

**THE WEST COAST**  
REGIONAL COUNCIL

388 Main South Road, Paroa  
P.O. Box 66, Greymouth 7840  
The West Coast, New Zealand  
Telephone (03) 768 0466  
Toll Free 0508 800 118  
Facsimile (03) 768 7133  
Email info@wrc.govt.nz  
www.wrc.govt.nz

Rmc

**AGENDA AND SUPPORTING PAPERS  
FOR COUNCIL'S MAY MEETINGS**

**TO BE HELD IN THE OFFICES OF THE WEST COAST REGIONAL COUNCIL  
388 MAIN SOUTH ROAD, GREYMOUTH**

**TUESDAY, 9 MAY 2017**

**The programme for the day is:**

**10.30 a.m:**

**Resource Management Committee Meeting**

**On completion of RMC Meeting:**

**Council Meeting**

**Councillor Workshop:**

**Councillor Budget Workshop  
Communications and Public Relations Workshop**

# **RESOURCE MANAGEMENT COMMITTEE**

**THE WEST COAST REGIONAL COUNCIL**

Notice is hereby given that a meeting of the **RESOURCE MANAGEMENT COMMITTEE** will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Paroa, Greymouth on **Tuesday, 9 May 2017**

N. CLEMENTSON  
CHAIRPERSON

M. MEEHAN  
Chief Executive Officer

---

<b><u>AGENDA NUMBERS</u></b>	<b><u>PAGE NUMBERS</u></b>	<b><u>BUSINESS</u></b>
<b>1.</b>		<b>APOLOGIES</b>
<b>2.</b>	1 – 3	<b>MINUTES</b> 2.1 Confirmation of Minutes of Resource Management Committee Meeting – 11 April 2017
<b>3.</b>		<b>PRESENTATION</b>
<b>4.</b>		<b>CHAIRMAN'S REPORT</b>
<b>5.</b>		<b>REPORTS</b>
		<b>5.1 Planning and Operations Group</b>
	4 – 9	5.1.1 Planning Report
	10	5.1.2 Resource Legislation Amendment Act 2017
		<b>5.2 Consents and Compliance Group</b>
	11 – 12	5.2.1 Consents Monthly Report
	13 – 15	5.2.2 Compliance & Enforcement Monthly Report
	16 - 44	5.2.3 Variation to the Terms of the Escrow Agreement
		<b>6.0 GENERAL BUSINESS</b>

**THE WEST COAST REGIONAL COUNCIL****MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE  
HELD ON 11 APRIL 2017, AT THE ARAHURA MARAE,  
1 OLD CHRISTCHURCH ROAD, ARAHURA, HOKITIKA, COMMENCING AT 10.30 A.M.****PRESENT:**

N. Clementson (Chairman), A. Robb, P. Ewen, A. Birchfield, T. Archer, S. Challenger, P. McDonnell, J. Douglas, F. Tumahai

**IN ATTENDANCE:**

M. Meehan (Chief Executive Officer), R. Mallinson (Corporate Services Manager), G. McCormack (Consents & Compliance Manager), R. Beal (Operations Manager), N. Costley (Strategy & Communications Manager), S. Jones (Planning Team Leader), J. Horrox (Science Team Leader), T. Jellyman (Minutes Clerk)

Te Rua Mason welcomed everyone to the meeting and performed a Karakia.

**1. APOLOGIES**

There were no apologies.

Cr Robb led a moments silence in memory of Duncan Davidson, a former councillor who passed away recently. Cr Davidson served 18 years on Council and represented the Westland constituency.

**2. PUBLIC FORUM**

There was no public forum.

**PRESENTATION**

Mr Mark Davies, West Coast Operations Director for DoC addressed the meeting regarding the Waitua, Prohibition and Alexander mine remediation projects. M. Davies advised that his staff learnt a lot during this project and he is proud of what they achieved. He acknowledged the assistance from Council, the input from Consents staff and the work local contractors did which contributed to the success of the project.

**3. MINUTES**

**Moved** (Archer / McDonnell) *that the minutes of the previous Resource Management Committee meeting dated 15 March 2017, be confirmed as correct.*

*Carried*

**Matters Arising**

There were no matters arising.

**4. CHAIRMAN'S REPORT**

Cr Clementson spoke of the meetings he attended in Christchurch with Cr Robb and the Chief Executive. Cr Clementson stated both meetings were very worthwhile and informative.

**Moved** (Clementson / Robb)

*Carried*

## 5. REPORTS

### 5.1 PLANNING AND OPERATIONS GROUP

#### 5.1.1 PLANNING REPORT

S. Jones spoke to her report and updated council on recent meetings and workshops. She advised that the follow up meeting held last week for the RPS went well and it is hoped that through this work there will be less appeals. S. Jones answered questions from councillors.

**Moved** (Robb / Birchfield) *That the report be received.*

*Carried*

S. Jones spoke to her presentation on the Clean Water Package. She explained the swimmability targets, stock exclusion rules and the new Freshwater Improvement Fund. S. Jones stated that MfE's target is to have 90% of rivers and lakes swimmable by 2040. New maps and information on the current water quality for swimming were displayed. S. Jones advised that currently the West Coast region is doing well with 99% swimmability in most areas. She stated that Council's draft submission is due on 28 April. Extensive discussion took place. M. Meehan stated that there is the opportunity for the region to get to 100% swimmability in the future. Discussion took place on fencing of waterways and stock exclusion from waterways. Cr McDonnell spoke of the difficulties that may be encountered with regard to the fencing of waterways and what is considered a waterway or wetland. Further discussion took place.

#### 5.1.2 REGIONAL TRANSPORT UPDATE

N. Costley spoke to this report and advised that the three year interim review on the regional land transport plan has begun.

N. Costley reported that Cr Terry Sloan from Marlborough has been appointed Chair of the South Island Regional Transport Committee Chairs Group. She advised that the draft work programme has been submitted to progress action on behalf of the South Island. N. Costley answered questions from Councillors.

**Moved** (Ewen / Archer) *That Council receives this report.*

*Carried*

#### 5.1.3 VARIATION 2 TO THE WEST COAST REGIONAL LAND TRANSPORT PLAN 2015 -21

N. Costley spoke to this report and advised that NZTA has identified that the State Highway 6 and 7 route from Hokitika to Waipara Junction is the most cost effective route for upgrading. She highlighted other routes that have been identified to have strengthening work completed. N. Costley advised that total costs for improvements to has been increased to \$4,000,000 from \$3,500,000. Cr Archer questioned whether State Highway 1 would be reopened on the same route and to the same standard. N. Costley responded that it will be the same route but in some places to a higher standard as mitigation is required in some areas.

**Moved** (Robb / Archer)

1. *That Council approves the variation to the Regional Land Transport Plan 2015 – 21 for the inclusion of the West Coast HMPV improvements - \$4,000,000 and*
2. *That Council submits the variation to the West Coast Regional Land Transport Plan 2015 – 21 to the New Zealand Transport Agency.*

*Carried*

#### 5.1.4 BATHING BEACH WATER QUALITY SAMPLING UPDATE

M. Meehan invited J. Horrox to speak to this report. J. Horrox advised that undesirable results at Marrs Beach have been recorded during the reporting period. He noted that heavy rainfall had occurred during the reporting period. Cr Challenger asked if soak pits and septic tanks close to this area could be a source of the higher E coli readings. J. Horrox advised that there are quite a few possible reasons including

birdlife, groundwater, high rainfall and tidal effects. Discussion took place. S. Jones suggested that once the second round of funding for the Clear Water package is released then a funding application could be made to MfE to investigate the Marrs Beach catchment. It was agreed that this would be very worthwhile.

**Moved** (Challenger / Robb) *That the report is received.*

*Carried*

### 5.2.1 CONSENTS MONTHLY REPORT

G. McCormack spoke to this report and advised that 15 non-notified consents were processed during the reporting period. He reported that almost 50% of whitebait stand resource consent applications have been granted with 62% still outstanding. G. McCormack advised that 14 August is the deadline. G. McCormack reported that three variations to resource consents were granted during the reporting period.

**Moved** (Robb / Archer) *That the April 2017 report of the Consents Group be received.*

*Carried*

### 5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

G. McCormack spoke to this report and advised that 80 site visits were undertaken during the reporting period. He reported that one formal warning for gravel extraction was issued, and four abatement notices were issued. Cr Ewen asked how often gravel returns have to be submitted. G. McCormack responded that usually every 12 months, but this depends on how much gravel is taken so often a case by case approach is taken. Discussion occurred with Cr Ewen raising questions around consistency.

**Moved** (Birchfield / Archer)

1. *That the report be received.*
2. *That the bond for RC04161 Hardrock Mining and Development Ltd is released.*

*Carried*

## 6.0 GENERAL BUSINESS

Cr McDonnell asked if the recent changes to the RMA are likely to impact on the way Council operates. S. Jones advised that the Resource Management Bill had its second and third readings in the House last week and is now waiting for royal assent. She stated that staff are currently looking at the implications and will report back to the next Council meeting.

The meeting closed at 12.16 p.m.

.....  
Chairman

.....  
Date

# 5.1.1

## **THE WEST COAST REGIONAL COUNCIL**

Prepared for: Resource Management Committee – 9 May 2017  
Prepared by: Sarah Jones – Planning Team Leader  
Date: 28 April 2017  
Subject: **PLANNING REPORT**

---

### Clean Water package

As was reported at the last Council meeting, the Ministers for the Environment and Primary Industries have released a consultation document titled "Clean Water: 90% of rivers and lakes swimmable by 2040". A submission in response to this consultation document was lodged on the 28 April 2017. A copy of the submission is attached to this report.

### Iwi applications under Coastal and Marine Area Act

Applications from three South Island iwi have been lodged to the High Court and the Crown for customary rights in the West Coast coastal marine area under the Coastal and Marine Area (Takutai Moana) Act 2011. This legislation required that such applications must be lodged by 3 April 2017, six years from when the Act came into force. The applications are general in terms of the area where customary rights are sought, and the type of activities that iwi seek customary rights for. It is unclear at this stage whether the applications may affect other activities undertaken in the coastal marine area or Council's functions under the Regional Coastal Plan, this will depend on the Court's decision. Staff intend to lodge a notice of intention to the Court to enable the Council to be involved in future proceedings if necessary.

## **RECOMMENDATION**

*That the report is received.*

Sarah Jones  
**Planning Team Leader**



28 April 2017

**Clean Water Consultation 2017**  
**Ministry for the Environment**  
**PO Box 10362**  
**Wellington 6143**

Dear Sir/Madam

**SUBMISSION ON THE CLEAN WATER PACKAGE**

The West Coast Regional Council wishes to thank the Ministry for the Environment for the opportunity to make a submission on the Clean Water Package. Attached is our submission.

Yours faithfully

Michael Meehan  
CEO



## Submission from the West Coast Regional Council on the Clean Water Package

### 1. Introduction

- 1.1. The West Coast Regional Council (WCRC) has reviewed the detail contained within the Clean Water Package. This submission focuses on key issues arising from the proposals likely to have implications for the West Coast.
- 1.2. Our comments relate to the following aspects of the Clean Water Package:
  - Swimmability targets
  - Stock exclusion proposals
  - Amendments to the National Policy Statement for Freshwater Management (NPSFM)

### 2. Swimmability targets

- 2.1. The West Coast is currently performing well when assessed against the new swimmability measures with 99% of rivers and lakes considered swimmable. However, we understand from the information contained within the letter from Minister Smith, that despite already sitting above the 90% target as a region, the Ministry will still expect to see improvements in the swimmability performance on the West Coast to ensure the target is achieved nationally. In particular, we have been advised that we need to focus on “growing the proportion of rivers with excellent and good gradings”.
- 2.2. We question whether this is a sensible investment on the West Coast. Although the West Coast has not yet formally identified Freshwater Management Units, our understanding of the thrust of the document was that it was designed to allow communities to identify the values associated with water, and to work toward improving attributes associated with those values. The amendments to the NPSFM now in effect prescribe a number of requirements (including E.coli performance) that must be achieved within a FMU without any involvement of the community.
- 2.3. Whilst the WCRC has not yet formally engaged with the community on identifying values and setting attributes, we are concerned about the Minister’s request that regional councils document how they wish to achieve targets on E.coli. The changes proposed in effect pre-set a standard on one attribute only, limiting the ability of the community to have any say in the matter.
- 2.4. Furthermore, on the West Coast there are a large number of rivers that would meet the Minister definition of “swimmable”, but only a small number of sites that are safe for swimming in terms of river flows/volumes, channels, rocks and debris. With a relatively small and dispersed population there is also a relatively small number of swimming sites that are frequented by sufficient numbers of people to justify the cost of monitoring water quality for swimmability.
- 2.5. The Minister’s Message at the start of the “Clean Package” document is that “....Requiring every place to be swimmable all of the time is unachievable and would lack credibility. Water quality varies dramatically with the weather and even our cleanest waterways exceed safe levels of contaminants during flood events. ....”. We agree with this, but do not feel that the sentiment has been translated into some of the changes to the NPSFM.
- 2.6. In addition, the changes to the NPSFM, as commented on in more detail below, could require a significant investment of resources toward what in the West Coast context, could be considered unnecessary monitoring. We know where our issues with E.coli are, and they are not necessarily in the same places as are identified on the swimmability maps. We question why the government wishes us to invest money in monitoring for E.coli in places there is limited risk, and similarly, invest our resources in improving E.coli performance in places where these changes would potentially have no tangible outcome for our communities.
- 2.7. We are also aware that the swimmability maps are based on modelled information, which on the West Coast, is based on empirical data from only 12 monitoring points. More time needs to be invested in understanding the model and ensuring that the information reflected in the model

accurately reflects the situation on the ground. It would be useful to know how we should measure overall progress with swimmability guidelines, whether we should use modelling, or real data, or both.

### 3. Stock exclusion proposals

- 3.1. The WCRC supports in principle excluding stock from water bodies as a means of ensuring that water quality is maintained at, or improved to, a healthy ecological state. However, we have a number of concerns about the potential effects of implementing the proposals, as currently drafted, on the West Coast.
- 3.2. WCRC is concerned that the 1 July 2017 deadline for excluding milking cows from waterways on flat land may be unachievable on the West Coast. Most dairy farming on flat land on the West Coast is on the narrow coastal strip, and inland on river valley flats. The West Coast is easily the wettest region in New Zealand with annual rainfall ranging from 2-12 metres per annum. This means there are numerous creeks and rivers flowing through or adjoining a large proportion of farms.
- 3.3. Given water quality on the West Coast is known to be generally good, excluding stock from waterways has not been generally required by the Council to date. Whilst we are aware that farmers on the West Coast are making progress in this area (based on information provided by Westland Milk Products Farm Ex Programme) the desire to exclude stock from waterways is generally understood to be for reasons of perception, rather than environmental effect. Given we have not sought to regulate in this area generally, we have limited information on what proportion of our waterways are fenced to date. Without this information we cannot be certain how the proposed regulation will impact on farmers, or whether what remains to be done is achievable within the timeframe provided. What we do know is that for some farmers, excluding stock could involve kilometres of barriers. We are concerned that given the current economic climate, farmers who have not voluntarily fenced waterways, may struggle financially and/or logistically to meet this timeframe. This is particularly the case for the aspects of the regulation that will apply to “all waterways”, as opposed to waterways that are over 1 metre wide. Given the context set out above, we believe this regulation will be difficult and in many circumstances impractical to implement.
- 3.4. It is acknowledged that the proposals include an alternative option for those who are unable to meet the proposed regulation. The WCRC strongly supports the inclusion of this alternative option and the flexibility and discretion it allows the Council to exercise. However, preparation of these plans will come at a cost, and will potentially generate significant extra work for the WCRC's compliance staff that will need to process applications for stock exclusion plans. The ‘playing field’ is not level in terms of the impact that the regulation will have on different regions and it is essential that sufficiently flexibility is written into the regulation to ensure regionally appropriation application of the regulation is provided for.
- 3.5. As has been set out in our earlier submissions, we remain concerned about how drains will be dealt with, particularly in respect of farm drains on humped and hollowed land. Although some detail is provided on page 28 of the document, there are a number of words used in the text that need defining to ensure the regulation is clear and can be implemented consistently, but also to ensure it is fit for purpose and is not overly onerous. Of particular importance will be “water body”, “ephemeral”, “permanently flowing” and “active channel”.
- 3.6. We also wish to raise a concern about the proposed application of the regulation to wetlands (using the RMA definition). Unlike other parts of the country, the West Coast includes a large number of wetlands. Approximately 200 wetlands identified as having, or potentially having, significant values, were added to the Regional Land and Water Plan as part of an Environment Court process in 2012. The Environment Court also inserted a number of rules into the Plan in respect of activities carried out in or adjacent to wetlands. No requirements to fence, and no restrictions on grazing were inserted into the Plan during this process. The proposed regulation could potentially reverse this decision, and it is unclear what the benefit of this will be.

#### 4. Amendments to the NPSFM

- 4.1. The WCRC generally supports the proposed amendments to the NPSFM as a means of improving water quality and quantity in New Zealand. While most rivers and lakes in the West Coast Region are of good quality, there are some sites where the water quality is lower and could be improved.
- 4.2. There are a number of provisions within the document which are supported in principle, but which we feel require further explanation and guidance. In particular, the Councils support the inclusion of Te Mana o te Wai within the NPSFM, however, we would welcome further explanation as to how Councils are to “consider and recognise” Te Mana o te Wai when making or changing regional policy statements and plans. Guidance would also be appreciated in respect of the ways in which Councils ought to monitor for mātauranga Māori (Policy CB1 (aa) (v)) and we would appreciate further details on what is expected in terms of the new public information reporting requirements (Policy CB2).

