



# A G E N D A

## Council

### Council Chambers

**Thursday 27 June 2013  
commencing at 9.00 am**

Her Worship the Mayor, M.H. Pugh (**Chairperson**)  
Deputy Mayor Councillor B.O. Thomson  
Councillors J.G. Birchfield, A.N. Bradley,  
J.H. Butzbach, K.J. Eggeling,  
A.M. Hurley, M.D. Montagu,  
K.R. Scott, F.I.W. Stapleton, C.A. van Beek.

NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 27 JUNE 2013 COMMENCING AT 9.00 AM

*Tanya Winter*  
*Chief Executive*

*21 June 2013*

## **Council Vision**

*"Westland will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service."*

*This will be achieved by:*

- *Involving the community and stakeholders*
- *Having inspirational leadership*
- *Having expanded development opportunities*
- *Having top class infrastructure for all communities*
- *Living the '100% Pure NZ' brand*

*"Westland, the last best place"*

## **Purpose:**

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

## **1. MEMBERS PRESENT AND APOLOGIES**

### **1.1 Apologies**

### **1.2 Register of Conflicts of Interest**

## **2. CONFIRMATION OF MINUTES**

### **2.1 Confirmation of Minutes of Meetings of Council**

#### **2.1.1 Ordinary Council Meeting – 23 May 2013** (Pages 6-13)

### **2.2 Minutes and Reports to be received**

#### **2.2.1 Minutes of the Public Excluded portion of the Westland District Council Meeting, held on Thursday 23 May 2013.**

*(Refer Public Excluded Minutes).*

## **3. PUBLIC FORUM**

*The public forum section of the meeting will commence at 9.00 am.*

## **4. REPORTS**

### **4.1 Mayor**

#### **Recommendation**

*That the Mayor's monthly report be received.* (Page 14-15)

### **4.2 Chief Executive**

#### **Recommendation**

*That the Chief Executive's monthly report be received.* (Pages 16-18)

## **5. GENERAL BUSINESS**

### **5.1 Hokitika Beachfront Erosion**

*Chris Ingle, Chief Executive and Ross Scarlett, Chairman of West Coast Regional Council will be in attendance from 10.00 am to discuss the above matter.*

*A report from the Group Manager – Assets and Operations is attached*  
(Pages 19-49)

### **5.2 Exemption from Parking Bylaw** (Pages 50-52)

### **5.3 Westland District Council Freedom Camping Control Bylaw 2012** (Pages 53-57)

*Morning Tea Break at 10.30 am*

- |      |   |                        |
|------|---|------------------------|
| 5.4  | <b><u>Rates and Debtor Write Offs</u></b>   | <i>(Pages 58-60)</i>   |
| 5.5  | <b><u>2013 Triennial Elections</u></b>  | <i>(Pages 61-65)</i>   |
| 5.6  | <b><u>Application for a Grant from the Infrastructure and Community Support Fund from the Kumara School</u></b> | <i>(Pages 66-72)</i>   |
| 5.7  | <b><u>Vesting of Land as Legal Road</u></b>   | <i>(Pages 73-79)</i>   |
| 5.8  | <b><u>Report on New Zealand Cycle Trail Network Expansion Project</u></b>                                       | <i>(Pages 80-84)</i>   |
| 5.9  | <b><u>Insurance Renewals</u></b>  | <i>(Pages 85-97)</i>   |
| 5.10 | <b><u>Delegations</u></b>   | <i>(Pages 98-101)</i>  |
| 5.11 | <b><u>Carry-Forwards</u></b>  | <i>(Pages 102-108)</i> |

*Lunch Break at 12.30 pm.*

**6. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

- |     |  |
|-----|--|
| 6.1 | <b><u>Public Excluded Minutes of Meetings of Council</u></b> |
| 6.2 | <b><u>Nomination for Community Service Award</u></b>         |

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Public Excluded Minutes of Meetings of Council	Confirmation of May Public Excluded Council Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report to Council	Nomination for Community Service Award.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

**NEXT MEETING: THURSDAY 25 JULY 2013  
COMMENCING AT 9.00 AM**

## MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 23 MAY 2013 COMMENCING AT 9.03 AM

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*The opening prayer was read by Her Worship the Mayor Maureen Pugh.*

### 1. MEMBERS PRESENT

Her Worship the Mayor, M.H. Pugh (Chairperson)

Deputy Mayor, B.O. Thomson (until 4.11 pm)

Councillors J.G. Birchfield, A.N. Bradley, J.H. Butzbach, K.J. Eggeling, A.M. Hurley (until 2.56 pm), M.D. Montagu, K.R. Scott, F.I.W. Stapleton (absent for part of the meeting), C.A. van Beek.

#### 1.1 Apologies

Councillor F.I.W. Stapleton between 12.47 pm and 1.51 pm.

#### Staff in Attendance

*The following staff were in attendance for all of the meeting:*

T.L. Winter - Chief Executive; P.G. Anderson – Team Leader Operations; V. Goel – Group Manager Assets and Operations; S.H. Halliwell – Acting Group Manager – Corporate Services; D.M. Maitland – Executive Assistant; R.C. Simpson – Manager Planning and Regulatory.

*The following staff were in attendance for part of the meeting:*

J. Bainbridge – Contracts Supervisor; D. Blight – Community Services Officer; J. Bradshaw – Museum Director; G. Byrne – Community Development Officer; P. Cannell – Assistant Engineer; S. Eyre – Engineering Officer; M. Keenan – Event Manager; P. Oliver – Supervisor IT Services; T. O'Malley, Chief Financial Officer; S. Thompson – District Librarian.

## 1.2 Register of Conflicts of Interest

The Conflicts of Interest Register was circulated and no amendments were noted.

## 2. CONFIRMATION OF MINUTES

### 2.1 Confirmation of Minutes of Meetings of Council

#### 2.1.1 Ordinary Council Meeting – 24 April 2013

Moved Councillor Stapleton, seconded Councillor Bradley and **Resolved** that the Minutes of the Ordinary Meeting of Council, held on the 24 April 2013 be confirmed as a true and correct record of the meeting, subject to the following amendment:

The addition of the following paragraph:

*“...Councillor Birchfield, Councillor Hurley and Councillor Scott recorded their votes against the motion.”*

### 2.2 Minutes and Reports to be received

#### 2.2.1 Westland District Safer Community Council Meeting – 26 April 2013.

Moved Councillor Scott, seconded Councillor Stapleton and **Resolved** that the Minutes of the Westland District Safer Community Council Meeting, held on the 26 April 2013 be received.

#### 2.2.2 Minutes of the Public Excluded portion of the Westland District Council Meeting, held on Wednesday 24 April 2013

*(Refer Public Excluded Minutes).*

## 3. PUBLIC FORUM

Ms. Jacque Grant attended the public forum section of the meeting and spoke regarding parking in the Hokitika Township and noted that Council resolved to undertake periodic parking enforcement within existing staff resources and existing overheads.

Ms. Grant suggested a solution to the parking situation in Hokitika of making some carparking available to business owners on a voucher system, designating some areas for campervan parking and long-term spacing spaces.

*Her Worship the Mayor thanked Ms. Grant for attending the meeting and speaking to the meeting.*

#### 4. **REPORTS**

##### 4.1 **Mayor**

Moved Councillor Montagu, seconded Councillor Birchfield and **Resolved** that the Mayor's Report for April/May 2013 be received.

*The following item was then taken out of order to the Agenda Paper:*

##### 4.3 **Report back from Councillors appointed to External Organisations**

A general discussion was held regarding the agenda including opportunity for a report back from Councillors appointed to External Organisations and it was agreed that this matter be left presently and reviewed after the elections. Councillors supported this concept.

##### 4.2 **Chief Executive**

*The Chief Executive spoke to this report.*

*Budget Managers were in attendance for this part of the meeting to answer questions from Her Worship the Mayor and Councillors on activities in the Chief Executive's Report.*

Moved Deputy Mayor Thomson, seconded Councillor Butzbach and **Resolved** that the Chief Executive invite the Chairperson and Chief Executive of the West Coast Regional Council and a NIWA representative to address Council at the 27 June 2013 Council Meeting regarding sea erosion in Hokitika.

##### **Quarterly Financial Report to the 31 March 2013.**

*The Acting Group Manager – Corporate Services spoke to this report.*

*The meeting adjourned for morning tea at 10.29 am and reconvened at 11.05 am.*

*Her Worship the Mayor and Councillors wished the Deputy Mayor Happy 60<sup>th</sup> Birthday.*



*After morning tea, the Acting Group Manager – Corporate Services continued to speak to this report and noted that an alternative date is being considered for the Treasury Workshop in June.*

Moved Councillor Montagu, seconded Councillor Butzbach and **Resolved** that the Chief Executive's monthly report, including the Q3 Management Report for 2012-2013 at Appendix 1 and the Quarterly Financial Report to 31 March 2013, (including the Reserves and Treasury Reports) at Appendix 2 be received.

## **5. GENERAL BUSINESS**

### **5.6 Six Monthly Reports – Westland Holdings Ltd and Subsidiaries**

*The Acting Group Manager – Corporate Services spoke to this report.*

Graeme King, Chairman of Westland Holdings Limited attended the meeting and spoke regarding the Six Monthly Report for Westland Holdings Limited.

Moved Councillor Montagu, seconded Councillor Butzbach and **Resolved** that Council:

- i) Receive the Westland Holdings Limited and subsidiaries Six Monthly Reports to 31 December 2012.
- ii) Thank the Directors for their hard work and diligence during this particular turbulent time as Council re-organises its finances.

Councillor Hurley requested a breakdown of Westland District Property Limited's administration expenses. This was provided later in the day to Her Worship the Mayor and Councillors.

*Her Worship the Mayor thanked Mr. King for attending the meeting and his report to Council.*

### **5.1 Adoption of 2013/2014 Draft Annual Plan**

*The Acting Group Manager – Corporate Services spoke to this report.*

*Councillors were in receipt of a copy of the 2013-2014 Draft Annual Plan.*

Moved Councillor Eggeling, seconded Councillor van Beek and **Resolved** that the words "pa" (per annum) be removed from Enterprise Hokitika,

Community Township Development and Glacier Country Grant only on Pages 10 and 11 of the 2013-2014 Draft Annual Plan.

Clarification was sought on Page 11 of the Draft Plan regarding Kokatahi and Haast Rural Fire Parties.

*Councillor Stapleton left the meeting at 12.47 pm.*

*The Acting Group Manager – Corporate Services tabled an Overview of Impact of the Draft Annual Plan on Rates.*

Moved Councillor Eggeling, seconded Councillor Butzbach and **Resolved** that:

- i) The service level changes proposed in the Draft Annual Plan are not considered by Council to be a significant change in levels of service to any significant activity.
- ii) The amended Austerity Depreciation Funding Policy be adopted as follows:

#### **“AUSTERITY DEPRECIATION FUNDING POLICY**

Due to the situation Council finds itself, with low financial reserves, multiple years of deficits, moderate to high debt and high proposed rates increases the following policies are proposed in addition to the Long Term Plan Adopted Funding of Depreciation Policy:

- 1. Council fully funds depreciation on:
  - a. Short life assets (technology and vehicles)
  - b. Library books
  - c. Ross Pool
  - d. HQ Building.
- 2. Council unfunds:
  - a. 3 waters depreciation on the following reducing annual schedule 50%, 33% 15%, 0% over the next 4 years.
  - b. 100% of solid waste depreciation over the remaining 20 years of the Butlers landfill loan.
  - c. Buildings, township works, toilets and cemeteries depreciation on the following reducing annual schedule 75%, 50%, 25%, 0% over the next 4 years.

- d. Administrative activities depreciation on the following reducing annual schedule 100%, 66%, 33%, 0% over the next 4 years.
  - e. 100% of Hokitika swimming pool, Elderly Housing and Jackson Bay Wharf depreciation, pending the outcome of consultation on the transfer to WDPL.
  - f. Transportation depreciation in excess of the unfunded NZTA share, on the following reducing annual schedule 100%, 66%, 33%, 0% over the next 4 years.”
- iii) The unbalanced budget proposed in the Draft Annual Plan is considered by Council to be prudent in the circumstances of Council’s current financial situation.
  - iv) The 2013-2014 Draft Annual Plan be adopted for consultation.
  - v) The Chief Executive be authorised to make necessary minor drafting or presentation amendments prior to publication of the Draft Annual Plan.

*Councillor Hurley, Councillor Montagu and Councillor Scott recorded their votes against the motion.*

*The meeting adjourned for lunch at 1.09 pm and reconvened at 1.45 pm.*

## **5.2 Funding Assistance Rate (FAR) – Submission to New Zealand Transport Agency (NZTA)**

*Councillor Stapleton returned to the meeting at 1.51 pm.*

*The Group Manager – Assets and Operations spoke to this report.*

Moved Councillor Montagu, seconded Councillor Eggeling and **Resolved** that Council retrospectively approves and adopts the Funding Assistance Rate (FAR) submission as per Appendix 1 to the New Zealand Transport Agency for Stage 1 submitted on 3 May 2013.

## **5.3 Report on Wildfoods Festival 2013**

*The Event Manager spoke to this report.*

Moved Councillor Stapleton, seconded Councillor Bradley and **Resolved** that the information be received.

#### **5.4 West Coast Wilderness Trail – Project Update**

*The Team Leader – Operations spoke to this report.*

Moved Councillor Montagu, seconded Councillor Butzbach and **Resolved** that:

- i) Council instructs the Chief Executive to undertake a design review of the West Coast Wilderness Trail with an aim to absorb the shortfall of \$435,790 within current budgets and continue to explore other funding opportunities.
- ii) Westland Wilderness Trust make the decisions on final design of the trail.

#### **5.5 Changes to Liquor Legislation**

Moved Councillor Eggeling, seconded Councillor van Beek and **Resolved** that Council appoints Deputy Mayor Thomson, Councillor Montagu, and Councillor Stapleton to form a working group with staff to lead the changes required to be made for the Council to be able to be compliant with the Sale and Supply of Alcohol Act 2012.

*Councillor Hurley left the meeting at 2.56 pm.*

### **6. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Moved Councillor Bradley, seconded Councillor Butzbach and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

#### **6.1 Public Excluded Minutes of Meetings of Council**

#### **6.2 Statements of Intent – Westland Holdings Limited and Subsidiaries.**

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests

protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Reason for protection of interests	Ref NZS 9202:2003 Appendix A
1.	Public Excluded Minutes of Meetings of Council	A2(a), A2(b)(ii) A2(h)
2.	Statements of Intent	A2(b)(ii)

Moved Councillor Stapleton, seconded Councillor Butzbach and **Resolved** that the business conducted in the "Public Excluded Section" be confirmed and the public be readmitted.

**MEETING CLOSED AT 4.58 PM**

**NEXT MEETING: THURSDAY 27 JUNE 2013  
COMMENCING AT 9.00 AM**

Confirmed by:

\_\_\_\_\_  
**Maureen Pugh**  
**Mayor**

\_\_\_\_\_  
**Date**

## MAYOR'S ACTIVITIES MAY/JUNE 2013

- Council meeting.
- Meeting re: Jackson Bay wharf fees.
- LGNZ National Council meeting.
- Unveiling of Jim Keenan pensioner flats sign.
- Ross Annual Plan consultation meeting.
- Update meeting with Seddon House owners.
- Otira Annual Plan consultation meeting.
- Kumara Annual Plan consultation meeting.
- Zone 5 & 6 meeting, Queenstown.
- Mayors/Chair meeting.
- Westland Holdings meeting.
- Whataroa Annual Plan consultation meeting.
- Rural Provincial meeting, Wellington.
- LGNZ meeting.
- Central/Local Government forum.
- Franz Josef Annual Plan consultation meeting.
- Haast Annual Plan consultation meeting.
- Fox Annual Plan consultation meeting.
- Visit to Okarito.

