aggradation and changes in braiding patterns were discussed.

A risk assessment indicates that current assets in the scheme are at critical or high risk of failure over a ten-year period. While additional engineering works would reduce risks to an extent, they would not eliminate risks. The only sustainable solution that has been identified is to allow the river to reclaim its floodplain on the

south side, noting that this approach would directly impact residents and farms on the south side.

Discussion was held on the potential impacts on infrastructure, such as the state highway and the rubbish dump, as well as concerns about feasibility, costs, and effects on the local community.

Inovo Project Lead Scott Hoare presented an updated engineering assessment of short-term solutions for the Franz Josef flood protection scheme outlined proposed works for key assets (Attachment 2). This is focused on:

- An upgrade of the Rubbish Dump Stopbank requiring 2,000 tonnes of new riprap rock for the lined section and approximately 12,000 tonnes of rock for groynes, with 8,000 tonnes for lining of the unlined section.
- A 500m extension to the Havill's Wall to protect infrastructure and slow river channel changes, with additional reinforcement to address back-cutting.
- For the Milton's and Others Stopbank, issues include slumping and exposed toe sections, with recommended works involving test pits and the use of 9,500 tonnes of top-up rock, 2,000 tonnes toe rock, and 9,500 tonnes of rock removed and replaced.

West Coast regional Council Project Accountant Aaron Prendergast presented an updated assessment of the financial impact of the project on the Franz Josef ratepayers. The presentation set out the total estimated project costs and maintenance costs for the overall upgraded flood protection scheme, including costs from Stage 1 of the project (Attachment 3).

Concerns were raised about high-cost estimates, which were clarified as conservative upper-end figures. It was noted that repairs, rather than height increases, were the focus for some sections, such as the rubbish dump bank. Discussion emphasized the importance of community consultation to prioritize projects, with questions about protecting oxidation ponds and impacts on the Tatare Stream.

The Joint Committee were reminded that protection of the oxidation ponds is key to ensuring the continued viability of the town. Indications previously noted were that the oxidation ponds would be inundated within 2 to 3 years should no action be taken. However, after 1 year it was noted that the river had already moved two-thirds of the distance needed to inundate the assets. A level of urgency for action

was noted, with questions raised whether that sense of urgency had previously resulted in action.

In response, the Chair commented that after the ponds had previously been inundated, that the District Council immediately started looking at relocation with three options considered. However, this move was rejected after the District Council instead paid to build the Havill Wall.

The Chair stated that the District Council will continue to look to work with the Central Government at funding options to continue to support the long-term viability of the town.

Returning to the Stage 2 works proposed, the Committee debated whether to accept the full government funding offer or a reduced amount. Concerns about transparency and the need for greater community involvement in decision-making were highlighted. Following extensive discussion, a motion was tabled to accept \$7.9 million in government funding (60% government, 40% local share) for Stage 2 works, subject to conditions including community consultation, approval of works, and financial reporting.

The Committee extensively debated the conditions and oversight for funding, resulting in key recommendations attached to the motion as noted below. West Coast Regional Chair Petter Haddock made clear to the committee that this was the only option to secure the 60% project funding subsidy from central government, and that if not accepted now, the funding would be lost. West Coast Regional Chair Haddock also made clear that if the offer were not accepted, no future funding for the project would be forthcoming from central government, and the community would have to cover all future costs on their own. Mayor Helen Lash concurred on this point.

Regional Council Chair Haddock also recommended to the community that they should not have to pay for any work that might need to be done on the NZTA stopbank as part of the Stage 2 project. It was agreed at the meeting that the NZTA stopbank and any upgrade work required on it in Stage 2, will stay with NZTA.

The Committee discussed the need for transparency and community input in prioritizing works, citing past issues with information sharing. Emphasis was placed on ensuring oversight of fund allocation. While concerns were raised about the cost

to ratepayers and the necessity of all proposed works, the majority agreed that accepting government funding was essential to advance flood protection efforts.