##### Objectives A2 and B1

- 4.3. Clarification is needed about whether the NPSFM intends for economic well-being to be considered only after all environmental values have been considered, or if the NPSFM intends for economic well-being to be considered at the same time as environmental values are considered. As currently worded Objective A2 appears to conflict with Section 5 of the RMA, and is inconsistent with Objective B1 of the NPSFM. Both Section 5 and Objective B1 state that economic well-being should be considered at the same time as safeguarding the life-supporting capacity of the relevant water body, while Objective A2 states that economic well-being can only be considered once environmental values have been considered.

##### Objective A3, Policy A5 and Appendix 5

- 4.4. As set out above, we are concerned that the proposals relating to swimmability are overly onerous and are contrary to the intent of the NPSFM. As drafted, Objective A3 requires the water quality in all larger rivers and lakes to be improved. While this may be necessary in some rivers in other regions, there are many large rivers in our region where people do not swim. The effect of Objective A3 is inconsistent with the intent outlined in the Minister’s message (see para. 2.5 above).
- 4.5. It is unclear how Objectives A2 and A3 work together. Objective A2 allows for water quality to be maintained, whereas, Objective A3 requires water quality to be improved. It is unclear how naturally occurring processes can be accounted for in Objective A3.
- 4.6. Policy A5 requires all large rivers and lakes to be identified in regional plans and proposed improvements timetabled. Given that 99% of our waterways are considered to be swimmable, this may potentially mean that a very long list of rivers and lakes being added to regional plans, despite the fact that a large number of them are not “swimmable” as they are too remote, are unsafe or otherwise unsuitable (for reasons other than water quality).
- 4.7. Similar concerns are raised in respect of Appendix 5. Appendix 5 sets out requirements to sample monthly outside the bathing season, sample weekly during the bathing season and sample daily if E. coli is over 260. It is unclear whether this applies to all large rivers and lakes, or otherwise. At present the Council monitors contact recreation sites fortnightly over the summer months. A requirement for weekly, or potentially daily, monitoring at sites would put a huge strain on resources and would be of great expense to our rate payers<sup>1</sup>. Further, the cost of applying these monitoring requirements to all large rivers and lakes (as opposed to contact recreation sites), would be prohibitive.
- 4.8. It would be useful to have these monitoring frequencies and requirements clarified, particularly whether they are intended to be additional to Councils’ normal State of Environment and contact

<sup>1</sup> Based on the existing cost of our contact recreation monitoring programme (including overheads), a move from fortnightly to weekly sampling of all our E.coli monitoring sites during the bathing season would result in an estimated 1.4% rate rise. Based on our E.coli results over the last five years, a move toward weekly sampling and a requirement for daily resampling (for five consecutive days) of all contact recreation sites that exceed the 260 E.coli threshold is expected to result in a 2% rate rise. It is to be noted that if the requirements apply to all sites where we currently monitor E.coli (including state of environment monitoring sites), increasing sampling frequency to weekly during the bathing season would result in a significantly higher cost.

recreation monitoring programmes. It would also be useful to understand how the MfE 2003 Bathing Beach guidelines fit in with the new swimmability criteria.

- 4.9. Policy CA3 acknowledges that rainfall generates unavoidable spikes in E. coli, so there ought to be some recognition in Appendix 5 (possibly linking to Policy CA3), which provides for exceedances of the E. coli standard due to naturally occurring processes.
- 4.10. Objective A3 and Policy A5 will result in a lot of work on the West Coast for questionable benefit. It is our view that the Objective and Policy should only apply to identifying swimming sites where there is demand for recreational use. The term “large rivers and lakes” should be changed to “swimming sites”, and this change should also be made to Policy CA2(f)(iaaa).

#### **Policy CA2**

- 4.11. Whilst we welcome the recognition in the NPSFM that discussions with communities including tangata whenua must occur when developing freshwater objectives, we question the use of the word “following” in the first sentence of Policy CA2. We feel this is too prescriptive as the identification of FMU’s and the setting of freshwater objectives could be undertaken at various times in the consultation process with communities and tāngata whenua, not necessarily following discussions with these parties. Requiring that the actions listed be undertaken after discussion with communities and tangata whenua removes councils discretion and flexibility to use a process that is tailored to a particular situation. Revised wording is suggested as follows:

“By every regional council, ~~following~~ undertaking discussion with communities, including tangata whenua, and applying the following processes in developing freshwater objectives for all freshwater management units:...”

#### **Appendix 2: Attribute Table 1: Lakes – Phytoplankton**

- 4.12. For lakes, swimmability is determined using algal monitoring. The Attributes Table appears to indicate that we will need to monitor algae (phytoplankton species) in our lakes. This will incur extra monitoring costs as to date there have been no known toxic algal problems in West Coast lakes and therefore it is not monitored. It would be useful to understand what amount of proof would be required to show that algal monitoring is not required on the West Coast.

## **5. Conclusion**

The West Coast Regional Council supports most of the proposed changes to the NPSFM, and is not opposed to the need, in principle, to restrict stock from waterways, and manage waterways to maintain or improve the water quality. However, we remain concerned about the cost of implementation, to be borne by our small ratepayer base. Given the unique situation that applies on the West Coast, it is essential that the WCRC retains discretion over, and is allowed the flexibility to implement the changes in a regionally appropriate way. Our suggested changes to the NPSFM are intended to make the NPSFM more pragmatic in its application so that it can be more efficiently and effectively implemented on the West Coast.

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Resource Management Committee – 9 May 2017  
Prepared by: Lillie Sadler  
Date: 28 April 2017  
Subject: **Resource Legislation Amendment Act 2017**

---

**Purpose**

To provide an update on the passing of the Resource Legislation Amendment Act 2017.

**Background**

The Resource Legislation Amendment Act 2017 came into effect on 19 April. Most of the changes are primarily to the Resource Management Act (RMA) and have effect from 19 April, while the amendments to consent processes are effective from 19 October 2017.

**Main changes in the Act**National direction

- “The management of significant risks from natural hazards” is added to section 6 of the RMA as a matter of national importance;
- Decision-makers to take all practicable steps to apply new procedural principles of timeliness, efficiency, consistency and cost-effectiveness;
- Development of new national planning standards within two years (formerly called national planning template);
- New functions for regional and district councils to develop objectives, policies and methods to ensure that sufficient residential and business development capacity meets long-term demand;
- New sections enabling regulations to be made to prescribe measures to exclude stock from waterways and prescribing related infringement offences.

Plan-making

- A new option of limited notification for plan changes;
- A collaborative planning option for preparing policy statements and plans;
- A Streamlined Planning Process (SPP) option where local authorities can request a process directly from the Minister to develop or change a plan or policy statement.

Consenting (several changes to consenting only apply to district council processes)

- Councils have discretion to grant exemptions where a resource consent is needed for marginal/temporary non-compliances;
- Previous notification and limited notification assessment processes are replaced with new step-by-step processes;
- Limits on the scope of consent conditions.

For further information, the Ministry for the Environment’s (MFE) website has links to the Act and an overview of the changes. Use the link below:

<http://www.mfe.govt.nz/rma/rma-reforms-and-amendments/about-resource-legislation-amendment-bill-2015>

**Next steps**

Staff will consider how the RMA changes will affect the Council’s functions, and will report further to Council.

**RECOMMENDATION**

*That this report be received.*

Sarah Jones  
**Planning Team Leader**

# 5.2.1

## THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 9 May 2017  
Prepared by: Karen Glover - Consents & Compliance Administration Officer  
Date: 27 April 2017  
**Subject: CONSENTS MONTHLY REPORT**

---

### Consents Site Visits undertaken 31 March – 26 April 2017

07/04/2017	RC-2017-0024 - Canaan Farming Dairy Ltd & The Christian Church Community Trust, Protection works, Ahaura River	To undertake a site visit with John Stedfast and the Department of Conservation to discuss the potential environmental impacts of the resource consent associated with protection works and water diversion.
12/04/2017	RC-2016-0137 – Elect Mining Ltd, Alluvial gold mining, Totara Valley	To undertake a site visit with the Department of Conservation and the Applicant to discuss the potential environmental impacts and possible conditions of the access arrangement as so the conditions of consent are consistent with them.
21/04/2017	RC-2017-0003 – Elect Mining Ltd, Alluvial gold mining, Stafford	To undertake a site visit with the Department of Conservation and the Applicant to discuss the potential environmental impacts and possible conditions of the access arrangement as so the conditions of consent are consistent with them.

### Non-Notified Resource Consents Granted 31 March – 26 April 2017

<b>CONSENT NO. &amp; HOLDER</b>	<b>PURPOSE OF CONSENT</b>
RC-2016-0153 West Coast Regional Council	To alter the foreshore/seabed to undertake beach nourishment, Neils Beach.  To deposit natural material (rock and fine material) in the Coastal Marine Area (CMA) for beach nourishment purposes, Neils Beach.  To construct a sacrificial bund within 50m of the CMA, Neils beach.
RC-2017-0004 Red Jack Resources Ltd	To undertake earthworks associated with alluvial gold mining activities within MP 56177 and MP 50322, Waimea.  To take and use surface water and groundwater via seepage into mining ponds for the purposes of alluvial gold mining activities within MP 56177 and MP 50322, Waimea.  To discharge water containing sediment to land within MP 56177 and MP 50322 in circumstances where it may enter water associated with alluvial gold mining at Waimea.
RC-2017-0029 PM Maich	To alter the foreshore/seabed to construct groynes and rip-rap/wall, Orowaiti Lagoon.  To occupy space in the Coastal Marine Area (CMA) with groynes and rip-rap/wall, Orowaiti Lagoon.  To construct structures (groynes & rip-rap/wall) in the CMA, Orowaiti Lagoon.  To deposit material (rock and concrete) in the CMA, Orowaiti Lagoon.

RC-2017-0030 Donehue Farms Ltd	To disturb the bed of Kangaroo Creek to construct and maintain a diversion channel.  To permanently divert water to a diversion channel, Kangaroo Creek.
RC-2017-0037 LJ McGuire	To disturb the dry bed of the Haast River for the purpose of removing gravel.
RC-2017-0038 SL Phillips	To discharge treated onsite sewage wastewater to land from a domestic dwelling at RS 6543, 2888 State Highway 6, Barrytown.
RC-2017-0041 New Zealand Transport Agency	To disturb the bed of Jamie, Kaka and Dicks Creeks to undertake protection works (rock protection and stream training).  To permanently divert water in Jamie, Kaka and Dicks Creeks from protection structures and as a result of stream training.  To temporarily discharge sediment to water associated with the construction of river protection and stream training works, Jamie, Kaka and Dicks Creeks.
RC-2017-0045 New Zealand Transport Agency	To undertake earthworks within 50 metres of the Coastal Marine Area, Woodpecker Bay.

83 whitebait stand resource consent files were also granted during this period. 395 out of 657 (60%) of whitebait stand resource consent files have now been granted. 496 applications (75%) have been received to date.

#### Changes to and Reviews of Consent Conditions Granted 31 March – 26 April 2017

<b>CONSENT NO. &amp; HOLDER</b>	<b>PURPOSE OF CHANGE/REVIEW</b>
RC04075-V1 New Zealand Transport Agency	To allow stockpiled gravel to be removed from the site at Kelly's Creek near Otira.
RC12090-V1 Rutherglen Holding Trust	To change the onsite sewage wastewater system design at Marsden Road.
RC-2014-0159-V1 Prospect Resources Ltd	To increase the area for gold mining activities at Maori Gully.
RC-2015-0161-V2 MJ Syron	To change an additional water take location at Waimangaroa.
RC-2016-0084-V1 Westland Milk Products	To change the application rate associated with discharge of dairy by-products to land in Kokatahi & Kowhitirangi.

No Notified or Limited Notified Resource Consents were granted between 31 March and 26 April 2017.

#### Public Enquiries

38 written public enquiries were responded to during the reporting period. 32 (84%) were answered on the same day, and the remaining 6 (16%) within the next ten days. Four LGOIMA requests were responded to.

#### **RECOMMENDATION**

*That the May 2017 report of the Consents Group be received.*

Gerard McCormack  
**Consents & Compliance Manager**

Prepared for: Resource Management Committee – 9 May 2017  
 Prepared by: Sandra Cox - Senior Compliance Officer  
 Date: 27 April 2016  
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

**Site Visits**

A total of 60 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits
Resource consent monitoring	3
Mining compliance & bond release	13
Complaint Related	4
Dairy Farm	40

Out of the 60 total site visits for the reporting period, 51 visits were compliant, nine visits were non-compliant.

• **Mining visits**

Gold Mining: 10 alluvial gold mining inspections were carried out during the month.

Coal Mining: Three coal mining inspections were carried out during the month.

• **Dairy Farms**

40 dairy farm inspections were carried out, 37 farms were graded compliant, three farms were graded non-compliant, which resulted in some of the farmers being required to undertake remedial action.

- Council notes that a number of farms have deferred normal maintenance of effluent systems due to ground conditions caused by the wet season, the heavy machinery required cannot access the ponds nor distribute the effluent to the land without causing excessive damage.

**Complaints/Incidents between 30 March 2017 & 27 April 2017**

The following 3 complaints/incidents were received during the reporting period:

Activity	Description	Location	Action/Outcome	INC/Comp
Discharge to air	Complaint received about the burning of treated timber at an industrial site.	Ngahere	Complaint investigated and site was found to be burning treated timber. An infringement notice was issued against the operator responsible.	Complaint
Works in bed of lakes/rivers	Complaint received regarding the extraction of gravel.	Seddonville	Complaint investigated and a breach of the Regional Land and Water Plan rules found. An infringement notice was issued against the person responsible for undertaking gravel extraction without consent.	Complaint
Discharge to land	Complaint about a dirty water discharge from a mine.	Stafford	Investigations are ongoing	Complaint



## **Formal Enforcement Action**

14

Three Formal Warning notices were issued during the reporting period.

<b>Activity</b>	<b>Location</b>
Discharge of dairy effluent.	Westport
Discharge of sediment.	Gows Creek
Exceeding disturbed mining area.	Dunganville

Two Infringement Notices were issued during the reporting period.

<b>Activity</b>	<b>Location</b>
Discharge to air.	Ngahere
Gravel extraction	Seddonville

## **Mining Work Programmes and Bonds**

The Council received the following nine work programmes during the last reporting period. Two work programmes are still to be approved.

<b>Date</b>	<b>Mining Authorisation</b>	<b>Holder</b>	<b>Location</b>	<b>Approved</b>
30 March	RC-2016-0113	Darcy Lucas	Mawhera Forest	In Progress
31 March	RC-2016-0010	Greid Mining Ltd	German Gully	Yes
3 April	RC10193	Buller Coal Ltd	Denniston Plateau	Yes
12 April	RC-2015-0167	Greid Mining Ltd	German Gully	Yes
12 April	RC-2015-0167	Greid Mining Ltd	German Gully	Yes
14 April	RC-2014-0087	Greid Mining Ltd	Waimea Forest	Yes
21 April	RC-2014-0087	Greid Mining Ltd	Waimea Forest	Yes
21 April	RC-2015-0167	Greid Mining Ltd	German Gully	Yes
24 April	RC-2016-0015	Elect Mining Ltd	Goldsborough	In Progress

### **The following bonds are recommended for release:**

<b>Mining Authorisation</b>	<b>Holder</b>	<b>Location</b>	<b>Amount</b>
CML-37-159	Solid Energy	Strongman	\$3,450,000
CML-37-160	Solid Energy	Island Block	\$3,150,000

Solid Energy New Zealand Ltd has entered into an agreement for sale and purchase with Birchfield Coal Mines Limited (BCML), under which various assets including Strongman and Island Block mines will be sold to BCML. Upon completion of the sale BCML has agreed to be bound to the obligations of Solid Energy under the Bonding Deed as they relate to Strongman and Island Block Mines, provided that each bond quantum set under the Bonding Deed deducts from it the then remaining Escrow amount which may be applied to the same rehabilitation work as that bond quantum.

At present the money set aside in the Escrow account for the rehabilitation of both Strongman and Island Block mines is sufficient, therefore it is recommended that the bonds held against CML 37-159 and 37-160 are not required and should be released.

## RECOMMENDATIONS

15

1. *That the May 2017 report of the Compliance Group be received.*
2. *That the bonds for CML-37-159 and CML-37-160 held by Solid Energy in relation to Strongman and Island Block mines are released*

Gerard McCormack  
**Consents and Compliance Manager**

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Resource Management Committee – 9 May 2017  
Prepared by: Gerard McCormack Consents and Compliance Manager  
Date: 27 April 2016  
Subject: **Variation to the Terms of the Escrow Agreement**

---

**Introduction**

Following the sale of Solid Energy mines changes to the Escrow Agreement are now sought, following identification of a preferred escrow agent.

**What is the Escrow Agreement?**

The Escrow Agreement is part of the Deeds of Indemnity that the Councils signed in September 2015 when Solid Energy went into voluntary administration. As part of the indemnities' terms, when Solid Energy transfers a mine to a new mine owner, the funds put aside by the Crown for rehabilitation of the mine are transferred to an escrow account. This is held by an escrow agent.

The Escrow Agreement sets out the rules for investing the funds, and for making payments to the new mine owner.

**Why are changes to the Escrow Agreement being sought?**

The parties to the Deeds of Indemnity (and thus to the original escrow agreement) were the Crown, the relevant Councils for each indemnity, and Solid Energy. In order to come into force, the escrow agreement also needs to be agreed by the escrow agent and the new mine owners.

Solid Energy signed sale and purchase agreements for its remaining operating mines late last year. The agreements with two of the buyers are now ready for settlement.

Following a tender process, the Crown has identified Computershare as its preferred escrow agent.

