

Council Members

Chairman Allan Birchfield
Cr Stuart Challenger (Deputy)
Cr Brett Cummings
Cr Peter Ewen

Cr Debra Magner
Cr Laura Coll McLaughlin
Cr John Hill

Iwi Representatives

Francois Tumahai (Ngati Waewae)
Jackie Douglas (Makaawhio)



**Meeting of Council
(Te Huinga Tu)**

Tuesday, 13 July 2021

**West Coast Regional Council Chambers, 388 Main South Road, Greymouth
and**

Live Streamed via Council's Facebook Page

10.30 am

Council Meeting

On Completion of Council Meeting

Resource Management Committee Meeting

On Completion of Resource Management Meeting

Councillor Workshop:

Revised Delegations Manual

COUNCIL MEETING

Council Meeting

(Te Huinga Tu)

A G E N D A

(Rarangī Take)

1. Welcome (*Haere mai*)
2. Apologies (*Nga Pa Pouri*)
3. Declarations of Interest
4. Public Forum, Petitions and Deputations (*He Huinga tuku korero*)
5. Confirmation of Minutes (*Whakau korero*)
 - Council Meeting 9 June 2021
6. Chairman's Report
7. Chief Executive's Report
 - Monthly Update
 - Minutes of Audit & Risk Committee 21 June 2021
 - Delegation of Authority – JBWere Investment Portfolio
 - Delegation of Authority – Local Government Funding Agency Limited (LGFA)
 - Summary Annual Report 2020 - **LATE ITEM**
8. **Reports**
 - Operations Report

9. General Business

Purpose of Local Government

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

Health and Safety Emergency Procedure

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If you require assistance to exit, please see a staff member. Once you reach the bottom of the stairs make your way to the assembly point at the grassed area at the front of the building. Staff will guide you to an alternative route if necessary.

H. Mabin

Acting Chief Executive

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE COUNCIL HELD ON 9 JUNE 2021, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.30 A.M

PRESENT:

A. Birchfield (Chairman), S. Challenger, P. Ewen, D. Magner, B. Cummings, J. Hill, L. Coll McLaughlin

IN ATTENDANCE:

H. Mabin (Acting Chief Executive), R. Beal (Operations Director), H. Mills (Planning Science & Innovation Manager), L. Murchison (Consents & Compliance Manager), R. Mallinson (Long Term Plan Project Manager), N. Costley (Strategy & Communications Manager), C. Genet (LTP Auditor), S. Naylor (LTP Auditor), C. Gernetzky (LTP Auditor), N. Selman (Financial Consultant), T. Ramage (Minutes Clerk), The Media.

Cr Birchfield read the prayer

1. WELCOME

2. APOLOGIES

Moved (Challenger/Cummings) *That the apology from J. Armstrong be accepted.*

Carried

3. DECLARATION OF INTEREST

The Chairman called for declarations of interests.

Cr. Challenger cited a conflict of interest. Cr. Challenger works for the company that created the report on the site assessment for the West Coast Regional Council building. Cr. Challenger will not vote on that report.

Moved (Coll McLaughlin/Hill)

Carried

4. PUBLIC FORUM

Tangi Weepu spoke about the pollution of mussel beds at the Arahura Pa. T. Weepu spoke of the Council having Resource Consent to eject raw sewage into the sea at Hokitika, as well as the Council being supported by the Rūnanga. Speaker advised that the Rūnanga do not speak on his behalf as he has mana whenua over the mussel beds, which he says is supported under the RMA. T. Weepu reported no faith in the Rūnanga or the Council. T. Weepu is upset with the Regional Council for letting Westland District Council dump raw sewage straight into the sea, which heads to the mussel beds. T. Weepu is concerned for the environment.

Cr Hill enquired whether the speaker was happy with the mussel beds as they are now with sewage? T. Weepu advised that he was.

Cr Cummings asked T. Weepu if the shellfish had been tested? T. Weepu stated that the Area Health Board tested them a while ago, but he knew of no other testing.

The Chairman thanked T. Weepu for taking the time to come and share with the Council.

5.0 CONFIRMATION OF MINUTES

The Chairman asked the meeting if there were any changes to the minutes of the previous meeting.

Moved (Ewen / Magner) *that the minutes of the Council meeting dated 11 May 2021, be confirmed as correct, with the change made as below.*

Carried

Matters arising

Cr. Ewen advised of correction on Page 3. It was agreed that 10 metres would be changed to two metres.

5.0 CONFIRMATION OF MINUTES OF EMERGENCY COUNCIL MEETING 24 MAY 2021

The Chairman asked the meeting if there were any changes to the minutes. There were no changes requested.

Moved (Ewen / Cummings) *that the minutes of the Emergency Council meeting dated 24 May 2021, be confirmed as correct.*

Carried

Matters arising

REPORTS:

6.0 CHAIRMANS REPORT

The Chairman took his report as read.

Moved (Magner/Challenger) *That this report is received.*

Carried

7.0 ACTING CHIEF EXECUTIVE'S REPORT

H. Mabin spoke to her report and took it as read. H. Mabin answered questions.

Moved (Coll McLaughlin / Cummings) *That this report is received.*

Carried

8.0 LONG TERM PLAN 2021-31 CONSULTATION DOCUMENT

It was agreed that this matter would be discussed in the confidential section of the meeting.

Moved (Challenger / Coll McLaughlin)

Carried

8.1 ADOPTION OF THE ANNUAL REPORT

H. Mabin spoke to this report and took it as read.

Cr Challenger questioned the Provincial Growth Fund regarding the first item where \$3.75M was for the Hokitika Flood and Coastal Erosion Protection. Cr Challenger understood that funding agreements were signed during November with the PGF funding the Coastal protection and not the flood protection, so protection up the river was being paid for by ratepayers. R. Beal advised that the funding was for flood and erosion protection.

Cr Coll McLaughlin sought confirmation with the Rates Increase Affordability for 2018-19 exceeding benchmark on Page 67 of the Annual Report. R. Mallinson advised that it exceeds the previous model. Cr Coll McLaughlin asked for an explanation of how the 'black column' was established for context. R. Mallinson advised that is the limit set in the Long Term Plan. Cr Coll McLaughlin queried if it was set independently. R. Mallinson advised it is set by Council.

Cr Coll McLaughlin referred to Page 53 and the Rating District Meetings and notes there is no formal record of monitoring for the periods between rating district and annual general meetings. She asked what the means in practice and whether it was more of an informal catch-up process. R. Beal advised it is related to the inspection of assets.

The Chairman pointed out that there is a generally an informal agreement with the spokesman for the rating districts, and we liaise with them. He advised that Council depends on those people to monitor the stop banks.

Cr. Coll McLaughlin sought confirmation of the *no formal record* being a process issue as opposed to monitoring not occurring. R. Beal aligned with the Chair and stated that the inspection process is on site, and the rating district spokesperson will do a walkover and they agree as to what will be presented. The Chairman informed the meeting that there is limited staff availability to monitor the stop banks as there is around 70 kilometres of stop banks for rating districts, and therefore Council depends on the local rating district members to advise of any issues.

Cr Coll McLaughlin noted on Page 49 that there was *not achieved* for the compliance for statutory requirements for the preparation review of the implantation of the CDEM plan but in the *progress achieved* column it shows there is a lot of work underway, Cr Coll McLaughlin queried whether there was need for concern and wanted more clarity and information. The Chairman advised that it is better that Civil Defence respond to these queries. H. Mabin agreed to liaise with C. Brown (Civil Defence Regional Director).

Audit New Zealand spoke to their report and informed that the audit is complete.

Moved (Magner / Coll McLaughlin)

1. Receive the Audit NZ Audit Report pursuant to Section 99, Local Government Act 2002.
2. Adopt the 2020 Annual Report pursuant to Section 98 of the Local Government Act 2002.
3. Receive a printer's proof in the 28 June 2021 Special Council Meeting papers.

Carried

8.1 OPERATIONS REPORT

R. Beal spoke to this report. He spoke of the planned works in the Karamea, Inchbonnie and Wanganui Rating Districts.

He advised that they were working with Santec on short agreement for the provision of project management services for the Greymouth Floodwall.

R. Beal advised that the contract with NIWA has been signed and initial workshops have taken place regarding the Westport Flood Warning System.

R. Beal advised that variations to existing resource consents have been submitted so the first 225m of the Hokitika Seawall upgrade from Stafford Street to Hampden Street can commence.

R. Beal advised that Land River Sea Consulting have been engaged to carry out flood modelling and design work for the new and existing stop banks at Franz Josef. NZTA are finalizing their contribution towards the required co-funding and plan to pay in the current fiscal year with the Acting CEO signing the invoice.

Cr. Coll McLaughlin asked whether R. Beal foresaw any Rating District Meetings coming up. R. Beal advised the meeting the next round of Rating District Meetings is scheduled for around October / November.

Moved (Cummings / Hill) *that the report is received.*

Carried

8.2 WEST COAST REGIONAL LAND TRANSPORT PLAN 2021 – 31

N. Costley spoke to this report. Cr Hill asked whether Kiwi Rail have mentioned what they intend to do regarding the powering of locomotives as the South Island is unable to have electrified tracks which they are planning to do in the North.

The Chairman mentioned that it had been discussed.

Moved (Ewen / Cummings)

That Council adopts the West Coast Regional Land Transport Plan 2021 -31 as per section 18B (3) (a) of the Land Transport Management Act 2003, and submit this to Waka Kotahi NZ Transport Agency.

Carried

8.3 PAROA BUILDING SEISMIC ASSESSMENT

H. Mabin spoke to this report.

Cr. Ewen suggested that this is progressed as it could become a health and safety issue. Cr Challenger explained the process to get the building to the correct NBS. It was agreed that this upgrade would commence as soon as possible.

Moved (Magner / Hill)

1. *That Council receive the report.*
2. *That Council advises Officers as to the preferred %NBS that should be applied to Council buildings.*
3. *That Council resolves to have the upgrade of the area to above 34% at the same time as the investigation, and for the costs for the upgrade to 67% be brought back to Council.*

Carried

GENERAL BUSINESS

H. Mills spoke to the meeting on Cyber Security. He informed the meeting the Council will engage with an external consultant to do some programmes on the systems to see if the Council has any vulnerabilities that IT might not be aware of.

It was agreed that H. Mills will bring a report back to Council outlining potential vulnerabilities and any mitigation based on the outcome.

Moved (Coll McLaughlin/Magner) *That the verbal report is received.*

Moved (Magner / Coll McLaughlin)

That the Confidential meeting be moved to after the Resource Management Committee meeting.

Carried

The meeting closed at 11.27 a.m.

.....
Chairman

.....
Date

Report to: Council/Committee	Meeting Date: 13 July 2021
Title of Item: Chairman's Report	
Report by: Chairman Allan Birchfield	
Reviewed by:	
Public excluded? No	

Purpose

For Council to be kept informed of meetings and to provide an overview of current matters.

Summary

This is the Chairman's report for June 2021.

Meetings attended:

- I attended the West Coast Economic Strategy Workshop at Shantytown on 22 June.
- I attended the Te Tai o Pountini Plan committee meeting on 29 June.
- I took part in the South Island Regional Councils Governance Group meeting on 30 June.

Recommendation

That this report is received.

Report to: Council	Meeting Date: 13 July 2021
Title of Item: CEO's report	
Report by: Heather Mabin, Acting Chief Executive	
Reviewed by:	
Public excluded? No	

Report Purpose

The purpose of this paper is to provide Council with transparency around the meetings that the Acting Chief Executive has been involved in and to provide Council with an overview of current matters.