**Moved** (Berry/ Smith) *that the Committee accepts \$7.9 million in government funding for Stage 2 works, subject to the specified conditions around consultation, approval and reporting as follows –*

- 1. The Regional Council only draw down that funding only as required in consultation with the Franz Josef Joint Committee.*
- 2. The Regional Council will consult with the Franz Josef Joint Committee on the preferred selection and order of works.*
- 3. The Regional Council will provide the Franz Josef Joint Committee with the detailed scope of work to be done, and costing relevant to that work prior to contracts being let.*
- 4. Monthly invoices being provided to the Joint Committee with the support and sign off by the Engineer to Contract and the project manager for those other invoices associated with the project.*

*Carried (11: 2)*

*Skinner and Hartshorne voted against the motion.*

The Chair stated that as DOC and NZTA abstained from voting at the Joint Committee meeting instigating the Special Consultative Process, that they must abstain from voting on the motion.

The meeting concluded at 9.22pm.

.....  
Chair

.....  
Date



# FRANZ JOSEF IRG UPDATE

PROJECT	Franz Josef Stage 1	DATE	21/01/2025
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 a status update of the Franz Josef Stage 1 Infrastructure Resilience Group (IRG) project.

## PROJECT OVERVIEW

- The project start was delayed due to the issuing of the Resource Consent. Consent was applied for in May 2022,
  - Affected Party Approval was required to be obtained
  - This led to a hearing under an Independent Commissioner and Consent was granted by the commissioner in September 2023
- To minimise the risk of further delays to the start of construction while the Consent was being processed, Council instructed that the works should commence under the Emergency Works provisions of s330 of the RMA in May 2023,
- Construction works commenced on the North Bank (Franz Josef Phase One) in June 2023,
- The works commenced with the construction of the new Link Bank located between the bottom of the Heliport Bank and the mid-point of the Havill Bank; the work comprised the installation of bulk fill and rock armoring on the river side of the bank up to the final design height
- The existing banks were completed in sequence with the Havil Bank followed by the Heliport Bank and finally the Church Bank; these banks had bulk fill added to their existing construction and rock armoring installed to achieve the final design height; all banks are now at the new design height
- Additional toe rock was also installed to the base of the Havil Bank to reinforce the bank against possible scour effect of the river flows
- The full assembly of the stopbank upgrade was substantially completed on the 18<sup>th</sup> December 2024
- A Completion/Defects Inspection of the overall works was carried out on 20<sup>th</sup> January 2025; some minor defects were identified and rectification of these is expected to be completed by end January/early February 2025

## REMAINING WORKS

- Survey information and As-built drawings are required to be submitted by the Contractor as well as the completion of the defect rectification works prior to the formal Practical Completion Certificate being issued
- As part of this completion process there are obligations created by the Consent Conditions to be undertaken and complied with. This is part of the transition from the Project team to the WCRC operations team.
- Subject to the above, it is anticipated that the Practical Completion Certificate would be issued in mid-February 2025

## FINANCIAL UPDATE

The project cost has been reconciled against the budget and allocated costs against the relevant sections of the bank. It should be noted that the original budget did not include contingency or allowances for escalation or fuel adjustments. The budget was insufficient for a project of this scale with items significantly underestimated, however, we were able to manage the project within the budget envelope approved by Council and Kanoa.

Through careful management of the budget, we have been able to deliver the full north bank upgrade (including variations) under budget, noting that we still have some items to conclude (stormwater, rock & bulkfill supply). The final account is yet to be agreed with the contractor, once this is completed along with the remaining works, a project close out report will be completed.

Below is a summary of the costs and variations to date. The construction variations have been reviewed and approved by the Engineer to Contract.