Treasury has consulted with Computershare and the new owners, who have identified a number of changes needed to the escrow agreement.

Treasury's lawyers have also proposed some technical amendments to the agreement to adjust for the change in mine ownership; these do not change the effect of the agreement.

**What are the changes to the Escrow Agreement?****Changes requested by the escrow agent**

- Given the very long-lived nature of some of the escrow accounts, the escrow agent sought the ability to exit the contract should its circumstances change. The revised agreement contains clause 2.4, which provides for the appointment of the Escrow Agent to be reviewed every five years, with either party having the ability to terminate the agreement at that time.
- Clause 4.2 states that the escrow agent can rely on a confirmation from the Crown that the new owner is an acceptable owner, in the event that the mine is on sold. This is a clarification that reflects what we would have expected.
- The original agreement provided for the mine owner to decide what proportion of the fund should be invested in bank deposits, and what proportion in other specified low-risk investments. However, Computershare does not have the authority to provide financial advice to clients, and can only place funds in interest-bearing bank deposits. The Crown was concerned that this would unduly restrict the returns that could be earned on the escrow accounts. A compromise position was reached, whereby Clause 6.1 (b) now requires that the owner specify the exact terms of any investment outside of a bank deposit that it wishes the escrow agent to make. The investments will be made through a registered broker, will still be held and managed by the escrow agent,

and must be in one of the approved low-risk categories already set out in the Escrow Agreement as follows:

**Escrow Account** means rights to one or more of the following New Zealand dollar denominated securities:

- (a) an interest bearing deposit account with any of the following New Zealand registered banks that has a credit rating of AA- (Standard and Poor's)/Aa3 (Moody's) or better:
  - (i) ASB Bank Limited;
  - (ii) ANZ Bank New Zealand Limited;
  - (iii) Bank of New Zealand; and
  - (iv) Westpac New Zealand Limited; or
- (b) Sovereign or corporate bonds which are rated BBB+ (Standard and Poor's)/Baa1 (Moody's) or better; or
- (c) bonds issued by a New Zealand local authority rated BBB+ (Standard and Poor's)/Baa1 (Moody's) or better; or
- (d) bonds issued by the Local Government Funding Authority rated BBB+ (Standard and Poor's)/Baa1 (Moody's) or better; or
- (e) short term securities that are rated A-3 (Standard and Poor's)/Prime 3 (Moody's) or better

- The escrow agent asked that the agreement include a clause limiting liability. This is standard in commercial contracts. Clause 11.4 of the revised agreement limits the escrow agent's liability to the amount in escrow except for where the escrow agent has acted fraudulently, negligently or in wilful breach of its obligations.

### Changes requested by new owners

One of the new owners has requested a change to 1.1 Defined Terms, changing the definition of "Acceptable Owner" to permit lodgement of cash bonds as an alternative to bank issued bonds with New Zealand Petroleum and Minerals.

### Technical changes proposed by Treasury's lawyers

- In Background part C, there is an acknowledgement that parties have agreed to the revised terms of the escrow agreement. This has been included to ensure that the Deed of Indemnity (which includes the Escrow Agreement as a schedule) remains on foot.
- In the Agreed Terms, definitions that previously included a cross-reference to the Deed of Indemnity have now been included in full. This is to ensure that the escrow agreement can be read as a stand-alone document. New Clause 9 (Access to the Mine) has also been brought across unchanged from the Deed of Indemnity, for the same reason.
- Throughout, references to Solid Energy or the Deed of Company arrangement have been removed or replaced as appropriate.

### Risks and Issues

In the Treasury's view, the proposed changes are reasonable and do not materially affect the position of either the Crown or the Councils under the indemnity agreements.

- We consider that the right to review the escrow contract every five years protects all parties. We are satisfied that the agreement provides sufficient time to find a new escrow agent if required, and will enable the transfer of investments to a new agent at minimal or no cost.
- The provision for making investments other than bank deposits strikes a balance that in Treasury's view protects the long-term value of the funds with no material increase in risk.
- Limitation of liability is a standard commercial requirement. The role of the escrow agent is restricted to holding funds, investing on instruction, and approving payments. Limitation of

liability at the level of the Escrow Amount therefore appears reasonable. Treasury's legal advisers are comfortable with the inclusion of this clause.

- Cash bonds are at least as safe as bank issued bonds (probably more so).

Council lawyers have also reviewed the proposed changes and are satisfied that they are appropriate and won't have a negative impact on the Council's position going forward.

On this basis, the Treasury will recommend that the Minister of Finance sign the revised Escrow Agreement.

## **RECOMMENDATION**

*That on behalf of Council the Chairman signs the revised Escrow Agreement incorporating the changes listed in this report, and also shown by way of track changes in the draft version of the agreement which accompanies this report.*

Gerard McCormack

**Consents and Compliance Manager**



Execution version

# Escrow Agreement

in relation to the Strongman Mine

—  
Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance (**the Crown**)

Computershare Investor Services Limited<sup>##</sup> (**the Escrow Agent**)

West Coast Regional Council (**the West Coast Regional Council**)

Grey District Council (**the Grey District Council**)

—

**Key:**

**Technical drafting changes**

**Changes requested by Computershare**

**Changes requested by new mine owners**

# Escrow Agreement

<b>Details</b>	<b>4</b>
<b>Agreed terms</b>	<b>5</b>
<b>1. Defined terms and interpretation</b>	<b>5</b>
1.1 Defined terms	5
1.2 Interpretation	7
<b>2. Appointment of Escrow Agent</b>	<b>7</b>
2.1 Appointment	7
2.2 Escrow Agent obligations	7
2.3 Escrow Agent costs and fees	7
2.4 Review	8
2.5 Appointment of replacement Escrow Agent	8
2.6 Termination of duties	9
<b>3. Basis of escrow</b>	<b>9</b>
3.1 Payment by Crown	9
3.2 Escrow Agent obligation	9
3.3 Instruction	9
3.4 Crown acknowledgements	9
3.5 Escrow Agent no beneficial interest	9
<b>4. Approval of forecast expenditure</b>	<b>9</b>
4.1 Crown expectations	9
4.2 Crown notice	10
<b>5. Disbursement of Escrow Amount</b>	<b>11</b>
5.1 Escrow basis	11
5.2 Payment Notice	11
5.3 The Council's right to submit a Payment Notice	12
5.4 Payment Notice audit	12
5.5 Notice to Crown	13
5.6 Payment to Crown of amount not payable to Owner or Council	13
5.7 Declining to make payment	13
5.8 GST	13
<b>6. Interest</b>	<b>14</b>
6.1 Escrow Account	14
6.2 Deductions	14
<b>7. Escrow Agent not bound to enquire</b>	<b>15</b>
<b>8. Appointment of Technical Consultant</b>	<b>15</b>
<b>9. Access to Mine</b>	<b>15</b>
<b>10. Third party disputes</b>	<b>15</b>
10.1 No requirement to determine	15
10.2 No requirement to commence	15
<b>11. Waiver, indemnity and validity of documents</b>	<b>15</b>
11.1 Waiver and indemnity	15
11.2 Agent not responsible	15
11.3 Agent protected	16
<b>12. Reporting</b>	<b>16</b>
<b>13. Privity</b>	<b>16</b>
<b>14. Availability of document</b>	<b>16</b>

<b>15. Notices and communications</b>	<b>17</b>
15.1 Form of Notice	17
15.2 Effective on receipt	17
<b>16. General</b>	<b>17</b>
16.1 Instructions irrevocably given	17
16.2 Entire agreement	17
16.3 Partial invalidity	17
16.4 Amendment	18
16.5 Waiver	18
16.6 Counterparts	18
16.7 Delivery	18
16.8 Governing law and jurisdiction	18
16.9 No assignment	18
<b>Schedule 1 Form of Payment Notice</b>	<b>20</b>
<b>Schedule 2 – Agreed fees and expenses</b>	<b>21</b>
<b>Schedule 3 - Annual Rehabilitation Schedule principles</b>	<b>22</b>
<b>Signing page</b>	<b>25</b>

---



# Details

## Date

---

## Parties

Name	<b>Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance</b>
Short form name	<b>the Crown</b>
Notice details	Address: 1 The Terrace, Wellington 6011 Facsimile: 04 472 3512 <b>Email: [#]</b> Attention: Treasury Solicitor
Name	<b><u>[#] Computershare Investor Services Limited</u></b>
Short form name	<b>the Escrow Agent</b>
Notice details	Address: <u>Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622</u> [#] Facsimile: <u>[#]09 488 8788</u> <b>Email: [#]</b> Attention: <u>[#]Account Manager</u>
Name	<b>West Coast Regional Council</b>
Short form name	<b>the West Coast Regional Council</b>
Notice details	Address: 388 Main South Road, Paroa, Greymouth 7805 Facsimile: 03 768 78133 Attention: The Chief Executive Officer
Name	<b>Grey District Council</b>
Short form name	<b>the Grey District Council</b>
Notice details	Address: 105 Tainui Street, Greymouth 7805 Facsimile: 03 769 8603 Attention: The Chief Executive Officer

---

## Background

- A The Crown wishes to pay an amount into escrow, with the intention that this amount will be held by an independent person and disbursed from time to time in accordance with the process set out in this document.
- B The purpose of the Escrow Account is to set aside funds that may become payable to the Owner or the Council under the Indemnity, and to provide for payment to the Owner or the Council out of the Escrow Account of amounts payable from time to time to any of them under the Indemnity.
- C Each party wishes to set out in this document the terms and conditions on which the Escrow Agent will receive, hold and pay out the amount paid into escrow as contemplated in paragraph A above. **Each party acknowledges that the terms and conditions set out in this document contain a number of mutually agreed variations from the form of escrow agreement that was contained in the Indemnity and irrevocably consents to the variations.**

# Agreed terms

## 1. Defined terms and interpretation

### 1.1 Defined terms

In this document:

**Acceptable Owner** has the meaning given to that term in the Indemnity; means an Owner

(a) who has been approved by the Minister of Energy and Resources (or any other Minister who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the *Crown Minerals Act 1991*) as the new holder of the mining licences and/or mining permits associated with the Mine;

(b) who has in place registered bank-issued performance bonds or cash performance bonds of a value equal to or greater than the registered bank-issued performance bonds or cash performance bonds required to be provided to the Council under the relevant mining licences, mining permits, resource consents or otherwise; and

(c) who has agreed to

(i) comply with the Company's obligations in clauses 3.2 and 7 of the Indemnity and terms of this document;

(ii) be bound by clause 3.4 of the compromise agreement dated on or about 17 September 2015 between the Crown, the Company and the relevant Council; and

(iii) procure any person to whom it may dispose of the Mine or an interest in the Mine to be similarly bound.

**Agreed Remediation Plan** means the whole of mine life remediation plan in respect of the Mine that is agreed in writing between the relevant Council and the Crown in accordance with clause 4.1(f).

**Annual Rehabilitation Schedule** means, for the financial year ended 30 June 2017 and each subsequent financial year, the annual rehabilitation schedule prepared on the basis of the principles set out in Schedule 3 (and as updated from time to time in accordance with this document).

**Annual Work Plan** has the same meaning as in the Indemnity; means the plan:

(a) describing the Owner's proposed remediation activities in respect of the Mine for the upcoming financial year; and

(b) reporting on the Owner's remediation activities in respect of the Mine for the previous financial year.

in each case in relation to the terms and conditions of each applicable licence, permit or consent, which the Owner is required to develop, update and have approved by the relevant Council annually (not to be unreasonably withheld or delayed).

**Approved Annual Rehabilitation Schedule** has the same meaning as in the Indemnity; means the Annual Rehabilitation Schedule which has been approved by the Crown (that approval not to be unreasonably withheld or delayed).

**Business Day** means any day excluding Saturdays, Sundays and statutory public holidays in Wellington and in the province in which the Mine is located, and excluding any day in the period beginning on 24 December in any year and ending on 5 January in the following year.

**Company** has the same meaning as in the Indemnity means Solid Energy New Zealand Limited.

**Council** has the same meaning as in the Indemnity means each of the West Coast Regional Council and the Grey District Council

**DOCA** means the deed of company arrangement to be entered into by each "Group Member" (as defined in the Indemnity), each director of the Company and certain directors of each other Group Member and Brendon Gibson and Grant Graham as deed administrators, and includes each document that is a schedule to, or attached or annexed to, that document.

**Escrow Account** means rights to one or more of the following New Zealand dollar denominated securities:

- (a) an interest bearing deposit account with any of the following New Zealand registered banks that has a credit rating of AA- (Standard and Poor's)/Aa3 (Moody's) or better:
  - (i) ASB Bank Limited;
  - (ii) ANZ Bank New Zealand Limited;
  - (iii) Bank of New Zealand; and
  - (iv) Westpac New Zealand Limited; or
- (b) Sovereign or corporate bonds which are rated BBB+ (Standard and Poor's)/Baa1 (Moody's) or better; or
- (c) bonds issued by a New Zealand local authority rated BBB+ (Standard and Poor's)/Baa1 (Moody's) or better; or
- (d) bonds issued by the Local Government Funding Authority rated BBB+ (Standard and Poor's)/Baa1 (Moody's) or better; or
- (e) short term securities that are rated A-3 (Standard and Poor's)/Prime 3 (Moody's) or better.

**Escrow Amount** has the meaning set out in clause 3.1.

**Existing Operations** means coal mining operations at or in relation to the Mine carried out by the Company (or any of its subsidiaries) as at 18 September 2014 pursuant to coal mining licences or permits held by the Company (or any of its subsidiaries) as at 18 September 2014 (as such licences or permits may be renewed or replaced from time to time).

**GST** means goods and services tax chargeable under the GST Act.

**GST Act** means the *Goods and Services Tax Act 1985*.

**Indemnified Liabilities** means:

- (a) the Owner's environmental rehabilitation or reinstatement liabilities that arise on or after 1 April 1987 in respect of Existing Operations (including for the avoidance of doubt, environmental rehabilitation or reinstatement liabilities that arise on or after 18 September 2014 in relation to those Existing Operations); and
- (b) the Owner's environmental reinstatement and rehabilitation liabilities that arise directly or indirectly from coal mining operations carried out by State Coal Mines prior to 1 April 1987 at the Mine including the costs of establishing any alleged liability whether or not such operations were within or outside any licence subsequently granted to the Company under the *Coal Mines Act 1979*.

**Indemnity** means the deed of indemnity in respect of the Strongman mine dated on or about 17 September 2015 between the Crown, Solid Energy New Zealand Limited the Company and the each Council (a copy of which is annexed as annexure "A").

**Mine** means the Strongman mine.

**Owner** means:

- (a) the Company; and

- (b) following completion of all steps and conditions to the transfer of all legal and beneficial right, title and interest in and to the Mine (including completion of all steps required to be an Acceptable Owner), the new owner of the Mine (which will be an Acceptable Owner).

**Remediation Expenditure** means, in respect of a financial year, the Owner's forecast expenditure on work to meet the Owner's Indemnified Liabilities.

**Technical Consultant** means the technical consultant appointed pursuant to clause 8.

## 1.2 Interpretation

In this document, unless the context indicates otherwise:

- (a) expressions defined in the main body of this document have the defined meaning throughout this document, including in the background section;
- (b) clause and other headings are for ease of reference only and will not affect this document's interpretation;
- (c) references to clauses and schedules are to clauses in, and the schedules to, this document. Each such schedule forms part of this document;
- (d) references to any party include that party's executors, administrators, successors and permitted assigns;
- (e) references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it;
- (f) any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;
- (g) the term **includes** or **including** (or any similar expression) is deemed to be followed by the words **without limitation**; and
- (h) references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form and include all schedules, annexures and attachments to that document if they are expressed to form part of it.

## 2. Appointment of Escrow Agent

### 2.1 Appointment

The Crown appoints the Escrow Agent as stakeholder and escrow agent on the terms of this document and the Escrow Agent accepts that appointment and agrees to hold and release the Escrow Account on the terms of this document.

### 2.2 Escrow Agent obligations

The Crown acknowledges and agrees that:

- (a) the obligations of the Escrow Agent under this document are to be determined solely by reference to the terms of this document and the Escrow Agent is not bound by and is not required to take account of the terms of any agreement to which it is not party; and
- (b) in performing its role under this document the Escrow Agent must comply with any direction of any court or notice from any tax authority or regulatory authority even where inconsistent with the terms of this document.

### 2.3 Escrow Agent costs and fees

The Escrow Agent is entitled to deduct its costs and fees set out in ~~Schedule 2~~ **Schedule 3** and incurred by the Escrow Agent in performing its obligations under this document (including the preparation of this document) or otherwise in its capacity as Escrow Agent from the Escrow Account.

## 2.4 Review

- (a) The Crown and the Escrow Agent (each an **Escrow Party** and together the **Escrow Parties**) agree that, no more than 30 days from the fifth anniversary of the date of this document, and at five yearly intervals thereafter, the Escrow Parties will meet and discuss in good faith:
- (i) the Escrow Parties' satisfaction with their existing relationship; and
  - (ii) the Escrow Agent's performance of its role as escrow agent under this document.
- (b) If, following the meeting referred to in paragraph (a), an Escrow Party is dissatisfied with the existing relationship between the Escrow Parties and/or the Escrow Agent's role under this document, that Escrow Party may:
- (i) suggest that appropriate amendments be made to this document, and if the other Escrow Party agrees, the Escrow Parties will seek to have this document amended in accordance with clause 16.4 (and if the other parties to this document do not agree to the proposed amendment, the Escrow Parties will either agree to continue their relationship on the terms set out in this document, or remove the Escrow Agent from its position as escrow agent under this document in accordance with paragraphs (b)(ii) or (b)(iii) below); or
  - (ii) if that Escrow Party is the Crown, on written notice to the Escrow Agent, remove the Escrow Agent from its position as the escrow agent under this document; or
  - (iii) if that Escrow Party is the Escrow Agent, on written notice to the Crown, resign from its position as the escrow agent under this document.
- (c) For the purposes of paragraphs (b)(ii) and (b)(iii) above, the removal or resignation of the Escrow Agent will be effective on and from the date that is 180 days (or such time period as is otherwise agreed in writing by the Escrow Parties) from the date that the notice of removal or resignation (as applicable) was received by the relevant Escrow Party (the **Removal Date**).