Report Summary

This paper details the interactions, appointments, significant contracts executed, and meetings attended by the Acting Chief Executive to Tuesday 6 July 2021.

Draft Recommendations

It is recommended that Council resolve to:

Receive this report.

Issues and Discussion

Current situation

Activities undertaken in from 1 June 2021 to 5 July 2021 by Heather Mabin were:

- June 3
 - Met with Dr Mike Reid, LGNZ, to discuss framework for LGOIMA and Privacy Act requests.
 - Signed the letter to Hon David Parker re: National Policy Statement for Freshwater Management – provisions added to the Operative Regional Land and Water Plan 2014
- June 4
 - Attended Finance SIG in Wellington.
- June 8
 - Received Lynda Murchison's verbal resignation from her role as Manager Consents & Compliance, effective 2 July 2021.
- June 10
 - Held a Council-wide debrief for WCRC staff on current issues facing Council.
- June 11
 - Participated in a Regional Sector Group meeting with Fonterra relating to potential partnership opportunities with regional Councils.
 - Received letter from Hon Damien O'Connor see attachments 1 & 2
- June 11
 - Attended via Zoom Three Waters update – Local Government New Zealand.
 - Signed contract with The Property Group for provision of E-Plan GIS Services for Te Tai o Poutini Plan.
- June 14

- Held discussions with Mark Davies and Chris Hickford from DOC regarding the Whitebait Fisheries Project that has been assigned to Council from the Jobs For nature portfolio.
- June 15
 - Attended Zone 5 Ministerial meeting and Future for Local Government Workshop in Christchurch.
- June 16
 - Attended meeting with National and Regional PSA representatives.
- June 21
 - Attended the Risk & Assurance Committee meeting.
- June 22
 - Attended the West Coast Economic Strategy Workshop at Shantytown.
 - Signed Westpac document for Multi Option Credit line facility, expires 1 July 2022.
- June 24
 - Attended the Infrastructure Future Forum in Wellington.
- June 29
 - Attended the Te Tai o Poutini Committee meeting.
 - Signed CDEM Resilience Fund project application form.
- June 30
 - Attended the West Coast Co-ordinating Executive Group (CDEM) meeting.
 - Attended via Zoom the South Island Regional Council's CEO's meeting.
- July 1
 - Attended via Zoom Kotahitanga ki te Uru Alliance meeting. An overview of the current status of Jobs For Nature projects on the West Coast is included in the Public Excluded segment of the meeting.
- July 2
 - Signed Contract and Programme of Property Maintenance Schedule to be provided by Programmed Maintenance Services (NZ) Limited until December 2027. This covers the exterior painting, washing & preventative paint maintenance programme of the Main office at Paroa.
- July 5
 - Colin Helem began secondment as Acting Manager Consents & Compliance.
 - Signed contract for Marshall Day Acoustics to supply services for the TTPP.

Considerations

Implications/Risks

Transparency around the activities undertaken by the Acting Chief Executive is intended to mitigate risks associated with Council's reputation due to the need for her appointment.

Significance and Engagement Policy Assessment

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

Attachment 1: Letter from Hon Damien O'Connor, dated 10 June 2021

Attachment 2: Stakeholder advice – Providing a consent pathway for certain sectors under the wetland regulations

Hon Damien O'Connor

MP for West Coast-Tasman

Minister of Agriculture
Minister for Biosecurity
Minister for Land Information
Minister for Rural Communities
Minister for Trade and Export Growth



MIN21-0430

10 JUN 2021

Heather Mabin
West Coast Regional Council
heather.mabin@wrc.govt.nz

Dear Heather

Thank you for your correspondence of 27 May regarding your further proposed regional variations to the wetland rules in the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 and the National Policy Statement for Freshwater Management 2020 (NPS-FM).

You reiterated that you would like the West Coast to be exempt from several provisions of the natural wetland regulations. Officials have indicated to me that to prevent further loss and degradation of natural wetlands, the regulations must be applied consistently across New Zealand.

You may have seen that the Ministry for the Environment released an exposure draft providing further guidance on the definition of natural wetlands under the NES-F. Feedback on the exposure draft is being incorporated and will be released in due course. This guidance will assist the primary and regional sector as they implement these regulations.

The Minister for the Environment Hon David Parker has indicated to Cabinet his intention to publicly consult on providing a consent pathway for quarry, waste management and mining sectors under the wetland regulations later this year. A letter was recently sent to stakeholders from the Ministry for the Environment setting out the Minister's intention and is attached for your information.

I encourage you to make a submission on the quarry, waste management, and mining sector consultation material when it is released. Your expertise and insight on matters that concern the West Coast region, for example on the perverse outcomes when applying the definition of a natural wetland to induced wetlands, are vital to ensure we have considered specific implementation concerns in regard to these regulations. I will pass the issues you raised in your letter on to officials to consider and inform this process.

Thank you for continuing to provide valuable feedback on these regulations.

Yours sincerely

Hon Damien O'Connor
Minister of Agriculture

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand
+64 4 817 8715 | d.oconnor@ministers.govt.nz | beehive.govt.nz

Dear Stakeholder,

Providing a consent pathway for certain sectors under the wetland regulations

The Minister for the Environment, Hon David Parker, has heard concerns raised by the quarry, waste management, and mining sectors regarding the impact that aspects of the wetland regulations are having on their planning and operations. Concerns have also been raised by councils and infrastructure groups in relation to existing plans for housing development. The wetland regulations are part of the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 (NES-F).

The Minister has asked the Ministry for the Environment (the Ministry) to provide you with an update on addressing these concerns.

Cabinet has considered the concerns and noted that there is a clear case for providing a consenting pathway for the affected sectors and projects described above. The Government accepts that there are constraints on where these activities/operations can be located, and that they provide necessary materials or services.

The RMA imposes complex process obligations on the making and amendment of NES regulations. Sometimes these processes are disproportionate, which is systemic of wider processes under the Resource Management Act 1991 (RMA). Enabling more proportionate processes is an aim of the wider RMA reforms that are underway. In the meantime, in finding a remedy to the issues raised above, we are bound by existing RMA processes.

The next step is to provide Cabinet with a detailed proposal (by mid-year), on which public consultation would then occur over a six to eight week period. An exposure draft of amended regulations, based on consultation feedback, would be circulated prior to final Cabinet decisions. Gazettal of amended regulations would be expected by the end of 2021.

It is intended that the detailed proposal directly acknowledge sectors in the National Policy Statement for Freshwater Management 2020, in the same or similar way as 'specified infrastructure'. An associated consent pathway would be set out in the NES-F.

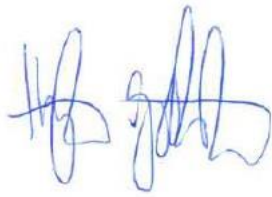
The proposal would apply the 'effects management hierarchy'; and, in particular, the offset requirement that currently applies to consenting for specified infrastructure. This provides for no net loss of wetland extent as a result of providing a consenting pathway.

We are separately aware that the definition of what constitutes a wetland is being applied broadly by regional councils, and that this is impacting on a range of sectors. Draft guidance on this is being consulted on, and should be finalised next month. We anticipate this will reduce

uncertainty by providing clearer direction of what constitutes a wetland, and therefore when a wetland should not be captured by the wetland regulations.

Please note that that this letter will be made available to other parties with an interest in the wetland regulations.

Yours sincerely



Hayden Johnston
Director – Water and Land Use Policy

Report to: Council	Meeting Date: 13 July 2021
Title of Item: Risk & Assurance Committee - Minutes	
Report by: Heather Mabin, Acting Chief Executive	
Reviewed by:	
Public excluded? No	

Report Purpose

The purpose of this paper is to table to Council a copy of the Risk & Assurance Committee's meeting minutes.

Report Summary

On 21 June 2021 the Audit & Risk Committee meeting was held at Council. It was resolved during this meeting, with the adoption of the Committee's April Minutes, to rename the Committee to the Risk & Assurance Committee.

Any decisions at the Committee meeting that resolved for a decision by Council have been addressed by separate papers presented today.

Draft Recommendations

It is recommended that Council resolve to:

Receive for noting the Minutes of the meeting of the Risk & Assurance Committee, held on 21 June 2021.

Attachment

Attachment 1: Minutes of the meeting of the Risk & Assurance Committee, held on 21 June 2021.

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE,
HELD ON 21 JUNE 2021, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING 10.33 AM**

PRESENT:

D. Magner, S. Challenger, B. Cummings, L. Coll-McLaughlin

IN ATTENDANCE: zoom

H. Mabin (Acting Chief Executive Officer), N. Selman (Acting Corporate Services Manager) via Zoom, K. Hibbs (People and Capability Manager), T. Jellyman (Executive Assistant), P. Hibbs (Information Technology), Cr Ewen, Cr Hill.

Cr Magner read the prayer

APOLOGIES:

There were no apologies.

DECLARATIONS OF INTEREST: There were no declarations of interest.

CONFIRMATION OF MINUTES OF MEETING HELD 1 APRIL 2021

Moved (Challenger/ Coll McLaughlin)

That the minutes of the meeting held 1 April 2021 be confirmed as correct.

Carried

MATTERS ARISING

There were no matters arising.

CHAIR AND COUNCILLORS' REPORTS:

Cr Magner provided a verbal report on the meetings she has attended since the last meeting. These included several meetings with H. Mabin and Cr Birchfield. Cr Magner also participated in a conference call with Sam Naylor, R. Mallinson and H. Mabin regarding the Annual Report 2020.

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

Carried

RISK REGISTER – VERBAL UPDATE

H. Mabin reported that there is no update as a new framework is to be developed and a new risk policy would be rolled out across Council. The first workshop is to be held on 7 July and will be combined with Council and the Executive Leadership Team. H. Mabin advised that the policy will then be developed and

a second workshop, involving Council will be held in August. Following this a new risk register will then be developed and implemented.

Moved (Cummings / Challenger) *That the verbal update regarding the Risk Register update is accepted.*

Carried

LONG TERM PLAN PROGRESS REPORT

N. Selman provided a verbal update and stated that work is continuing with AuditNZ. He stated that AuditNZ have advised that they are challenged resource wise and in view of the statutory deadline of 30 June for all Long Term Plans to be completed by they are directing their resources to Council's who will make the deadline. N. Selman advised that Council's LTP will not be completed by 30 June and therefore AuditNZ will not be directing any resources to Council until post 30 June.

N. Selman advised that staff are currently working through outstanding items which are due to Audit NZ by COB on Wednesday.

N. Selman stated that he is hoping to have the Consultation Document to the Council meeting scheduled for 13 July.

Moved (Coll McLaughlin / Challenger) *That the verbal Long Term Plan Progress Report is received.*

Carried

ACTING CORPORATE SERVICES MANAGER, CORPORATE SERVICES REPORT

ITEM 1 – QUARTERLY FINANCIAL REPORT

N. Selman advised that the financial result is inflated by significant capital contributions income received in relation to LiDAR and the Infrastructure Reference Group projects. He stated that capital contributions from central government and other funders are spent on our fixed asset register and this does not represent a fair reflection for how Council is performing. N. Selman advised that this surplus is not all profit as there will be adjustments coming through and the portion of this income that is related to capital contributions will be included in the next financial report. It was noted that there is likely to be a surplus in the year end result but this is more so generated from capital contribution income rather than operating performance.