A large amount of time spent travelling this month, with Westland being covered from one end to the other. Good turnouts to our consultation meetings meant Council's messages regarding the draft annual plan were received by a good proportion of our residents. Excellent feedback and good questions canvassed most activities of Council and clear messages were relayed back. The key point we made to the communities was that the submissions they make will guide Councillors in our final decisions, so we encouraged attendees to commit their views in a submission. The caravan proved to be a valuable tool in attracting those people who would not normally attend a public meeting. I would like to acknowledge the efforts of Tanya and Stephen in providing expertise and independence to those meetings. We had 80% participation by Councillors and I thank you and other staff who attended meetings and took turns at sitting in the caravan, not always in pleasant conditions.

The Zone 5 & 6 meeting was preceded by a forum for South Island councils SISA (South Island Strategic Alliance). SISA aims to provide a collective voice for the South Island in matters of national policy. At that meeting I became aware that the West Coast was not represented on a major piece of work around a freight strategy so I nominated Ross Scarlett (WCRC) to represent the Coast on that working group. Ross has since agreed to accept the role. As policy develops around categorising roads, and as the FAR is reviewed it is important that we have representation on such significant working groups.

Following the Mayors/Chair forum I took the opportunity to discuss the Hokitika beach erosion with Chris Ingle, CEO of WCRC. We agreed to move quickly to canvass the Hokitika residents on what options they were prepared to support in order to protect the beach. You will have all received an email with the draft letter to residents requesting your feedback. Thank you to those who provided your thoughts. Flood walls and sea walls are in the domain of the Regional Council, and they have been maintaining a close watch on the erosion in Hokitika. It is now time to take action, and the options are proposed as a long term solution. A minimum consultation period will mean work can start before the July spring tide. Part of the proposal is to take over the existing groynes as part of the new scheme so that the whole beach can be managed as one. The groynes require an increase in height and length.

The WCRC intends developing a regional perspective on mining and including this within the Regional Policy Statement (RPS). District Plans must then "give effect to" the RPS. This is intended to give a regional consistency to mining consent applications. This discussion was led by WCRC and supported by the three Districts at our Mayors/Chair forum. While taking part in the Central/Local Government forum I took the opportunity to inform the Prime Minister and senior cabinet ministers of this course of action, which was well received. I also enquired of Stephen Joyce when the results of the magnetic survey will be available. His team advised that the results are currently being analysed and will be released mid-July. I was then invited back to Maurice Williamson's office to discuss some aspects of the Haast/Hollyford road mapping debate. This is still on-going.

Tanya and I both attended the Rural Provincial meeting in Wellington. This is a most informative gathering and several items of relevance to Westland were on the agenda: Building Act changes, RMA reform, LG Act changes, irrigation, affordable housing, Liquor Act, plus an informative presentation by Federated Farmers President.

# Report



DATE: 27 June 2013

TO: Mayor and Councillors

FROM: Chief Executive

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## **CHIEF EXECUTIVE'S REPORT**

### **1.0 SUMMARY**

1.1 The purpose of this report is to present:

1.1.1 The Management Report for the period 1-31 May 2013.

1.1.2 Updates on any other matters of significance.

1.2 This report is on the agenda so that Council are kept fully apprised of Council business and are aware of how the organisation is tracking.

1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

(a) To enable democratic local decision-making and action, by and on behalf of, communities; and

(b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

<b>Vision's Objectives</b>	<b>Achieved By</b>
The CE's report supports all objectives in Council's Vision Statement: <ul style="list-style-type: none"><li>• Involving the community and stakeholders.</li><li>• Having inspirational leadership.</li><li>• Having expanded development opportunities.</li><li>• Having top class infrastructure for all communities.</li><li>• Living the "100% Pure NZ" brand.</li></ul>	Ensuring Council fulfils the commitments made to the community in the Long Term Plan.



- 1.4 This report concludes by recommending that Council receives the Chief Executive's report dated 27 June 2013.

## 2.0 COMMENT

- 2.1 Management provide reports monthly to Council on progress towards meeting outcomes as stated in the Long Term Plan. This report updates Council on key successes, any issues of significance and relevant statistics three of the five operational areas of Council:

2.1.1 Community Services

2.1.2 Assets and Operations

2.1.3 Planning and Regulatory

- 2.2 June has been a very busy month with public consultation on the draft Annual Plan consuming most of the CE's time. Attendance at public meetings and the consultation caravan is summarised as follows:

### Meetings

Date	Place	No. Attending
4 June	Ross Community Association	16
5 June	Otira	10
5 June	Kumara	10
10 June	Whataroa Community Association	10
11 June	Kokatahi	23
17 June	Franz Josef Glacier	14
18 June	Haast	17
19 June	Fox Glacier	13
20 June	Hokitika	37

### Caravan

Date	Place	No. Attending
6 June	Hokitika	15
10 June	Harihari	7
10 June	Whataroa	3
11 June	Hokitika	11
12 June	Hokitika	12
14 June	Hokitika	9
17 June	Franz Joseph Glacier	4
18 June	Haast	5
19 June	Fox Glacier	5
21 June	Hokitika	5

- 2.3 The Mayor and Chief Executive attended the LGNZ Rural Provincial Sector meeting in Wellington on 13 and 14 June. A broad range of topics were covered. Here is a snapshot:

1. **Reorganisation** - a presentation from Mai Chen of Chen Palmer legal on the success of the Auckland amalgamation. Mai interviewed 50 prominent people in Auckland who apparently all said the super city is far better than what was previously in place. At the moment Far North, Wairarapa and Hawkes Bay regions all have reorganisation proposals submitted to the Local Government Commission for consideration.
2. **Legislation** - there are some rather large pieces of work being undertaken in the regulatory space, and Murray Sherwin, Chair of the Productivity Commission updated the meeting on the "Towards Better Local Regulation" work. Murray said that the tension between central government, who generally set the policy and legislative framework, and local government, who generally implement it, is significant. There is no-one in the helicopter considering both sides, and confusion as to whether local government are agents of the Crown or independent bodies accountable to their ratepayers, not central government. Other items discussed were: the Building Act, Food Safety Act, Resource Management Act and Earthquake Prone buildings legislation. All have changes coming up.
3. **LGNZ Update** - Lawrence Yule, President of LGNZ updated the meeting on some of the work his organisation are doing on the sector's behalf. Lawrence spoke about the "northern drift" and how 70% of the nation's population are now living north of Taupo. In the next 3 years the government will build 40,000 new homes in Auckland.
4. **Best Home™** - Hastings District Council have partnered with a local building company to create an environmentally friendly, warm, healthy home that costs only 5% more to build than a normal home. The Best Home concept has been trademarked, but is available to any builder. Most homes in NZ are star rated 1-3. Best Home aimed for 5, and received a 7 rating. Another feature of Best Home is that 95% of building materials are recycled, therefore minimising waste to landfill. Website [www.besthome.org.nz](http://www.besthome.org.nz).

### 3.0 RECOMMENDATION

- A) **THAT** the report of the Chief Executive titled "Chief Executive's Report" dated 27 June 2013 be received.

Tanya Winter  
Chief Executive

# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Group Manager – Assets and Operations

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## **BEACHFRONT EROSION: ESTABLISHMENT OF A HOKITIKA RATING DISTRICT**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to:
  - 1.1.1 Update Council on the current situation with the Hokitika Beachfront erosion.
  - 1.1.2 Seek Council's support to request West Coast Regional Council (WCRC) to establish a new rating district for Hokitika and undertake emergency works at the Hokitika Beachfront under the powers provided for in Section 330 of the Resource Management Act 1991.
  - 1.1.3 Seek Council's approval to submit a funding application to the New Zealand Transport Agency (NZTA) for preventative maintenance works.
- 1.2 This issue arises from on-going erosion cycles at the Hokitika Beachfront.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders.	Keeping the community informed with current updates on the erosion matters.
Having top class infrastructure for all communities.	Ensuring protection works are carried in a timely manner to prevent any further loss of public infrastructure. Working with other organisations to achieve positive outcomes for the community

- 1.5 This report concludes by recommending that Council supports the West Coast Regional Council to establish a new rating district to implement erosion protection works along Hokitika Beachfront, and instructs staff to make an application to the NZTA.

## 2.0 BACKGROUND

- 2.1 The Hokitika Beachfront has been subject to numerous erosion cycles in the past decades. A number of reports and assessments have been carried out to address this issue.
- 2.2 Most recently the erosion at the beach has worsened to the extent that the sealed Beach Street and the Central Business District of the town is now potentially under immediate threat from the sea.
- 2.3 The erosion patterns in the months of May and June have already claimed the Soroptimist picnic shelter and other infrastructure like the art seats and the World War II pill box which had to be removed to a safe location. The car park at Beach Street is in immediate danger and the walking track leading towards the Tambo area was also lost to the sea.
- 2.4 A report, from the National Institute of Water and Atmospheric Research Ltd (NIWA) was presented to Council in November 2012 highlighting the erosion problems around the Tambo area. Following the report minor reactive works which included placing of rocks to protect the Tambo were carried out. The erosion patterns have since moved to the north side of the beach which now are of serious concern. A copy of the report is included in **Appendix 3** of this report.

### 3.0 CURRENT SITUATION

- 3.1 Council is working actively with the West Coast Regional Council (WCRC) to find a solution to this problem.
- 3.2 WCRC engaged erosion experts from NIWA to re-assess the change in the situation from the November 2012 erosion cycles. An update report dated June 2013 recommends urgent engineered action. A copy of the report is included as **Appendix 1** of this report.
- 3.3 Under Section 330 of Resource Management Act 1991, a local authority has powers to undertake emergency works to rectify a situation. The act states:

330 *Emergency Works and power to take preventive or remedial action*

(1) *Where-*

- (a) *any public work for which person has financial responsibility; or*
  - (b) *any natural and physical resource or area for which a local authority or consent has jurisdiction under this Act; or*
  - (c) *any project or work or network utility operation for which any network utility operator is approved as a requiring authority under section 167 is, in the opinion of the person or the authority or the network utility operator, affected by or likely to be affected by-*
  - (d) *an adverse effect on the environment which requires immediate preventive measures; or*
  - (e) *an adverse effect on the environment which requires immediate remedial measures; or*
  - (f) *any sudden event causing or likely to cause loss of life, injury, or serious damage to property-*
- The provisions of section 9, 12, 13, 14 and 15 shall not apply to any activity undertaken by or on behalf of that person, authority, or network utility operator to remove the cause of, or mitigate any actual or likely effect of, the emergency.*

(1A) *Subsection (1) applies whether or not the adverse effect or sudden event was foreseeable.*

- 3.4 The WCRC is currently conducting an "Opinion Survey on Proposed Beach Protection and Proposed Rating District" which proposes to establish a new Hokitika Rating District. A copy of this opinion survey, forms and related information is attached as **Appendix 2** to this report.

- 3.5 The survey has already been sent out to residents living within the area defined on the attached map in **Appendix 2**. The survey is due back on 30 July 2013.
- 3.6 The scope of the proposed WCRC works is outlined in **Appendix 3**.
- 3.7 Council has consulted with NZTA for a contribution towards these works. The agency has indicated that they will assess the situation and at this stage have not ruled out the possibility of a contribution. They have encouraged Council to make an application for these preventative maintenance works. There are no minimum or maximum criteria for this category of works.

#### **4.0 OPTIONS**

- 4.1 Option 1 - Do Nothing. Don't support the rating area and application to NZTA.
- 4.2 Option 2 - Support the West Coast Regional Council to establish a new rating district for implementing the erosion protection works and no application to NZTA
- 4.3 Option 3: Support the proposal from WCRC to establish a new rating district and consult with NZTA for a contribution toward the proposed protection works.

#### **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council's Policy on Significance this matter has been assessed to have a high level of significance. Under the Policy all roads are listed as strategic assets, and the erosion on the Hokitika foreshore is threatening Beach Street. There is also a high level of community and national interest in this matter.
- 5.2 Local public and key stakeholders have been consulted and provided with an opportunity to have input at various times. WCRC is currently undertaking an opinion survey to establish a new rating district to fund and maintain a solution.

#### **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 **Option 1:**  
This is not a preferred option. The implications of not doing anything will result in loss of key infrastructure, very likely including the sealed portion of Beach Street and the car park in the front of the Beachfront Hotel. The

implication could be devastating for the Business District and the local economy.

**6.2 Option 2:**

WCRC is currently consulting with Hokitika residents to establish a new rating district. The survey proposes long term and short term options which come at a cost. This could be one of the preferred options.

**6.3 Option 3:**

This is the preferred option. As well as considering a long-term solution as assessed in Option 2, the NZTA have a special preventative maintenance category under which an authority can make applications for immediate protection works. If Council is successful in the application, the capital costs for any agreed protection works can be subsidised.

**7.0 PREFERRED OPTION(S) AND REASONS**

- 7.1 Option 3** is the preferred option. The survey undertaken by the WCRC will provide community feedback on the long term options, and a contribution from NZTA will keep the initial capital costs down and make the proposal affordable.

**8.0 RECOMMENDATION(S)**

- A) **THAT** Council supports the proposal from the West Coast Regional Council to establish a new Hokitika Rating District for implementing coastal protection works.
- B) **THAT** Council instructs the staff to submit funding request application to New Zealand Transport Authority under the preventative maintenance works category.

- Appendix 1:** Copy of the NIWA Report.  
**Appendix 2:** Copy of the proposed WCRC opinion survey.  
**Appendix 3:** Copy of November 2012 report to Council.

Vivek Goel  
Group Manager – Assets and Operations

NIWA Project: ELF13213

6 June 2013

# Appendix 1

West Coast Regional Council  
PO Box 66  
Greymouth 7840

**Attention: Michael Meehan**

Dear Mike

## **Hokitika Foreshore Erosion Revisited**

### **1. Introduction**

In November 2012 I reviewed the foreshore erosion situation at Hokitika and made recommendations (i) that a decision be taken on whether to maintain the seawalls around the Tambo, (ii) to monitor the beach in front of the town to see how it trended, and (iii) to review the coastal hazard management plan. Since then, the foreshore fronting the town has retreated further, and there is now greater urgency for developing a plan to manage this erosion.

This letter responds to your request for further advice on how to manage the coastal erosion that is currently impacting on Hokitika Township. It includes:

- brief notes on my observations on 3 June 2013
- my assessment of the situation as it has developed since my last field inspection of 6 November 2012
- my view on how this situation might develop over the next few months
- a short discussion of options
- recommendations for addressing the urgent concerns.

### **2. Observation on 3 June 2013**

I visited the Hokitika foreshore between 8 am and midday on 3<sup>rd</sup> June 2013, from shortly after high tide to near low tide. I walked northwards, so generally my observations start at the river mouth and are made in a northward sequence.

- The sea was rough, with a strong NW blow. The waves were approaching from ~ WNW and generally breaking obliquely against the shore, driving a northward longshore current (as observed by tracking driftwood). However, immediately north of the river mouth (in front of Gibbston Quay), the breaker angle appeared to be negligible and the wave height lower – a consequence of wave refraction and dissipation over the multiple offshore bars and river outflow. The wave height and breaker angle were greater in front of Bridge Street.
- The river flow was high, and its outflow was turned north, flowing between nearly shore-parallel offshore bars. The river flow stained the surf-zone brown well north of Hokitika.