Description	Budget	Spent to Dec 2024
Design , Flood Modelling, Resource Consent, Project Management	\$ 685,000.00	\$ 1,486,500.00
Heliport to Church Bank	\$ 1,228,950.00	\$ 1,581,370.00
Link Bank	\$ 5,142,380.00	\$ 4,729,780.00
Havill Wall	\$ 1,839,808.00	\$ 1,991,490.00
Heliport Stormwater Redirection	\$ 350,000.00	\$ -
Southside - Rata Knoll to Milton Emergency Works	\$ 410,000.00	\$ 405,920.00
Southside Stopbanks - Bridge to Canavan's Knob	\$ 2,635,325.00	\$ -
<b>TOTAL</b>	<b>\$ 12,291,463.00</b>	<b>\$ 10,195,060.00</b>

Variations To date (inclusive in the spent to date value)	Variation Value
Preparation of Resource Consent for Hearing - Legal Fees and Expert Witnesses	\$ 180,000.00
Procurement and additional design, modelling, and engineering observation	\$ 282,000.00
Additional Engineer to contract and project management	\$ 399,000.00
Lifting of Overhead Services	\$ 170,000.00
Fuel Cost adjustments	\$ 430,000.00
Heliport Pad Vegetation removal, Pad Relocations and Fencing	\$ 114,480.00
River Diversion and River Training Works	\$ 251,150.00
Havill Wall Rock Tie in	\$ 53,460.00
Havill Wall Test Pits and Toe Rock Placement	\$ 43,650.00
Rock Stockpile placement	\$ 49,105.00
Havill Wall Soft material, removal and recompacting	\$ 29,640.00
Additional survey & geophysical testing to confirm founding layers on Church Bank	\$ 4,230.00
Formation of Access Ramps on Havill Wall and correction of alignment	\$ 17,460.00
Church Bank additional reinforced section	\$ 61,000.00
Heliport to Church Bank top up existing rock	\$ 44,825.00
<b>TOTAL</b>	<b>\$ 2,130,000.00</b>

**Report 8.2****Prioritisation of Flood Protection Works****Authoriser**

Freya Love, Chief Advisor

**Public**

Shanti Morgan, Group Manager Environmental Science

**Excluded**

No

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**Report Purpose**

To seek the Committee's feedback on the suggested prioritisation of flood protection works for the Waiho River.

**Report Summary**

1. This report outlines five priority projects for flood protection works.
2. Recommendations are based on technical feasibility, urgency, and available consents.
3. Proposed staging for bank height increases to align with consent requirements and minimise delays.
4. Details the milestones and responsibilities for submitting necessary documentation.
5. Seeks Committee endorsement for the prioritisation framework and next steps.

**Recommendations**

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

1. *Receive the report.*
2. *Endorse the prioritisation of works as detailed below.*
3. *Confirm the timeline and process for progressing the Stage 2 works.*

**Issues and Discussion****Background**

Ongoing flood risks posed by the Waiho River necessitate targeted interventions to safeguard infrastructure and community assets. The prioritisation framework below builds upon previous engineering assessments and community consultations, incorporating technical reviews by Tetrattech Coffey and BTW.

## Current situation

Proposed prioritisation of Waiho River Stage 2 Flood Protection Works

### 1. Rubbish Dump Stop Bank (Lined) – Priority 1

- **Scope:** Immediate works with no river diversion required, confirmed by Tetrattech Coffey.
- **Phased Approach:** Stage 1 to address current consented works; Stage 2 for height increases.
- **Key Milestones:**
  - Stage 1 documentation to WCRC by 18 December 2024(Complete).
  - Stage 2 planning to commence in early 2025.

### 2. Rubbish Dump Stop Bank (Unlined) – Priority 2

- **Scope:** Rock lining and additional groynes under existing consents.
- **Freeboard:** Currently 1m.
- **Key Milestones:**
  - Stage 1 documentation by 18 December 2024(Complete).
  - Future consent for height increases in early 2025.

### 3. Milton's & Others Stop Bank – Priority 2

- **Scope:** Rationalisation of past works and preparation for new activities under the 1996 consent.
- **Technical Advice:** No new diversion consent likely required.
- **Milestones:** Documentation submission by 18 December 2024(Complete).

### 4. Havils Extension – Priority 3

- **Scope:** Variation to current consent to include extension works.
- **Key Milestones:** Documentation submission by 20 December 2024 (Complete).

### 5. NZTA Stop Bank – Priority 4

- **Status:** Further discussions required with NZTA and stakeholders.
- **Community Feedback:** This project is not an immediate priority based on recent input.