Moved (Cummings / Challenger) *That the Audit and Risk Committee receives this report.*

Carried

ITEM 2 – DELEGATION OF AUTHORITY – JBWERE INVESTMENT PORTFOLIO

H. Mabin introduced Tom Phillips and Phil Borkin from JBWere to the meeting. H. Mabin advised that due to the pending retirement of R. Mallinson, and herself in an interim role, the signatories for fund investments need to be updated. It was noted that R. Mallinson's signatory will remain in place until 27 August. Discussion took place on the Statement of Investment Policy and Objectives (SIPO) and it was confirmed that Council does need to have two signatories in place but JBWere can act on the basis of any individual who has signed up to the SIPO process.

Discussion took place on futureproofing this process and it was agreed that this would be covered off when the Delegations Manual is revised. H. Mabin stated that given the magnitude of the investment portfolio Council would always be involved in these decisions. Cr Magner agreed with having two signatories for transactions. It was agreed that H. Mabin would bring a paper to the next Council meeting to cover these matters.

Moved (Challenger / Cummings)

That the committee:

- *Approve the removal of Michael Meehan as a Council Officer on JBWere's Statement of Investment Policy and Objectives; and*
- *Approve the inclusion of Heather Mabin as a Council Officer on JBWere's Statement of Investment Policy and Objectives; and*
- *Note that Robert Mallinson will be a Council Officer on JBWere's Statement of Investment Policy and Objectives until 27 August 2021.*
- *Approve the inclusion of Chair Allan Birchfield and Cr Debra Magner, Chair of the Risk and Assurance Committee on JBWere's Statement of Investment Policy and Objectives.*

Carried

ITEM 3 – DELEGATION OF AUTHORITY – LOCAL GOVERNMENT FUNDING AUTHORITY

H. Mabin spoke to this report and advised that currently Council does not have any signatories in place with LGFA. H. Mabin advised that she will put a paper to Council to adopt the delegation as per the recommendations and will also arrange for placement in the revised Delegations Manual.

Moved (Coll McLaughlin / Challenger)

That the Committee resolve to recommend that Council:

- *Approve the inclusion of Heather Mabin as a West Coast Regional Council signatory with LGFA; and*
- *Approve the inclusion of Chair Allan Birchfield as a West Coast Regional Council signatory with LGFA; and*
- *Approve the inclusion of Cr Debra Magner, Chair Risk and Assurance Committee as a West Coast Regional Council signatory with LGFA.*

Carried

Item 4 – Investment portfolio, 31 May 2021, Tom Philips JBWere presentation

JBWere provided an update on the investment portfolio. Mr Phillips introduced Mr Borkin (Chief Strategist) to the meeting. Mr Phillips provided an update on how the investment portfolio is tracking and likely to track over the next 12 months. Mr Phillips shared his screen to the meeting. He stated that the main fund has a total return for the year of around \$1.2M (in percentage terms is just under 12%) which is well ahead of the benchmark which is 8%. Mr Phillips stated that it has been a very strong year for the portfolio. Mr Phillips stated that the catastrophe funds were reintroduced in December last year and this is now fully invested. He explained the status of the main fund and advised that this is overweight with equities and underweight with fixed interest. Mr Phillips spoke extensively to his presentation. He displayed the summary page and stated that there is a strong return market and strong economic recovery now. Mr Phillips stated that post Covid, we are now seeing a strong recovery with strong economic growth at the moment.

Mr Borkin addressed the meeting and stated that the market has been in a very strong return environment especially with equity markets. He stated that the main rationale for this is that we are now in a very strong economic recovery. Mr Borkin stated that those economies that have handled their Covid outbreaks well, like New Zealand, or countries who are now quite well advanced with vaccine rollouts such as the UK and USA. Mr Borkin stated this is the strongest growth the global economy has experienced in a number of years. He stated that the New Zealand economy has done better than expectations, because it handled Covid well, commodity prices high and expected to remain high, this will be good for export prices. Mr Borkin stated that construction is doing well, households have built up savings and are still spending. He stated that this is despite the majority of borders being shut for the majority of the world. He stated that the Reserve Bank is now saying that there is less need for us to continue to provide stimulus. Mr Borkin

stated that interest rates are low and are expected to stay low for a number of years yet. He provided further information and offered to answer questions.

Mr Borkin stated that JBWere are comfortable with the current makeup of the portfolio and the asset allocation of the portfolio.

Cr Magner thanked JBWere for their presentation. JBWere offered to answer questions either now or via the Acting Chief Executive.

Moved (Cummings / Challenger) *That the Committee receives this report.*

Carried

The meeting closed at 11.14 a.m.

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Chairman

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Date

Report to: Council	Meeting Date: 13 July 2021
Title of Item: Delegation of Authority – JBWere Investment Portfolio	
Report by: Heather Mabin, Acting Chief Executive	
Reviewed by:	
Public excluded? No	

Report Purpose

The purpose of this paper is to amend the named Council Officers listed in JBWere’s Statement of Investment Policy and Objectives.

Report Summary

A paper was tabled to the Audit & Risk Committee on 21 June regarding the need to amend of Council Officers listed in JBWere’s Statement of Investment Policy and Objectives.

Given the past and potential future change of senior staff at Council, the Committee agreed that a resolution should be sought from Council that not only amends the existing listing Council Officers but includes the Chair and the Chair of the Risk & Assurance Committee.

Draft Recommendations

It is recommended that the Council resolve to amend the existing Council Officers by:

- *Approve the removal of Michael Meehan as a Council Officer on JBWere’s Statement of Investment Policy and Objectives; and*
- *Note that Robert Mallinson will be a Council Officer on JBWere’s Statement of Investment Policy and Objectives until 27 August 2021.*

It is recommended that the Council resolve to:

- *Approve the inclusion of Heather Mabin as a Council Officer on JBWere’s Statement of Investment Policy and Objectives; and*
- *Approve the inclusion of Chair Allan Birchfield as a Council Officer on JBWere’s Statement of Investment Policy and Objectives; and*
- *Approve the inclusion of Cllr Debra Magner, Chair Risk & Assurance Committee, as a Council Officer on JBWere’s Statement of Investment Policy and Objectives.*

Issues and Discussion

Background

In June 2017 Council entered into an arrangement with JBWere called the Statement of Investment Policy and Objectives (SIPO), see Attachment 1 *West Coast Regional Council Catastrophe and Main Funds - Statement of Investment Policy and Objectives*.

Under SIPO the JBWere and Council Officers are responsible for the management of the Fund’s investments. Council Officers have a governance role to ensure that investments are managed in prudent manner consistent with the purpose of the Funds. These responsibilities include:

- Setting and reviewing the parameters in this SIPO with regard to relevant objectives, risk preference, laws and regulations.
- Securing external management of investments.

- Delegating investment administration activities and custodial functions.
- Establishing clear instructions for operation and engagement with service providers.
- Monitoring and reviewing the performance of investments and service providers.
- Managing conflicts of interest.

Current situation

The recent process to renew Council's Wholesale Investor Certificate, identified the fact that the names of Council Officers on the SIPO needed to be updated. The two employees named were Michael Meehan, a past Chief Executive, and Robert Mallinson.

On 27 August, Robert Mallinson will finish with Council therefore a replacement person needs to be delegated by Council the authority under SIPO.

Considerations

Implications/Risks

The actions outlined in this paper will mitigate the risk of unauthorised staff making decisions about Council's Investment Portfolio held at JBWere.

Significance and Engagement Policy Assessment

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

Legal implications

The suggested amendments to SIPO is in line with the requirements of the Local Government Act 2002 and the Financial Markets Conduct Regulations 2014.

Attachments

Attachment 1: West Coast Regional Council Catastrophe and Main Funds - Statement of Investment Policy and Objectives, June 2017

West Coast Regional Council Catastrophe and Main Funds

Statement of Investment Policy and Objectives (SIPO)



Purpose of this Document:

This document provides a blueprint for the long-term investment strategy of the West Coast Regional Council (the Funds) to assist all associated parties with the supervision, monitoring, and evaluation of the investment portfolio. By adhering to the guidelines in this document it is expected that risk can be reduced and more reliable returns achieved. This document is not intended as a contract of any kind, but rather as a summary of mutually agreed investment management principles and practices.

Prepared by

JBWere (NZ) Pty Limited

0800 555 555

Last Updated: June 2017

1. General

1.1 Purpose of the Funds

The Catastrophe Fund consists of investments held in reserve for the purpose of helping to meet potential emergency funding requirement should a catastrophe occur in the region. The Main Fund has been established for the purpose of growing investments to financially support the work of the West Coast Regional Council (the "Council").

A portfolio of financial assets provides the following valuable characteristics for meeting this purpose that might be lacking with directly held assets:

- *Diversification of risk* (investments spread across regions, sectors, and investment type).
- *Liquidity* (investments generally able to be sold and settled for cash within days).
- *Cashflow generation* (draw down requirements for income and other expenses)
- *Capital growth* (appreciation in portfolio value)

1.2 Scope of this SIPO

This document relates to the management of the Council's financial assets in the Catastrophe Fund and Main Fund (together the "Funds").

1.3 Appointed External Financial Services Provider

The Council has appointed JBWere (NZ) Pty Limited ("JBWere") to provide investment advice, transaction execution, custody and reporting required to manage the Funds.

1.4 Acknowledgements:

This version of the Statement of Investment Policy and Objectives has been agreed to and accepted by:

Individuals acting for the Funds ("Officers"):

Michael Meehan
(CEO)

Robert Mallinson
(Corporate Services Manager)

Representative of JBWere:

Tom Phillips
(Executive Director)

1.5 Reviews of this Document

A review of the investment policies and objectives contained in this document will be undertaken biannually, or sooner if circumstances require, ensuring that stated investment objectives are still relevant and achievable. It is not expected that significant changes will be made to this document frequently. In particular, fluctuations in financial markets should not require adjustment to the strategic asset allocation that represents the core portfolio structure longer term.

Any changes to this document must be approved by the Council and discussed with all parties involved in the investment management process prior to implementation.

2. Responsibilities

The parties responsible for the management of the Funds's investments are the Council's Officers and JBWere as the investment service provider as outlined below.

2.1 Governance

The Officers have a governance role to ensure that investments are managed in prudent manner consistent with the purpose of the Funds. Responsibilities of the Officers include:

- Setting and reviewing the parameters in this SIPO with regard to relevant objectives, risk preference, laws and regulations.
- Securing external management of investments.
- Delegating investment administration activities and custodial functions.
- Establishing clear instructions for operation and engagement with service providers.
- Monitoring and reviewing the performance of investments and service providers.
- Managing conflicts of interest.

2.2 Investment Management and Transaction Execution

The Council has appointed JBWere¹ for discretionary management of investments and transaction execution having the responsibility for:

- Managing the Funds's investments in accordance with a mutually agreed Investment Mandate based on the parameters outlined in this document.
- Efficiently executing all transactions.
- Fulfilling reporting requirements and communicating all significant developments with the Council's investments including any breaches from the agreed parameters set out in the Investment Mandate.
- Complying with all applicable regulatory and legal obligations.

2.3 Custody and Reporting

The Council has appointed JBWere (NZ) Nominees Limited² to provide custody administration and reporting services to the Funds. The custodian is responsible for:

- Holding the Funds's assets in safe keeping.
- Providing performance, accounting, and tax reporting.
 - Intraday valuation (*based on market pricing where traded prices are available*) and transaction reports viewable online using a password protected facility.
 - A quarterly summary review emailed at the end of each financial quarter including value of investments held, transactions executed, cashflows received and paid, and performance of the portfolio against relevant benchmarks over the quarter.
 - Annual financial statements and audit information for tax purposes
- Settlement of transactions.
- Protecting the investments during corporate actions and minimising other areas of potential operational risk.