- There was no recent damage apparent to the look-out area at the spit tip.
- The erosion “bites” either side of the Tambo had widened since my last inspection (no maintenance appeared to have been done), although sand levels had not fallen and there was no sign of significant washover by waves.
- This span of shore was fronted by a gravelly-sandy beach that appeared more substantial than when I observed it in November – showing that accretion had occurred there in recent months.
- I saw no sign of the rock-filled bamboo baskets that were placed around the Tambo about June 2012.
- Erosion (or the order of 1-2 m) immediately north of the Tambo, and evidence of wave washover onto the backshore, with loss of segments of the foreshore walkway.
- North from the short span of rip rap near the south end of Beach Street, the beach level was low and there was a steep, active erosion ‘scarp’ (~ 2 m high). This shore appears to have retreated several metres since November 2012. The material exposed in the ‘scarp’ was typically dune sand or gravelly sand, with some fill, concrete blocks, and road substrate. Not quite as far north as Weld St, the erosion has consumed public recreation amenities, including paths, grassy areas, and picnic facilities (Figure 1). The land behind the erosion ‘scarp’ typically sloped down into the town, and there were several locations where wave washover had left debris lines on the backshore grass/parking area/road. This indicates that as the erosion proceeds the crest-height of the remaining foreshore is gradually lowering, which means increased likelihood of further washover.
- The erosion ‘scarp’ and beach sand loss continued past the Weld Street groyne, although the loss of foreshore amenities appeared not to be as significant. The shore had retreated about the same distance both sides of the Weld St groyne, indicating a mainly offshore loss of sand. The receding tide exposed some cobble lag pavements and some black sand (heavy mineral) concentrations on the lowered beach in front of the erosion ‘scarp’ between the Weld St and Hampden St groynes.
- Shore retreat was also similar either side of the Hampden Street groyne. Waves had penetrated up the low-lying access point to the beach on the south side of the groyne, and this had resulted in seawater spill down the backshore slope into Hampden Street (Figure 2).
- This was the most extreme example of seawater washover – I observed debris lines left by washover at three other places further south, where waves had overtopped the foreshore crest and had washed debris about 10-15 m down the backshore (including the Steps near Weld Street).
- Further north the erosion faded. The shore appeared stable to accreting at Tudor St, while I noted little change to the foredune position and beach level around the Richards Drive groyne (where the shoreline is offset landward north of the groyne and the beach is lower by about 0.7 m on the northern side).

### 3. Assessment of situation

While the shore close to the river mouth appears to be building-up sand and stabilising (as I anticipated in November 2012), the foreshore along the length of Beach Street has been

further depleted of sand and has been cut-back by several metres relative to the state it was in in November 2012.

The basic problem is that even if the Hokitika shore may be close to a state of long-term average equilibrium, on a short-term basis the supply of sand to the Hokitika shore (from the Hokitika River and bypassing the river mouth from the south) is not always in balance with the longshore transport capacity of the waves. Thus, sand surpluses and deficits come and go over a multi-decadal scale – causing the shore to advance and retreat – and currently there is a deficit in front of the town – the waves have been removing more sand north than is being replaced from the mouth.

While the shore immediately north of the river mouth (around the spit tip) now appears to have returned to surplus, the erosion trough to the north has deepened and migrated further north. This situation appears to have been exacerbated by wave refraction over the river mouth bars, which causes a reduction in breaker height and angle immediately north of the river mouth – hindering transport far past the river mouth. Further north, the transporting capacity of the waves increases, hence the erosion trough.

Neither the Weld Street nor Hampden Street groynes appear to be retaining much sand. The beach on either side of these groynes has lowered – apparently due to storm waves at high tide washing the sand onto offshore bars, from where it can bypass the groynes and be moved on north. This raises questions about revising the groyne design – e.g., increasing their height.

#### **4. What might happen next?**

##### ***Around the Tambo***

The situation around the Tambo appears to have stabilised somewhat, since the shore has accreted there. However, the shore will remain vulnerable to erosion during “king” tides in the erosion bites either side of the Tambo – since some of the rip rap there has been poorly placed (with no backshore protection) and is not maintained.

##### ***South side of town in front of Beach Street***

There is a high risk of further erosion this winter along the foreshore fronting Beach St. This will be most vulnerable during periods of spring high tides and/or storm surge (“king tides”). The risk will remain until sand stocks build out again – when is not clear. As this erosion continues, more amenity assets (grassy esplanade, paths, picnic tables, car parks) will be destroyed until the erosion of Beach Street roadway itself commences. While the erosion ‘scarp remains some 5-15 m seaward of the shoreline position surveyed at the peak of the severe erosion phase of 1986 (Figure 3), there is no particular reason why the erosion trough should be held up at the 1986 line if the shore does not return to a sand surplus.

As erosion proceeds, because the erosion has gone past the foreshore ridge-line, further retreat will progressively lower the crest-line and will increase the incidence of sea-water flooding into the town by storm-wave washover.

##### ***Further north***

The erosion trough in front of Beach St is feeding sand to the dune-fronted shore further north (Tudor St – Richards Drive). This situation is likely to continue while the trough continues to erode.

## 5. Options

### *Near the river mouth*

Firstly, as I suggested in November 2012, a decision needs to be made over whether the assets on the spit (car park, walkway, tower, 'Tambo') warrant protection and that this can be afforded. If so, this should focus on an adequately designed, built, and maintained rip rap wall.

### *A groyne near the river mouth?*

As I mentioned in my letter in November 2012, building a groyne between Weld Street and the spit is not recommended. While a groyne (say opposite the southern extension of Beach St) might locally widen the foreshore to the south, this would hinder the delivery of sand to the front of the town, where the protection strategy relies on keeping a buffer zone of sand and where the assets at risk are greater. Gibb (1987) also recommended that groynes not be placed along this shore, which he viewed as a "feeder" beach. Indeed, the short span of well-placed rip rap some 200 m north of the Tambo is functioning as a stub-groyne, and the cut-back in the shore on its northern side (Figure 4) illustrates that it is having a detrimental effect on the shore to the north. Extending this seaward as a long groyne would only worsen the erosion to the north while the beach filled on the south side.

### *Building-up the Weld Street and Hampden Street groynes?*

This would aim to make the groynes more effective sand traps by increasing their height. This should be considered, since with the beach in its current depleted state they do not appear to be retaining sand on their southern sides. If this was done, then work should be done on the Hampden Street groyne first, since for a groyne to function it needs to build-up a stock of sand on its updrift side, and while this occurs it starves the downdrift shore (thus, building up the Weld Street groyne first would likely worsen the erosion between there and Hampden St). Alternatively, the groynes could be artificially stocked with sand.

### *Building intermediate groynes*

Another approach would be to build intermediate groynes. This would really involve a review of the groyne field design, addressing spacing, height and length. It should be done by a coastal engineer experienced in groyne field design.

### *A seawall?*

A seawall fronting Bridge St (and linking with the protection work already in place nearer the spit) would provide the 'last line of defence' that the town currently lacks. Its aim would be to arrest the erosion and prevent storm-wave washover. It would need to be properly designed by an experienced coastal engineer, with care given to its foundation, batter, composition, rear, and ends. It would be expensive, but this would need to be balanced against the value of the assets it protected. It should also be appreciated that such a seawall would spend much of its life fronted by sand and would only be needed during the occasional severe erosion phase.

### *Where and when to draw the line for a seawall?*

If a seawall was built, an appropriate place to build it would be along the seaward edge of Bridge Street (and the along the access lane further to the south). If one were to be built it should be built before the street edge begins to erode - so as to still have an access way to enable construction.

#### **Other 'stopgap' measures**

An interim (but certainly not permanent) measure would involve scraping-up (with machines) a bund against the erosion 'scarp' using the existing beach sand and gravel. This would serve the purpose of hindering over-topping and slowing scour, but would need to be maintained. Another interim measure would be to use machines to build-up a wave-dissipating sill along the mid-upper beach in front of Beach St. This would aim to encourage sand accumulation in its lee, against the erosion 'scarp', and hinder retreat. However, it would be a "suck-and-see" measure, with no guarantee of success, and would also need to be maintained. The risk with such interim measures is that they may end up consuming funds more effectively spent on a more permanent solution.

#### **Urgent relatively minor works**

The washover gully on the south side of the Hampden St groyne should be filled with beach material.

#### **Urgent monitoring**

In front of the town, I recommend monitoring sand levels by resurveying the 10 or so beach profiles that have been previously surveyed by Westland District Council (my understanding is that this was last done in February 2011) to keep a close eye on the beach levels and sand stock. While the current situation continues, these should be surveyed monthly (2-monthly at least). Also, the position of the erosion 'scarp' should be monitored at the same intervals using decimetre resolution GPS.

#### **Longer term**

I remain of the view that a strategic review of the Hokitika coastal hazards and shore protection strategy for Hokitika (as I outlined in my November 2012 letter) is overdue. However, the current situation may force a fast-track revision of this.

### **6. Recommendations**

My recommendation is to closely monitor the situation along Beach Street, and at the same time consider preparing contingency plans and designs for an urgent engineered protection structure – which should be actioned if the erosion 'scarp' crosses a threshold – such as the seaward edge of Bridge Street. A chartered coastal engineer should be engaged to provide further advice on this course. The interim measures suggested above could also be adopted, but it should be appreciated that these may only delay the inevitable and would consume funds arguably better spent on capital works.

### **7. Disclaimer**

This advice is provided at short notice about a situation that involves complex natural processes. Neither the writer nor NIWA can accept any responsibility for damages and costs that might be associated with ongoing erosion at Hokitika and/or the course of action suggested herein.

### **8. Acknowledgements**

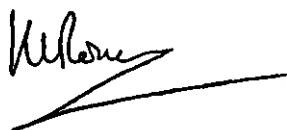
This advice was enabled with an Envirolink Small Advice Grant (1309-WCRC122). Doug Ramsey, NIWA Hamilton, provided comments on erosion management options. Chris Ingle, West Coast Regional Council, advised me on issues relating to the current phase of erosion.

Yours sincerely



D M Hicks  
Principal Scientist  
Sediment Processes  
NIWA, Christchurch  
[m.hicks@niwa.co.nz](mailto:m.hicks@niwa.co.nz)

Reviewed by



Dr H.L. Rouse

Approved for release by



Charles Pearson



**Figure 1:** View south along the Hokitika foreshore at Beach Street. 3 June 2013.



**Figure 2:** Wave washover debris beside Hampden Street groyne. 3 June 2013.





**Figure 3:** Photomap comparing the erosion lines in May 2013 and April 1986. Supplied by Paulette Birchfield, West Coast Regional Council.



**Figure 4:** Eroding shore north of the short rip-rap seawall some 200 m north of the Tambo. 3 June 2013.



## APPENDIX 2

20 June 2013

«Name»  
«Address\_1»  
«Address\_2»  
«Address\_3»

Dear Sir/Madam

### **Opinion Survey on Proposed Beach Protection & Proposed Rating District**

Recent beach erosion at Hokitika has worsened to the extent that the central business district of the town is now under immediate threat from the sea. The Westland District Council and the West Coast Regional Council are working together to seek expert advice on the optimal solution to this problem. Both councils wish to seek the views of the ratepayers of Hokitika before a decision is made.

The Regional Council proposes to set up a new rating district to fund a new sea wall.

Please fill out the attached form and return it urgently in the envelope provided. Once ratepayer responses are collated, the Council will decide on which option is best for the town.

#### **Return of forms**

Please tick one of the options on the survey form on the next page, and return that page in the postage paid envelope provided by **Monday 1 July 2013**.

#### **Background Information (attached)**

- An outline of the hazard risks and engineering advice.
- Suggested works options with estimated overall costs.
- Additional works needed on the existing groynes.
- A table showing the estimated annual cost for each ratepayer, for each option, per \$100,000 of your property's capital value<sup>1</sup>.
- A map of the proposed rating district, showing different classifications according to the level of benefit accruing from the proposed town protection works.

An independent rating expert has come up with the four funding classes, which are based on A class properties being rated at 100 points of benefit, B class at 75, C class at 60 and D class at 10. The table on page 5 shows how much each ratepayer would have to contribute, under these rating classes, if a decision is made to proceed with the works. Maintenance costs would be additional.

Further information, including the NIWA reports and the Gibb report, is available on the Council website at [www.wcrc.govt.nz](http://www.wcrc.govt.nz). If you wish to discuss any aspect of the proposed Rating District, or require further information, please call me on 03 768 0466 ext. 229.

Yours faithfully



Michael Meehan  
Planning and Environmental Manager

---

<sup>1</sup> Note that these costs are estimates only. Final costs will depend on the outcome of the competitive tender process. Best efforts have been made to estimate costs accurately; however the final costs may differ to those marked in the table.

## APPENDIX 2

### Opinion Survey on Proposed Hokitika Rating District

***Please return this page in the envelope provided***

«Name»

«RID ID», «Class A»

«Address 1», «Address 2», «Address 3»

Options	Please tick one box only
1. Do Nothing. Monitoring only.	
2. Single layer rock wall, 2:1 batter slope with 2m deep footing, along 650m of Beach Street frontage; plus extending groynes and rock rip rap as needed.	
3. Permanent rock wall, 3:1 batter slope with 4m deep footing, along 650m of Beach Street frontage; plus extending groynes and rock rip rap as needed.	
4 Permanent rock wall as in option 3, but built 15-20m seaward of the current erosion line, backfilled with gravel, to re-create the pre-existing promenade.	
5 Permanent rock wall as in option 3 but with 1 metre bund on top to minimise waves running over the wall during king tides/heavy seas.	

***Please feel free to include any additional comments below:***

Signature \_\_\_\_\_

Name \_\_\_\_\_  
(Please Print Clearly)

**Note:** All replies must be returned to The West Coast Regional Council in the enclosed, postage paid envelope by **Monday 1 July, 2013.**

### Background Information for Opinion Survey

#### 1 Introduction

Historically the Hokitika beachfront area has undergone several periods of erosion and re-building. These events are cyclical. Short term erosion phases peaked in the 1860's, 1880's, 1910's, 1940's, 1950's and 1980's. It seems we are now in another erosion phase in 2013.

The Jeremy Gibb report of 1987 studied the phenomena and recommended several groynes be erected along the beach, north of Weld Street. These are now in place and have encouraged sand build up.

Dr Murray Hicks, NIWA's Principal Scientist on sediment processes, has provided recent advice on beach processes. He produced written advice in November 2012 and more recently in June 2013. His view is that the risk of continued erosion is high.

A key risk is that once the erosion cut is landward of the dune peak, it is downhill all the way into the centre of Hokitika township. Further lowering of the dune would mean high seas would likely wash over Beach Street and down Weld Lane into the town.

The viability of Hokitika's central business district is compromised if this were allowed to occur.

#### 2 The Hazard Risks

- a) There is a direct risk to the beach front properties in front of the Central Business District (CBD). These properties could be taken by the sea. The sea is getting closer and closer to the private property line each month.
- b) The risk to the beach front properties north of Stafford Street is less urgent as the sea still has some way to come before it will erode away this land. However there is still a risk of this private land also being taken by the sea.
- c) The risk to the wider Hokitika CBD is that sea water will wash into the town more regularly. It is downhill from the current dune crest level into the town, and as continued erosion lowers the dune crest further, high seas will tend to wash over more and more frequently.
- d) The risk to the wider residential areas of Hokitika is indirect – they are not affected directly but will be impacted by loss of access to the town and its facilities.

#### 3 The Regional Council's Engineering Advice

The preferred option is a permanent seawall constructed similar to the Council's Punakaiki and Okuru seawalls. These have both stood the test of time. This wall would hold the 'last line of defence', preventing the sea from entering the town. The seawall would run from Stafford Street approximately 650 metres south along Beach Street. When the sea decides to re-build the beach, the wall will become covered by sand – but it will always remain there as a last line of defence, which is what Hokitika needs.