## 2.5 Appointment of replacement Escrow Agent

- (a) If the Escrow Agent is removed or resigns in accordance with clauses 2.4(b)(ii) or (iii), the Crown will, with the consent (not to be unreasonably withheld) of the parties to this document other than the Escrow Agent:
- (i) appoint a successor to the Escrow Agent;
  - (ii) obtain that successor's written agreement to be bound by the terms of, and to assume all of the obligations of the Escrow Agent under, this document;
  - (iii) advise the Escrow Agent in writing of the identity of the successor and details of the successor's bank account; and
  - (iv) direct the Escrow Agent to deliver the Escrow Amount in its possession or under its control, or where relevant transfer the Escrow Account by assignment or novation to the successor.
- (b) The Escrow Agent must comply as soon as reasonably practicable with a direction issued under paragraph (a)(iv) above.
- (c) If:
- (i) the Crown and the other parties to this document are unable to agree upon a successor; or
  - (ii) the Crown and the other parties to this document have failed to appoint a successor before the Removal Date; or
  - (iii) the Escrow Agent is not reasonably satisfied that a successor has agreed to be bound by the terms of, and assume the obligations of the Escrow Agent under, this document,

then, in addition to any other rights that the Escrow Agent may have at law to apply to a court of competent jurisdiction to appoint a successor, the Escrow Agent may request the then president of the New Zealand Law Society or his or her duly appointed deputy or nominee (the **President**) to appoint a successor who agrees to be bound by the terms of, and assume the obligations of the Escrow Agent under, this document. Any resulting appointment of a successor is binding upon all parties to this document. Each party must use all reasonable endeavours to ensure that a successor is able to be appointed by the President including, but not limited to, providing the President with all information it requests and such fees, indemnities and releases as the President may reasonably require.

## 2.6 Termination of duties

The Escrow Agent's duties terminate, and the Escrow Agent is released and relieved of all duties, responsibilities, and obligations under this document, once the Escrow Amount has been transferred to the successor appointed under clause 2.5 or if the Escrow Agent has paid the Escrow Amount to a court pursuant to a Court Order.

## 3. Basis of escrow

### 3.1 Payment by Crown

Immediately after execution of this document, the Crown must pay to the Escrow Agent an amount equal to the Escrow Payment Limit as calculated under clause 5(b) of the Indemnity by electronic funds transfer to the Escrow Account. The amount received by the Escrow Agent from the Crown, together with any interest or other accrued income on that amount and subject to any payments made by the Escrow Agent under this document, is the **Escrow Amount**.

### 3.2 Escrow Agent obligation

The Escrow Agent has no obligation under clause 5 unless and until it receives the payment referred to in clause 3.1.

### 3.3 Instruction

Subject to clauses 2.4(b)(ii) and (iii), the Crown irrevocably instructs the Escrow Agent to, and the Escrow Agent must, hold the Escrow Amount in the Escrow Account to be disbursed in accordance with this document. All interest or other income accrued on the Escrow Amount will be added to the principal amount and form part of the Escrow Amount.

### 3.4 Crown acknowledgements

The Crown acknowledges and agrees that upon the payment being made by it pursuant to clause 3.1, the Crown has no rights to, or interests in, the Escrow Amount, except as provided under clause 5.6.

### 3.5 Escrow Agent no beneficial interest

The Escrow Agent agrees that it will:

- (a) have no beneficial interest in the Escrow Amount;
- (b) not transfer, create or allow any security interest to exist over the Escrow Amount or the Escrow Account;
- (c) not otherwise deal with the Escrow Amount except as expressly permitted by this document; and
- (d) not deposit the Escrow Amount with any bank or financial institution that has not waived its rights of set-off and combination of accounts in respect of any amounts standing to the credit of the Escrow Account.

## 4. Approval of forecast expenditure

### 4.1 Crown expectations

The Crown expects that:

- (a) the Owner will, by 31 May in each year, provide the Crown with a copy of the Annual Work Plan for that year which has been approved by the relevant Council;
- (b) the Owner will:
  - (i) prior to 15 April in each year (or such later date as the Crown may agree), provide the Crown with a draft Annual Rehabilitation Schedule and ensure that at least two directors of the Owner (of which one is to be the chairman of the board of directors) and senior management of the Owner meet with the Crown to discuss that draft. The Crown will not unreasonably withhold or delay providing comments to the Owner on the draft Annual Rehabilitation Schedule or its approval of a draft Annual Rehabilitation Schedule that is acceptable to it (acting reasonably); and
  - (ii) by 15 June in each year (or such later date as the Crown may agree), provide the Crown with a copy of the Approved Annual Rehabilitation Schedule for that year;
- (c) if the Owner acquires the Mine after 15 February in any given year, the Owner will:
  - (i) prior to the date two months after the date on which that person becomes the new Owner of the Mine (the **Transfer Date**) (or such later date as the Crown may agree), ensure that at least two directors of the new Owner (one of which is to be the chairman of the board of directors) and senior management of the Owner meet with the Crown to discuss the new Owner's forecast Remediation Expenditure for the balance of the relevant financial year; and
  - (ii) by the date three months after the Transfer Date (or such date as the Crown may agree), deliver to the Crown a draft plan for the following financial year which contains a forecast of the new Owner's Remediation Expenditure which reflects the new Owner's expected activities for the year as set out in the Annual Work Plan and the Approved Annual Rehabilitation Schedule for that financial year;
- (d) if the Crown, at its election or at the request of the relevant Council, engages the Technical Consultant to conduct an independent review of the draft Annual Rehabilitation Schedule referred to in paragraph (b)(i) above before it is approved by the Crown, the Technical Consultant will provide the Crown with a review of the draft Annual Rehabilitation Schedule that is satisfactory in form and substance to the Crown. The cost of any such independent review will be met by the party who elected or requested the independent review;
- (e) for the avoidance of doubt, each of the Annual Work Plan and the Approved Annual Rehabilitation Schedule may comprise of separate documents, each of which is prepared in accordance with the requirements of, and approved by, the relevant Council (where necessary);
- (f) if a Council provides certification to the Crown pursuant to clause 5.3(a)(ii), the relevant Council will:
  - (i) within two months of the date that Council provided certification to the Crown pursuant to clause 5.3(a)(ii) (the **Certification Date**), submit a draft Agreed Remediation Plan to the Crown for its comment and/or approval within one month following receipt of that document; and
  - (ii) within four months of the Certification Date, deliver to the Crown an Agreed Remediation Plan which has been approved in writing by the Crown (such approval not to be unreasonably withheld or delayed); and
- (g) for the avoidance of doubt, both the draft and final Agreed Remediation Plan may be based on each of the Annual Work Plan and Approved Annual Rehabilitation Schedule, and may include provisions for the relevant Council to act in emergencies or unexpected contingencies.

## 4.2 Crown notice

- (a) If, for a relevant period, the Owner or the relevant Council materially complies with the applicable requirements recorded in clause 4.1, the Crown will promptly, after the Owner or the relevant Council has complied with the applicable requirements recorded in clause

4.1, notify the Escrow Agent that the Owner or the relevant Council has sufficiently complied with clause 4.1 for that period.

(a)(b) Without limiting clauses 7 and 11 of this document, if the Owner agrees to sell the Mine to a new purchaser (the **New Purchaser**) the Escrow Agent is entitled to rely on any confirmation provided to it by the Crown as evidence that the New Purchaser has satisfied all the criteria contemplated by this document to become an "Owner" under this document (including, for the avoidance of doubt, all criteria necessary to be an Acceptable Owner). The Crown will give or withhold its confirmation on the basis of the criteria set out in the definition of "Acceptable Owner" in clause 1.1.

## 5. Disbursement of Escrow Amount

### 5.1 Escrow basis

- (a) The Escrow Agent must disburse and pay out amounts from the Escrow Account:
- (i) as instructed to do so in writing by the Owner or the Council (as applicable) subject to and in accordance with clauses 5.2 to 5.8; and/or
  - (ii) in relation to any interest or other income earned on the Escrow Amount, any withholding tax or other deductions required by law, in accordance with clause 6.2; and/or
  - (iii) in the case of any part of the Escrow Amount which is ultimately not payable to the Owner or the relevant Council under the Indemnity or this document, as required by clause 5.6; and/or
  - (iv) as required by a court of competent jurisdiction to do so; and/or
  - (v) as required to be deducted or withheld at law.
- (b) For the avoidance of doubt, the Escrow Agent's obligations under paragraphs (a)(i) and (a)(iii) above will arise only after the completion of the audit process in clause 5.4 (if required to be undertaken), but otherwise all amounts payable will be paid within two Business Days of all conditions having been met.

### 5.2 Payment Notice

The Escrow Agent's obligations to make payment under this document are conditional on:

- (a) the Owner or the relevant Council promptly providing the Escrow Agent, upon reasonable request, any information or documentation that it requires in connection with this document and the matters contemplated by it (including holding the Escrow Amount and making any payment);
- (b) the Escrow Agent receiving notice from the Crown confirming that:
  - (i) the Owner has complied with the requirements set out in clause 4.1(a) to (d) for the relevant period; or
  - (ii) the relevant Council has complied with the requirements set out in clause 4.1(f) for the relevant period;
- (c) the Owner or the relevant Council (as applicable) submitting a payment request in the form (or substantially the form) set out in **Schedule 1** (the **Payment Notice**) to the Escrow Agent, together with:
  - (i) a copy of each itemised invoice and receipt which details the direct costs associated with the work done by or for the Owner or the relevant Council (as applicable) and shows that payment has been made by the Owner or that Council (as applicable);
  - (ii) if the Payment Notice is submitted by the Owner, certification by two directors of the Owner and the Technical Consultant (if, before the Payment Notice is submitted to the Escrow Agent, the Crown notifies the Escrow Agent and the Owner in writing that a certificate from the Technical Consultant is required) that:
    - (A) the Payment Notice is for work done to meet Indemnified Liabilities; and



- (B) the Owner has incurred costs that either:
  - (I) are costs comprising Remediation Expenditure that is contained in the Approved Annual Rehabilitation Schedule; or
  - (II) are for Indemnified Liabilities that, while not forecast in the Approved Annual Rehabilitation Schedule, were necessary for the Owner to undertake and were approved in writing by the Crown (either before or after the relevant costs were incurred by the Owner); and
- (C) the work to which the Payment Notice relates was done in accordance with the Annual Work Plan and the Approved Annual Rehabilitation Schedule;
- (iii) if the Payment Notice is submitted by the relevant Council, certification by the relevant officers of that Council and the Technical Consultant (if, before the Payment Notice is submitted to the Escrow Agent, the Crown notifies the Escrow Agent and the Owner in writing that a certificate from the Technical Consultant is required) that:
  - (A) the Payment Notice is for work done to meet Indemnified Liabilities and the costs incidental to any such work; and
  - (B) the costs incurred by the relevant Council in respect of which the Payment Notice is submitted fall within the costs anticipated by the Agreed Remediation Plan.

### 5.3 The Council's right to submit a Payment Notice

- (a) A Council may only submit a Payment Notice to the Escrow Agent if:
  - (i) the Crown paid the Escrow Amount to the Escrow Agent under clause 4.1(e) of the Indemnity; or
  - (ii) the relevant Council certifies to the Escrow Agent that the Owner has not met one or more environmental rehabilitation and reinstatement obligations which are Indemnified Liabilities in relation to the Mine by the date three months after that Council notified the Owner in writing that it was not complying with its material environmental rehabilitation and reinstatement obligations.
- (b) If the relevant Council notifies the Escrow Agent, and certifies to the Escrow Agent that the Owner has not met one or more environmental rehabilitation and reinstatement obligations that are Indemnified Liabilities in relation to the Mine by the date three months after that Council notified the Owner in writing that it was not complying with its environmental rehabilitation and reinstatement obligations, the Escrow Agent must pay the Escrow Amount to the relevant Council.

### 5.4 Payment Notice audit

- (a) The Crown may, at any time after the Escrow Agent receives a Payment Notice but only before the Escrow Agent makes payment pursuant to clause 5.1, notify the Owner or the relevant Council (as applicable) and the Escrow Agent in writing that the Payment Notice will be audited.
- (b) The Crown may require the Technical Consultant to audit the Payment Notice on its behalf.
- (c) If the Crown elects to have the Technical Consultant audit the Payment Notice, the Crown will be responsible for the costs of the Technical Consultant in relation to that audit.
- (d) The Crown must ensure the Technical Consultant completes any audit under this clause 5.4 by the date 40 working days after the date the Crown received the Payment Notice.

- (e) If the Technical Consultant determines as a result of the audit process that a Payment Notice did not comply with clause 5.2 then the Escrow Agent is not obliged to make payment under clause 5 until the Owner or the relevant Council (as applicable) submits a new Payment Notice that complies with clause 5.2.
- (f) If the Crown determines as a result of the audit process that a Payment Notice did not comply with clause 5.2, the costs of the audit process will be met from the Escrow Amount. Otherwise, the costs of the audit process will be met by the Crown.

## 5.5 Notice to Crown

The Escrow Agent must forward a copy of any Payment Notice and associated documents it receives from the Owner to the Crown and each Council, and from a Council to the Crown, in each case as soon as practicable following receipt of that notice by the Escrow Agent.

## 5.6 Payment to Crown of amount not payable to Owner or Council

On the date which is five years following the date on which the Technical Consultant notifies the Escrow Agent, the Crown and each Council that all work required by the final Annual Work Plan and the final Approved Annual Rehabilitation Schedule has been completed, the Escrow Agent will pay the balance then outstanding in the Escrow Account to the Crown. The Crown will then consult in good faith with each Council whether or not there are any other mines (the **Other Mines**) owned by or formerly owned by the Company in the relevant region that have the benefit of either an indemnity or escrow agreement similar in all material respects to the Indemnity or this document (as the case may be) where a shortfall exists or may exist between the amount remaining available for disbursement under that document and the likely costs to complete the work that is otherwise an "indemnified liability". If so, the Crown will make the balance paid under this document available to the relevant Councils for the purposes of meeting the indemnified liabilities relating to those Other Mines on a rateable basis according to the present value of the Indemnity Limit or Escrow Payment Limit (as the case may be) applicable to those Other Mines at the relevant time. If not, the Crown may apply that balance for any purpose it elects.

## 5.7 Declining to make payment

The Escrow Agent must not make any payment out of the Escrow Account:

- (a) to the extent that any such payment, when aggregated with all other payments out of the Escrow Account, exceeds the Escrow Amount; or
- (b) where it is prevented from doing so by law or by the order of a court or any other legal or regulatory authority of competent jurisdiction,

and, in such cases, the Escrow Agent will promptly notify the Crown, the Owner and the relevant Council that the Escrow Agent declines to make the payment in accordance with this clause, setting out the reasons for doing so.

## 5.8 GST

- (a) The parties acknowledge and agree that:
  - (i) the Escrow Payment Limit has been calculated without taking into account GST which would be payable by the Owner or Council in carrying out works to discharge the Indemnified Liabilities;
  - (ii) the benefit of the Escrow Payment Limit is not intended to be diminished by an obligation on an Owner or Council to pay GST in respect of a payment received from the Escrow Agent under clause 5.1(a); and
  - (iii) no Owner or Council should derive a windfall benefit from being a recipient of an amount which has been calculated on a GST inclusive basis, if that recipient is not obliged to make a corresponding return of GST.
- (b) If the Escrow Agent is required to make a payment to an Owner or the Council following the receipt of a Payment Notice:
  - (i) the Escrow Payment will initially be paid by the Crown to the Escrow Agent exclusive of any GST;

- (ii) payments by the Escrow Agent in respect of the Payment Notice will be for the GST inclusive amount requested in the Payment Notice but:
  - (A) will be reduced by the amount of any GST deduction the Owner or Council (as applicable) is able to claim in its GST return for the work itemised in the Payment Notice; and
  - (B) will be increased for any GST chargeable if the Payments Notice payment from the Crown is itself subject to GST (the **GST component**);
- (iii) upon being advised by the Escrow Agent that it has paid a Payment Notice, the Crown will make a further payment equal to the GST component to the Escrow Agent to the extent that the Escrow Payment is subject to GST; and
- (iv) that further payment will form part of the Escrow Amount.
- (c) If the amount of a Payment Notice would by virtue of the GST component exceed the Escrow Payment Limit, the Crown will on a request being made by the Escrow Agent make a further payment equal to the relevant GST component to the Escrow Agent so as to ensure the Owner or Council is not disadvantaged.