¹ JBWere (NZ) Pty Limited is a specialist wealth management business in New Zealand, wholly owned by the parent Australian company JBWere Limited that has origins dating back to 1840. A team of professional financial advisers service larger individual, corporate, and non-profit investors across Australia and New Zealand using international best practices and leading research for managing financial investments. JBWere is fully owned by National Australia Bank.

² JBWere (NZ) Nominees Limited is a separate legal entity and wholly owned subsidiary of the Australian parent company JBWere Limited. This nominee company acts a bare trustee that provides anonymity, and through segregation of accounts, ensures control and beneficial ownership of investments remains with each investor.

2.4 Communication and Points of Contact

It is important that an efficient means for communication be established between the Council Officers and JBWere.

- Michael Meehan (Chief Executive Officer) and Robert Mallinson (Corporate Services Manager) are to act as the representatives on behalf of The Council and will be the main point of contact for communication with Tom Phillips and Bruce Robertson at JBWere.
- Mutually agreed times will be set for meetings to formally discuss and review the portfolio with Council or their appointed representatives. All Councillors will receive the quarterly reports and reviews.

3. Investment Objectives

Achieving long-term investment success requires:

- a clearly stated purpose for the Funds
- a well thought-out investment plan
- discipline to adhere to this plan.

3.1 Time Horizon

The investment parameters outlined in this SIPO are based on a long-term investment horizon of greater than 10 years, therefore interim fluctuations in financial markets should be viewed with the appropriate perspective.

3.2 Drawdown Requirements (Withdrawal Policy)

No drawdown is expected to be made from the Catastrophe Fund. The Council has adopted a withdrawal policy for the Main Fund that allows for up to 100% of the Income (being all increases in the value of the Main Fund, realised or unrealised) to be withdrawn on an annual basis.

3.3 Taxation

Both Funds have a tax exempt status. There are some investments where tax is withheld at source that the Funds will be unable to reclaim the tax deducted. The implications for this have been considered when setting the investment strategy.

3.4 Risk Profile

It is important there is alignment of risk preferences among those involved with making investment decisions for the Funds, and that they are consistent with the purpose for which the Funds was established. Investment objectives associated with achieving the purpose of the Funds can be broadly divided into the three competing categories of:

- *Growth* - appreciation in portfolio value
- *Income* - drawdown requirements
- *Safety* - avoiding capital loss from default, poor returns, and investor reaction to variability in returns

An effective investment strategy requires prioritisation among these competing investment objectives, which helps to define the risk profile and mindset required when constructing and managing the investment portfolio of each fund. It is important that investments are managed to achieve agreed quantified targets that relate to these investment objectives over appropriate timeframes.

Catastrophe Fund

Priority	Objective	Attitude	Comment	Quantified Target
1	Safety	A conservative asset allocation is adopted to provide stability in portfolio value.	A conservative and stable investment portfolio is suited to the purpose of having a store of value ready to meet any emergency funding requirements.	Maintain portfolio value ahead of CPI inflation over a 3-5 year period.
2	Growth	Ideally, the inflation adjusted (real) value of investments should be maintained over time.	Growth will come mainly from investments in equities, but also from reinvestment of interest and dividend income.	Investments to outperform relevant asset class benchmarks over a 3 year period.
3	Income	No regular income is to be drawn down.	Investments will be able to support unforeseen (emergency) funding drawdown requirements.	Sufficient liquidity to be able to meet drawdown requirements.
SUMMARY		The Funds is to be considered having a modest tolerance for variability in portfolio value, accepting that a conservative investment stance will limit capital growth.		

Main Fund

Priority	Objective	Attitude	Comment	Quantified Target
1	Income	A regular income is to be drawn down to meet operating expenses.	Investments will be able to support unforeseen funding drawdown requirements.	Able to meet drawdown requirements.
2	Safety	A reasonably conservative asset allocation is adopted to provide a balance between stability and growth in portfolio value.	A reasonably conservative and stable investment portfolio is likely to suit the risk tolerance of the Council.	Maintain portfolio value ahead of CPI inflation over a 3-5 year period.
3	Growth	Ideally, the inflation adjusted (real) value of investments should be maintained over time.	Growth will come mainly from investments in equities.	Investments to outperform relevant asset class benchmarks over a 3 year period.
SUMMARY		The Funds is to be considered having a moderate tolerance for variability in portfolio value, accepting that an overly conservative investment stance will to some extent limit capital growth.		

4. Portfolio Asset Allocation

4.1 Strategic Asset Allocation

The most important impact on investment outcomes longer term is the allocation of investments across different asset classes. The returns between asset classes are typically less correlated (less inclined to move together) than are returns between securities within an asset class. Therefore, asset allocation offers the opportunity to reduce variability in overall portfolio return by having investments spread across asset classes without compromising expected return. However, the ability to impact risk or return from individual security selection is limited, especially for diversified portfolios invested across numerous securities within each asset class.

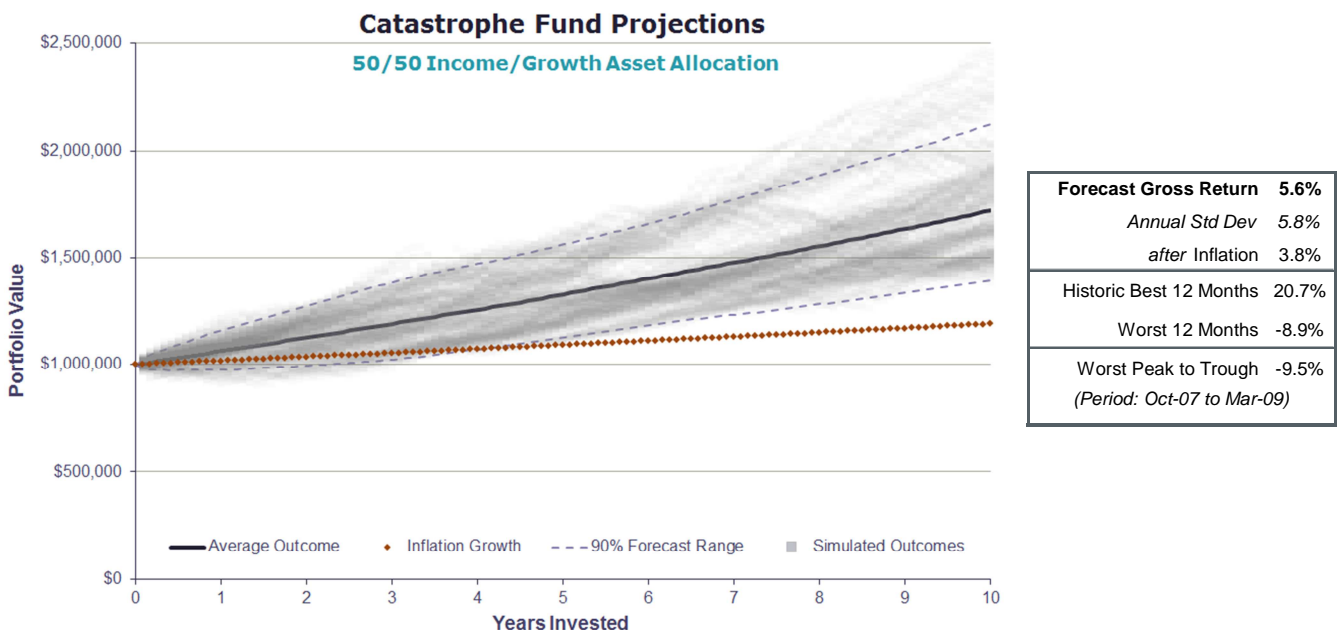
The Strategic Asset Allocation shown in the following table has been determined as most likely to achieve the Funds's investment objectives with an appropriate risk profile over time. Portfolio simulations were used for this determination based on historic market variability and long-term forecast returns (section 4.3) representing the range of market conditions likely to be encountered going forward. The strategic asset allocation provides the backbone to the investment strategy representing the core structure for the portfolio.

4.2 Risk-Return Characteristics of the Strategic Asset Allocation Benchmarks

The table and chart below describes the risk-return characteristics of the chosen strategic asset allocations for the **Catastrophe Fund**. The 10-year expected return for this benchmark asset allocation is 5.6% pa before making any drawdown. These projections ignore fees and the potential for achieving additional return through active portfolio management from security selection and tactical (tilting) asset allocation.

CATASTROPHE FUND		Strategic Asset Allocation	Tactical Range Limits ¹	10-Year Expected Return p.a.	Benchmark Index Representing Asset Class
Asset Allocation					
Cash & Term Deposits	10.0%	0% - 45%	3.50%	S&P/NZX 90 Day Bank Bill Index	
NZ Fixed Interest	35.0%	0% - 65%	4.25%	S&P/NZX A-Grade Corporate Bond Index	
Global Fixed Interest - NZ\$ Hedged	15.0%	0% - 30%	4.75%	Barclays Global Aggregate Bond Index - Hedged to \$NZ	
Income Assets		60.0%	45% - 75%		
Low Correlation Strategies	5.0%	0% - 10%	6.00%	Cash interest rate + appropriate margin for risk	
NZ Equities & Listed Property	10.0%	0% - 20.0%	7.00%	S&P/NZX 50 Portfolio Index	
Australian Equities	10.0%	0% - 20.0%	7.00%	S&P/ASX 200 Index - Unhedged	
Global Equities	15.0%	0% - 30.0%	7.00%	MSCI All Country World Index - Unhedged	
Growth Assets		40.0%	25% - 55%		
			Inflation	1.75%	NZ Headline Consumer Price Index