## Options Analysis

**Option 1:** Endorse the prioritisation framework.

- **Benefits:** Aligns with technical advice, ensures timely progress, and manages risks effectively.
- **Risks:** Community concerns about delays for lower-priority projects.

**Option 2:** Reprioritise projects.

- **Benefits:** May address specific community concerns.
- **Risks:** Delays and potential funding reallocations.

### Costs and Benefits

- **Costs:** Estimated project costs total up to \$10 million, with co-funding and grants secured as outlined in previous papers.

The budget cost split per bank is detailed below in the same priority order from the previous section:

1. Rubbish Dump Stop Bank (Lined) – Priority 1 – \$860,000<sup>1</sup>
2. Rubbish Dump Stop Bank (Unlined) – Priority 2 – \$1,640,000
3. Milton's & Others Stop Bank – Priority 2 – \$2,600,000
4. Havils Extension – Priority 3 – \$2,800,000

The above budgetary costs include design, construction and contingency costs and are exclusive of GST. The balance of the \$10 million is attributable to the NZTA stop bank. Total cost likely to be approximately \$5 to \$7m dependent on overall project scope and contingency allocation.

- **Benefits:** Enhanced flood protection for critical assets and community infrastructure

### Considerations

#### Implications/Risks

- Delays in consent approvals may impact timelines.
- Lack of community engagement could undermine support for prioritised projects.

#### Views of affected parties

Community feedback will continue to be sought to guide project sequencing and implementation.

#### Financial implications

See cost and benefits section above.

#### Legal implications

All works to comply with existing resource consent conditions and any future variations.

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<sup>1</sup> Note, design, consenting and costing for increasing the height of Lined Rubbish Dump Stopbank will need to be worked through in parallel with commencement of the repair work. A further update will be provided to the committee on this work, once costed.

**West Coast Regional Council  
Franz Josef & Lower Waiho District Financial Accounts  
For 12 Months Ended 30 June 2024**

	<b>2023/24 ACTUAL</b>	<b>2023/24 BUDGET</b>	<b>2022/23 ACTUAL</b>
Transfer of RD Loan Balance	124,359.25		121,149.71
Reserve from Prior Year	89,792.15		
Lower Waiho prior Year			46,169.88
<b>RESERVES OPENING BALANCE 1 JULY 2023</b>	<b>214,151.40</b>		<b>167,319.59</b>
<b>REVENUE</b>			
Insurance Recoveries	-		3,410.06
Internal interest income / (expense)	2,024.06		2,607.81
Rates - Loan	221,437.13	225,192.00	
Rates	36,516.17	38,616.00	127,306.68
<b>TOTAL REVENUE</b>	<b>259,977.36</b>	<b>263,808.00</b>	<b>133,324.55</b>
<b>EXPENDITURE</b>			
Advertising	-		
Aircraft Hire	3,392.50		
Contractors	53,709.68	50,004.00	
Consultants	-		
Insurance	9,150.35	35,808.00	13,351.00
Loan Interest - Lower Waiho	1,736.65		7,177.60
Other Expenditure	-		142.61
Rates	-		
Staff Time	13,356.00	13,356.00	35,805.00
Venue Hire	86.96		
<b>TOTAL EXPENDITURE</b>	<b>81,432.14</b>	<b>99,168.00</b>	<b>56,476.21</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>178,545.22</b>	<b>164,640.00</b>	<b>76,848.34</b>
Capital Expenditure			141,143.74
Loan Principal Repaid - Franz Josef	221,437.00		
Loan Principal Repaid - Lower Waiho	13,232.00		13,232.04
<b>RESERVE CLOSING BALANCE 30 JUNE 2024</b>	<b>158,027.62</b>		<b>89,792.15</b>

<b>Loan Summary at 30 June - Franz Josef</b>	<b>2023/2024 ACTUAL</b>	<b>2023/2024 BUDGET</b>	<b>2022/2023 ACTUAL</b>
<b>Opening Balance 1 July</b>	<b>1,425,000</b>		
Loan Drawdown			1,425,000
Loan Principal repayment	221,437		-
<b>Closing Balance 30 June</b>	<b>1,203,563</b>		<b>1,425,000</b>