## 6. Interest

### 6.1 Escrow Account

- (a) The Escrow Agent acknowledges and agrees that the Escrow Account is to be maintained by the Escrow Agent in the name of the Escrow Agent (subject to the terms of this document).
- (b) By 15 June in each year, the Owner must deliver to the Escrow Agent and each Council an investment mandate that reflects the Owner's Approved Annual Rehabilitation Schedule for the relevant year and has been approved by the relevant Council which specifies:
  - (i) how much of the Escrow Amount must be invested in an interest bearing deposit account that falls within paragraph (a) of the definition of Escrow Account; and
  - (ii) how much of the remainder of the Escrow Amount must be invested in different investment options that fall within paragraphs (b) to (e) of the definition of Escrow Account, **what those investments should be, the desired issuer,** and the required maturity date for each of those investments,
 (the **Investment Mandate**).
- (c) If, at any time, the Owner is in liquidation, receivership, statutory management or administration, the Councils will have the right to assume, by notice to the Escrow Agent, in place of the Owner the obligation to prepare and deliver the Investment Mandate.
- (d) The Escrow Agent will, so far as it is practicable for it to do so, invest the Escrow Amount in one or more Escrow Accounts in accordance with the Investment Mandate.
- (e) If the Escrow Agent has not received, does not receive, or is not able to comply with all or part of, the Investment Mandate, the Escrow Agent will invest the Escrow Amount or such portion of the Escrow Amount as is relevant, in an interest bearing deposit account that falls within paragraph (a) of the definition of Escrow Account.
- (f) Provided that the Escrow Agent complies with paragraphs (d) and (e) above, the Escrow Agent is not obliged to maximise the amount of interest or other amounts earned on all or any part of the Escrow Amount, and will not be responsible or liable in any way in connection with the rate or amount of interest accrued on the Escrow Amount.

### 6.2 Deductions

The Escrow Agent is entitled to deduct from any interest or other accrued income on the Escrow Amount, any withholding, tax or other deduction required by law, and to pay any such amount to the relevant authority.

## 7. Escrow Agent not bound to enquire

The duties of the Escrow Agent under this document are as specifically provided in this document only and are purely administrative in nature. For the avoidance of doubt, the Escrow Agent is not obliged to make any enquiries in respect of the rights or obligations in relation to this document nor any instruction provided to it.

## 8. Appointment of Technical Consultant

The Crown may appoint, and may change the appointment of, the Technical Consultant from time to time, but will consult with each Council before doing so.

## 9. Access to Mine

Subject to the requirements of all health and safety laws, but independently of any statutory rights of access conferred on the relevant Council, the Owner will permit the relevant Council and/or any employees, professional advisors and contractors of that Council free access at all reasonable times and on reasonable notice at the cost of the Owner to:

(a) inspect and take copies and extracts from the books, accounts, records or any other documents held by the Owner;

(b) meet and discuss matters with the Owner's directors and senior management;

(c) inspect the state of the Mine and assess the Owner's compliance with its environmental obligations; and

(d) undertake any works necessary to perform any obligations owed by the Owner that have accrued and remain unperformed.

## 9.10. Third party disputes

### 9.10.1 No requirement to determine

If any dispute should arise between or among any third persons, about the subject matter of this document, or the terms or conditions of this document, the Escrow Agent will not be required to determine the dispute or take any action in the matter. The Escrow Agent will await the settlement or resolution of any dispute by final and appropriate legal proceedings.

### 9.210.2 No requirement to commence

The Escrow Agent will not be required to begin legal proceedings of any kind.

## 10.11. Waiver, indemnity and validity of documents

### 10.11.1 Waiver and indemnity

- (a) Each of the Crown, the Owner and the relevant Council irrevocably waives any claim against the Escrow Agent for any cost, loss or liability incurred by the Crown, the Owner and the relevant Council in relation to the Escrow Account (otherwise than by reason of the Escrow Agent's fraud, gross negligence or wilful breach of its obligations).
- (b) The Escrow Agent is entitled to be indemnified out of the Escrow Account in respect of any expense, cost, loss or liability incurred by the Escrow Agent (otherwise than by reason of the Escrow Agent's fraud, gross negligence or wilful breach of its obligations) in acting as Escrow Agent in accordance with this document, including any tax (other than in relation to its fee for acting as Escrow Agent) and any expense, cost, loss or liability associated with any advice obtained by the Escrow Agent and any involvement in any dispute, proceeding or process in connection with its role as Escrow Agent.

### 10.211.2 Agent not responsible

The Escrow Agent will not be responsible for the genuineness or validity of any notice, instrument, instruction or document provided to the Escrow Agent by the Crown, the Owner or a Council (as applicable) and which the Escrow Agent believes to be genuine and believes to have been signed

or presented by a duly authorised representative of the Crown, the Owner or the relevant Council (as applicable).

### **10.311.3 Agent protected**

The Escrow Agent is fully protected in acting under any notice, instruction or document given to it under this document and reasonably believed by it to have been signed or presented by a duly authorised representative of the Crown, the Owner or a Council (as applicable).

### **11.4 Limitations**

(a) To the extent permitted by law, the Escrow Agent excludes liability for any kind of consequential, special or indirect loss or damage, which may arise in respect of it acting as escrow agent under this document or otherwise in connection with this document (otherwise than by reason of the Escrow Agent's fraud, gross negligence or wilful breach of its obligations).

(b) To the extent permitted by law, the Escrow Agent's total liability under or in connection with this document (otherwise than by reason of the Escrow Agent's fraud, gross negligence or wilful breach of its obligations) is limited to an amount equal to the Escrow Amount.

### **11.12. Reporting**

The Escrow Agent will report to the Crown and each Council:

- (a) at the end of each financial year, the amount of Escrow Amount, details of investments it has made using the Escrow Amount, and returns on the Escrow Amount;
- (b) at the end of each financial half-year, details of each payment made by the Escrow Agent during the immediately preceding half-year; and
- (c) at the end of each financial year, details of all deductions made by the Escrow Agent on account of its fees and expenses.

### **12.13. Privity**

Clause 5 is intended to be for the benefit of, and enforceable by, the Owner for the purposes of the *Contracts (Privity) Act 1982*.

### **13.14. Availability of document**

- (a) Each party agrees that this document will be made publicly available once it is signed, and it will consult with each other party with a view to co-ordinating its public release.
- (b) Each party other than the Crown acknowledges that the Crown is subject to the *Official Information Act 1982* (the **OIA**) and that the Crown is obliged to disclose information under that Act if so requested and if there is no good reason pursuant to that Act to withhold that information. Each party other than the Crown acknowledges that it is obliged to provide all reasonable assistance to the Crown if that assistance is required to respond to a request under the OIA.
- (c) Each party other than each Council acknowledges that each Council is subject to the *Local Government Official Information and Meetings Act 1987* (the **LGOIMA**) and that each Council is obliged to disclose information under that Act if so requested and if there is no good reason pursuant to that Act to withhold that information. Each party other than each Council acknowledges that it is obliged to provide all reasonable assistance to the relevant Council if that assistance is required to respond to a request under the LGOIMA.
- (d) Without limiting paragraphs (b) and (c) above, the parties acknowledge that the Crown, Ministers, and officials of the Crown, and the Council, the mayor, chief executive or chair of the Council, and officials of the Council, may be required or requested to make comment at any time in response to public interest in respect of the matters contained in this document. Accordingly, except as expressly provided in this document, each party is free to disclose any information concerning this document unless that matter is the subject of a separate agreement that it should be kept confidential, and that matter is one which need not be disclosed as a matter of law.

- (e) Without creating any binding obligation, if any of:
  - (i) the Crown, Ministers or officials; or
  - (ii) a Council; or
  - (iii) ~~a Group Member~~ **the Owner**

proposes making any public statement concerning this document and the circumstances allow, it will endeavour to advise each other party in advance of that statement and provide each other party with an opportunity to verify or comment on the subject matter of that statement in advance of it being made.

- (f) Where the parties have agreed to keep any matter confidential, any party may disclose information to senior personnel, directors, or officers in its organisation, or its professional advisers, or to its financiers or lenders, where those persons need to know the information, or to the extent reasonably required, for the purposes of implementing this document.
- (g) Each party will ensure that any person or party to whom information is disclosed under paragraph (f) above is made fully aware of the requirements for confidentiality and agrees to keep such information confidential in accordance with this clause 14.

## ~~14.15.~~ 15. Notices and communications

### ~~14.1~~ 15.1 Form of Notice

Each notice, demand, consent, approval or other communication (a **Notice**) under this document:

- (a) must be in writing, in English and signed by an authorised representative of the party; and
- (b) must be hand delivered or sent by prepaid post (or airmail if applicable) or facsimile to the recipient's address for notices specified in the "Details" section of this document (as varied by any Notice given by the recipient to the party).

### ~~14.2~~ 15.2 Effective on receipt

A Notice given in accordance with this clause ~~15~~~~14.2~~ takes effect when received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery; or
- (b) if sent by prepaid post, on the fifth Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside New Zealand); or
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight hours after the transmission (being counted as hours from 9:00 a.m. to 5:00 p.m. on a Business Day), the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5:00 p.m. (addressee's time) on a Business Day, the Notice is taken to be received at 9:00 a.m. (addressee's time) on the next Business Day.

## ~~15.16.~~ 16. General

### ~~15.1~~ 16.1 Instructions irrevocably given

The Crown acknowledges and agrees that the instructions given in this document are irrevocable.

### ~~15.2~~ 16.2 Entire agreement

This document records the entire understanding and agreement of the parties relating to the matters dealt with in this document.

### ~~15.3~~ 16.3 Partial invalidity

If at any time a provision of this document is illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that provision will be ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that

provision in any other jurisdiction, nor the validity or enforceability of the remainder of this document in any jurisdiction.

#### **15.4**16.4 **Amendment**

No amendment to this document is effective unless:

~~if the amendment occurs when the Company is the Owner, it is in writing and signed by or on behalf of each party to it and with the prior written consent of the Deed Administrators (acting on the instructions of the Participants Committee); and~~

~~if the amendment occurs when the Owner is not the Company,~~ it is in writing and signed by or on behalf of each party to it.

#### **15.5**16.5 **Waiver**

A waiver will be effective only to the extent that it is expressly stated to be given. A failure to act, or a delay in exercising or attempting to exercise, or a non-exercise of, any right under this document or at law does not operate as a waiver of that right. A single exercise or partial exercise of any right does not preclude further exercises of that right or the exercise of any other right.

#### **15.6**16.6 **Counterparts**

This document may be executed in any number of counterparts. Each counterpart constitutes an original of this document, all of which together constitute one instrument. A party who has executed a counterpart of this document may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party, and if requested by that other party, will promptly deliver the original by hand or post. Failure to make that delivery will not affect the validity of this document.

#### **15.7**16.7 **Delivery**

For the purposes of section 9 of the *Property Law Act 2007*, and without limiting any other mode of delivery, this document will be delivered by each of the parties (each a **Delivery Party**) immediately on the earlier of:

- (a) physical delivery of an original of this document, executed by the Delivering Party, into the custody of each other party or each other party's solicitors; or
- (b) transmission by the Delivery Party or its solicitors (or any other person authorised in writing by the Delivering Party) of a facsimile, photocopied or scanned copy of an original of this document, executed by the Delivery Party, to each other party or each other party's solicitors.

#### **15.8**16.8 **Governing law and jurisdiction**

This document will be governed by and construed in accordance with the laws of New Zealand. The parties irrevocably submit to the exclusive jurisdiction of the New Zealand courts in respect of any legal action or proceedings arising out of or in connection with this document.

#### **15.9**16.9 **No assignment**

No party will assign or otherwise transfer any of its rights or obligations under this document to any other person without the prior written consent of the other party (which will not be unreasonably withheld).

Schedule 1 – Escrow Account

*To be completed at the time of execution*



# ~~Schedule 2~~ Schedule 1 — Form of Payment Notice

To: [#] (the **Escrow Agent**)  
 [Notice details]

Copy to: [#] (the [#] **Council**)  
 [Notice details]  
 [#] (the [#] **Council**)<sup>1</sup>  
 [Notice details]

From: [#] (the **Company**)/[#] (the **Payee Council**)

Dated:

## Payment Notice under the Escrow Agreement

2. We refer to the escrow agreement dated [#] **2015-2017** between, amongst others, Her Majesty the Queen in right of New Zealand and the Escrow Agent (the **Agreement**).
3. Please pay \$[**amount of payment requested**] on or before [**date**] (being the date that is the 20<sup>th</sup> day of the calendar month next following the date of this Payment Notice).
4. Please pay the proceeds of the Draw to the following bank account:
5. [#]

A copy of each itemised invoice and receipt which details the direct costs associated with the work done by the [Company][the Payee Council] and showing that payment has been made by the [Company][the Payee Council] accompanies this request.

We certify that, as at the date of this request:

- (a) the Payment Notice is for work that has been done or to be done to meet Indemnified Liabilities;
- (b) the costs incurred by the [Company][the Payee Council] to which this notice relates [fall within the costs comprising Remediation Expenditure that is contained in the applicable Approved Annual Rehabilitation Schedule for the purposes of clause 5.2(c)(ii)(B)(I) of the Agreement] **OR** [are for Indemnified Liabilities that, although not forecast in the Approved Annual Rehabilitation Schedule, were necessary for the [Company][the Payee Council] to undertake and were approved in writing by the Crown in accordance with clause 5.2(c)(ii)(B)(II) of the Agreement];<sup>2</sup>
- (c) the work to which the Payment Notice relates was done in accordance with the Annual Work Plan and the Approved Annual Rehabilitation Schedule;<sup>3</sup> and
- (d) the costs incurred in respect of which this Payment Notice is submitted fall within the costs anticipated by the Agreed Remediation Plan.<sup>4</sup>

Terms defined in the Agreement and not otherwise defined in this request have the same meaning when used in this request.

[Chief Executive Officer/appropriate Payee Council signature]

<sup>1</sup> Required only for a Payment Notice from the Company.

<sup>2</sup> Required only for a Payment Notice from the Company.

<sup>3</sup> Required only for a Payment Notice from the Company.

<sup>4</sup> Required only for a Payment Notice from a Council.

## ~~Schedule 3~~ Schedule 2 – Agreed fees and expenses

**[To be completed at the time of execution]** The agreed fees and expenses for the Escrow Agent are as follows:

- (a) An establishment fee for the Escrow Account established under this document of \$5,000.00 (exclusive of GST).
- (b) An annual management fee for the Escrow Account established under this document of \$12,000.00 (exclusive of GST), payable in monthly instalments of \$1,000.00. The Escrow Agent will send invoices to the Crown in respect of the monthly instalments.
- (c) If the Escrow Agent is obliged to make a payment under this document on more than one occasion within any 12-month period from 1 July to 30 June, the second payment and each subsequent payment that the Escrow Agent is required to make under this document will incur a fee calculated at the Escrow Agent's standard consulting rates (with a maximum fee of \$1,000.00 per payment made by the Escrow Agent (exclusive of GST)).
- (d) In addition to the fees outlined above, the Escrow Agent is also entitled to be reimbursed for all disbursement costs incurred in acting as escrow agent under this document (including all bank fees and charges). All disbursement costs will be charged by the Escrow Agent at cost plus 10 per cent.
- (e) The Escrow Agent is authorised to deduct the establishment fee, the monthly instalments of the annual management fee, the additional payments referred to in paragraph (c) and all disbursements from the Escrow Account.
- (f) The Escrow Agent reserves the right to make adjustments to the annual management fee and the additional payment fee referred to in paragraph (c) where any changes to applicable laws or regulations cause substantial increases to the costs for the Escrow Agent in ensuring that its obligations under this document are provided in accordance with those laws or regulations. The Escrow Agent must give the Crown prior notice of any proposed adjustment to the annual management fee under this paragraph.
- (g) The Escrow Agent may, on the first anniversary of the date of this document and each subsequent anniversary of that date, increase the annual management fee and the additional payment fee referred to in paragraph (c) to reflect any percentage increase in the All Groups Consumer Price Index as published by New Zealand Statistics over the course of the preceding 12 months from the date of the relevant anniversary. The Escrow Agent will notify the Crown of the adjusted annual management fee and the additional payment fee to apply from the relevant anniversary date.

## ~~Schedule 4~~ Schedule 3 - Annual Rehabilitation Schedule principles

The Annual Rehabilitation Schedule is one of three documents relevant to the payment approval process under ~~the Company's environmental indemnities~~ this document.

The Annual Rehabilitation Schedule supplements the Annual Work Plan. The Annual Work Plan is the existing document which the Owner is required to develop, update and have approved by each Council annually as part of its operating requirements:

- (a) describing, amongst other things, the Owner's proposed rehabilitation activities in respect of the Mine for the upcoming financial year; and
- (b) reporting on, amongst other things, the Owner's rehabilitation activities in respect of the Mine for the previous financial year.

~~The Annual Rehabilitation Schedule is not an existing document – The Annual Rehabilitation Schedule first document must be~~ was first prepared by the Company prior to 30 June 2016, and must be updated by the Owner in accordance with the terms of this document.