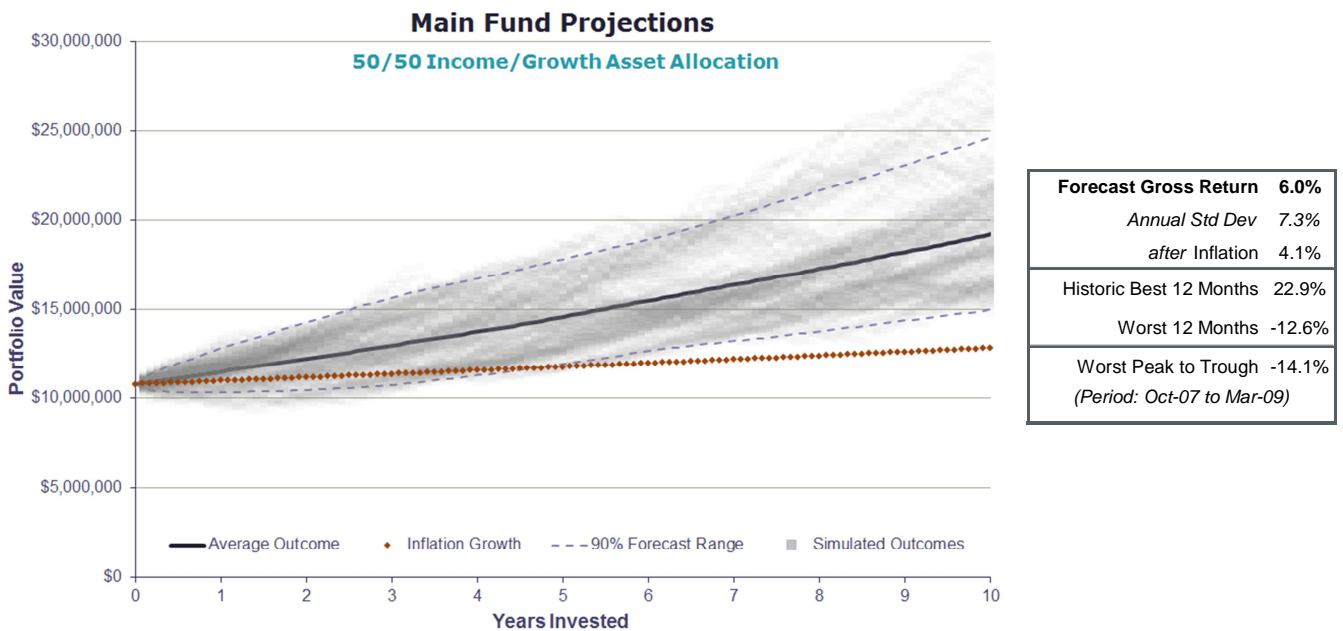
- The Tactical Range Limits have been determined from historic market behaviour to contain deviation in performance of the portfolio from the strategic asset allocation benchmark, particularly the risk of underperforming the benchmark. Breaches to these limits should be avoided longer term to keep the portfolio from taking on risk-return characteristics that are materially from that targeted.
- Private Equity is an extension of exposure to listed equities. These investments are typically made through fund managers and are illiquid, as the manager will dictate when investment is made and distributions are returned to investors. Any uninvested allocation to Private Equity should be reallocation proportionally across NZ, Australian, and Global Equities to maintain the sub-total exposure to equities.



The table and chart below describes the risk-return characteristics of the chosen strategic asset allocations for the **Main Fund**. The 10-year expected return for this benchmark asset allocation is 6.0%pa before making any drawdown. These projections ignore fees and the potential for achieving additional return through active portfolio management from security selection and tactical (tilting) asset allocation.

MAIN FUND Asset Allocation	Strategic Asset Allocation	Tactical Range Limits ¹	10-Year Expected Return p.a.	Benchmark Index Representing Asset Class
Cash & Term Deposits	5.0%	0% - 35%	3.50%	S&P/NZX 90 Day Bank Bill Index
NZ Fixed Interest	30.0%	0% - 60%	4.25%	S&P/NZX A-Grade Corporate Bond Index
Global Fixed Interest - NZ\$ Hedged	15.0%	0% - 30%	4.75%	Barclays Global Aggregate Bond Index - Hedged to \$NZ
Income Assets		50.0%	35% - 65%	
Low Correlation Strategies	5.0%	0% - 10%	6.00%	Cash interest rate + appropriate margin for risk
NZ Equities & Listed Property	12.5%	0% - 20.0%	7.00%	S&P/NZX 50 Portfolio Index
Australian Equities	12.5%	0% - 20.0%	7.00%	S&P/ASX 200 Index - Unhedged
Global Equities	20.0%	0% - 35.0%	7.00%	MSCI All Country World Index - Unhedged
Growth Assets		50.0%	35% - 65%	
Inflation			1.75%	NZ Headline Consumer Price Index

- The Tactical Range Limits have been determined from historic market behaviour to contain deviation in performance of the portfolio from the strategic asset allocation benchmark, particularly the risk of underperforming the benchmark. Breaches to these limits should be avoided longer term to keep the portfolio from taking on risk-return characteristics that are materially from that targeted.
- Private Equity is an extension of exposure to listed equities. These investments are typically made through fund managers and are illiquid, as the manager will dictate when investment is made and distributions are returned to investors. Any uninvested allocation to Private Equity should be reallocation proportionally across NZ, Australian, and Global Equities to maintain the sub-total exposure to equities.



4.3 Tactical Asset Allocation

Tactical “tilts” will be applied to each portfolio by JBWere away from the strategic asset allocation to take advantage of or protect against views on short to medium term performance prospects across asset classes. These tilts to the strategic asset allocation produce target asset allocations for the portfolios. Tactical range limits have been set to limit deviations in portfolio asset allocation from strategic asset allocation, which prevents the portfolios from straying too far from the risk-return characteristics that have been deemed appropriate for each Fund over the long-term.

4.4 Investing Large Cash Positions

A staged approach is recommended when investing a large cash position in either portfolio to avoid investing all at once at unfavourably high prices. The size and intervals between investment stages will depend on the relevant asset classes and market outlook. Under the Investment Mandate for managing both Funds, JBWere has scope to take up to six months to fully invest a large cash amount.

5. Monitoring Investment Performance

The anchor point (benchmark) for performance measurement of each portfolio will be the *passive* performance of the respective strategic asset allocation using the allocation weightings and market indices for the return of each asset class. Additional contribution (or deduction) to performance will come from *active* management of the portfolios from tactical tilts away from the strategic asset allocations, and from the selection of securities invested within each asset class compared to the composition of securities across the market for each asset class.

5.1 Active Management Contribution to Portfolio Return

Relative performance of the Funds will be measured against the passive benchmark return to monitor contribution from active management, which will come from:

- Tactical asset allocation calculated from differences in portfolio asset class weightings relative to the benchmark multiplied by index returns representing the asset classes.
- Security (and fund manager) selection calculated by comparing the return of the Funds' investments against the representative index return for each asset class.

5.2 Portfolio Rebalancing

Actual portfolio asset weightings will vary from the target tactical asset allocation (strategic asset allocation + tactical tilts) due to the relative price movements between asset classes. Portfolio asset weightings will be monitored and rebalanced back towards the target tactical asset allocation when the deviations become significant enough to risk leading to material differences in performance between each portfolio and the target asset allocation. Similarly, investments within asset classes will be rebalanced to the extent that a model portfolio is followed for that asset class (equities). The portfolios will be managed within the agreed asset allocation ranges stated in the Investment Mandate.

Any drawdown requirements from the portfolios will first be met from cash balances, and then from the sale of investments in asset classes that are the most overweight relative to target tactical asset allocation, while new injections of capital will be invested in asset classes that are most underweight.

6. Investment Selection within Asset Classes

6.1 Investment Style and Liquidity

Investments will include securities held directly as well as indirectly through managed funds. Directly investing in securities is the preferred approach to investing in Cash, NZ Fixed Interest, NZ Equities, Australian Equities, Global Equities, while managed funds are preferred for investing in Global Fixed Interest, Private Equity and Low Correlation Strategies.

Investments made by JBWere will generally be liquid and able to be sold and settled for cash within three business days. However, Cash invested on term deposit may incur a break fee if funds are called prior to maturity, and investments in Private Equity and some Low Correlation Strategies will have limited liquidity.

6.2 New Zealand Cash

Cash held in JBWere Custody has the advantages of providing:

- The most competitive interest rates available across a number of banks that JBWere has access to.
- Seamless management of funds flow to and from other investments in the portfolio.
- A reporting overview that enables monitoring the important role of asset allocation in portfolio management.

6.3 New Zealand Fixed Interest

JBWere has a dedicated fixed interest team specialising in research, portfolio construction, and "price-making" of debt securities in the New Zealand fixed interest market. These resources enable effective investment by way of direct holdings of these securities for the portfolio allocation to the New Zealand Fixed Interest asset class.

6.4 Global Fixed Interest

Global Fixed Interest is an important complementary asset class to New Zealand Fixed Interest, having superior liquidity and spread of underlying credit risk across regions and industrial sectors globally than what is available in the New Zealand Fixed Interest market. The recommended avenue for investing in the Global Fixed Interest asset class is through global bond fund managers that have the resources and expertise to manage portfolios of direct investments across these vast markets and to remove foreign currency risk by hedging returns into NZ dollars³. It is standard practice to reduce the risk of this conservative asset class by fully hedging away foreign currency risk. The “positive carry” received from hedging, due to NZ short-term interest rates generally being higher than in offshore markets, results in a boost to the expected return from investing in Global Fixed Interest that makes it comparable to investing in New Zealand Fixed interest.

6.5 Managing Credit Risk with Cash and Fixed Interest Investments

Default risk is a key consideration for the Funds investing in the Cash and Fixed Interest asset classes, and is managed using the following framework that limits exposure to debt issuer categories and single counterparties. This framework provides a practical approach to portfolio management that accommodates the risk-return preferences of the Funds, while allowing for nuances in the New Zealand cash and debt markets:

- Tactical range limits established about the strategic allocations to the Cash and Fixed Interest asset classes.
- Exposure limits to credit rating by issuer category.
- Limits on exposure to single entities within issuer categories, credit ratings, and across asset classes.

The potential impact from increased default risk associated with lower credit ratings is mitigated by simultaneously reducing the maximum exposure limit to that credit rating and requiring that this reduced exposure be spread across more counterparties (single entities). Having regard for the counterparty exposure of the Funds across cash and term deposits is important, particularly when the Funds is also likely to be invested in longer dated securities (bonds) from the same issuer (e.g. banks).

EXPOSURE LIMIT FRAMEWORK		(% of Income Assets)	
Asset Class / Issuer Category	Credit Rating	Max Exposure to Credit Rating ¹	Max Exposure to Single Entity ¹
1. Cash & Term Deposits			
NZ and Australian Banks	A- or better	100%	33%
2. NZ Fixed Interest			
NZ Corporates	AAA	100%	25%
	AA+, AA, AA-	80%	20%
	A+, A, A-	65%	13%
	BBB+, BBB, BBB-	35%	5.8%
	Sub-Investment Grade or Unrated <i>(amount that can be sub-ordinated unrated debt)</i> ⁵	25%	3.6%
		7%	1.4%
Local Authorities "Credit Rated", or where rates are used as security, or security is provided by a debenture / guarantee		50%	12.5%
State Owned Enterprises (SOEs)	BBB- or better	50%	12.5%
NZ Government / Guaranteed Bond	A- (average) or better	100%	100%
3. Offshore Fixed Interest (NZ\$ Hedged)			
Global Bond Funds ³	A- (average) or better	100%	N/A

Notes:

1. Exposure limits are a percentage of investment in **Income Assets** (i.e. Cash, NZ and Global Fixed Rate Interest investments).
3. The maximum exposure limit could be fully allocated to any of the JBWere recommended global bond funds.
4. There is an unrated exposure limit to account for the existence of good quality issues that are not formally rated.
5. Within the universe of unrated issues, consideration could be given to investing in sub-ordinated debt if JBWere has access to research on the underlying company.

³ It is standard practice to remove foreign currency risk from the conservative asset class of Global Fixed Interest by hedging returns back into the home currency of the investor. For New Zealand investors there is the added advantage of enhanced return from the positive carry associated with hedging (converting) foreign currency exposure into New Zealand dollars. This positive carry results in the expected return from Global Fixed Interest being similar (arguable higher) to that achievable from the New Zealand Fixed Interest asset class.

6.6 New Zealand and Australian Equities

Preference is for directly investing in New Zealand and Australian listed equities, where consideration is given to the quality of the company, the industry in which it operates, and pricing relative to valuation. The structure of JBWere recommended portfolios will also take into account themes that are believed will influence sectors of the market, diversification of companies based on relative risks, and specific investor requirements such as taxation imputation, ethical overlay, and time horizon.