South of this permanent structure would be managed by rock rip rap work, similar to that used at sunset point, installed as required. The sunset point area has no private land behind it so does not justify a permanent protection option, however the current ad hoc rock work needs to be maintained.

## APPENDIX 2

North of Hampden Street the groynes have performed well, with a healthy build up of sand as a result of the groynes. It is recommended the groynes are built up in height and length and minor repairs are addressed as needed (eg. at Hampden Street groyne) but at this stage no rock wall is proposed north of Stafford Street. This approach can be revised if the situation changes.

### 4

#### The Options

##### **Option 1      *Do Nothing***

This option involves continued monitoring only. Given that it is possible continued erosion will soon reach the formed road at Beach Street, this could be a very short-term option. A firm decision would need to be made as to when remedial action would need to be activated, if erosion starts to affect the road formation.

*The extra cost to the ratepayers would be \$ 0 at this stage.*

##### **Option 2      *Semi Permanent Solution***

This would involve placing of a 650m semi-engineered rip rap rock wall and then maintaining the structure after each storm event. This would involve a steep 2:1 batter slope wall with a 2m deep toe. The rock would need to be regularly topped up.

This option may be cheaper in the short term than option 3, but the maintenance costs would be higher long term. The structure is also not as robust and could be compromised by sustained heavy seas; where a permanent engineered structure in option 3 would hold up better to such conditions and would last longer.

*The initial capital cost to the ratepayers would be approximately \$ 543,000.*

##### **Option 3      *Long - Term Permanent Solution***

This would involve the construction of a 650m permanent rock-armored seawall with a 3:1 batter slope and a 4m deep toe. Minor ongoing maintenance would be required but this would cost less than option 2. This is the same design as the Punakaiki seawall.

This offers a permanent long-term solution, with low annual maintenance costs. It ensures the town is protected for following generations, as well as this one. It offers security to the whole business area. It will also present a more aesthetic appearance to the town frontage.

*The initial capital cost to the ratepayers would be approximately \$ 984,000.*

##### **Option 4      *Long Term Solution with reclaimed foreshore***

This would involve the 650m seawall described in option 3 above, but built 15-20 metres seawards of the current erosion line. This essentially reclaims some of the foreshore land taken by the sea over the last few months and allows a grassed area with seaside amenities to be re-constructed on this 15-20m promenade.

## APPENDIX 2

The cost of bringing many truckloads of gravel in to rebuild the lost foreshore makes this a more expensive option than option 3, which builds a seawall where the erosion line is now.

*The initial capital cost to the ratepayers would be approximately \$ 1,504,000.*

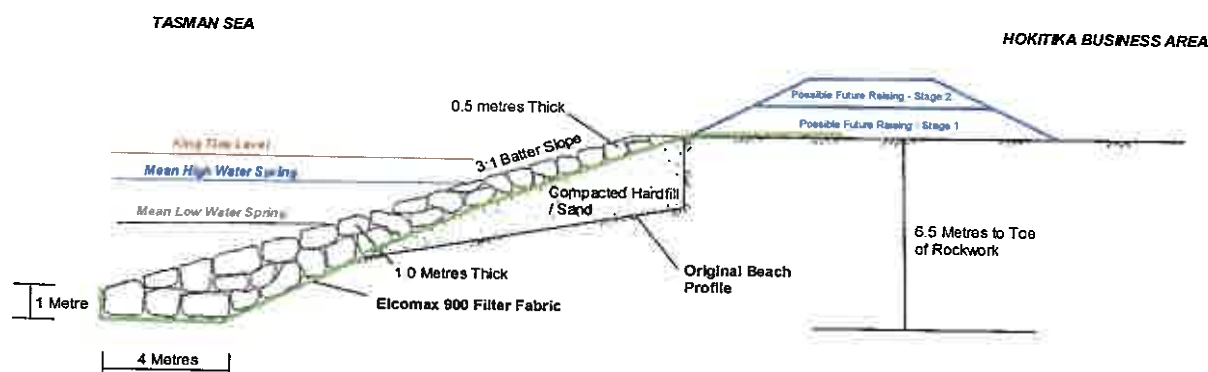
### **Option 5 Long Term Solution with raised bund**

This would involve the 650m seawall described in option 3 above, built on the current erosion line, but with an additional 1 metre height to minimise wave wash-over during very high seas. The diagram on the following page shows the raised bund in blue marked "possible future raising stage 1".

The bund will involve an additional cost of extra 1 metre of compacted gravel, but on the positive side it gives greater certainty that seawater and driftwood cannot overtop the wall, except during the very highest seas. It can be raised again in the future if needed.

*The initial capital cost to the ratepayers would be approximately \$ 1,044,000.*

**Figure 1: Engineered Rock Wall (Options 3, 4 and 5)**



**HOKITIKA BEACH FRONT - TYPICAL CROSS SECTION**

### **5 Additional Work on the Groynes and at Sunset Point**

Works are also needed to improve the groynes that help to build/re-build the beach north of Stafford Street. Groyne maintenance is also recommended to be funded by the new rating district but this work has not been costed to date. The advice from NIWA is to raise and extend the Hampden Street and Weld Street groynes, in that order. The more northerly groynes appear to be functioning well.

## APPENDIX 2

Rip rap rock work at sunset point will also be needed from time to time, when the area is under attack from the sea. This is expected to be funded by the new rating district as well. A maintenance rate can be set at a later date to cover these expenses.

### 6 How much will this cost me?

The table below indicates the estimated annual rates, per \$100,000 of capital value of your property, for each option. This is to repay the capital costs of the wall only and would be in addition to your existing regional rates. The different classes are shown on the enclosed map. Class A properties were rated as getting 100 points of benefit, B at 75, C at 60 and D at 10. Check which class your property is in on the map, then use the table below to find out how much your contribution would be:

Option <sup>2</sup>	Class A	Class B	Class C	Class D
1	Nil	Nil	Nil	Nil
2	\$48	\$36	\$29	\$4.80
3	\$87	\$66	\$52	\$8.70
4	\$133	\$100	\$80	\$13.30
5	\$93	\$70	\$56	\$9.30

<sup>2</sup> Annual repayment cost estimate is based on borrowing the capital cost and repaying the loan at 5% interest over 20 years.



## APPENDIX 2



# Report



**DATE:** 30 November 2012

**TO:** Mayor and Councillors

**FROM:** Group Manager – Assets and Operations

## HOKITIKA FORESHORE EROSION

### 1.0 SUMMARY

- 1.1 The purpose of this report is to provide an update and options on Hokitika Foreshore erosion.
- 1.2 This issue arises from noticeable erosion around the Sunset Point and near the Tambo area.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose includes the promotion of the social, environmental, economic and cultural wellbeing of communities. Council seeks to meet this obligation and the achievement of the District Vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the Vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Keeping the community informed with current updates on the erosion.
Having top class infrastructure for all communities	Attempting to retain Sunset Point as a key tourist spot.



- 1.4 This report concludes by recommending:
- 1.4.1 That Council approves emergency works along the coastline around the Sunset point and Tambo area to prevent further coastal erosion to the value of \$20,000.
  - 1.4.2 That Council agrees to investigate engaging the services of a coastal engineer/consultant with expertise in this area to assess and improve the Coastal Hazard Management Plan for Hokitika.

## 2.0 BACKGROUND

- 2.1 Under the current operative District Plan for Westland District the area under consideration i.e. Sunset Point and 'Tambo' has been identified as a Coastal Erosion Zone. Refer Figure 1.0.
- 2.2 The Coastal Erosion Zones have been identified on the basis of recommendations in the Gibb<sup>1</sup> report. Refer Figure 2.0.
- 2.3 The recommendations<sup>2</sup> from the Gibb report were:

### 2.3.1 Planning

- 2.3.1.1 Encourage the relocation of existing buildings and services landward of the Coastal Erosion Zone over the next 10 to 30 years before the onset of another erosion phase.
- 2.3.1.2 No new Buildings should be permitted (Status: Achieved. District Plan identifies any activity in this area as non-complying).
- 2.3.1.3 Rezone the land under extreme erosion risk to recognize the degree of risk and to promote land uses compatible with that risk. (Status: Achieved. Land is zoned as coastal erosion zone in District Plan).

### 2.3.2 Engineering

- 2.3.2.1 Hokitika River

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<sup>1</sup> Gibb, J.G. 1987. A coastal hazard management plan for Hokitika. Water & Soil Technical Publication No 29, Ministry of Works and Development, Wellington. Figure 24, Page 36

<sup>2</sup> Gibb, J.G. 1987. A coastal hazard management plan for Hokitika. Refer Page 39

## APPENDIX 3

Investigate the feasibility of training the Hokitika River mouth so that the river discharges permanently northwards and seawards.

(Status: Achieved – Needs improvement)

### 2.3.2.2 Groynes

Groynes were recommended between Weld Street and the north end of the sewage ponds. No groynes were to be constructed between Weld Street and Hokitika River mouth as this area is dominated by onshore-offshore sediment transport and is a feeder zone for the net northerly drift.

The first phase of construction was recommended at Richards Drive commencing with the lower foreshore section followed by the upper foreshore section. The height and length of the groynes were to be adjusted depending on the rate of adjustment of the beach updrift and downdrift of the structure.

(Status: Achieved)

The second groynes were at the north end of the sewage ponds again allowing for increases in both height and length as appropriate. The construction was recommended to be commenced about one month after the first stage of Richards drive groynes.

(Status: Achieved)

The third groynes were recommended between Hampden and Tudor Streets which was dependant on achieving a 2-m height and performance of these groynes at Richards Drive.

(Status: Achieved)

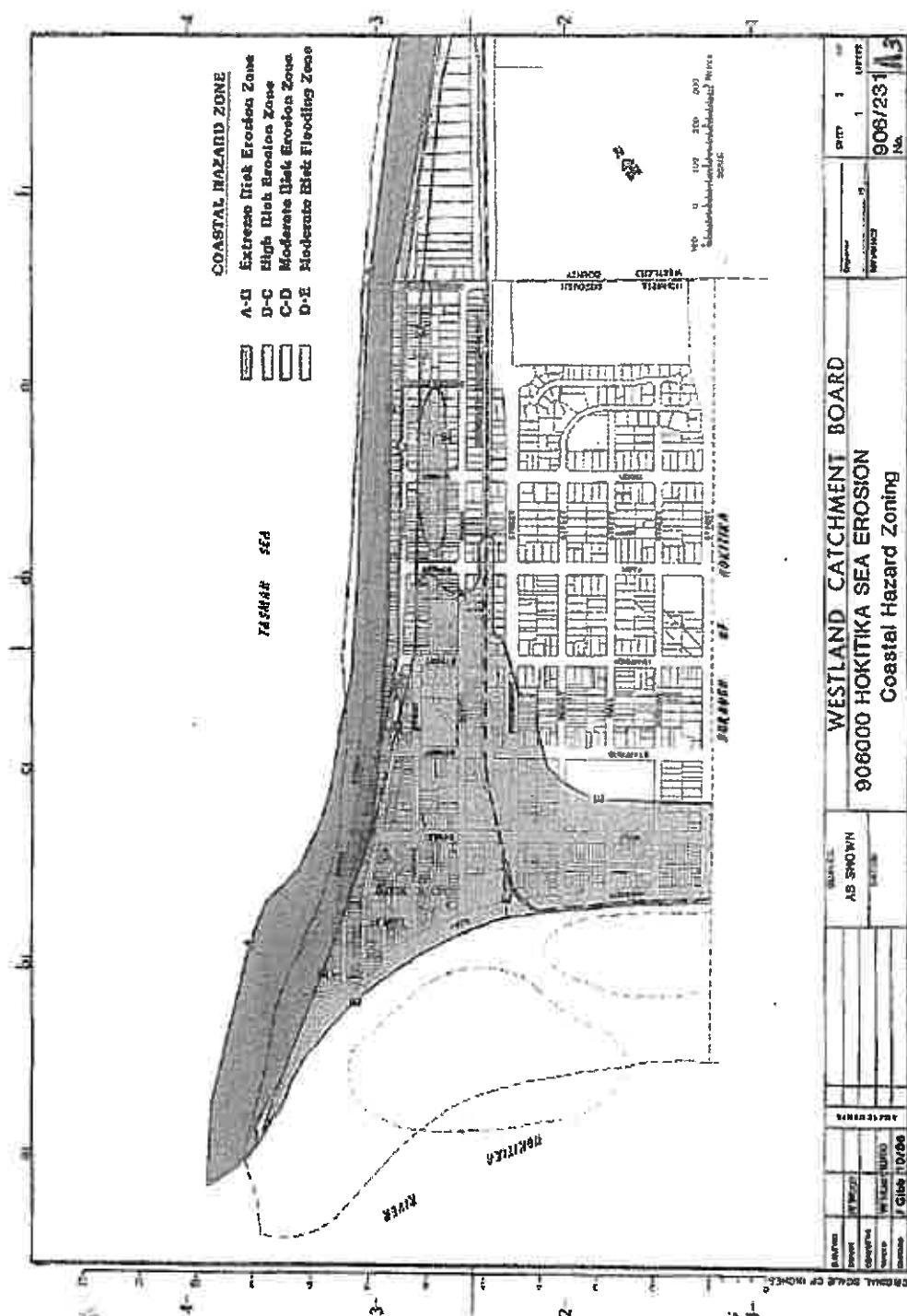
The on-going maintenance and further development of the groynes fields is dependent on the performance of these groynes and behaviour of the beach. This happens periodically and is currently funded through the Foreshore Erosion Protection Funds.

## APPENDIX 3

- 2.4 In October 2012 Council engaged the services of NIWA (National Institute of Water & Atmospheric Research Limited) to assess the current situation with erosion and recommend a way forward. A copy of the report is attached as Appendix 'A'. This report was funded by a \$5,000 grant from the Ministry of Science and Innovation through the West Coast Regional Council.
- 2.5 Council staff have been advised that the area around Sunset Point was in the past used as a landfill and there is deposition of waste under the land subject to erosion. No information is available to support this, however in discussions with the local community there is strong evidence through local knowledge that the waste was deposited in the early 1970's around the lengths of Hokitika River opposite the 'Tambo'.



*Figure 1.0: Coastal Erosion Zones – Operative District Plan – WDC.*



*Figure 2.0: Coastal Hazard Zones as identified in Gibb Report.*

### 3.0 CURRENT SITUATION

- 3.1 Hokitika beach as explained in the Gibb report is experiencing extensive erosion in the area identified Coastal Hazard zone A-B. Ref figure 2.0.
- 3.2 The pictures below and over the page show the extent of damage around this area.
- 3.3 Access to the Tambo and Sunset Point area has been closed to the general public until further notice.
- 3.4 In discussions with the West Coast Regional Council regarding the deposited waste under the area, it has been advised that if the erosion extends any further and threatens to expose any refuse underneath, Westland District Council will very likely be made to rectify the situation.
- 3.5 Council has been approached by local contractors who have offered gravel and rock at discounted rates to help with the situation.
- 3.6 Council at its October 2012 meeting resolved to remove the sign and anchor from the Tambo to a safe location. This work has been undertaken.





### 4.0 OPTIONS

4.1 Option 1: Status Quo or Do Nothing.

4.2 Option 2: Emergency repair works.

## APPENDIX 3

- 4.3 Option 3: Reassess the Coastal Hazard Management Plan engaging services of a coastal structural engineer.
- 4.4 Option 4: Carry out emergency protection works to the value of \$20,000 and update the Coastal Hazard Management Plan as identified in Option 3.

### 5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 In accordance with Council's Policy on Significance this matter has been assessed to have high level of significance. Under the Policy all roads are listed as strategic assets, and the erosion on the Hokitika foreshore is threatening the road out to Sunset Point. There is also a high level of community interest in this matter.
- 5.2 Local public and key stakeholders have been consulted with input at various times. These include Department of Conservation, private property owners and other local community who have the knowledge of the localised erosion cycles.