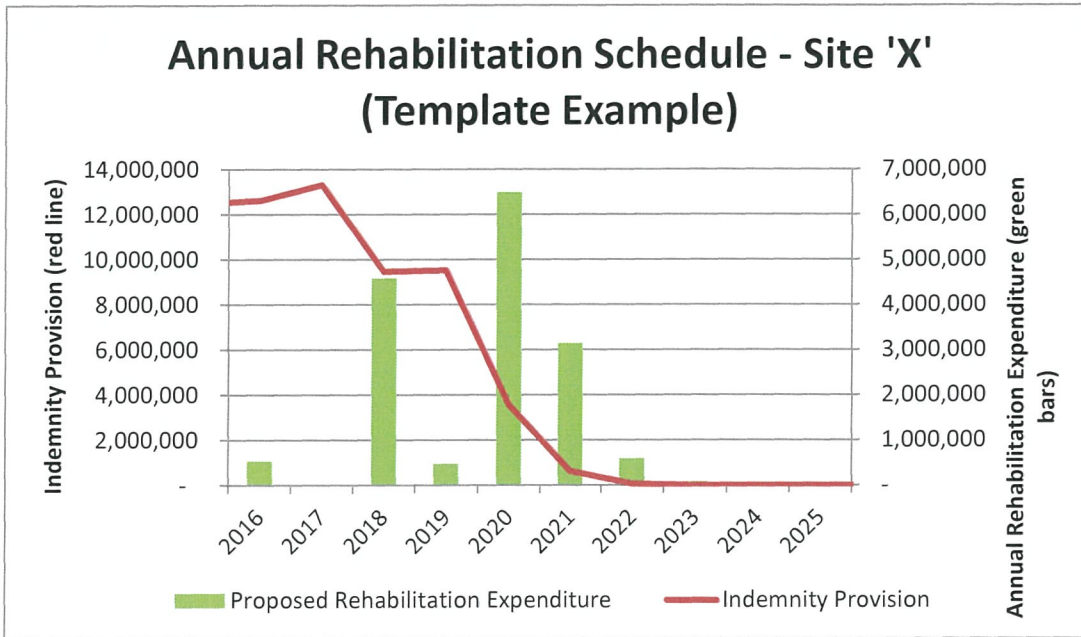
The Annual Rehabilitation Schedule must contain the following information (which is assumed to be supplementary to the Annual Work Plan described above). To the extent that the Annual Work Plan does not contain the information set out above, this information should be contained in the Annual Rehabilitation Schedule:

- (a) a proposed annual spending profile on rehabilitation activities for the planned life of the Mine site (until mine completion), including, if relevant, the annual allocation of costs between indemnified rehabilitation liabilities and non-indemnified rehabilitation liabilities;
- (b) a brief description of the activities planned and costed in each financial year; and
- (c) a calculation showing the projected funds available under the Crown-~~l~~Indemnity at the end of each financial year, assuming that indemnified liabilities are fully funded until the Crown-~~l~~Indemnity (or any Escrow Account) is exhausted.

An example Annual Rehabilitation Schedule is set out below.

The Crown will review the Annual Rehabilitation Schedule for consistency with the agreed Annual Work Plan, and will notify the Company-Owner of the proposed annual spending limit against the Indemnity fund.

To the extent that there is a shortfall in projected funds available to fund Indemnified Liabilities over time, this will be discussed between the Company-Owner and the Council as part of developing the next Annual Work Plan.



**Summary of Provisioned Works to be Completed**

Year	Particulars
2016	X ha of land recontouring, soil application and vegetation planting
2017	No activity possible/planned.
2018	X ha of land recontouring, soil application and vegetation planting
2019	X ha of land recontouring, soil application and vegetation planting
2020	X ha of land recontouring, soil application and vegetation planting
2021	X ha of land recontouring, soil application and vegetation planting and decommissioning and removal of all buildings
2022	Decommissioning and removal of water treatment plant

# Annexure "A" – Indemnity

# Signing page

**EXECUTED** as an agreement

**HER MAJESTY THE QUEEN IN RIGHT OF NEW ZEALAND** acting by and through the Minister of Finance in the presence of:

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation of witness

\_\_\_\_\_  
City/town of residence

\_\_\_\_\_  
Signature of ~~authorised signatory~~ Steven Leonard Joyce

~~Name of authorised signatory~~

**WEST COAST REGIONAL COUNCIL** under its common seal and in the presence of:

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation of witness

\_\_\_\_\_  
City/town of residence

\_\_\_\_\_  
Signature of the Mayor

\_\_\_\_\_  
Name of the Mayor

\_\_\_\_\_  
Signature of the Chief Executive Officer

\_\_\_\_\_  
Name of the Chief Executive Officer

**GREY DISTRICT COUNCIL** under its common seal and in the presence of:

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation of witness

\_\_\_\_\_  
City/town of residence

\_\_\_\_\_  
Signature of the Mayor

\_\_\_\_\_  
Name of the Mayor

\_\_\_\_\_  
Signature of the Chief Executive Officer

\_\_\_\_\_  
Name of the Chief Executive Officer

**COMPUTERSHARE INVESTOR SERVICES LIMITED** by:

\_\_\_\_\_  
Signature of authorised person

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of authorised person

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation of witness

\_\_\_\_\_  
City/town of residence

**[Escrow agent to be added]**

# **COUNCIL MEETING**



## THE WEST COAST REGIONAL COUNCIL

Notice is hereby given that an **ORDINARY MEETING** of the West Coast Regional Council will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Greymouth on **Tuesday, 9 May 2017** commencing on completion of the Resource Management Committee Meeting

A.J. ROBB  
CHAIRPERSON

M. MEEHAN  
CHIEF EXECUTIVE OFFICER

---

<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
<b>1.</b>		<b>APOLOGIES</b>
<b>2.</b>		<b>PUBLIC FORUM</b>
<b>3.</b>		<b>MINUTES</b>
	1 - 3	3.1 Minutes of Council Meeting 11 April 2017
<b>4.</b>		<b>REPORTS</b>
	4 – 5	4.1 Engineering Operations Report
	6 – 9	4.1.2 Proposed Remedial Works of Kaniere Rating District Rockwall
	10	4.2 Corporate Services Manager's Report
	11 - 21	4.3 2017 LGNZ EXCELLENCE Awards Nomination
<b>5.</b>	22	<b>CHAIRMAN'S REPORT</b>
<b>6.</b>	23	<b>CHIEF EXECUTIVE'S REPORT</b>
<b>7.</b>		<b>GENERAL BUSINESS</b>

**THE WEST COAST REGIONAL COUNCIL****MINUTES OF THE MEETING OF THE COUNCIL HELD ON 11 APRIL 2017,  
AT THE ARAHURA MARAE, 1 OLD CHRISTCHURCH ROAD, ARAHURA, HOKITIKA,  
COMMENCING AT 12.17 P.M.****PRESENT:**

A. Robb (Chairman), N. Clementson, P. Ewen, A. Birchfield, T. Archer, S. Challenger, P. McDonnell

**IN ATTENDANCE:**

M. Meehan (Chief Executive Officer) R. Mallinson (Corporate Services Manager), R. Beal (Operations Manager),  
G. McCormack (Consents & Compliance Manager, N. Costley (Strategy & Communications Manager),  
T. Jellyman (Minutes Clerk)

**1. APOLOGIES:**

There were no apologies.

**2. PUBLIC FORUM**

There was no public forum.

**3.1 CONFIRMATION OF MINUTES**

**Moved** (Archer / Birchfield) *that the minutes of the Council Meeting dated 15 March 2017, be confirmed as correct, with the two amendments made as below.*

*Carried*

**Matters arising**

Cr Ewen requested that the comments that he made stating that he is in favour of one Council for the West Coast are added to the minutes.

Cr Archer asked R. Beal for an update as to when the NIWA report for Carters Beach will be received. R. Beal stated that he expects to receive the report within the next two weeks.

**REPORTS:****4.1 ENGINEERING OPERATIONS REPORT**

R. Beal spoke to this report. He advised that the appeal period for the resource consent for rock extraction from the Whitehorse property closes on 18 April, not 7 April as stated in this report.

The strategy for the community consultation for the Buller River was discussed. R. Beal advised that the working group is about to be re- formed. It was agreed that Crs Clementson and Archer would assist with this and the appointment of community leaders to the working group. R. Beal advised that one landowner at Taramakau has signed up to provide rock to the rating district; one other landowner is due to sign up to provide rock soon.

R. Beal reported that a special meeting of the Kaniere Rating District was held last week. He stated that an opinion survey will be sent out to the rating district shortly seeking feedback as to whether or not ratepayers are in favour of the proposed works.

**Moved** (Clementson / Birchfield) *That this report is received.*

*Carried*

## 4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to his report. He stated that as agreed at last month's Council meeting this report is brief as he has been busy with budget and annual plan work. R. Mallinson reported that the Westpac Investment Portfolio income was \$153,000.

R. Mallinson stated that he has had a further look at Risk #7 of the Council Risk Register, he advised that he has now completed more work on this. R. Mallinson stated that he also surveyed councils of a similar size to ensure that there is consistency with regard to audit and risk matters, and external appointments to audit and risk committees. The Chairman commented that it is important that there is more awareness around these matters. Discussion took place and it was noted that there is benefit in having a risk register in place and it is important the risk register is reviewed regularly.

**Moved** (Archer / Birchfield)

1. *That the report be received.*
2. *That Council adopts the reviewed Risk Register.*
3. *That the Risk Register be reviewed again prior to 1 July 2018.*

*Carried*

## 4.3 NOTICE OF MOTION FROM CR BIRCHFIELD

Cr Birchfield spoke of his notice of motion. He stated that his reason he has put this before Council is that he was annoyed about reading about the decision to terminate Mr Sturgeon's appointment on Development West Coast in the newspaper. Discussion ensued and it was agreed that communication would be improved next time and the Chairman will communicate earlier with councillors so that the decision can be made with input from all councillors. M. Meehan advised that an employment consultant has been engaged for the current vacancy. Cr Ewen asked if the applications are going to be brought back to Council so that a collective appointment can be made. M. Meehan advised that consultant will bring a shortlist of candidates back and this can be discussed with Councillors.

**Moved** (Birchfield / Archer)

*That the Council the Council Chairman be appointed to the Development West Coast Appointments Panel, pursuant to Schedule 3 of the Trust Deed, and that the appointed Council Chairman Representative be required to consult with other WCRC Councillors with regard to matters relating to the appointment of the joint Council representative, before the representative is appointed.*

*Carried*

## LATE ITEM

**Moved** (Clementson / Archer *that the late item is accepted.*

*Carried*

## SECTION 33 TRANSFER OF FUNCTIONS FROM WESTLAND DISTRICT COUNCIL

G. McCormack spoke to this report. He stated that the Westland District Council (WDC) has requested that they would like to transfer some resource management functions to WCRC. G. McCormack stated that WDC wish to be able to reduce time, recover costs and to have a central agency to streamline the resource management process and to create a more simplified system for the public. Discussion took place, G. McCormack and M. Meehan answered questions relating to financial implications, cost recovery, risk, staff time and bonds on unconsented mine sites. G. McCormack advised that extra staff would not be required at this stage, but if there are spikes in demand then the services of consultants could be considered. He stated that any unconsented mine sites would have to have bonds in place first. Discussion took place on risk, the Chairman stated that the risk needs to be considered and that consideration also needs to be given to providing a service to WDC which ensures economic progress can still proceed. It was agreed that any legal costs relating to historic issues are WDC's responsibility and the takeover date would be 1 July 2017. It was also agreed that should WDC wish to recommence this function then six months' notice is given to WCRC to ensure that any transition is back as smooth as possible.

**Moved** (Birchfield / Archer)

1. *That the transfer of the mining consenting and compliance function from Westland District Council be accepted by the West Coast Regional Council, and will formally commence on 1 July 2017.*
  2. *That the Deed of Transfer be amended so that paragraph's 9 and 10 require 6 months' written notice from WDC, in relation to any change to either the transfer agreement or revocation of the transfer.*
  3. *That Council allow the Chief Executive and the Consents and Compliance Manager to confirm these arrangements with Westland District Council.*
  4. *That Westland District Council is responsible for legal costs relating to historic issues prior to 1 July 2017.*
- Carried*

**5.0 CHAIRMANS REPORT**

The Chairman spoke to his report and took it as read. He stated that the meeting with the Chairman and Chief Executive of Ecan was very good with discussion taking place on water issues, swimmability targets, communication and water issues.

The Chairman reported that the action plan for the Governance Group work around economic development arrangements is due in June.

Discussion took place on the Council appointee on Development West Coast. The Chairman explained the appointment process and stated that he is hopeful that an appointment will be made by the end of May.

**Moved** (Robb / Birchfield) *that this report is received.*

*Carried*

**6.0 CHIEF EXECUTIVE'S REPORT**

M. Meehan spoke to his report and spoke of the various meetings he attended. He agreed with the comments made by the Chairman relating to their meeting with Ecan. M. Meehan reported that he and N. Costley met with two public relations / communications companies in Christchurch to discuss Council's requirements in this area. Cr Ewen commented that he does not agree with this as he feels this work should be done in house and we are a small council.

**Moved** (Clementson / Birchfield) *that this report is received.*

*Carried*

**GENERAL BUSINESS**

There was no general business.

The meeting closed at 1.07 p.m.

.....  
Chairman

.....  
Date

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 9 May 2017  
 Prepared by: Paulette Birchfield – Engineer, Brendon Russ - Engineer  
 Date: 30 April 2017  
 Subject: **ENGINEERING OPERATIONS REPORT**

---

**WORKS COMPLETED AND WORKS TENDERED FOR**Inchbonnie Rating District

Work involving the placement of 570 tonne of rock into slumped riprap was completed by G H Foster Contracting at a cost of \$12,255 (GST exclusive).

Taramakau Rating District

Work involving the placement of 1,500 tonne of rock into slumped rock riprap was completed by Henry Adams Contracting at a cost of \$24,750 (GST exclusive).

**FUTURE WORKS**

A survey of the Kaniere Rating District regarding proposed capital works closed on 28 April, a separate report will be presented at the Council meeting.

**ONGOING WORKS**Punakaiki Rating District

Resource Consent has been granted for the Whitehorse Quarry rock extraction. This allows Council to proceed with letting a tender for the rock removal and construction of the seawall extension. Following the receipt of tenders Council will consult with the Punakaiki Rating District and include this as part of the 2017/18 Annual Plan consultation.

Granity/Ngakawau/Hector Erosion

Council's rating district consultant has undertaken a site visit to provide advice on the potential apportionment of costs in forming a rating district. Staff are meeting with NZTA to discuss the potential opportunities to work together in regard to erosion protection in the area. Staff are assessing the advice from the consultant and discussion with NZTA and will provide a report to the June Council meeting.

Buller River Flood Consultation

A total 203 submissions were received by 1 March in response to the discussion document Council released to the community earlier in the year.

Of the feedback received:

- 24.6% (50) chose Option A – Do nothing
- 10.8% (22) chose Option B – Extensive floodwalls
- 15.8% (32) chose Option C – Partial stopbanks and floodwall
- 6.4% (13) chose Option D – Flood relief cut to sea from Orowaiti Lagoon
- 6.4% (13) chose Option E – Combined stopbanks with Orowaiti Cut
- 6% (12) chose Option F – Partial stopbanks with Orowaiti Cut
- 30% (61) did not specify a preferred option

*Those who chose Option A, and those who did not specify a preferred option, could be broadly grouped together as in general their comments suggested similar opinions (this would represent 54.6% (111) when grouped together).*

Themes in the feedback commentary did not necessarily correlate with the preferred option specified. Even when a preferred option was specified it was often contingent on concerns being met.

In response to this Council will form the working group again and include key members of the community to further this discussion.

Carters Beach

The NIWA report will be circulated prior to the Council meeting, once it has been received.

**QUARRIES****Quarry rock movements April 2017**

Quarry	Opening Stockpile Balance	Rock Used	Rock Quarried	Closing Stockpile Balance
Blackball	1,650	0	0	1,650
Camelback	16,417	0	0	16,417
Inchbonnie	13,821	0	0	13,821
Kiwi	1,930	0	2,088	4,018
Okuru	0	600	1,000	400
Whataroa	17,940	0	0	17,940
<b>Totals</b>	<b>51,758</b>	<b>600</b>	<b>3,088</b>	<b>54,246</b>

**RECOMMENDATION**

*That the report is received*

Randal Beal  
**Operations Manager**

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 9 May 2017  
Prepared by: R. Beal, Operations Manager  
Date: 1 May 2017  
Subject: **Proposed Remedial Works of Kaniere Rating District Rockwall**

---

**Background**

Council has been monitoring erosion adjacent to the Kaniere Rating District for several years. In the last two years the erosion has become worse, with approximately 20m of land lost in this year alone. A community meeting was held on 4 April to discuss this issue prior to the release of a survey.

**Opinion Survey results**

In total, 13 survey responses were received by 28 April, out of 36 circulated. This represents a 36% response rate.

Of the responses received:

54% (7) chose Option 1 (proceed with the proposed works as outlined)

46% (6) chose Option 2 (do not proceed with the works)

Sample of additional comments

- *Need an accurate financial cost.*
- *Need exact cost and if NZTA will assist with funding.*
- *Not until surveyed and priced.*

**Where to from Here?**

The situation requires protection works, any major delay in undertaking this work will present challenges in the future in relation to increased costs and practicalities of undertaking the works.

**RECOMMENDATIONS**

1. *That Council instructs staff to tender the proposed works.*
2. *That Council include the proposed works in the upcoming 2017/18 Annual Plan for consultation.*

Randal Beal  
**Operations Manager**

12 April 2017

Our Reference: Kaniere Rating District

Dear Ratepayer

**Kaniere Rating District – Proposed Remedial Works**

Following on the recent meeting held on 4 April, please find attached:

- The minutes of the meeting held 4 April.
- Proposed cost implications for the proposed remedial works per \$100,000 of land value over a 20 year loan period.
- Opinion survey.

It is important that Council hears from you in relation to the proposed works. The returned survey forms will be collated and a decision made on whether or not to proceed.

Prior to accepting any tender and beginning work, confirmation of the total cost of the work will be presented to the rating district committee for approval.

Please either post your survey forms in the stamped self-addressed envelope enclosed back to Council, or email them directly to me at [rb@wcrc.govt.nz](mailto:rb@wcrc.govt.nz). You will note there is space for comments on the form. Completed survey forms are required by **28 April 2017**.

If you have any questions in the meantime please do not hesitate to contact me.

Yours faithfully



Randal Beal  
**Operations Manager**



**Opinion Survey on the Proposed Remedial Works for the Kaniere 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. Proceed with the remedial works (continuous rockwork) as detailed.	
2. Do not proceed with the proposed works.	

***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 or emailed to [rb@wrc.govt.nz](mailto:rb@wrc.govt.nz) by **28 April 2017**.