Model portfolios are provided to assist with the selection of stocks that are recommended by JBWere in the New Zealand and Australian equity markets. Actual portfolio composition will take into consideration:

- size of funds to be invested
- level of conviction around stock performance
- liquidity of individual stocks
- desire to obtain adequate diversification, and hence control of the risk that the portfolio underperforms the respective market benchmark index

6.7 Global Equities

Investment in Global Equities can be obtained through a prolific array of very liquid and cost effective exchange traded funds, recommended managed funds, and if preferred directly into global equity securities. JBWere maintains a model global equity portfolio using exchange traded funds based on global themes, and also offers this model portfolio as a managed fund that has a currency hedging overlay. JBWere also maintains a list of recommended global equity stocks for direct investment.

6.8 Low Correlation Strategies

This asset class plays an important role in deriving returns that are not affected by conditions in the traditional markets of equities and fixed income. The primary means for investing in this asset class is through recommended hedge funds, from lower risk-return fund of hedge funds to more variable and higher returning individual hedge funds. Ideally, a mix of fund of funds and individual funds should be selected to match the return variability of the chosen strategic asset allocation.

6.9 Foreign Currency Hedging

Allocations to Global Fixed Interest will be fully hedged against foreign currency exposure. However, foreign currency exposure will exist with any foreign currency Cash holdings, and investments in Australian Equities, Global Equities, and some Low Correlation Strategies. The extent that this foreign currency exposure should be hedged back to NZ dollars will depend on the expectations for changes in exchange rates. The benchmarks for the Funds' foreign investments other than Global Fixed Interest will be unhedged.

7. Fees

A single fee of 0.60% pa on the total value of investments across both Funds will be charged quarterly in arrears. This fee covers the following services:

- Strategic advice
- Portfolio investment management subject to an Investment Mandate
- Custody of assets
- Reporting and administration
- *No brokerage* on transactions executed in NZ and Australian markets*
- *No setup fees*
- *No performance fees*

* Third party brokerage that is charged to JBWere (circa 0.25%) for transactions executed outside of NZ and Australian markets will be passed onto the Funds.

8. Risk Identification and Management

Investment risk ultimately comes down to the likelihood of suffering a permanent loss of capital. Sources of investment risk include:

<i>Market</i>	Variability in market prices from equities, currency, interest rate changes (incorporates inflation), and liquidity.
<i>Counterparty</i>	Default and legislative risk associated with credit, political, and regulatory factors at a corporate and country level.
<i>Operational</i>	Operational administration and implementation. Operational error, mismanagement, manager performance.

Often the key source of risk when investing is the investor's reaction to variability in market pricing. Investor emotions can have a large and detrimental impact on returns achieved. The parameters outlined in this document, coupled with the discipline to adhere to these guidelines, is the primary means for keeping emotions in check and delivering consistent returns that are within expectations longer term.

9. Responsible Investing

Responsible investing is an area that has developed rapidly, and continues to evolve with a wide range of standards and procedures being adopted. Responsible investment is increasingly being separated into environmental, social, and corporate governance. Establishing guidelines around responsible investing is largely driven by personal preference. While no specific guidelines have been stipulated in this investment strategy, the following guidelines will be used:

Responsible investing will be achieved by:

- Adhering to the policy guidelines outlined in this document which are modelled on international best practices for wealth management.
- Avoiding investment in entities that violate generally accepted values and practices.
- When the opportunity arises, voting and engaging on environmental, social, and corporate governance issues, and looking for the intention to do this when selecting investment managers.

10. Investment Beliefs

- **Risk and return are related.** Capital markets are broadly efficient in the pricing of financial risk. Higher expected returns on an investment will generally be associated with a higher level of risk.
- **Return requires risk, but risk does not guarantee return.** Achieving a return above that available on high-quality money market investments (a proxy for the risk free rate) requires that risk of some description is taken. However, risk-taking does not guarantee additional return will be achieved, even over long time periods.
- **Diversification reduces volatility.** All other things being equal, combining assets with returns that are less than perfectly correlated reduces the variability of total portfolio return. This is amongst the most important tenets of investment management.
- **The real world is complex.** Real world complexity means that financial theories are often unrealistic and should not be relied upon on every occasion.
- **Behavioural issues are important.** Behavioural issues apply at the security level, the asset class level, and when constructing and managing an overall investment strategy. One example is projecting forward past performance that encourages a more conservative portfolio stance after a period of market weakness, or a more aggressive portfolio stance after a period of market strength.
- **High-quality, proprietary research is essential.** Developing best practice investment portfolios requires a substantial commitment to research, both by advisors, fiduciaries, and managers.
- **Opportunistic management can add value.** Market participants in aggregate receive market returns less costs. However, skilful application of superior access to information, research resources, and access to deal flow can consistently generate above average market returns.
- **Alignment of interests and principle/agency issues are crucial.** Alignment of interests between investors and their agents is crucial in all areas of the investment process.
- **Investment objectives and the meaning of risk vary between investors.** Factors such as time horizon, attitude to likelihood and magnitude of potential loss, liability structure, and broader stakeholder objectives are all important in defining investment objectives and the risk that is relevant to a particular investor.
- **History provides a useful starting point for analysis, but should not be relied upon excessively.** The adage "history never repeats, but it often rhymes" is applicable when investing. Examining history is often a useful starting point for thinking about future investment prospects. However, actual history represents just one outcome that could have occurred from a range of outcomes.
- **Long-term returns are likely to be superior when a genuinely long-term perspective is taken.** Investors who out of necessity must strike a balance between short and long-term objectives face an additional constraint not encountered by those who are able to focus exclusively on the long-term. Long-term investors are better able to structure their portfolios to take advantage of higher returning growth assets and to implement their decisions without undue concern about possible short-run adverse outcomes.
- **Overvalued assets represent a risk.** Prices can deviate significantly from fundamental value over short or even medium-term periods, but will trend towards fundamental value over the long term. Such deviations are often due to behavioural factors. Investing in markets and securities at a time when they are overvalued represents a risk that losses will be sustained when prices revert to fundamental value. Fundamental value invariably depends on the cash flows that will be delivered over time from the investment.
- **Liquidity matters.** Portfolio investments will be monitored to ensure sufficient liquidity to meet expected cash flow requirements as outlined in the investment objectives. The majority of recommended investments held directly or indirectly through pooled vehicles, will be quoted on major market exchanges and may be realised quickly if required. Exceptions could include legacy direct property investments already held and recommended investments in private equity.

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Report to: Council	Meeting Date: 13 July 2021
Title of Item: Delegation of Authority – LGFA	
Report by: Heather Mabin, Acting Chief Executive	
Reviewed by:	
Public excluded? No	

Report Purpose

The purpose of this paper is to establish Council signatories for borrowings from Local Government Funding Agency Limited (LGFA).

Report Summary

During the recent rollover of the \$2,000,000 debt Council held with Local Government Funding Agency Limited, it was established that there are no Council Officers with delegated authority to act for Council in this matter.

To address this, a paper was tabled to the Risk & Assurance Committee on 21 June and the Committee agreed that a resolution should be sought from Council for the establishment of three signatories: - the CEO or anyone Acting as CEO, the Chair and the Chair of the Risk & Assurance Committee.

Draft Recommendations

It is recommended that the Council resolve to:

- *Approve the inclusion of Heather Mabin as a West Coast Regional Council signatory with LGFA; and*
- *Approve the inclusion of Chair Allan Birchfield as a West Coast Regional Council signatory with LGFA; and*
- *Approve the inclusion of Cllr Debra Magner, Chair Risk & Assurance Committee as a West Coast Regional Council signatory with LGFA.*

Issues and Discussion

Background

In December 2011, the Local Government Funding Agency Limited was incorporated as a Council-Controlled Organisation (CCO) that operates under the Local Government Act 2002. Its primary purpose is to provide to local authorities and their CCOs more efficient funding costs and a diversified funding source.

In February 2019 Council joined as a borrower, see Attachment 1, actioned by the then Chair Allan Robb. And then in May that year, Council received its first loan from LGFA.

LGFA's debt obligations are guaranteed by its council shareholders and borrower and guarantor councils. Points to note about LGFA's shareholders are that:

- Other than the New Zealand Government, each shareholder in LGFA must be a Guarantor.
- Any non-shareholder council that borrows in aggregate NZ\$20 million or more from LGFA must be a Guarantor.
- Any council shareholder of a Council Controlled Organisation who borrows from LGFA.

Current situation

The recent process in May to roll-over Council's debt held with LGFA identified the fact that there are no Officers with delegated authority to act on behalf of Council in this matter. Council's current Delegations Manual is silent on the matter of managing debt.

Please note: During the debt roll-over, LGFA advised that Council was one of the few Council's that utilised the services of lawyers and that there were legal services available through LGFA.

Currently, Council is also not a guarantor, therefore limited to total borrowing of up to \$20 million. If Council were to become a guarantor, to be able to then exit a guarantor arrangement, Council would need to have:

- Repay all existing borrowings; and
- Repay all the LGFA's borrowings, current at the time the council notifies of its withdrawal from the guarantee.

During the preparation of the budget for the 2021-31 Draft Long-term Plan, discussion took place as to the potential need for Council to become a guarantor, due to projected debt levels. Officers established that this change would not trigger the requirement to consult the community, however in the short-term there is no need to become a guarantor other than the potential change in ownership structure of Regional Services Holdings Limited (RSHL).

Currently, of the 6 RSHL shareholders, Environment Southland and West Coast Regional Council are not guaranteeing members of LGFA.

RSHL is planning to restructure its organisation, the next milestone being the consideration of a business case about this change at the August Regional CEOs meeting. It is envisaged that given the range of stakeholders the final agreed structure for RSHL will not be in completed until the end of the year.

An aspect of this restructure is for RSHL as a CCO of Councils to become a borrower of LGFA. If this was to happen all shareholding Councils, would need to be guarantors of LGFA and at this point Council would need to consider this change.

Considerations

Implications/Risks

The actions outlined in this paper will mitigate the risk of unauthorised staff making decisions about Council's debt held with LGFA.

Significance and Engagement Policy Assessment

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

Legal implications

The suggested notification of authorised signatories is in line with the requirements of the Local Government Act 2002, the Local Government Borrowing Act 2011 and the Financial Markets Conduct Act 2013.

Attachments

Attachment 1: Accession Deed to Multi-Issuer Deed, Russell McVeagh 26 February 2019

Attachment 2: Letter to LGFA listing West Coast Regional Council's signatories

Accession Deed to Multi- Issuer Deed

PARTIES

West Coast Regional Council

Acceding Party

New Zealand Local Government Funding Agency Limited

Subscriber

DEED dated

26 February

2019

PARTIES

West Coast Regional Council
("Acceding Party")

New Zealand Local Government Funding Agency Limited
("Subscriber")

pursuant to the Multi-Issuer Deed defined below.

INTRODUCTION

- A. The Subscriber has agreed that the Acceding Party may accede to the Multi-Issuer Deed as an "Issuer".
- B. This deed records the accession.

COVENANTS

1. INTERPRETATION

1.1 Interpretation: In this deed:

"Local Authority" has the meaning given to it in the Local Government Act 2002.

"Multi-Issuer Deed" means the deed dated 7 December 2011 (as amended and restated on 4 June 2015) between the Subscriber and various Local Authorities entitled "Multi-Issuer Deed".

- #### 1.2 Multi-Issuer Deed: Terms defined in the Multi-Issuer Deed have the same meaning in this deed unless the context requires otherwise.