### 6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

#### 6.1 Option 1: Status Quo or Do Nothing:

- 1. The Gibb report states that there will be periodic erosion cycles. This is exactly what is happening now in this area.
- 2. The infrastructure, including the road and viewing tower at Sunset Point will be at risk.
- 3. The local tourist spot including the 'Tambo' will be at risk
- 4. The refuse, if present and exposed, will impose serious compliance issues.
- 5. If made to rectify the situation by West Coast Regional Council there will be financial implications.
- 6. There will also be cost associated with moving community assets.
- 7. Doing nothing has the potential to create negative publicity; however there are people who think Council should not be using ratepayer funds to address an issue that is essentially a natural process.

#### 6.2 Option 2: Emergency Protection works:

- 1. Will address the immediate erosion issues.
- 2. Will bring in positive feedback from the local community.

## APPENDIX 3

3. Financial costs will be around \$20,000. This will be funded from the Foreshore Erosion Protection funds in the 2012-13 budget.
  4. A long term solution will still have to be worked out.
- 6.3 Option 3: Update the Coastal Hazard Management Plan engaging services of the coastal structural engineer:
1. The report from NIWA suggests that in long term Westland District Council should conduct an updated assessment of the coastal erosion hazard, updating and expanding the work done by Gibb in the 1980's, and
  2. It should review the performance of the existing groynes and plan improvements as necessary.
  3. The cost of updating this report has been estimated at \$60,000, but some funding may be available through the Envirolink Fund via the West Coast Regional Council. This could be combined with a Council contribution from the Foreshore Erosion Protection budget. Until this report is complete the immediate risk still stands.
- 6.4 Option 4: Carry out emergency protection works to the value of \$20,000 as identified in Option 2, and investigate updating the Coastal Hazard Management Plan as identified in Option 3:
1. This option is a combination of Option 2 and Option 3. It follows the recommendation of NIWA report and provides the most practical solution.
  2. Council will safeguard the immediate risk around exposure of refuse to sea and will progress to development of a long term solution to erosion around Hokitika coastline.
  3. Council staff will make an application through the Regional Council for financial assistance from the Envirolink Fund to fund the update of the Plan.

### 7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 4. The assessment is included in Section 6.4 above.



### 8.0 RECOMMENDATIONS

- A) **THAT** Council approves emergency works along the coastline around the Sunset Point and Tambo area to prevent further coastal erosion to the value of \$20,000.
- B) **THAT** Council agrees to investigate engaging the services of a coastal engineer/consultant with expertise in this area to assess and improve the Coastal Hazard Management Plan for Hokitika.

**APPENDIX 1:** Site Visit Report from NIWA (National Institute of Water and Atmospheric Research Limited).

**Vivek Goel**

**Group Manager – Assets and Operations**

# Report



DATE: 27 June 2013

TO: Mayor and Councillors

FROM: Manager Planning and Regulatory

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## EXEMPTION FROM PARKING BYLAW

### 1.0 SUMMARY

- 1.1 The purpose of this report is to provide Council with advice on providing for exemptions to Council's Parking Bylaw.
- 1.2 This issue arises from a letter from Hokitika New World which seeks to provide for public car parking for a staff member who is a member of the Hokitika Volunteer Fire Brigade.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Having a consistent approach in the administration of Council Bylaws.
Having inspirational leadership	

- 1.5 This report concludes by recommending that Council declines the request.

## **2.0 BACKGROUND**

- 2.1 Council adopted its Traffic and Parking Bylaw in 1999 and confirmed it in 2008.
- 2.2 Council has recently resolved to periodically enforce the provisions of the Bylaw relating to parking.

## **3.0 CURRENT SITUATION**

- 3.1 Infringement proceedings have commenced and infringement notices have been issued.
- 3.2 Hokitika New World has written on behalf of an employee who is a member of the Hokitika Volunteer Fire Brigade and Hokitika New World requests that the employee be given an exemption from infringement notices so that they can park his vehicle close to his place of work rather than in a restricted parking place.
- 3.3 The Bylaw does provide for exempted vehicles but only vehicles operated as an ambulance, a vehicle being used by the New Zealand Fire Service or a vehicle used by a Police Officer engaged in police duties.
- 3.4 The Bylaw also provides that a temporary discontinuance of a parking space can occur or that a parking space can be (by resolution) reserved for particular specified trade or other specified vehicles.
- 3.5 There is no provision in the Bylaw for Council to exempt a private vehicle owned by a volunteer fireman or any other volunteers who may be called on in an emergency.

## **4.0 OPTIONS**

- 4.1 Option 1 - Not provide an exemption.
- 4.2 Option 2 - Amend the Bylaw to provide for an exemption for private vehicles for volunteer fire fighters.
- 4.3 Option 3 - Provide, in accordance with the Bylaw, car parks specifically reserved for volunteer fire fighters.
- 4.4 Option 4 - Encourage the owners of Hokitika New World to provide onsite car parking for volunteer fire fighters employed by them.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 This matter is assessed as having a low degree of significance.
- 5.2 Before any decision to provide an exemption provision in the Bylaw for specific vehicles or to provide car parks set aside for specified vehicles it may be appropriate to consult with Enterprise Hokitika which is a body who advocated the parking infringement regime.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 There is a range of all-day parking options immediately to the north of the Hokitika New World building.
- 6.2 No particular needs have arisen that would encourage the Council to review the contents of the Bylaw (with the exception of this issue) at this time.
- 6.3 There are other volunteer fire fighters working in the commercial core zone and in at least two of those instances, onsite arrangements are made.
- 6.4 The Hokitika New World is one business that has more onsite parking than any other business in the town area.
- 6.5 Exemptions, except for emergency vehicles in the course of their duties would be a further administrative encumbrance for the Council.
- 6.6 A decision to support this request could set a precedent for an unknown number of volunteers in similar circumstances.

## **7.0 PREFERRED OPTION AND REASONS**

### **7.1 Option 1**

Option 1 is the preferred option as there is sufficient daylong parking available nearby.

## **8.0 RECOMMENDATION**

- A) **THAT** the request of Hokitika New World be declined.

**Richard Simpson**  
**Manager: Planning and Regulatory**

# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Manager: Planning and Regulatory

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## WESTLAND DISTRICT COUNCIL FREEDOM CAMPING CONTROL BYLAW 2012

### 1.0 SUMMARY

- 1.1 The purpose of this report is to advise Council on progress relating to the application for review made by the New Zealand Motor Caravan Association Incorporated (NZMCA) and to recommend to Council a way forward.
- 1.2 This issue arises from the application for judicial review of the decision of the Council to adopt the Westland District Council Freedom Camping Control Bylaw 2012 (the Bylaw). The application for review sits before the Court and is the subject of a joint memorandum between Council and the NZMCA which relates to "next steps".
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Having bylaws that are legislatively robust and meet the needs of the

Having inspirational leadership	community
---------------------------------	-----------

- 1.5 This report concludes by recommending that Council use a Special Consultative Procedure to propose the revocation of the Bylaw and that options to replace the bylaw be considered at another time.

## 2.0 BACKGROUND

- 2.1 Council adopted the Bylaw in 2012. It became operative on 26 November 2012.
- 2.2 The adoption of the Bylaw occurred subsequent to the special consultative procedure.
- 2.3 The NZMCA made it clear at the submission stage that the Bylaw was not regarded by the NZMCA as “appropriate and proportionate” and that, if the Bylaw proceeded, then an application would be made to the High Court to review the Bylaw.
- 2.4 The Bylaw was adopted, became operative, was enforced and infringement notices were issued.
- 2.5 The NZMCA lodged an application for review in the High Court in January 2013. Council has previously been advised as to the issues that the NZMCA saw as being deficient with regard to the Bylaw.
- 2.6 Council did respond to the application for review and the parties considered how the substantive matters at issue might be progressed without the need for a hearing by the High Court.
- 2.7 Council at its meeting on 28 March resolved:
- A) That Council reviews the Westland District Freedom Camping Control Bylaw 2012; and
  - B) That enforcement of the Westland District Freedom Camping Control Bylaw 2012 cease forthwith.
- 2.8 The High Court was advised that the review would need to be undertaken in accordance with the Local Government Act 2002 special consultative procedure and that it was hoped that as a consequence of the special consultative procedure the High Court review would not be required.

- 2.9 The Court required a memorandum as to progress to be filed by 10 July 2013 informing it of the status of the proceedings.

### **3.0 CURRENT SITUATION**

- 3.1 Very little has happened since the joint memorandum referred to above was lodged with the High Court on 10 April 2013.
- 3.2 Council now needs to turn its collective mind to a way forward and how it might review the Bylaw.
- 3.3 The High Court must be advised by 10 July 2013.

### **4.0 OPTIONS**

- 4.1 Option 1 - Retain the current Bylaw and not enforce it.
- 4.2 Option 2 - Retain and review the Bylaw.
- 4.3 Option 3 - Revoke the Bylaw and do nothing.
- 4.4 Option 4 - Revoke the Bylaw and commence an immediate review.
- 4.5 Option 5 - Revoke the Bylaw and undertake a review at some time in the future.

### **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 There is some wider public interest in the process and significance includes issues relating to the lawfulness of the current Bylaw, appropriateness and proportion and costs.
- 5.2 Any review will need to engage the NZMCA, the public and interest groups. The special consultative procedure provided for in the Local Government Act 2002 will need to be followed.

### **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 The status quo is, realistically, not an option. To adopt the status quo is to confront the NZMCA and the review process. Although the Council does not accept the merits of the NZMCA case the issues of cost in proceeding with a review and consequences are not warranted.

- 6.2 The Bylaw could stay on the Council's books and a review could be commenced, forthwith. The review process is, however, a considerable task and would need to be approached with an open mind and a "blank sheet of paper". The review would need to conclude with a Bylaw that was appropriate and proportionate.
- 6.3 Planning for and undertaking a comprehensive review, and engaging with the public is not a process that can readily be dealt with within existing staff resource and Council has no provision in the 2013-2014 Draft Annual Plan to fund this.
- 6.4 The option of revoking the Bylaw and doing nothing does require the special consultative procedure and does provide a high degree of certainty to the NZMCA and other interested parties.
- 6.5 The option of revoking the Bylaw and undertaking an immediate review has merit in that the NZMCA and other interested parties can be engaged in a participatory role while the issues are current.
- 6.6 Any review process needs to be carefully planned, needs to specifically identify restricted or prohibited areas and any Bylaw must be demonstrated to be the most appropriate and proportionate way of addressing perceived problems associated with freedom camping. This process can be expected to take time and resources and, additionally, will have no impact on State Highways.
- 6.7 Revocation of the Bylaw and undertaking a review at some time in the future does give a period of reflection and, more importantly, gives an opportunity to measure successes (or otherwise) in other areas. The role of organisations like the Freedom Camping Forum can also be monitored.
- 6.8 The Freedom Camping Forum continues to exist and the Forum continues to be presented with an opportunity to encourage the required change in culture through the rental companies.

## **7.0 PREFERRED OPTION AND REASONS**

- 7.1 There are sufficient financial reasons to revoke the existing Bylaw in its entirety using the special consultative procedure.
- 7.2 The issue, then, is to either proceed with a review or do nothing in the meantime.



- 7.3 To do nothing in the meantime (after revocation) does not restrict the Council in considering a review process for the future. To commence a review process forthwith does present some resourcing issues.
- 7.4 The preferred option is revocation of the Bylaw using the special consultative procedure. A statement of proposal will be brought to Council at a future meeting.

## 8.0 RECOMMENDATIONS

- A) **THAT** Council use a Special Consultative Procedure to propose the revocation of the Westland District Council Freedom Camping Control Bylaw 2012.
- B) **THAT** options to undertake a comprehensive review of the bylaw, including resourcing requirements, be considered at another time.

Richard Simpson

Manager: Planning and Regulatory

# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Assistant Accountant

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## **RATES AND DEBTOR WRITE OFFS**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to request Council approval to write off debts deemed uncollectable.
- 1.2 This issue arises because it exceeds internal delegated authority, and Council approval is required to write off debt owed.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Involving the community and stakeholders	Ensuring only genuinely uncollectable debt is written off

- 1.5 This report concludes by recommending that Council approve the write off of debt totalling \$57,427.85.

## **2.0 BACKGROUND**

- 2.1 Each year, an amount of rates debt is reported to Council for their approval to write off. In past years this has included rates remitted in accordance with our remission policies as well as write offs. This report addresses matters outside of officer delegations, the proposed write offs. Remittance of rates and penalties is within officer delegation.
- 2.2 While a provision has been made to write-off these debts in previous financial years they are now deemed uncollectable and are requested to be written-off.

## **3.0 CURRENT SITUATION**

- 3.1 The amount of \$29,475.10 rates debt requested be written off comprises rates on unoccupied Maori Land totalling \$21,511.35, and arrears of more than seven year's totalling \$7,963.75.
  - 3.1.1 Maori Land vested in trustees is liable for rates only to the extent of any money derived from the land. Rates on multi ownership unoccupied Maori Land are the liability of each owner to the extent of their interest in the land. These are the reasons the rates are difficult to collect.
  - 3.1.2 There is a limitation of time, effectively seven years, for the recovery of rates.
- 3.2 The amount of \$27,952.75 general debtors requested be written off is an aged debt against a liquidated Company (Franz Josef Heliport Ltd) with no remaining assets. The company has been struck-off the Companies Register.
  - 3.2.1 The general debtors debt has been pursued through the Courts by a Debt Collector who advises there is no possibility of payment.

## **4.0 OPTIONS**

- 4.1 Council approve the write off of the \$57,427.85 (para. 3.1 plus 3.2) total requested.
- 4.2 Council recommend an alternative avenue to collect the debt.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council's Policy on significance, this is assessed as an administrative matter and is of low significance.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 If Council approves write off of the full amount, this will recognise that recovery of the debt is very unlikely. It will reduce the doubtful debt provision by \$57,427.85 as this provision was made in previous years' accounts.
- 6.2 If Council recommends an alternative avenue to collect the debt, it needs to be a practicable option; and will lessen the impact on our accounts provided the cost involved does not exceed the amount collected.
- 6.3 It is important this decision is made prior to 30 June 2013 to be included in the 2012/13 Annual Report.

## **7.0 PREFERRED OPTION(S) AND REASONS**

- 7.1 Option 6.1 is preferred, as recovery of the debt is very unlikely.

## **8.0 RECOMMENDATION(S)**

- A) **THAT** Council approve the write off of the amount of \$57,427.85 debtors and rates debtors.

**Dave Oldman**  
**Assistant Accountant**

# Report



DATE: 27 June 2013

TO: Mayor and Councillors

FROM: Electoral Officer

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## **2013 TRIENNIAL ELECTIONS**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to update Council on the preparation for the forthcoming elections and to make recommendations relating to procedure.
- 1.2 This issue arises as a result of the need to make certain decisions in preparation for the elections.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders. Having inspirational leadership.	An election undertaken in accordance with the Local Electoral Act 2001 and good practice leads to fair and effective representation for individuals and communities.

- 1.5 This report concludes by recommending that Council adopt measures to ensure that there is a compliant and efficient election.

## **2.0 BACKGROUND**

- 2.1 The Local Electoral Act 2001 (the Act) provides the process and procedures for running elections. Some procedures are discretionary. In addition, the Government has prepared a Bill to change some of the provisions of the Act. It is not certain the Bill will pass before nominations are called. Part of the purpose of this report is to ensure that processes are in place regardless of the passing of the Bill or not.