**Cost Implications to the Kaniere Rating District**

The current balance in the Kaniere Rating District account is \$78,260. A loan of \$150,000 will be required to enable the proposed works to be funded and constructed and have a balance of \$28,260 remaining for maintenance works. The following is a breakdown of the new rates that will results from this works:

**20 year loan payback**

Class	Annual Rate for loan payback over 20 years	Per \$100,000 of land value
A	\$ 4,979.95	\$ 1,633.31
B	\$ 1,048.58	\$ 979.98
C	\$ 1,685.57	\$ 653.32
D	\$ 4,052.23	\$ 245.00
E	\$ 777.45	\$ 163.33
<b>Pay back per annum</b>	<b>\$ 12,543.79</b>	

**Annual Maintenance costs**

The new capital works will mean an increase in the annual maintenance costs on top of the capital expenditure. It is expected that the previous annual maintenance rate will need to increase over and above the capital expenditure payback from the 2018/19 financial year.



Scale: 1,453  
 Projection: Transverse Mercator  
 Datum: NZGD 2000  
 Created: 20/10/2016  
 Printed: 21/02/2017

0 20 40 60 80  
 Metres

Kaniere Erosion Scour

Prepared for: Council Meeting 9 May 2017  
 Prepared by: Robert Mallinson – Corporate Services Manager  
 Date: 2 May 2017  
**Subject: Corporate Services Manager's Monthly Report**

### 1. Financial Report

Due to being on Annual Leave from 19 April through to 28 April, I will circulate financial report for the 9 months to 31 March later in the week by email.

### 2. Westpac Portfolio Performance

March 2017	Catastrophe Fund	Major Portfolio	TOTAL
Opening balance 1 March 2017	\$ 995,997	\$ 10,499,938	\$ 11,495,935
Income March 2017	\$ 8,058	\$ 127,659	\$ 135,717
Deposit			
Withdrawal		\$ -	\$ -
Closing balance 31 March 2017	\$ 1,004,055	\$ 10,627,597	\$ 11,631,652
Total income year to date to 31 March 2017	\$ 27,502	\$ 471,289	\$ 498,791

### 3. Council Investment Portfolio Management.

Council has received detailed proposals from the following organization;

- JB Were
- Harbour Asset Management
- AMP Capital
- Bradley Nuttall Ltd

Council needs to agree on a date to receive presentations from the abovenamed organisations (order of presentation to be decided by lot).

We should allow up to 45 minutes for each presentation, to be followed by up to 15 minutes for questions by Councillors.

Our advisor Miles O'Connor will work up an appropriate score sheet to assist evaluation of the presentations.

A timetable could look like the following;

First presentation	10.00 am
Second presentation	11.15 am
Lunch	12.30 am
Third presentation	1.00 pm
Fourth presentation	2.15 pm
Finished	3.15 pm

I recommend that Council agree on a date in late May / early June. Our Bancorp advisor Miles O'Connor is available 29 and 30 May and 1 and 2 June.

### RECOMMENDATIONS

1. That the report be received.
2. That Council agree on a date to receive presentations regarding management of Council Investment Portfolio.

Robert Mallinson  
**Corporate Services Manager**

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 9 May 2017  
Prepared by: Nichola Costley – Manager Strategy and Communications  
Date: 29 April 2017  
Subject: **2017 LGNZ EXCELLENCE Awards Nomination**

---

**Purpose**

This report presents the nomination made to the 2017 LGNZ EXCELLENCE Awards.

**The Application**

The LGNZ EXCELLENCE Awards recognise and celebrate excellent performance by councils with regard to community engagement, environmental impact, infrastructure management, economic development, cultural vibrancy, and overall value and service delivery.

A nomination has been made on behalf of the West Coast Regional Council for the 2017 Awards. The project nominated is the *West Coast Untamed Natural Wilderness* branding which has been entered into in the EXCELLENCE Award for the Best Practice Contribution to Local Economic Development.

Following the submission of the nomination to the LGNZ EXCELLENCE Awards on 21 April, new information has come to light showing just how strongly this sector is growing. In summary:

- The West Coast Regional Tourism Office is now #1 having increased 11% over the past 12 months (March 2016 – March 2017).
- Expenditure as a result has reached \$522 million for the same period. This has exceeded Tourism West Coast's forecasted figure by \$10 million.

The winners for the LGNZ EXCELLENCE Awards will be announced at the LGNZ Conference dinner on 25 July.

A copy of the nomination follows this report.

**RECOMMENDATION**

*That Council accept this report.*

Nichola Costley  
**Manager Strategy and Communications**

EXCELLENCE Award  
for Best Practice  
Contribution to Local  
Economic Development

Losing share in the growing  
tourism market, revitalisation of  
the regional identity is leading  
the way to a new future.

This is our brand:

# WEST NEW ZEALAND COAST

UNTAMED NATURAL WILDERNESS

UNTAMED  
NATURAL  
WILDERNESS

2017 LGNZ  
EXCELLENCE  
Awards

# IN BRIEF

The West Coast has featured a brand over the past several years which has done little to communicate with potential visitors to the region. With tourism growing exponentially, a new brand was required to encourage more people, to stay longer and spend more on the West Coast.

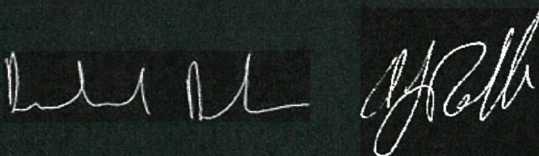
Growing the tourism market on the West Coast was identified as a 'must-do' through the Tai Poutini Growth Study following the decline in other major economic sectors and the flow on effect this was having on the social fabric of our local communities.

A new brand was seen as a means to achieving growth in market share which would stimulate employment opportunities, grow and improve infrastructure as well as making Coasters' proud of their region once more.

The staggering success of this new brand has resulted in some major achievements including:

- A synergy between the 100% Pure New Zealand brand with the new West Coast brand;
- An increase of 0.4% market share recouping 6 years of losses in less than a year, and the associated income and employment opportunities generated as a result;
- New and strengthened partnerships between the Council, Tourism West Coast, Department of Conservation and the tourism operators, businesses, communities and Development West Coast through extensive consultation and collaboration; and
- The West Coast as one of New Zealand's most attractive and sought after destinations.

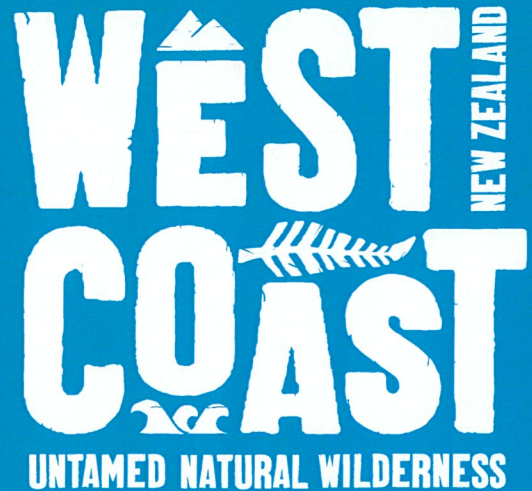
On behalf of the West Coast Regional Council, and all of those involved in the development, support and uptake of the new brand, we are proud to submit this project to the 2017 Local Government EXCELLENCE awards.



Mike Meehan  
Chief Executive

Andrew Robb  
Chairman

21 April 2017



## PROJECT TEAM MEMBERS

### West Coast Regional Council

- |                |                              |
|----------------|------------------------------|
| Andrew Robb    | Chairman                     |
| Mike Meehan    | Chief Executive              |
| Kevin Stratful | Economic Development Manager |

### Tourism West Coast

- |               |                                      |
|---------------|--------------------------------------|
| Jim Little    | Chief Executive                      |
| Kelly McLeod  | Marketing Manager                    |
| Alicia Ulrich | Administration and Marketing Support |

### Supporting Agencies

- Development West Coast
- Buller District Council
- Grey District Council
- Westland District Council

220 West Coast tourism operators and promotion groups



### Losing market share under the 'West Coast of the Southern Alps' brand

Looking at the numbers, it is plain to see that the West Coast was underperforming at a time when tourism was booming for New Zealand generally. While performance picked up in the 2013-2016 period, this was still growing at a reduced rate compared to the national figures.

# the West Coast of the Southern Alps

## THE PROBLEM

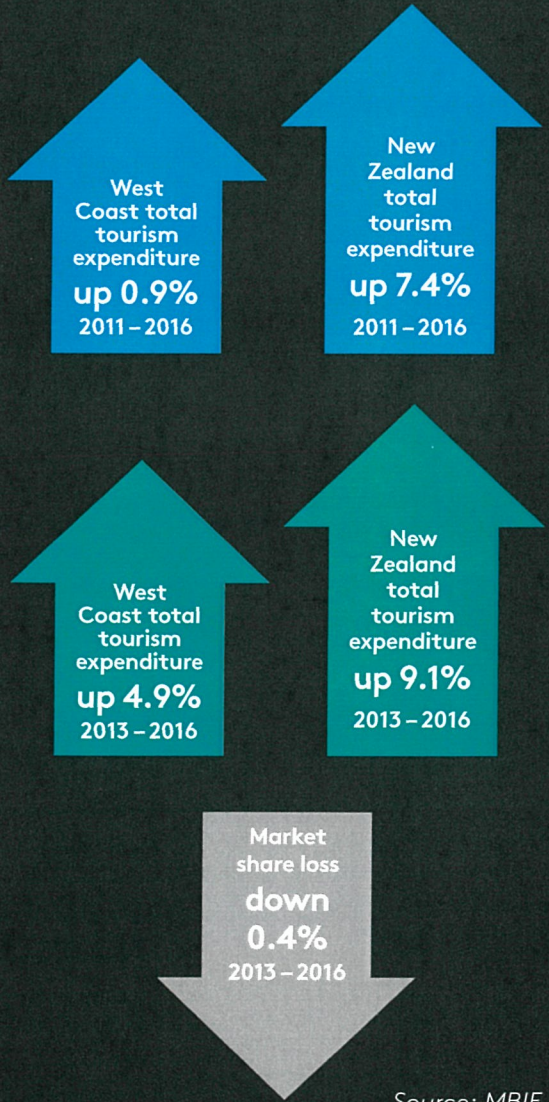
Tourism marketing on the West Coast has been fragmented across the region with a 'West Coast of the Southern Alps' umbrella brand that illustrates little but the geographical nature of the region. Individual businesses, and tourism promotion groups, had therefore adopted a range of unconnected sub-brands to fill the gap, confusing the marketing message.

Consequently, the region has not been well positioned and marketed to compete effectively in what is a very competitive tourism environment; it was not showing the growth required to deliver social and economic benefits to our people, and of most concern, it was losing market share in a growing New Zealand tourism market.

A vision of what was required for the future was clear. The West Coast needed 'more people, more often, staying longer, spending more' and getting a world class, high quality visitor experience, to deliver improved economic benefits.

An in-depth look was taken at what it means to be a 'Coaster', and what attracts visitors to the West Coast. The environment has had a significant influence in creating the 'Coasters' pioneering spirit. With the breath-taking wilderness of mountains, rainforest, lakes and waterfalls, it is an environment that is hard to tame - the essence of what the West Coast represents.

The 'West Coast of the Southern Alps' brand was not capturing this essence and was losing relevance to the people that live on, and visit the region.



Source: MBIE

'The West Coast of the Southern Alps' meant nothing. It told little of what the region had to offer apart from where it was located. Something had to change.

# THE APPROACH

**The success generated by Tourism New Zealand's 100% Pure New Zealand brand campaign provided inspiration given its parallels with where the West Coast was at, with the fragmented nature of marketing by organisations, budgetary constraints and the lack of a brand identity.**

The 100% Pure New Zealand campaign has been running for 18 years and is now ranked as the 3rd best destination brand in the world. We recognised that there was perfect synergy for the West Coast with the 100% Pure New Zealand brand and that there would be significant benefits from creating a strong bond with the overarching Tourism New Zealand brand. By aligning a new West Coast tourism brand with 100% Pure New Zealand, we took an innovative approach and did something that had not been done by any of the other 30 Regional Tourism Organisations in New Zealand.

## The objectives

The aim was to develop a brand that provided a greater understanding of the benefits a visitor would experience beyond just visiting the Glaciers and the Pancake Rocks at Punakaiki. Three objectives were identified to lead a clear process in creating the new brand:

1. Create a brand that identifies the real essence of what the West Coast has to offer visitors.
2. Align the new brand to capitalise on the momentum created by 100% Pure New Zealand.
3. Create a West Coast brand that non-tourism business can relate to and can utilise in their own marketing efforts.

## Brand essence

Brand essence is the 'heart and soul' of the brand – a brand's fundamental nature or quality. Usually stated in two to three words, brand essence is simple, concise, aspirational, attainable, timeless, and enduring.

The brand positioning key helped to identify what the brand essence of the West Coast is. It provided a compelling reason to believe in what the region had to offer as well as what the unique value is to our customers in relation to our competitors. It also helped to provide an insight as to what makes the West Coast the West Coast.

Essentially the process identified three key words which are now core to the brand – Untamed Natural Wilderness.

## The brand

There has been a shift in the experiences sought after by the tourist market. It is now centred on the natural environment New Zealand has to offer – and the best place in the country to experience much of this is on the West Coast. Coupled with this desire is the overcrowding being experienced at other recognised tourist destinations such as Queenstown.

The new brand was to communicate the strengths of the West Coast region. From the positioning and imagery created, visitors and stakeholders alike would immediately understand the diversity of what the West Coast has to offer:

*Experience an unforgettable journey from glaciers, along rugged coastlines, wild rivers and lakes, past natural rock formations to pristine beaches on the most scenic roads and cycle ways.*

The brand was created with an emotional connection for Coasters', businesses and visitors – this is the West Coast's brand. It represents the place we call home. It is a symbol of who we are, what we stand for, and it underpins our values and creates a sense of belonging. The brand shows the world what the West Coast has to offer and creates the desire to visit the place providing this experience.

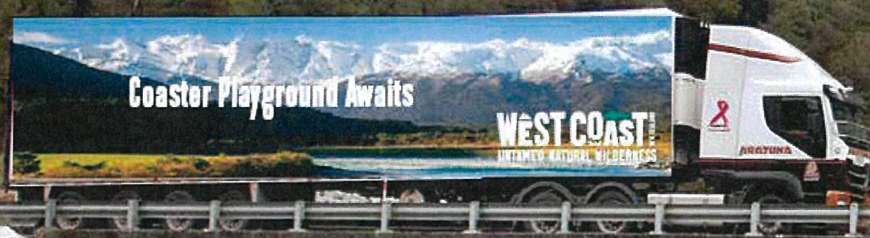
**WEST COAST** NEW ZEALAND  
**UNTAMED NATURAL WILDERNESS**

**100% PURE**  
**NEW ZEALAND**

The West Coast brand has been aligned to Tourism New Zealand's 100% Pure New Zealand. It is clear from the imagery, when the two brands are compared, that there are similarities, however the West Coast brand takes this a step further showcasing the unique attributes of the region under the wider New Zealand brand.

**UNTAMED**  
**NATURAL**  
**WILDERNESS**





## The cost

Development of the new brand was extremely cost effective. This was a real positive for the West Coast region given the constrained resources of all of the various organisations. Utilising the experience and talent, and the very skilled contacts, of the Economic Development Manager, an amazing brand was created at little more than the cost of a box of Steinlager Pure.

## The governance, the management

While Tourism West Coast has a board, and its current funding comes from the District Councils and Development West Coast, it was ultimately up to the CEO of Tourism West Coast to provide oversight of the project.

Managing the brand moving forward is extremely important particularly with ensuring consistency in its use. To assist with this, a Brand Standards Manual was developed to assist businesses with how to use the brand in different situations. Uptake of these standards has been high with many local businesses using the brand to support their own products and services. This is assisting in creating a strategic, consistent, focused, single message for the West Coast.

Many businesses, tourist operators, Councils, Development West Coast and even a local trucking company have adopted the brand and are displaying it on their letterheads, vehicles and with their own logos.

## The consultation

Extensive consultation was undertaken throughout the region. From Haast to Karamaea tourism operators and promotion groups were invited to meetings to discuss the branding as it was developed. An open invitation was offered which meant that any member of the public, or other business entity, could be involved in the process. Some 220 different stakeholders were involved and had their say.

This level of engagement proved invaluable on both sides of the table with the creation of strong partnerships between Tourism West Coast with tourism operators, businesses, the community, along with the Councils and Development West Coast.



# THE COUNCIL'S INVOLVEMENT

**The West Coast Regional Council's involvement has been as an enabler of this branding process.**

In early 2016, Council created a new position and employed a West Coast Economic Development Manager. This person has been the key driver of the project bringing knowledge and experience from previous positions, which identified where the key gaps were in generating wealth for the West Coast and the methods to achieve this.

This appointment has been co-funded with the assistance of Development West Coast.

The next crucial stage of Council's involvement was having belief in the initiative and demonstrating leadership to the

Mayors of the Districts that this was the right approach to take on behalf of the West Coast. Feedback following this approval noted that had the Regional Council not believed in, supported and endorsed the project, it was likely that it would have faltered and failed in the initial stages.

Further to this, Council has also provided other one off funding contributions to assist Tourism West Coast, which has very constrained resources, to allow for purchasing of basic display materials, as well as seeking other means of promoting the branding such as reception and meeting displays.

# THE RISKS

**There was one primary risk that was raised through the development of the brand. This was centred on the connotations of what 'untamed' really meant.**

Feedback from China had people concerned that 'Untamed' meant being bitten by snakes. In a local context, following Helen Clark's now infamous reference to West Coasters as 'feral', locals from Greymouth to the north of the region raised concerns about this being applied to the local population, with potential visitors not understanding that 'Untamed' referred to the environment rather than the population. To those south of Greymouth, 'Untamed' did not go far enough with many commenting that the word was too conservative.