\*All figures are GST exclusive

# **West Coast Regional Council – Franz Josef Rating District**

## **Annual Works Report on Rating District Assets**

### **1. Executive summary**

This report outlines a summary of work undertaken as part of the Franz Josef 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. Maintenance works summary 2023/2024**

Maintenance on Rubbish Dump Stopbank (December 2023)	\$10,800.00
Vegetation control (drone) Rubbish Dump Stopbank Spraying (Jan 2024)	\$3,137.95
Canavans Knob diversion and location of buried spur (Feb 2024)	\$3,515.00
River diversion works (February 2024)	\$13,300.00
Waiho Avulsion Monitoring	\$5,584.25
– <b>Cross sectional survey (February 2024)</b>	<b>\$1,565.00</b>
– <b>Cross Sectional survey (March 2024)</b>	<b>\$1,566.50</b>
– <b>Cross Sectional survey (April 2024)</b>	<b>\$2,462.75</b>
Test pits Rubbish Dump Stopbank (April 2024)*	\$1,757.50
Canavans Knob salvage 400T rock and reinstate diversion (April 2024)	\$10,360.00
Canavans Spur Reinstatement (June 2024)	\$5,245.00
	<hr/>
<b>Total maintenance works for the 2023/24 financial year:</b>	<b>\$53,709.70</b>

### **3. Capital works carried out from 1 July 2023 to 1 June 2024.**

Franz Stage 1 (north side)	Refer to Capital Works Report
	<hr/>
<b>Total capital works for the 2023/24 financial year:</b>	Refer to Capital Works Report

### **Administration (other expenditure)**

Aircraft hire for aerial inspection of Waiho River & avulsion (February 2024)	\$3,393.50
	<hr/>
<b>Total other expenditure for the 2023/24 financial year:</b>	<b>\$3,393.50</b>

**Total Expenditure for the 2023/24 financial year (ex-capital expenditure):**      **\$57,103.20**

**\*Expenditure for test pits at the Rubbish Dump stopbank will be reversed and recoded to the Franz Flood Protection Scheme Project (Stage 2) in the 2024/2025 FY**

**Total expenditure total after reversal**      **\$55,345.70**

**4. Maintenance works carried out during this financial year to date (24/25)**

Rubbish Dump Stopbank diversion (October 2024)	\$4,800.00
Lower Waiho Farms river training (July 2024)	\$31,500.00
Rubbish Dump Stopbank Rock Lining 1925T supply, load, cart and place (Aug 2024)	\$75,907.50
Veg clearance rock stockpile @ quad bikes (October 2024)	\$2,880.00
	_____
<b>Total</b>	<b>\$115,087.50</b>

**5. Future maintenance works to be carried out to end of this financial year**

Consent for Lower Waiho river training work	\$10,000.00
	_____
<b>Total</b>	<b>\$10,000.00</b>

**6. Franz Josef Rating District financial balance**

The balance in the rating district account at the beginning of the 2024 / 2025 financial year is likely to be approximately \$134,224.00.

This target balance for the 'prudent reserve' for this rating district is \$670,000 and currently the balance is well 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 weather event.

It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

**7. Proposed Rates for the 2025 / 2026 financial year**

Rates maintenance- includes new asset maintenance allowance\*      \$195,507.00



Engineers Cost Recovery	\$46,250.00
Infrastructure Insurance	\$23,031.00
Hall hire	\$200.00

<b>Total:</b>	<b>\$264,988.00</b>
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*\* additional allowance for maintenance of the Waiho River (north side) stopbanks including the Havill's Wall have been included, as provided for in West Coast Regional Council's Long-term Plan 2024-2034. The budget is calculated at 1% of the capital cost of the work (\$106,000) in addition to proposed maintenance for existing assets.*

*Council recommends a total rate strike of **\$264,988.00** excluding GST.*