## **3.0 CURRENT SITUATION**

### **3.1 Staffing:**

The Electoral Officer has completed the statutory declaration and Tracy O'Malley will act as the Deputy Electoral Officer.

### **3.2 Early Processing:**

Section 79 of the Local Electoral Act 2001 permits the processing (but not counting) of returned voting documents during the voting procedure. The early processing of voting documents has been used for four elections and two By-Elections. The immediate benefit of adopting early processing is that all the cumbersome and time-consuming tasks of extracting and checking the voting documents is able to be undertaken progressively during the voting period. These procedures are done under strict security and the personal supervision of a Justice of the Peace. The early processing of votes allows for a quicker and more accurate result on the Election Day.

### **3.3 Order of Candidates Names on Voting Documents:**

The Local Electoral Regulations 2001 provide that Council may decide whether the names of candidates are to be arranged on the voting documents in alphabetical order of surname, pseudo-random order or random order. In the absence of any Council resolution approving any other arrangement, the candidates' names must be arranged in alphabetical order of surname. The three possible arrangements are:

- Alphabetical Order of Surname

This is the traditional way of listing candidate's names on voting documents and lists candidates in the order of A-Z (surnames).

- Pseudo-Random Order

Using the pseudo-random arrangement the candidates' names for each issue are drawn, (prior to the preparation of voting documents) and appear on the voting document in the order in which they are drawn. Every voting document will be exactly the same with candidate's names in the order that they are drawn. The additional costs over alphabetical listing are minor.

- Random Order

The random order arrangement of the names of the candidates involves the listing of the candidates in a different order on each and every voting document. The additional costs over pseudo random listing are not significant.

Over the last four elections the Council has resolved to adopt the alphabetical order of surname.

### **3.4 District Health Boards:**

The District Health Board members will be elected at large. The Westland District Electoral Officer will act for the District Health Board as their Electoral Officer and will undertake all processes on behalf of the Board with the exception of voting document scrutiny in Grey and Buller Districts and the counting of votes.

The District Health Board Election will be an STV Election and vote processing will be done off-site. It is understood that the Ministry of Health will be conducting a campaign to publicise the District Health Board Elections and the STV processes.

The West Coast District Health Board has resolved to adopt early processing procedures and to list the candidates' names in random order.

### **3.5. General:**

Work towards the election (*to be held on Saturday 12 October 2013*) has commenced. The ratepayer roll is currently being updated, procedures are being put in place for dealing with regional issues and work has commenced on the preparation of an updated 'Information for Candidates Booklet'. The Society of Local Government Managers has updated the Code of Best Practice.

A complicating factor is the Government Bill which proposes to remove the need for Council to resolve early processing procedures and leave that decision to the Electoral Officer. This report could wait but given the need for certainty and good planning as components of a well-run election this report approaches the issue as if the Bill does not exist.

## **4.0 OPTIONS**

- 4.1 Order of Candidates Name - There are three options for selecting the order of candidates' names. These are identified in Option 3.3.4.2.
- 4.2 Early Processing – The options are to either start processing before election day or not.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 The decisions are administrative and are therefore assessed as being of low significance.
- 5.2 No consultation procedures are required as a result of the matters addressed in this report.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 Council could resolve to list candidates by other than alphabetical order of surname. This would be a departure from the current practice over several elections. Studies do indicate that where a long list of candidates occurs then random or pseudo-random order of candidates' names has advantages over alphabetical listing.
- 6.2 Council could resolve to have (or not have) early processing. Such a resolution may be put aside by the Bill.
- 6.3 There are no financial implications to the decisions in this report.



## **7.0 PREFERRED OPTION AND REASONS**

- 7.1 The preferred option for the order of candidates' names is alphabetical as this reflects what Council has done historically, and what the community is used to. However, officers have left this decision open to Council and have not made a recommendation.
- 7.2 Officers are, however, recommending early processing of voting papers. The immediate benefit of adopting early processing is that all the cumbersome and time-consuming tasks of extracting and checking the voting documents is able to be undertaken progressively during the voting period.

## **8.0 RECOMMENDATIONS**

- A) **THAT** the returned voting documents be processed during the voting period in accordance with Section 79 of the Local Electoral Act 2001, the Local Electoral Regulations 2001 and the Society of Local Government Managers Code of Best Practice.
- B) **THAT** Council decides how the names of candidates on the voting documents at the 2013 Triennial Elections are to be arranged.

**Richard Simpson**  
**Electoral Officer**

# Report



DATE: 27 June 2013

TO: Mayor and Councillors

FROM: Community Services Officer

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## APPLICATION FOR A GRANT FROM THE INFRASTRUCTURE AND COMMUNITY SUPPORT FUND

### 1.0 SUMMARY

- 1.1 The purpose of this report is to provide Council with information regarding the attached application from the Kumara School – **Appendix 1**.
- 1.2 This issue arises from a written application for a grant to maintain the operation of the Kumara School/community swimming pool.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders Having top class infrastructure for all communities	Council providing assistance with funding for ongoing maintenance costs.

- 1.5 This report concludes by recommending that Council meet the request for a grant.

## **2.0 BACKGROUND**

- 2.1 The swimming pool at Kumara School is used by both the school and the community and is a valuable asset to the community. It has potential to also be used by riders of the West Coast Wilderness Trail in the future. As the gateway to Westland, Kumara is poised to grow and pool usage is likely to increase.
- 2.2 In June 2011, the school applied for a grant of \$20,000 to install a new playground and Council approved a grant of \$2,000.

## **3.0 CURRENT SITUATION**

- 3.1 The pool has ongoing maintenance costs of \$3,039.50 which is not met by the Ministry of Education. The school already has fundraised \$1,000 through the annual Coast to Coast event and received back \$560 in issuing pool keys to local people - making a total income of \$1,560. This has left a shortfall of \$1,479.50.

## **4.0 OPTIONS**

- 4.1 Option 1 - Decline the application.
- 4.2 Option 2 - Approve the application.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 This has a low level of significance for Council but is important to Kumara because the pool cannot be operated without the correct levels of chlorine and adequate cleaning materials.
- 5.2 No consultation has been undertaken; however it is noted that the request has come from the Principal of the Kumara School and the Kumara School Board of Trustees Chairperson.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 If the grant is declined, the pool may have to close. Local fundraising is a possibility but fundraising already occurs during the annual Coast to Coast event.

- 6.2 If the grant is approved by Council, the pool will remain open next season for the benefit of the school and the community.
- 6.3 In light of the proposal to remove the Infrastructure Fund in the draft Annual Plan, both the school and the community need to consider the long term implications of future shortfalls.

## **7.0 PREFERRED OPTION(S) AND REASONS**

- 7.1 That the application be approved. The Infrastructure and Community Support fund has a budget of \$20,000 in this current financial year and only \$12,361 of this has been approved for grants, leaving a balance of \$7,639.

## **8.0 RECOMMENDATION(S)**

- A) **THAT** a grant to Kumara School of \$1,480 & GST be funded from the Infrastructure Fund.

**Appendix 1:** Application from the Kumara School.

**Derek Blight**  
**Community Services Officer**

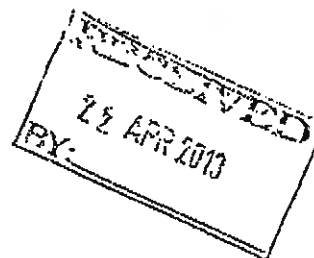
# Appendix 1



## GRANTS APPLICATION FORM

PLEASE RETURN THIS FORM WHEN COMPLETED TO THE:

Westland District Council  
Private Bag 704  
HOKITIKA  
☎ (03) 756 9010  
Fax (03) 756 9045



1. Full name of Organisation: KUMARA SCHOOL.
2. Nature of Organisation: TO EDUCATE CHILDREN ACADEMICALLY AND SOCIALLY
3. Are you registered for GST: YES / ~~NO~~ GST No: 51-753-585

4. Bank Account Number: 12.3168.0361241.00

Bank Deposit Slip attached: YES / ~~NO~~

5. Postal Address: 68 FIFTH STREET KUMARA
- Phone: 03 7369832
- Fax: 03 7369832
- Email: office@kumara.school.nz

6. Key Contacts:
- Contact One: YVONNE BLAIR PRINCIPAL
- Contact Two: JULIE FITZGERALD (03 7369109)  
CHAIRPERSON

### 7. The Project

7.1 Please tell us about your Project (attach additional sheets if required).

TO maintain operation of school / community pool.

7.2 When will your Project take place:

on going

7.3 Does your Organisation target a particular age group:

☒ UNDER 25 ☐ OVER 25 ☒ GENERAL

7.4 Describe who will benefit and how from your Project:

The students community and anyone who wishes to partake in swimming

8.1 MONEY AND RESOURCES - OUTLINE THE COSTS OF YOUR PROJECT:

PROJECT COSTS (List the costs associated with this project)	\$	PROJECT INCOME (How organisation will contribute)	\$
Swimming Pool Tax Proxies	\$74.75 6mthly	Sponsorship Coach to Coach	\$1000 -
chlorine Tablets	\$260.00 3mthly	Fees/Subs	\$80.00
Power	\$150 mthly	Fundraising	---
Cleaning budget	\$50.00 yly	Loan/Mortgage/Debenlures	---
		\$ on hand	---
		Other Grants (granted/opposed)	---
		Other	---
Total cost of project is	Total (A) \$3039.50	Your contribution is:	Total (B) \$1560.00

8.2 How much are you applying for: \$1500 (Total A - B)  
\$1479.50

8.3 What other funding have you applied for to fund this Project  
Coach to Coach \$1000.00

8.4 Please detail amount of donated time/labour for this Project

on going project / Parent / community assistance.

8.5 Number of members in your Organisation School 201 20.

+ KUMARA Community

8.6 Please provide a current statement/balance sheet of your Organisation's financial position.

9. Is your Club/Organisation an Incorporated Society?

Yes/No

10. Final Check:

I declare the above information supplied here on behalf of my organisation is correct, if the application is successful, we agree to return a completed accountability form by the due date.

Name: Wonne Blair Signature: [Signature]

Position in Organisation: Principal Date: 10/04/13

CHECKLIST

- ☐ Have you attached your latest audited accounts and bank statements? (Not Completed for 2012)
- ☒ Have you answered all the relevant questions?
- ☒ Can your contact person be reached easily?



# Kumara School

68 Fifth Street, Kumara, Westland, 7832  
Phone 03 73 69 832 Fax 03 73 69 872  
Email – [office11@kumara.school.nz](mailto:office11@kumara.school.nz)



6<sup>th</sup> May 2013

Mr D Blight  
Community Services Officer  
Westland District Council  
Hokitika

Dear Derek

## Grant Application for Kumara Swimming Pool

Further to your letter dated 23<sup>rd</sup> April 2013 regarding the abovementioned pool application.

Thank you for bringing these matters to our attention, the application form has been amended re: your notes 1 & 2.

Note 1: we did not issue any keys for the 2012-2013 swimming season as we planned doing a lot of maintenance over the school summer holidays, closure also reduced running costs and drain to our School budget. However, due to unforeseen circumstances this maintenance has been postponed until this spring.

We expect that keys will be available to the public again this coming 2013-2014 swimming season and have therefore estimated the likely income for the application.

I can now include our draft annual accounts for 2012, please note that while on the surface it looks like we turned a \$24,475 expected loss into a healthy profit, looks can be deceiving.

It should be noted that approximately \$25,794 (of the \$32,758 profit) is accounted for due to Novo pay errors, cyclical property maintenance and our pool project, which will all be accounted for in this financial year.

Please do not hesitate to contact me (as our Principal is on sabbatical this term) if you have any further queries.

Yours faithfully

Julie Fitzgerald  
Board of Trustees - Chairperson

Kumsra School  
 Board of Trustees

Financial Statements  
 Year ended 31 December 2012

# **Statement of Financial Position** As at 31 December 2012

	Notes	2012 Actual \$	2012 Budget \$	2011 Actual \$
<b>Total Equity</b>		<b>\$270,055</b>	<b>\$212,822</b>	<b>\$237,297</b>
Represented by:				
<b>Current Assets</b>				
Cash and cash equivalents	9	112,840	47,822	67,050
Accounts receivable	10	11,830	10,000	11,833
Prepayments		2,148		2,312
Inventories		1,105		
Investments	11	-	-	-
		<u>127,923</u>	<u>57,822</u>	<u>81,195</u>
<b>Current Liabilities</b>				
Accounts payable	13	26,860	20,000	17,598
Income received in advance	14	-	-	-
Provision for cyclical maintenance	15	4,971	5,000	720
Funds held for Capital Works Projects	16	8,550	-	-
		<u>40,381</u>	<u>25,000</u>	<u>18,318</u>
<b>Working Capital</b>		<b>87,542</b>	<b>32,822</b>	<b>62,877</b>
<b>Non Current Assets</b>				
Property, plant and equipment	12	193,241	190,000	166,693
		<u>193,241</u>	<u>190,000</u>	<u>166,693</u>
<b>Non Current Liabilities</b>				
Provision for cyclical maintenance	15	10,728	10,000	22,273
		<u>10,728</u>	<u>10,000</u>	<u>22,273</u>
<b>Net Assets</b>		<b>\$270,055</b>	<b>\$212,822</b>	<b>\$237,297</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Supervisor IT Services

---

## VESTING OF LAND AS LEGAL ROAD

### 1.0 SUMMARY

- 1.1 The purpose of this report is to obtain Council approval for the vesting of Section 2 SO 457223 as legal road.
- 1.2 This issue arises from the current sealed road formation being on legal road alignment.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Having top class infrastructure for all communities.	Formalising the current road alignment which will enable the Council to exercise appropriate control.

- 1.5 This report concludes by recommending that Council agrees to this Land being vested in Council as Road.

## **2.0 BACKGROUND**

- 2.1 On the 3 May 2011 the land including the portion of current sealed road formation was transferred to Westland District Property Ltd. They now wish to vest the piece of road with Council.
- 2.2 A copy of the plan including the aerial photograph is included in **Appendix 1**.

## **3.0 CURRENT SITUATION**

- 3.1 Westland District Property Limited, the current owners of the land have requested approvals under Section 114 [1] of Public Works Act 1981 to formalise the alignment and have the piece of land under the formed road to be vested in the Westland District Council.

## **4.0 OPTIONS**

- 4.1 Option 1 - Approve the vesting of land as legal road.
- 4.2 Option 2 - Do nothing.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council's Policy on Significance this matter is administrative and therefore has been assessed to have a low level of significance.
- 5.2 No public consultation is required under the Public Works Act.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 **Option 1** – This option will legalise the current formation of road. There are no financial implications for Council associated with this option.
- 6.2 **Option 2** – Do nothing will result in Council having an asset on land it does not control, and which could be blocked off at any time. A portion of the road will be on private land. The current situation is vulnerable if the landowner decides to sell the land.
- 6.3 All costs for this will be met by the current landowner – Westland District Property Ltd.

## **7.0 PREFERRED OPTION(S) AND REASONS**

7.1 Option 1 is the preferred option as it legalises the current alignment of road.

## **8.0 RECOMMENDATION(S)**

A) **THAT** Council approve vesting of Section 2 SO 457223 as Legal Road under Section 114(1) of the Public Works Act 1981.

**Appendix 1:** Aerial Photo of the area.

**Appendix 2:** Consent Form.

**Appendix 3:** Copy of SO 457223.

**Peter Oliver**

**Supervisor IT Services**

## Appendix 1



Scale 1:1250

Date 2011

# Lake Kanieri Road

The information displayed on this map has been taken from Westland District Council's GIS and Databases. It is made available in good faith, but its accuracy and completeness is not guaranteed



Cadastral Data Derived from LINZ's CRS  
(Crown Copyright Reserved)

# Appendix 2

## CONSENT PURSUANT TO PART VIII PUBLIC WORKS ACT 1981

The Westland District Council hereby consents to the Minister of Lands declaring the land described in the Schedule hereto to be road and vested in the Westland District Council pursuant to Section 114(1).