However, these fears do not appear to have been realised. Merchandising has had a significant role to play in mitigating these risks and has very much changed this risk into a major point of difference. The 'Untamed' proposition is now being widely flouted on the chests of many in t-shirt form. With an approximately 70% sales split, it is primarily women that are purchasing these shirts, and are proud to be wearing them.



Forward bookings by travel agents from all key markets are increasing, as well as from China where the fear of snakes is being overcome by the desire to visit the Untamed Natural Wilderness of the West Coast.

## Chinese reality check

Too often messages are lost, obviously unintentionally, in translation. For example 'Come alive with Pepsi' released in 2012 was translated as 'Pepsi bring your ancestors back from the dead!' in Chinese. While this is a good laugh for anyone not directly involved, it was imperative that the West Coast - Untamed Natural Wilderness brand did not meet with the same fate.

## UNTAMED

不染尘嚣的

*A place not crowded, which nature created*

## NATURAL

天然

*As nature intended*

## WILDERNESS

之境

*Land not sea, untouched, remote, beautiful, clear and vast*

Source: Dictionary.com and Chen Feng

# MEASURING SUCCESS

Performance of the West Coast brand since its launch in May 2016 until February 2017 has been staggering. The aspiration for 'more people, more often, staying longer, spending more' has certainly been achieved in an extremely short period of time.

Some may question the impact the Kaikoura earthquake has had on the visitor numbers to the region. All results outlined here exclude the effect the diversion of tourists from Kaikoura would have had.

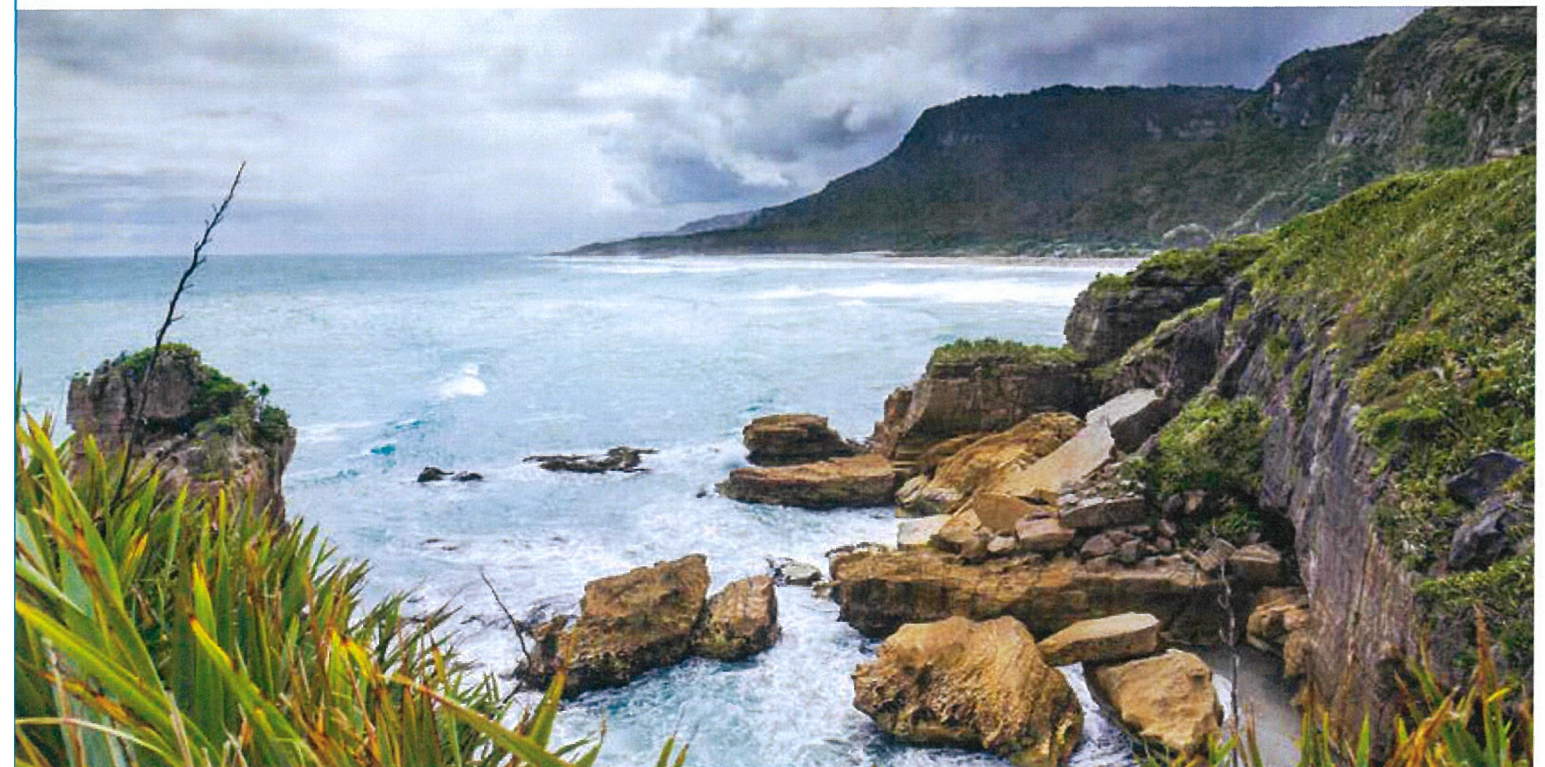


Exceeding expectations, the increased growth in tourism market share has resulted in the previous 6 years losses being recouped in less than a year.

Market share gains are critical in order to increase bed nights and offset any declines in New Zealand tourism performance generally. With 1% of market share of the South Island tourism expenditure equating to \$90.4 million, even small increases in share can have a big impact. As such, 59% of the West Coast's expenditure growth has come from market share gains.

Further evidence of the new brand's success has been the surge in uptake of visitor brochures. In the past, 80,000 visitor brochures have been printed annually and there has been a surplus at the end of the year. With the new brand, this year's brochures have run out within four months.

To date all monies have been targeted to getting the brand in the market place. There has not been any marketing expenditure spent on activities or events.



# THE BENEFITS

Having experienced solid growth for many years, the West Coast was facing the double threat of low coal and dairy prices. Tourism had been identified through the Tai Poutini Growth Study as the major immediate opportunity to grow jobs in the region. The new branding has provided an opportunity to ensure that the tourism sector will grow into the future. With this growth comes substantial benefit to communities throughout the region.

## Objectives outlined in the Tourism West Coast Marketing Plan seek to (by 2021):

- Increase visitor arrivals from 870,000 to 1.1 million (increase by 230,000 visitors)
- Increase tourism expenditure from \$470 million to \$810 million (increase of \$340 million)
- Increase visitor nights by increasing average length of stay from 2.0 to 2.7 (increase by 0.7)

- Increase GDP contribution from \$95 million to \$157 million (increase by \$62 million)
- Increase tourism employment from 2018 FTE's to 2532 FTE's (increase of 514 jobs)

Already visitor numbers are increasing and may in fact pass 1 million in the current financial year. As a result they are spending more, and staying longer, which is creating a flow on effect for businesses and our communities throughout the region. As we move closer to achieving the objectives these positive effects will continue to grow.

Infrastructure and facilities developed as a result of increased visitor numbers, also benefits communities with improved transport network linkages, retail opportunities, local events, and other infrastructure investment. For example, the need to improve communication blackspots in South Westland where close to 1 million visitors now travel. Investment for these types of improvements has significant impact benefitting both the local, and wider regional, population.



# THE FEEDBACK

There is no doubt that the new brand is motivating and inspiring others throughout the West Coast. The brand has been picked up and utilised not only by tourism operators and key stakeholders, but by businesses in other sectors achieving one of the key objectives identified at the start of the rebranding process.

"Well thought through and expressed. 'UNTAMED NATURAL WILDERNESS' captures all I believe to be the West Coast."

**Kevin Roberts**  
Former CEO, Saatchi & Saatchi World Wide.

"UNTAMED NATURAL WILDERNESS is a powerful succinct positioning that reflects the brand's essence perfectly."

**Kevin Kenrick - CEO, TVNZ**

"The branding epitomizes what the West Coast means both on a national and international stage, certainly tells our clients what to expect!"

**Mark O'Donnell - CEO, House of Travel**

"You have not only set the standard, you have raised the bar."

**Ian Collier**  
Air New Zealand, Regional Affairs Manager

"The work that has been done in the West Coast region to capture the essence of their outstanding natural assets within their brand development talks to our consumers in a way that will inspire them to visit. Well done team."

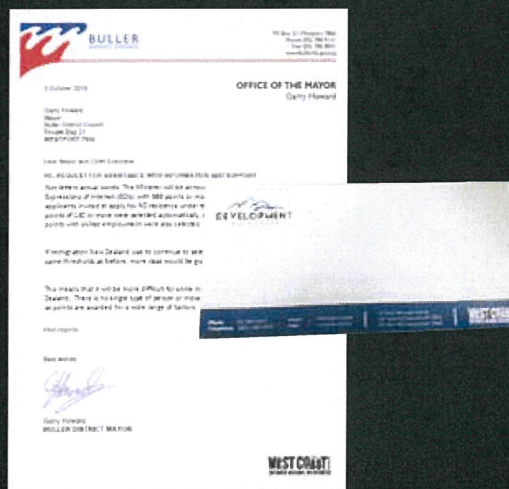
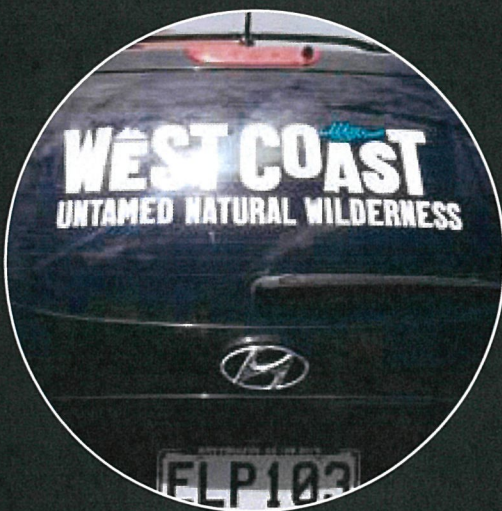
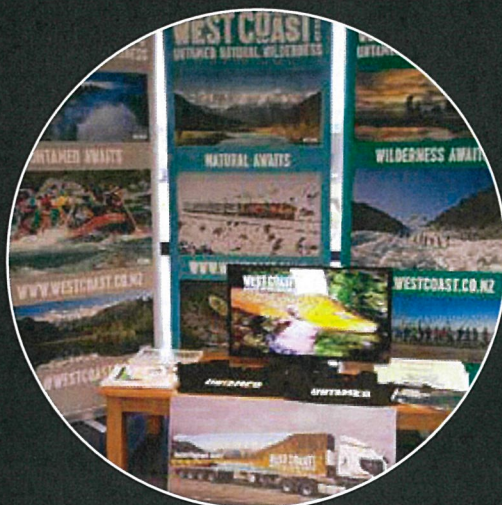
**Natasha Keene**  
Marketing Manager, Tourism New Zealand

"The West Coast has surged up the rankings, jumping 7 spots to fifth this quarter. Indeed the last time, the Coast was in the top 10 was back in June 2012. Most encouragingly, the Coast topped the retail sales growth rankings nationwide, while growth in guest nights was also strong. It seems tourism is working its magic on the Coast. As a result, we bump up the region to three stars."

The Main Report Group ASB 16 Dec Quarter 2016.



Promotional groups now aligning their branding to new branding.



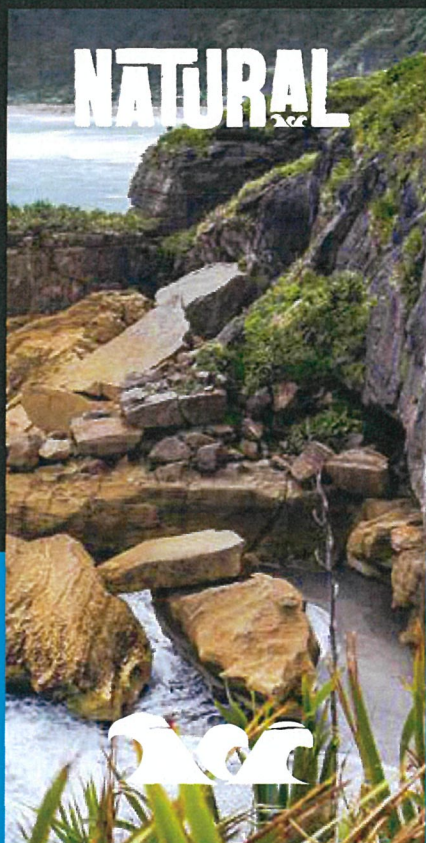
# THE LEARNINGS

**The biggest learning realised through undertaking this project has been the massive value effective consultation can bring to the success of a project.**

The extensive consultation that was undertaken, has resulted in widespread uptake and buy-in of the new brand and what is trying to be achieved for the betterment of not only the region but of the tourism operators, businesses and the community at large. As long as everyone has the opportunity to voice their opinions and thoughts, whether these are positive or negative, then this stands

the brand in good stead moving forward. This level and extent of consultation had not been attempted by Tourism West Coast before and was driven by the very experienced Economic Development Manager.

Secondary to the extent of consultation, the type of information being shared was also found to be crucial to the process. The development and presentation of the Tourism Fact Book, which set out all the current statistics and future forecasts for the region, meant everyone had access to the same information on which to base their future decisions. This type and level of information had not been developed before.



**The astounding success of this rebranding project has led to clear and measureable outcomes which have contributed to the economic advancement of the West Coast region. Our future is bright, and our communities now have opportunities which have the potential to initiate significant change for generations to come.**

This piece of work has not just been a rebranding exercise, it has brought communities and organisations together in a positive and future focused way. It has highlighted and provided an example of the immense value of meaningful consultation and collaboration between Council, businesses and communities. It has proved the necessity for a clear vision moved forward by inspirational and motivational leadership to achieve a mutually beneficial goal together.

We thank you for taking this journey with us and hope that you too will come to experience all the West Coast has to offer - UNTAMED, NATURAL, WILDERNESS.

Prepared for: Council Meeting- 9 May 2017  
Prepared by: Andrew Robb – Chairman  
Date: 28 April 2017  
Subject: **CHAIRMAN'S REPORT**

---

**Meetings Attended:**

**Council DWC Appointment 18 April**

I met with Brannigans to discuss the recruitment process for the appointment of the Council appointee on DWC. This is progressing well with a short list expected by the beginning of May which will be discussed with Councillors before a decision is made at the Mayors and Chairs Forum.

**Kiwicare 21 April**

The Chief Executive, Operations Manager and I met with the CEO and a Director of Kiwicare to discuss potential opportunities.

**Governance Group meeting 26 April**

The Governance Group members met with the consultants engaged to undertake the review of economic development arrangements for the West Coast. The review has been progressing very well and will be finalised in the next few months.

**Freshwater symposium 26 April**

I participated in the programme update with LGNZ.

**Hearing for Proposed Regional Pest Plant Management Plan 2 May**

I will be attending the hearing on 2 May.

**RECOMMENDATION**

*That this report be received.*

Andrew Robb  
**Chairman**

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting 9 May 2017  
Prepared by: Michael Meehan – Chief Executive  
Date: 28 April 2017  
Subject: **CHIEF EXECUTIVE'S REPORT**

---

**Meetings Attended**

- I attended the SOLGM Chief Executives Forum and Executive Leaders Masterclass in Auckland on 12 April.
- I attended the Budget workshop with Councillors and managers on 18 April.
- On 18 April I took part in a teleconference relating to the appointment of a Council representative for Development West Coast appointment, this process has been communicated with Councillors.
- I attended a meeting with NZTA on 20 and 26 April regarding opportunities to work together more on various matters including Franz Josef.
- I attended a meeting with the Franz Josef rating district committee on 24 April.
- On 28 April I met with two public relations companies alongside the Chairman and staff.
- I will be attending the Regional Chief Executive's Forum in Wellington on 2 May and on the following day I will be attending the Chief Executive's Environmental Forum.
- I will be attending a meeting with Westland Milk Products on 4 May.
- I will be attending the CEG meeting on 8 May.

**RECOMMENDATION**

*That this report be received.*

Michael Meehan  
**Chief Executive**



**THE WEST COAST REGIONAL COUNCIL**

To: Chairperson  
West Coast Regional Council

I move that the public be excluded from the following parts of the proceedings of this meeting, namely, -

Agenda Item No. 8.

- |         |     |  |
|---------|-----|--|
| 24 – 25 | 8.1 | Confirmation of Confidential Minutes 11 April 2017 |
| 26      | 8.2 | Land Disposal                                      |
|         | 8.3 | Overdue Debtors Report (to be tabled)              |
|         | 8.4 | Response to Presentation (if any)                  |
|         | 8.5 | In Committee Items to be Released to Media         |

<b>Item No.</b>	<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution.</b>
8.			
8.1	Confirmation of Confidential Minutes 11 April 2017		Item 1 & 2 protecting privacy of natural persons Section 7 (3) (a) of the Local Government Official Information and Meetings Act 1987.
8.2	Land Disposal		
8.3	Overdue Debtors Report (to be tabled)		
8.4	Response to Presentation (if any)		
8.5	In Committee Items to be Released to Media		

I also move that:

- Michael Meehan
- Robert Mallinson
- Gerard McCormack
- Randal Beal
- Nichola Costley

be permitted to remain at this meeting after the public has been excluded, because of their knowledge on the subject. This knowledge, which will be of assistance in relation to the matter to be discussed.

The Minutes Clerk also be permitted to remain at the meeting.