2. ACCESSION

2.1 Accession: The Acceding Party hereby:

- (a) agrees with the Subscriber that with effect on and from the date of this deed, it will be bound by the Multi-Issuer Deed as an Issuer as if it had been an original party thereto and named therein as an Issuer, and agrees to be bound by the terms of, and perform its obligations under, the Multi-Issuer Deed; and
- (b) agrees that it will be bound by the special conditions (if any) set out in the annexure to this deed as if those were terms of the Multi-Issuer Deed.

- #### 2.2 Acknowledgement: The Subscriber acknowledges and agrees to the accession made under this deed.



2.3 **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Acceding Party acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Multi-Issuer Deed.

3. NOTICE

The details for notices for the Acceding Party for the purposes of the Multi-Issuer Deed are:

Delivery Address: West Coast Regional Council
388 Main South Road
Paroa
GREYMOUTH 7805

Attention: Robert Mallinson

Email: rm@wrc.govt.nz

Postal Address: West Coast Regional Council
PO Box 66
GREYMOUTH 7840

4. GOVERNING LAW

This deed shall be governed by the laws of New Zealand.

5. NO CROWN GUARANTEE

The obligations and liabilities of the Acceding Party and Subscriber under this deed and the Multi-Issuer Deed are not guaranteed by the Crown.

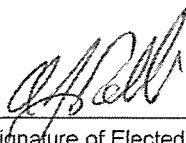
6. COUNTERPARTS

This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

EXECUTED AS A DEED


Acceding Party

WEST COAST REGIONAL COUNCIL by:



Signature of Elected Member
Andrew John Robb

Name of Elected Member



Signature of Elected Member
Terence Neale Archer

Name of Elected Member

Subscriber

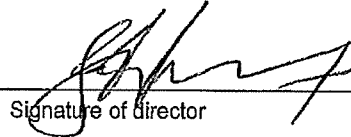
NEW ZEALAND LOCAL GOVERNMENT
FUNDING AGENCY LIMITED by:



Signature of director

CRAGS M. STORE

Name of director



Signature of director

JOHN RICHARD AVERY

Name of director

ANNEX TO THE ACCESSION DEED

1. The Acceding Party will not make any alteration to its Debenture Trust Deed without the prior written consent of the Subscriber.

RM
RM

5 July 2021

Jane Phelan
Operations Manager
NZ Local Government Funding Agency Limited
Wellington
By email to jane.phelan@lgfa.co.nz

Dear Jane

Authorised Signatories

Enclosed is the list of authorised signatories for your records.

Name	Position	Signature
Heather Mabin	Acting Chief Executive	
Cr Allan Birchfield	Chairman	
Cr Debra Magner	Chairperson Risk & Assurance Committee	

Yours faithfully

Heather Mabin
Acting Chief Executive

Report to: Council	Meeting Date: 13 July 2021
Title of Item: Operations Monthly Works Report	
Report by: James Bell – Engineering Officer, Paulette Birchfield - Engineer, Brendon Russ – Engineer, Sabrina Swensson – Business Support Officer	
Reviewed by: Randal Beal – Director of Operations	
Public excluded? No	

Purpose

The purpose of this report is to provide Council with an overview of the works undertaken during the month of June 2021. Also presented in this report will be the production and sale of rock from the council owned quarries during the month of May 2021.

Summary

Both Area Engineers provided assistance to ECAN during the June flood event.

Punakaiki Rating District

The contract to place concrete sections and rock on the Punakaiki Seawall was won by Rosco Contractors Ltd. The first stage of the works commenced in June with the placement of the recovered concrete sections. Rock from the Charleston Quarry will then be blended in with the embedded sections where required.



Punakaiki Seawall, looking North. Concrete sections interspaced between the rock armour on the front face of the revetment.

Greymouth Rating District

The Greymouth Floodwalls were constructed following the double floods of 1988 when the central business and surrounding areas were flooded by the Grey River.

The cost of construction in the early 1990s was approximately \$5 million, which comprised of central government funding of about 80% and Greymouth District Council funding the balance.

The “Greymouth Floodwalls Joint Agreement” sets out the various responsibilities of the West Coast Regional Council (WCRC) and Grey District Council (GDC).

The Joint Agreement is under Local government Act 2002, clauses 12 and 137, and Schedule 7, clauses 30 and 30A.

WCRC is responsible for maintenance and repair and the structural integrity of the floodwalls.

GDC is responsible for;

- Amenity management.
- Storm-water management
- Flood emergency management
- Ownership is vested in GDC.

A Joint Committee meeting was held in October 2020 where a recommendation was made to transfer the ownership of the Greymouth floodwall to WCRC. GDC consulted with the community through the 2021/31 LTP consultation process on transferring the ownership of the Greymouth Floodwall to West Coast Regional Council and has made the decision to formally transfer the asset to WCRC.

A formal paper will be presented to Council at the August meeting on this matter.

IRG Shovel Ready Projects

Greymouth Floodwall

- Preliminary work is ongoing.

Franz Josef

- The project plan including key deliverables for this project have been sent to Kanoa for signoff.
- NZTA have been invoiced for their co-funding contribution and this payment has been received by Council.
- The “Phase 2” working group are meeting 9th July

Hokitika Flood and Coastal erosion

- A new consent application for the full length of the seawall is being prepared. Staff are considering applying to use the Covid-19 Recovery (Fast-track Consenting) Act 2020. This would be a joint application with Westland District Council.

The Fast-track Consenting process is managed in two stages:

- (i) Stage one – application to the Minister for the Environment (the Minister) to obtain permission to use the Fast-track Consenting process.
- (ii) Stage two - once a proposal is accepted for Fast-track the Environmental Protection Authority (EPA) manages the process.

The appeal of any decision made under the Fast-track consenting process is limited to the High Court on points of law, and must be lodged within 15 working days of receipt of the decision.

Financial Implications

It is estimated that there will be additional costs of up to \$200,000 to the Hokitika flood and coastal erosion project for the consenting process.

Attachments

Letter from Hon Nanaia Mahuta.

Quarry Rock Movements for the period of May 2021 (excluding Royalty Arrangements)

Quarry		Opening Stockpile Balance	Rock Sold	Rock Produced	Closing Stockpile Balance
Camelback	Large	37,033.76	57.5	0	36976.26
Blackball		670	0	0	670
Inchbonnie		10,000	0	0	10,000
Kiwi		0	0	0	0
Miedema		0	0	0	0
Okuru		450	0	0	450
Whitehorse		0	0	0	0
Totals		48,153.76	57.5	0	48,096.26

Other Sales:

339T of rubble has been sold to Henry Adams Contracting from Camelback Quarry. This rubble was sold for \$2.00 per tonne for a total of \$678.00 GST Exclusive.

RECOMMENDATION

That the report is received.

22 June 2021

Doug Leeder
Chair, LGNZ Regional Sector
doug.leeder@boprc.govt.nz

Tēnā koe Doug

Thank you for your letter of 14 June on Central Government co-investment in flood protection sent to Community Resilience Ministers. I am responding on behalf of that Ministerial group.

Thank you also for your acknowledgement of the Government's decision to invest \$217 million in shovel ready flood protection schemes. The outcomes of this investment will lead to increased resilience for communities throughout New Zealand.

The Government is committed to working closely with local government on a range of issues including the future for local government itself. There is a very considerable programme of work underway across many different areas such as Three Waters, Resource Management reform and climate adaptation.

The scale and pace of this work programme has meant that we simply cannot do everything at once. Although my Department received some new funding in Budget 2021 to progress the community resilience work programme, there is insufficient funding to undertake all the work needed on system level reforms. This has meant reprioritisation of the work programme including suspending work on the development of a new approach to funding flood risk management with local government.

While officials will not be able to progress discussions with their local government counterparts on a future funding model for flood protection, there are other areas where we can work together. Some of this work will need to build on the work and thinking that has already been undertaken on funding and financing flood protection.

Flood risk management will be considered in the development of the National Adaptation Plan including the funding and financing for climate adaptation. In addition, as the work on storm water unfolds, the relationship with flood risk management will need to be discussed as part of the Three Waters reforms.

My officials have developed areas for national guidance for flood protection to inform the Resource Management reform. It would be very useful if this draft guidance could be tested and discussed with local government river managers drawing on their knowledge and expertise.

There is still a significant amount of work to be undertaken to implement the shovel ready flood protection projects. I understand that officials are working closely with their local government counterparts to oversee projects approved by the Infrastructure Reference Group Ministers.

There is a considerable amount of work that will benefit from the regional sector working closely with central government to deliver outcomes for New Zealanders. While we are not currently able to advance work on a national flood protection funding model, there are significant work streams already in train that will lead to more resilient communities.

I thank you for your support and cooperation in working together on these reforms.

Nāku noa

A handwritten signature in black ink, appearing to read 'N. Mahuta', with a long horizontal flourish extending to the right.

Hon Nanaia Mahuta
Minister of Local Government

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, -

- 8.1 Confirmation of Confidential Minutes 9 June 2021
 - 8.2 Confidential Minutes Risk & Assurance Committee Meeting – 21 June 2021
 - 8.3 Jobs for Nature Report
 - 8.4 Long Term Plan – Supporting Strategies & Policies (to be circulated separately)
 - 8.5 Response to Presentation (if any)
 - 8.6 In Committee Items to be Released to Media
-

Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 7 of LGOIMA for the passing of this resolution.
8.1	Confirmation of Confidential Minutes 9 June 2021		Clause 7 subclause 2 (a)
8.2	Confidential Minutes Risk & Assurance Committee Meeting – 21 June 2021		Clause 7 subclause 2 (a)
8.3	Jobs for Nature Report		Clause 7 subclause 2 (a)
8.4	Long Term Plan – Supporting Strategies and Policies		Clause 7 subclause 2 (a)
8.5	Response to Presentation (if any)		Clause 7 subclause 2 (a)
8.6	In Committee Items to be Released Media		Clause 7 subclause 2 (a)

I also move that:

- Heather Mabin
- Randal Beal
- Hadley Mills
- Colin Helem
- 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.

RESOURCE MANAGEMENT COMMITTEE

Resource Management Committee Meeting

(Te Huinga Tu)

A G E N D A

(Rarangi Take)

1. Welcome *(Haere mai)*
2. Apologies *(Nga Pa Pouri)*
3. Declarations of Interest
4. Public Forum, Petitions and Deputations *(He Huinga tuku korero)*
5. Confirmation of Minutes *(Whakau korero)* 9 June 2021
6. Chairman's Report
7. **Planning and Operations Group**
 - Planning and Resource Science Report
 - Te Tai o Poutini Plan Update
 - Te Tai o Poutini Alternative Committee Member
8. **Consents and Compliance Group**
 - Consents Report
 - Compliance Report
9. **General Business**

H Mabin
Acting Chief Executive

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE HELD ON 9 JUNE 2021, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 11.30 A.M.

PRESENT:

S. Challenger (Chairman), A. Birchfield, P. Ewen, D. Magner, B. Cummings, J. Hill, L. Coll McLaughlin, J. Douglas, F. Tumahai

IN ATTENDANCE:

H. Mabin (Acting Chief Executive), H. Mills (Planning, Science & Innovation Manager), L. Murchison (Consents & Compliance Manager), R. Beal (Operations Director), N. Costley (Strategy & Communications Manager), N. Selman (Financial Consultant), T. Ramage (Minutes Clerk), The Media.

WELCOME

Cr Challenger opened the meeting with a Karakia.

1. APOLOGIES

Moved (Ewen/Birchfield) *That the apology from J. Armstrong and Jackie Douglas be accepted.*

Carried

DECLARATION OF INTEREST

There were no declarations of interest.