Westland Land District – Westland District

### SCHEDULE

#### *Land Declared as Road*

Area ha	Description
0.1528	Section 2 SO 457223 (Part WS3A/401)

The Common Seal of the Westland District Council was affixed hereto  
on the ..... day of ..... 2012 in the presence of:

\*\*\*\*\*

\*\*\*\*\*

# Appendix 3



## Title Plan - SO 457223

---

<b>Survey Number</b>	SO 457223
<b>Surveyor Reference</b>	968 WDP Kaniere Forks
<b>Surveyor</b>	Lynda Maree Watson
<b>Survey Firm</b>	Coastwide Surveys Ltd
<b>Surveyor Declaration</b>	I Lynda Maree Watson, being a licensed cadastral surveyor, certify that: (a) this dataset provided by me and its related survey are accurate, correct and in accordance with the Cadastral Survey Act 2002 and the Rules for Cadastral Survey 2010, and (b) the survey was undertaken by me or under my personal direction. Declared on 03 Oct 2012 12:28 PM

---

### Survey Details

<b>Dataset Description</b>	Sections 1 and 2		
<b>Status</b>	Approved as to Survey		
<b>Land District</b>	Westland	<b>Survey Class</b>	Class B
<b>Submitted Date</b>	03/10/2012	<b>Survey Approval Date</b>	03/10/2012
		<b>Deposit Date</b>	

---

### Territorial Authorities

Westland District

---

### Comprised In

CT WS3A/401

---

### Created Parcels

Parcels	Parcel Intent	Area	CT Reference
Section 1 Survey Office Plan 457223	Hydro		
Section 2 Survey Office Plan 457223	Fee Simple Title	0.4284 Ha	
	Legalisation	0.1528 Ha	
<b>Total Area</b>		<b>0.5812 Ha</b>	



# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Team Leader Operations

---

## NEW ZEALAND CYCLE TRAIL NETWORK EXPANSION PROJECT

### 1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council's support for the New Zealand Cycle Trail Network (NZCT) Expansion Project.
- 1.2 This issue arises from an approach from the Ministry of Business, Innovation and Employment in Wellington to expand the NZCT, connecting the Great Rides with the rest of New Zealand through the creation of a nationwide cycling network.
- 1.3 The reason this matter has come before Council is that while the New Zealand Transport Agency (NZTA) are the principal road controlling authority for the highway through Westland, the NZCT is seeking Council's support for the addition of a cycle route from Ross to Haast Pass as part of the New Zealand Cycle Trail Network. The NZCT will then liaise with NZTA to approve the route, and install gazetted cyclist signs where appropriate.
- 1.4 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.



- 1.5 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders. Having inspirational leadership. Having expanded development opportunities. Having top class infrastructure for all communities. Living the '100% Pure NZ' brand	Providing a cycle trail that generates social, environmental and economic benefits for Westland and its small communities.  The West Coast will have the opportunity to showcase the very best of New Zealand's landscape, environment, culture and heritage.

- 1.6 This report concludes by recommending that Council supports the addition of a cycle route from Ross to Haast Pass as part of the New Zealand Cycle Trail Network.

## 2.0 BACKGROUND

- 2.1 The initial focus of 'Nga Haerenga - The New Zealand Cycle Trail' (NZCT) has been on developing a series of 'Great Rides'. These are predominantly off-road cycle trails that showcase the best of New Zealand's landscape, environment, culture and heritage.
- 2.2 It has, however, always been a longer term objective to expand the NZCT, connecting the Great Rides with the rest of New Zealand through the creation of a nationwide cycling network. This is the NZCT's Network Expansion Project. A map of the Network Expansion Project is attached at **Appendix 1**.
- 2.3 The Network Expansion Project involves mapping and signposting existing roads and cycle paths that contribute to a national cycling network. This aims to encourage cycle tourists (and recreational cyclists) to use the safest and most enjoyable roads where they will experience heartland New Zealand.
- 2.4 NZCT have expressed that arguably the best cycle touring route in New Zealand is the highway through Westland. This experience is being enhanced by the construction of the West Coast Wilderness Trail and the Glacier Cycle Trails. They state that "for anyone cycling the length of the country it is clear that the safest and most enjoyable route would be down the West Coast. For this reason the NZCT would consider adding a cycle

route from Ross to Haast Pass and on to Wanaka to the New Zealand Cycle Trail network.”

- 2.5 While recognising that NZTA are the principal road controlling authority for the highway through Westland, Council’s support for the proposal has been sought from the NZCT.

### **3.0 CURRENT SITUATION**

- 3.1 Over the last 18 months, 1783 km of cycling routes have been added to the NZCT network and a further 1700 km are currently being proposed. The long term goal of a connected network is being realised.
- 3.2 The West Coast highway has been used as a main cycle touring route since the 1960s and provides the safest and most enjoyable route for cyclists riding down the South Island.
- 3.3 The West Coast highway meets the New Zealand Cycle Trail Design Guide criteria for a Grade 4 (Advanced) cycle route. There is currently no acceptable alternative on the East Coast.

### **4.0 OPTIONS**

- 4.1 Option 1 - Do nothing.
- 4.2 Option 2 - Support the proposal.

### **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council’s Policy on Significance, this decision is assessed as having a low degree of significance. All Council is being asked for is to express support for a project that another agency is responsible for funding and managing.
- 5.2 The NZCT team is working with NZTA. As the route down the West Coast is on the main highway, the NZCT are seeking Council’s support for the proposal.

### **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 **Option 1:** Do nothing.  
This is not a preferred option.

- 6.2 **Option 2:** Support the Proposal.  
This is the preferred option.

The Network Expansion Project aims to:

- spread the economic benefits of cycle tourism to more regions throughout New Zealand;
- provide more cycle friendly alternatives to riding on busy state highways and arterial routes;
- get more New Zealanders on their bikes, by catering for a wider range of cycling interests and abilities; and
- further enhance New Zealand's reputation as a cycle tourism destination.

- 6.3 Westland District Council would not incur any cost for signposting this cycle trail route.

## 7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 2. NZCT have stated that this touring route is the safest and most enjoyable for those who wish to cycle the length of New Zealand. This project has the potential to add another attraction to the Westland district, and provides opportunities for the small townships from Ross to Haast to participate in the National Cycleway project. This is at no cost to ratepayers.

## 8.0 RECOMMENDATION

- 8.1 **THAT** Council support the addition of a cycle route from Ross to Haast Pass as part of the New Zealand Cycle Trail Network.

**Appendix 1:** Network Expansion Potential Map from the NZCT.

Peter Anderson  
Team Leader Operations



## Network Expansion Potential May 2013

- Great Ride
- Network Ride - approved
- Network Ride - potential
- Public Transport Links



# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Group Manager – Assets and Operations

---

## **INSURANCE RENEWALS**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to:
  - 1.1.1 Seek Council approval for renewing the insurance including Materials Damage, Public Liability, Professional Indemnity, Statutory Liability, Employers Liability, Directors & Officers Liability, Airport Owners & Operators, Fidelity, Motor vehicles and Fire Service Levies.
  - 1.1.2 Seek Council direction/advice on the levels of excess and risks covered for the above areas.
- 1.2 This issue arises from the need to ensure risks to Council assets and its operations are mitigated by ensuring adequate levels of insurance is in place.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Involving the community and stakeholders	Ensuring adequate insurance is in place for Council owned assets, its operations and Council Controlled Organisations.
Having inspirational leadership	
Having expanded development opportunities	
Having top class infrastructure for all communities	
Living the '100% Pure NZ' brand	

- 1.5 This report concludes by recommending that Council resolves to renew the insurance for 2013-14 to cover the risks recommended in **Appendix 1**.

## **2.0 BACKGROUND**

- 2.1 FMR risk (now Crombie Lockwood) are Council appointed Insurance agents
- 2.2 The premiums for insurance (excluding GST and LAPP – Local Authority Protection Program) for the year 2012-13 was \$201,962.26
- 2.3 For the year 2012-13 based on the market conditions the standard excess for material damage was \$25,000 for each and every claim. Professional indemnity excess is at \$10,000 each and every claim.
- 2.4 The standard excess and deductibles are detailed in the proposal and range from \$1000 to \$5000.
- 2.5 The period of cover is 30 June 2012 to 30 June 2013 at 4pm standard NZ Time

## **3.0 CURRENT SITUATION**

- 3.1 Council is member of LAPP for insuring underground assets. This is an automatic renewal.
- 3.2 The LAPP contribution for 2013-14 is \$113,900 ( excl GST).
- 3.3 Crombie Lockwood are requesting quotations from insurers in the market and a proposal for 2013-14 is expected at the Council meeting.

- 3.4 Council needs to assess its risks levels and the areas where it has resolved to self-insure the risk. The current levels of risks insured are provided in Table 1.0 in Appendix 1.
- 3.5 Council needs to assess the risks it wants the insurance for.

#### **4.0 OPTIONS**

- 4.1 Option 1: Status Quo
- 4.2 Option 2: Review the un-insured risks and include new risks
- 4.3 Option 3: Review the risks and request quotations for a lower excess amounts.

#### **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council's Policy on Significance this matter has been assessed to have high level of significance. The Council is exposed to high levels of risks and having adequate insurance is the best possible way to mitigate these risks.
- 5.2 The insurance matters range from being legislative to governance. Depending on the discussions, Council may or may not want to consult the public. There is no legislative requirement for public consultation on this matter.

#### **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 Option 1: Status Quo option means the current risk levels stays. The insurance premiums are likely to be within budgets.
- 6.2 Option 2: The risks covered are highlighted in Table 1.0 in **Appendix 1**. The risks have been reviewed and staff comments are included. With recommendations there will be minor changes in the risks covered.
- 6.3 Option 3: This option requires a detailed discussion. Council has a current Risk Management Policy and as per the consequence matrix it has agreed that an amount of \$10,000 financial loss is an insignificant risk with \$1.5 M financial loss being a catastrophic risk. At \$25,000 excess Council has agreed to a moderate level of risk. Any changes to the excess being less will result in higher premiums to our insurance policies.

- 6.4 A staff assessment of the current insured risks is included in **Appendix 1** of this report.

## **7.0 PREFERRED OPTION AND REASONS**

- 7.1 Option 2 is the preferred option. At this stage Council risks are affordable with the level of the insurance covers in place. The premiums are expected to be within the budgets included in Annual Plan 2013-14. The total budget for insurance is \$ 336,000.

## **8.0 RECOMMENDATION**

- A) **THAT** Council resolves and delegates the Chief Executive to renew insurance cover for 2013-14 including the risks recommended for cover in Table 1.0 in **Appendix 1**.

**Appendix 1: Staff assessment for insured/un-insured risks.**

Vivek Goel  
**Group Manager – Assets and Operations**



# APPENDIX 1

	Insured	Not Taken	Need Review	Staff Comments
<b>General Property &amp; Business Interruption</b>				
<b>Advance Interruption</b> (Also referred to as Advance Profits) – To cover loss of future income where completion of a construction project is delayed		X		All capital projects are time-bound and risks are covered in contract conditions. Any capital works are service delivery output oriented and usually no income is expected.
<b>Boiler Explosion</b> Normally excluded in materials damage		X		No Boilers
<b>Debtors Balances</b> To cover loss resulting from inability to recover debts because of damage to records		X		Unrecoverable monies are deemed to be debt. At this stage cover is not warranted
<b>Business Interruption</b> To cover loss of income and increased costs resulting from damage to assets. Sometimes referred to as "Loss of Profits" or "Consequential Loss" insurance	X			
<b>Computer Crime</b> To cover computers and computer media against a wider variety of risks than those covered under a Material Damage Policy		X		Not needed
<b>Contract Works</b> To cover contract works against physical loss or damage and, optionally, to cover public liability arising in connection with the contract works		X		Risks are passed on to contractors through the contracts.
<b>Earthquake</b> To cover earthquake risks normally excluded from basic Material Damage and Business Interruption policies	X			
<b>Refrigerated Goods</b>		X		No food business

# APPENDIX 1

	Insured	Not Taken	Need Review	Staff Comments
(Spoilage)				
<b>Machinery</b>				
To cover breakdown risks normally excluded from basic Material Damage Policies		X	X	This needs review -- Recommended Cover. Work in progress with agents to secure on machinery at Water Treatment Plants
<b>Machinery Business Interruption</b>				
To cover loss of income and increased costs resulting from damage by a peril insured under a Machinery policy		X		
<b>Material Damage</b>	X			
A general policy insuring buildings, plant and stock				
<b>Terrorism</b>				
To cover terrorism risks. This risk is commonly excluded from cover under Material Damage Policy		X		Not an issue for Westland
<b>GENERAL LIABILITY RISKS</b>				
<b>Directors and Officers Liability</b>	X			
To cover directors and officers liability for their personal liability arising out of their duties as directors and officers. The insurance will also reimburse the company where it had already indemnified its directors for any such liability. Cover includes associated defence costs.				
<b>Prospectus Liability</b>				
To cover the Company, its Directors and Senior Executives for liabilities arising from the issue of a prospectus, information memorandum or other sale/purchase documents. This liability is generally excluded from Directors and Officers Liability policies unless they are specifically extended to cover it. Cover includes associated defence costs.		X		Not relevant to Council.

# APPENDIX 1

	Insured	Not Taken	Need Review	Staff Comments
<b>Warranties and Representations Liability</b> To cover liability arising from specific representations or warranties made in an agreement between parties.		X		
<b>Employment Disputes Liability</b> To cover damages and costs arising out of certain employment related disputes between employer and employees.		X		Staff turnover and current FTE's do not warrant.
<b>Private Legal Aid</b> To cover private persons and their families for private legal Aid Costs for defending a variety of criminal, traffic and civil actions		X		
<b>Internet Liability (Esurance)</b> Provides protection against: <ul style="list-style-type: none"> <li>• Third party liability due to e-activities</li> <li>• Employees claims for harassment or breach of privacy through the use of your computer systems</li> <li>• External data recovery costs and computer system repairs as a result of a virus or hacking attack</li> <li>• Costs involved in a threat to your computer systems</li> <li>• Pursuit cover for breach of your web sites intellectual property</li> <li>• Public Relation costs in averting further loss under the policy</li> <li>• Business Interruption cover in event of loss of revenue as a direct result of the failure to conduct e-activities as a result of a claim</li> </ul>		X		Not an issue for Council. However in the coming years this may become a common cover for business including local government.

# APPENDIX 1

	Insured	Not Taken	Need Review	Staff Comments
<b>Libel and Sander</b> To cover liability arising out of libel and slander, particularly in connection with commercial publishing and broadcasting activities.		X		Council is not in publishing business. Media risk are covered through internal policies at CE level.
<b>Product Guarantee</b> To cover liability for correcting defects in products or for replacing defective products		X		Not applicable to Council.
<b>Product Liability</b> To cover liability for damage or injury caused by products	X			
<b>Product Recall</b> To cover liability for the cost of recalling products which are defective or suspected of being suspected being defective		X		Not applicable to Council.
<b>Liability consequential Loss</b> To partially cover loss of Gross Profit and increased costs arising from an event that also gives rise to a valid claim on a Liability Policy. This limited form cover is only available where the Liability Insurance is provided by the same insurer		X		Not applicable to Council.
<b>Professional Indemnity</b> To cover liability incurred through negligence in giving professional advice or in carrying out duties of a professional nature	X			
<b>Public Liability</b> To cover general liability for damage or injury to other parties or their property happening in connection with your business.	X			
<b>Statutory Liability</b> To cover legal defence costs fines and reparations imposed	X			

# APPENDIX 1

	Insured	Not Taken	Need Review	Staff Comments
under certain section of Acts of Parliament such as:				
• H & S in Employment Act				
• Resource Management Act				
• Building Act				
• Fair Trading Act 1986				
• Privacy Act 1993				
• Consumer Guarantees Act 1993				
• and other Acts as defined in the insurers policy				
Note: With effect from 5 May 2003 the Government legislated against insuring fines incurred under the H&S in Employment Act, however Defence costs incurred through actions brought under this Act remains insurable				
<b>Trustees Indemnity</b>		X		Not applicable to Council.
To cover trustees of organisations for their personal liability for wrongful acts arising out of their duties as Trustees.				
<b>TRANSPORT RISKS</b>				
<b>Aviation Liabilities</b>	X			
To cover public liability arising out of the use of aircraft				
<b>Carries Liability</b>		X		Not applicable to Council.
To cover liability under the Carriage of Good Act				
<b>Goods in Transit</b>	X			
Stock or plant items whilst in transit in your vehicles				
<b>Marine Cargo</b>		X		
To cover shipments of foods by land, sea or air				
<b>Marine Hull</b>	X		X	Not needed. Recommended to remove
To cover watercraft against physical loss or damage				
<b>Marine Liabilities</b>	X		X	Not needed. Recommended to remove

# APPENDIX 1

Insured    Not Taken    Need    Staff Comments  
Review

To cover liability to other parties arising out of the use of watercraft

## Motor Vehicle

To cover direct loss or damage to vehicles and third party liabilities in connection with the use of vehicles

## LIFE, DISABILITY and HEALTH RISKS

### Critical illness

A benefit that provides your chosen lump-sum in the event of diagnosis with a serious medical conditions. Insurers usually covers up to 35 major illnesses, such as cancer, heart attacks, strokes, Parkinson's Disease, major head injuries, and so on.

## Business Expenses

Pays the fixed costs of your business if you are sick and cannot work

## Debt Protection

Where businesses or individuals have borrowed large amounts of money they often want to protect themselves against the risk of being unable to repay the loan due to a serious health event (eg, death, disability, or illness)

## Employee Benefits

Some employers chose to provide their staff with insurance benefits as part of their remuneration package. This tool is commonly used to increase staff loyalty and retention, or to protect those who work in high-risk industries.

## Income Protection

Provides you with a replacement wage if you cannot work

# APPENDIX 1

Insured	Not Taken	Need Review	Staff Comments
(due to illness or disability) and suffer a loss of earnings. This insurance is critical for most working people.			
<b>Key Person Insurance</b> This is used to protect your business from the additional cost involved in losing a key person. Such costs may include a loss of revenue; loss of opportunities, networks, and expertise; and the costs associated with recruiting a replacement.	X		N.A.
<b>Medical Insurance</b> Covers the costs of surgery in a private hospital, is commonly used to avoid lengthy delays on the public health system's waiting lists	X		N.A.
<b>Shareholders Insurance</b> Also called Partnership Insurance, this policy is used by those in business with another person. In the event of a major health disaster (eg death), the policy funds the buying and selling of shares so that the continuing shareholder retains full control of the business and the existing shareholder receives a fair value for their shares.	X		N.A.
<b>Term Life</b> Covers Death by any cause (i.e as a result of Sickness or Death). The sum insured is also paid in the event of Terminal illness.	X		N.A.
<b>Total Permanent Disablement (TPD)</b> The sum insured is paid if you are totally incapacitated and cannot work again. Most claims result from the worst kinds of head injuries, spinal injuries, and degenerative illness	X		N.A.

# APPENDIX 1

	Insured	Not Taken	Need Review	Staff Comments
(such as motor neurone, multiple sclerosis, Parkinson's Disease etc)				
<b>MISCELLANEOUS or SPECIAL RISKS</b>				
<b>Bonds</b>		X		N.A.
Financial devices (rather than insurance policies) designed to avoid the need to provide a bond in cash				
<b>Environmental Impairment</b>		X		N.A.
A special form of pollution liability insurance				
<b>Credit Insurance (And Trade Debtors)</b>		X		N.A.
To cover the risks of trade debtors failing to pay debts due to their insolvency or protracted default.				
<b>Extortion</b>		X		N.A.
Insurance in this category includes kidnap, ransom and product tampering				
<b>Growing Crops</b>		X		N.A.
A special form on insurances for crops. (Growing crops are excluded from Material Damage policies)				
<b>Law Safe at Work</b>		X		N.A.
Legal defence of criminal, serious traffic charges and other matters in respect of Police and other charges brought against employees of the insured whilst in or about their work.				
<b>Livestock</b>		X		N.A.
A special form of cover for livestock. (Livestock is excluded from Material Damage policies)				
<b>Political Risks</b>		X		N.A.
To cover overseas assets and contracts against loss arising				



# APPENDIX 1

	Insured	Not Taken	Need Review	Staff Comments
from confiscation, expropriation or nationalization				
<b>Travel</b>		X		
Special policies which include cover for baggage, medical costs, and other travel related risks.				Usually covered through travel insurance for any work related travel.

# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Acting Corporate Services Group Manager

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## DELEGATIONS FOR 1 JULY 2013 TO 1 AUGUST 2013

### 1.0 SUMMARY

- 1.1 The purpose of this report is to ensure delegations are in place to allow for the efficient operation of Council for the period from the end of the 2012/13 financial until the Annual Plan is approved on 1 August 2013.
- 1.2 This issue arises from Council not completing its Annual Plan prior to the start of the new financial year.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities	Ensuring officers are able to continue ordinary operations in July contributes to Council achieving all of its vision objectives.

Having top class infrastructure for all communities Living the '100% Pure NZ' brand	
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- 1.5 This report concludes by recommending specific delegations, in line with Council's existing delegations policy.

## **2.0 BACKGROUND**

- 2.1 Council's Delegation Policy has been regularly updated during the year. The policy has a strong link to managers operating within budgets.

## **3.0 CURRENT SITUATION**

- 3.1 On 1 July 2013, apart from carry forwards approved today, Council has no approved budgets.
- 3.2 Officers have no authority to commit expenditure against the 2013/14 budget. Without authority an officer would be breaching Council policy and thus breaching their employment contract, exposing themselves to serious employment issues.
- 3.3 The delegations require Council to authorise officers to spend against budgets prior to Council consideration of submissions and approval of the Annual Plan.
- 3.4 Council received legal advice on the consequence of the late adoption of the Annual Plan, which warned that a prolonged period without an Annual Plan could seriously restrict a Council's ability to function. Although this is not the case for a 1 August adoption having the administrative authorities in place to allow for the normal function of Council is essential to the efficient operation of Council activities.
- 3.5 Further to the advice that rates instalments will be late, dog invoicing will also be a month late.

## **4.0 OPTIONS**

- 4.1 Approve special delegations for the period 1 July 2013 to 1 August 2013.
- 4.2 Do nothing.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 Generally this matter is of low significance as it is administrative, however should Council fail to approve delegations for this period then significance may become high if Council is unable to operate.
- 5.2 No relevant consultation has been undertaken.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 Option 4.1 is recommended. These delegations allow for the ongoing operation of Council. Specific issues considered are:
- 6.1.1 Ordinary operating expenses can continue based on 1/12 of the Annual Plan budgets.
  - 6.1.2 Some annual costs are expected to be approved for payment in July.
  - 6.1.3 Contract payments will continue.
  - 6.1.4 No new projects from the Draft Annual Plan will be started.
  - 6.1.5 No savings proposed in the Draft Annual Plan can be implemented.
- 6.2 Doing nothing is not recommended. If Council chooses this option legal advice will be obtained prior to 30 June to determine the consequences of this decision.

## **7.0 PREFERRED OPTION(S) AND REASONS**

- 7.1 Option 4.1 is recommended as it allows for the efficient operation of Council during the period of 1 July to 1 August 2013.

## **8.0 RECOMMENDATION(S)**

- A) **THAT** Council confirms that all delegations in the Delegations Register remain, however the following specific matters are delegated to officers for the period 1 July 2013 to 1 August 2013 to allow for the efficient operation of Council, in the absence of an Annual Plan and budgets:
- a. That officers may authorise expenditure equivalent to 1/12 of the draft annual plan budget.
  - b. Where service levels are proposed to be reduced those operations will continue to operate at current 2012/13 services until Council resolves otherwise, although officers should have regard to the possibility of the proposals being approved in August and not commit Council to unnecessary costs.
  - c. That all existing multi-year contracts continue to operate and payments authorised within existing delegations.
  - d. That annual insurances be renewed.
  - e. That all other annual payments be only approved by the Chief Executive, who will have regard to Council's overall direction in the Annual Plan,

and issues from the consultation to date, to ensure the efficient operation of Council.

- f. No new projects in the draft Annual Plan are to be started prior to Council approving the plan, although in house resources can be applied to planning for projects in asset management plans, as is normal in any financial year.

**Stephen Halliwell**

**Acting Corporate Services Manager**

# Report



**DATE:** 27 June 2013

**TO:** Mayor and Councillors

**FROM:** Acting Corporate Services Group Manager

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## **CARRY FORWARDS FROM 2012/13**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to seek approval for some projects / budgets to have the funding carried forward from 2012-2013 to 2013-2014 so that the project can be completed.
- 1.2 This issue arises from good practice in financial management in local government.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities	Ensure all carry forward projects and funding is carried forward contributing to Council achieving all of its vision objectives.

Having top class infrastructure for all communities Living the '100% Pure NZ' brand	
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- 1.5 This report concludes by recommending that Council approves a list of projects / budgets to be carried forward from the 2012/13 budget into the 2013/14 financial year.

## 2.0 BACKGROUND

- 2.1 Council has not been in the practice of formally carrying forward projects. This has contributed significantly to the shortfall in previous financial years.
- 2.2 A carry forward is any project or budget funded in a previous year that as approved by Council and has its funding carried forward so that the project can be completed in a subsequent year.
- 2.3 A key element of approving a carry forward is ensuring the funding is available to pay for the project. If a project is proposed to be carried forward without funding it should have been included in the annual plan, as it will result in a rate increase.
- 2.4 The types of items carried forward are:
- 2.4.1 Capital projects partly completed.
  - 2.4.2 Projects funded by third parties.
  - 2.4.3 Long term operational projects.

## 3.0 CURRENT SITUATION

- 3.1 Council is expecting an adverse financial result for 2012-2013 with a significant variance to budget. While a good portion of the loss can be represented by not funding depreciation it remains unlikely that there will be funding available from general rates to fund carry forward projects.
- 3.2 The amount carried forward is an estimate, dependent on costs incurred during June. The actual funding carried forward will be confirmed after the completion of the Annual Report in November.
- 3.3 The attached Table A represents the projects / budgets staff recommend be carried forward.
- 3.4 The attached Table B represents the projects / budgets considered for carry forward and not recommended by staff.

## 4.0 OPTIONS

- 4.1 Approve Table A to be carried forward.
- 4.2 Amend Table A by either adding or deleting items.
- 4.3 Do nothing.

## **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 Generally this matter is of low significance; however some communities may consider a project important to them and be disappointed if a project is not carried forward.
- 5.2 All these items were consulted on when they were included in the LTP. Council has also just completed the consultation period for the 2013-2014 draft Annual Plan, and is well aware of the community's expectations with regard to financial management.
- 5.3 The decisions recommended in this report support prudent financial management.

## **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 Option 4.1 is recommended. The projects included are either part way completed, essential or fully funded.
- 6.2 Option 4.2 is not recommended. These projects are not considered by officers to have sufficient merit to justify carrying forward in tight financial times. Many of these projects cannot be funded.
- 6.3 Option 4.3 will mean only the budgets and projects in the Annual Plan will be worked on in 2013/14.

## **7.0 PREFERRED OPTION(S) AND REASONS**

- 7.1 Option 4.1 (Table A) is recommended.

## **8.0 RECOMMENDATION(S)**

- A) That Table A carry forward projects from 2012-2013 are approved for completion in 2013/14.

**Table A:** Recommended Carry Forward Projects

**Table B:** Projects Not Recommended to be Carried Forward

**Stephen Halliwell**

**Acting Corporate Services Manager**



**Table A:** Recommend Carry Forward Projects

Activity	Project name	Budget code	2012/13 total Budget	Amount spent from ledger as of now.	Estimated to spend not yet charged to this year.	Amount estimated to Carry forward	Funding Source if not rates	Officer Comment
			\$	\$	\$	\$		
Community Assistance	BBBS	1401	22,709	14,320	3,609	4,780	Donations/grants	Third party monies
Community Assistance	Community Patrol	1404	3,380		240	2,000	Donations /grants	Third party monies
Community Assistance	Graffiti Vandalism	1405	967	6,185	0	632	Donations /grants	Third party monies
Community Assistance	Taxi Chits	1406	2,239	1,140		193	Donations /grants	Third party monies
Stormwater	Dent Rd mains upgrade	3203 58104	40,000	4,265	20,000	10,000	Depreciation	Partially complete project waiting on parts. Depreciation reserves don't exist so this will be an adverse budget variance

Activity	Project name	Budget code	2012/13 total Budget	Amount spent from ledger as of now. \$	Estimated to spend not yet charged to this year. \$	Amount estimated to Carry forward	Funding Source if not rates	Officer Comment
Museum	Whitebait exhibition install	5200 396	10,000	3,640	2,180	4,180	Grants	Third Party funds granted for Whitebait exhibition to be displayed in 2013/14.
Museum	Lion Foundation	5200 145				10,000	Grants	Third Party funds granted for Whitebait exhibition to be displayed in 2013/14
Museum	Whitebaiters Assn Donation	5200 116				1,000		Third Party funds granted for Whitebait exhibition to be displayed in 2013/14
Cycle Trails	West Coast Wilderness Trail	5674-581	0	2,549,515	3,318,000	3,318,000	Grants/ Donations  DWC  Sale of Land	Third Party Funds. Funding and expenditure required to complete multi-year project
Cemeteries	Veterans Affairs Grant	3504734	0	19,500	0	25,187	Grant	Council is part way through a \$44,687 100% grant funded project. The funding s provided retrospectively.
Corporate Services	Aerial Photography	4903 398	15,000	0	3,500	11,500	Rates	

**Table B:** Projects Not Recommended to be Carried Forward

Activity	Project name	Budget code	2012/13 total Budget	Amount spent from ledger as of now.	Estimated to spend not yet charged to this year.	Amount estimated to Carry forward	Funding Source if not rates	Officer Comment
Solid Waste	Butler's Shed Construction	450358104	30,000	2,063	10,000	10,000	Rates	
District Planning	District Plan Review	2500	75,000	0	0	75,000	Rates	Project not started 2012/13 funding not available to carry forward due to deficit. 2013/14 budget reduced.
Community Township Development	Franz Josef Urban Revitalisation Plan		100,000	0	0	100,000	Reserve	No Reserve exists to fund this project, needs to be funded in Annual Plan if it is to continue.
Community Township Development	Kumara Township Development		70,000	0	0	70,000	Rates	No Reserve exists to fund this project, needs to be funded in Annual Plan if it is to continue.
Transportation	Franz Josef Cycle Trail		55,000	0	0	55,000	Reserves	RMA Reserve.
Community	Kumara District		50,000	0	0	50,000	Reserves	No Reserve exists to fund this

Activity	Project name	Budget code	2012/13 total Budget	Amount spent from ledger as of now.	Estimated to spend not yet charged to this year.	Amount estimated to Carry forward	Funding Source if not rates	Officer Comment
			\$	\$	\$	\$		
Township Development	Plan Change and Implementation							project, needs to be funded in Annual Plan if it is to continue.