PUBLIC FORUM, PETITIONS AND DEPUTATIONS

There was no public forum.

PRESENTATION

There was no presentation.

2. MINUTES

The Chairman asked the meeting if there were any changes to the minutes of the previous meeting.

Moved (Coll McLaughlin / Birchfield) *that the minutes of the previous Resource Management Committee meeting dated 11 May 2021, be confirmed as correct.*

Carried

Matters Arising

There were no matters arising.

3. CHAIRMAN'S REPORT

The Chairman stated that he has nothing to report.

5. REPORTS

5.1 PLANNING AND OPERATIONS GROUP

5.1.1 PLANNING AND RESOURCE SCIENCE REPORT

H. Mills spoke to his report and offered to answer questions.

H. Mill advised of changes made to period of notifications for submissions for the exposure draft of the Natural and Built Environments Bill.

Cr. Coll McLaughlin queried whether the legal advice to change the Grey, Hokitika and Kawatiri Long Term Vision statements were in light of the freshwater changes. H. Mills advised it was because of the freshwater changes and that the Group needed to more specific, as their vision statements were too broad.

Cr. Magner asked if the draft guidance for farmers on the NPSFM was ready to be finalised. H. Mills advised that there are eight info sheets, and they are currently up to number four.

Moved (Cummings / Hill) *That Council receives the report.*

Carried

5.1.2 REMOVAL FROM NEW ZEALAND HERITAGE LIST – GREYMOUTH CBD HISTORIC AREA

H. Mabin spoke to this report and stated that it was for information purposes.

Moved (Birchfield / Coll McLaughlin) *That Council note the paper.*

Carried

5.1.3 TE TAI O POUTINI PLAN UPDATE

J. Armstrong spoke to her report and took it as read.

Moved (Coll Mclaughlin / Magner) *That the report is noted.*

Carried

5.2.1 CONSENTS MONTHLY REPORT

L. Murchison spoke to this report and took it as read.

Cr. Hill advised of concern the community have with the cycle track from Charleston to Westport possibly interfering with the penguins. L. Murchison advised that she would follow up with J. Hunt (Consents Officer) on the consent process.

Moved (Birchfield / Cummings) *That the June 2021 report of the Consents Group be received.*

Carried

5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

L. Murchison spoke to this report and took it as read.

L. Murchison updated the meeting on the court proceedings for CMR Mining and stated that the court handed down a global fine that covers all the charges against Mr White as the company director and the company of \$51,000.

L. Murchison advised that the legal matter relating to Fagan’s Creek has been adjourned for the defendant to be able to work through applying for Resource Consent for the work already done and for ongoing works.

Cr Coll McLaughlin asked whether the proposal from Rosco Contracting Ltd to take contaminated soil from Ravensdown was being progressed. L. Murchison advised that she didn’t think this proposal was going ahead, but agreed to follow up on this.

Moved (Cummings / Tumahai) *That the June report of the Compliance Group be received.*

Carried

5.2.3 MINISTER’S ANNOUNCEMENT – WHITEBAIT

H. Mabin spoke to this report and stated that this is purely for information purposes.

Moved (Coll McLaughlin / Magner) *That the report is noted.*

Carried

GENERAL BUSINESS

F. Tumahai briefed the meeting with reference to Mr McNutt who is concerned about a dump site where hazardous waste has been dumped.

The Chairman stated that that the DHB contractors would have removed the toxic materials and what was left would not be toxic. It was agreed that F. Tumahai will refer Mr McNutt to L. Murchison.

L. Murchison advised there was an issue initially with some of the waste being outside of what they authorised in their current consent and C. Barnes, Senior Compliance Officer has been making regular inspections. L. Murchison advised that she will be contacting Mr McNutt’s lawyer with the result of the latest inspection.

The meeting closed at 11.55 a.m.

.....
Chairman

.....
Date

Report to: Resource Management Committee	Meeting Date: 13 July 2021
Title of Item: Planning and Resource Science Report	
Report by: Lillie Sadler, Planning Team Leader	
Reviewed by: Hadley Mills, Planning, Science and Innovation Manager	
Public excluded? No	

Report Purpose

To update the Committee on planning developments over the last month; approve making the boundary changes to the Lake Kini wetlands operative in the Land and Water Plan; seek the Committee's agreement to make a submission on the Exposure Draft of the Natural and Built Environments Bill; and to delegate authority to approve the submission.

Draft Recommendations

It is recommended that Council resolve to:

1. *Receive the report.*
2. *Make the changes to the Lake Kini scheduled wetlands boundaries on Māori reserve land (KAGP008a and KAGP008b) in the Regional Land and Water Plan operative on 20 July 2021.*
3. *Agree with the updated staff advice in Appendix 1 about which national documents to submit on.*
4. *Delegate authority to the Acting Chief Executive Officer to give final approval of the Council's submission on the Exposure Draft of the Natural and Built Environments Bill.*

Issues and Discussion

Lake Kini wetland boundary changes made operative

Now that the Environment Court has accepted the changes to the boundaries of the Lake Kini wetlands on Māori reserve land, the changes can be formally approved by the Resource Management Committee and made operative, as required by the First Schedule of the Resource Management Act (RMA).

This is the final part of Plan Change 1 to be made operative. It involves showing the amended boundaries in the A3 set of maps that were made part of the Land and Water Plan when the rest of Plan Change 1 was made operative in October 2020. Some minor consequential text amendments will also be made to the A3 map document, as well as to parts of the Land and Water Plan. Appendices 3 and 4 of this report are the A3 map and Plan pages showing the amendments in track changes to be made operative. Text and diagram changes to be added are shown with underline, and text to be removed is shown with ~~strikethrough~~. When the Lake Kini wetland boundary changes are made operative, clean copies of the amended text with no track changes will be made publicly available.

Both sets of pages must be signed and have the Council seal stamped on them. Electronic copies will be available on the Council's website, and public notice given of the date on which the changes become operative.

Staff recommend that the Lake Kini wetland boundary changes become operative on 20 July 2021. This will allow enough time to prepare and distribute the documentation required by the RMA.

Freshwater Implementation

Freshwater Management Unit (FMU) Groups' update

Hokitika: At the 12th meeting on 15 June, the Group reviewed their original Long Term Vision for freshwater in the Hokitika FMU, in order for it to meet the requirements of the Implementation clause 3.3 in the National Policy Statement for Freshwater Management 2020. The Group also started reviewing the draft Recommendations Report.

South Westland: The Group will have a third workshop on 29 July to review their Long Term Vision and complete their recommendations to Council.

Anticipated documents to be notified for submissions

The Table in Appendix 1 is updated based on recent updates from the Ministry for the Environment. Updated information is shown with underline.

Delegated authority to approve submission on Exposure Draft of NBE Bill

The Exposure Draft of the Natural and Built Environments Bill was released for public submissions on 1 July. It does not include all of the Bill's contents, but contains some provisions, and outlines the types of provisions still to be added. Key parts of the Bill include:

- A new purpose to uphold the health/wellbeing of the environment, including by protecting and enhancing the natural environment; present generations can use the environment without comprising the wellbeing of future generations; use of the environment must comply with environmental limits;
- Environmental limits for the natural environment to be prescribed in the national planning framework and in plans;
- National planning framework and plans must promote environmental outcomes;
- One natural and built environment plan for each region;
- A planning committee appointed to develop the environmental plan will include a Department of Conservation representative, mana whenua representatives, and one person nominated by each local authority.

Here are links to the Exposure Draft of the Natural and Built Environments Bill, and the Parliamentary Paper with background to the Exposure Draft:

<https://environment.govt.nz/publications/natural-and-built-environments-bill-parliamentary-paper-on-the-exposure-draft/>

<https://environment.govt.nz/assets/publications/Natural-and-Built-Environments-Bill-Exposure-Draft.pdf>

The submission period closes on 4 August, which is a shorter than normal timeframe to lodge submissions. This is because releasing an exposure draft for submissions is not usually part of the legislative process. A letter from the Minister for the Environment explaining the situation is attached as Appendix 2 of this report.

Staff are preparing a submission and aim to circulate the draft to the Resource Management Committee and Poutini Ngāi Tahu on 26 July, for feedback by 30 July. However, to avoid delays with editing and recirculating the submission, and potentially missing the closing date, it is recommended that authority to approve the final submission be delegated to the Acting Chief Executive Officer. The delegation would only apply to approving this submission, not to all future submissions.

Resource Science

The following links show data visualisation for Reefton Winter air quality monitoring and hydrology flood alarm levels. While there were some flood warning levels triggered which can be viewed in the link below, none of these triggered a Civil Defence response.

<https://www.wcrc.govt.nz/environment/air>

<https://www.wcrc.govt.nz/services/flood-monitoring>

Attachments

Appendix 1: Anticipated documents to be notified for submissions in 2021

Appendix 2: Letter from the Minister for the Environment

Appendix 3: Regional Land and Water Plan - pages with minor consequential amendments

Appendix 4: Regional Land and Water Plan - A3 map pages with consequential amendments and wetland boundary changes

Appendix 1: Anticipated documents to be notified for submissions in 2021

Document	Main points	Approximate period of notification for submissions	Recommendation to submit or not
Exposure Draft - Natural and Built Environments Bill	<p>Purpose of the Bill is to enhance the quality of built and natural environments, for wellbeing of current and future generations, within environmental limits. Proposes outcomes, limits and targets, set in one plan for each region, prepared by local government and mana whenua.</p> <p>Exposure draft of the Bill will be developed for consideration by a select committee inquiry, except it will not be formally introduced into Parliament yet.</p>	1 July – 4 August 2021	<p><u>Staff recommend</u> to make a submission, WCRC will need reasonable transitional provisions in the Bill to be able to get maximum benefit from current and upcoming plan reviews and changes prepared under the RMA.</p> <p><u>Main issues are likely to be:</u></p> <ul style="list-style-type: none"> • <u>the costs of changing all plans into one regional environmental plan</u> • <u>Social and economic implications of setting environmental protection limits in plans.</u> • <u>Stronger emphasis on environmental protection</u> • <u>Erosion of local decision-making on regional plans via a new plan committee structure.</u>
<u>Resource Management (Regional Responsibility for Certain Agricultural Matters) Amendment Bill</u>	<u>MP Mark Cameron’s bill was drawn from the Parliamentary Member’s bill ballot on 1 July 2021. The Bill seeks that regional councils do not have to prescribe some farming rules, including for intensive winter grazing, the application of synthetic nitrogen fertiliser to pastoral land, and sediment control measures. It also seeks to revoke the freshwater Stock Exclusion Regulations.</u>	Not yet known	<u>To be further advised in due course. This Bill was only recently introduced to Parliament for their consideration. It is yet to have its First Reading, where it will be debated and voted on. If successful, it is usually sent to a Select Committee to then go through a public submission process.</u>
Proposed amendments to the National Environmental	MfE is considering proposed amendments to the National Environmental Standard for Sources of	Public consultation is anticipated in	Staff to advise nearer the time whether to submit or not.

Standard for Sources of Human Drinking Water	Human Drinking Water to strengthen how risks to source waters are considered in RMA decision making. These amendments are intended to work in tandem with provisions in the Water Services Bill to provide a proactive and preventative approach for managing risks to drinking water sources.	August-September 2021	
Future Local Government review	An independent review of local government will explore how councils can maintain and improve the well-being of New Zealanders in the communities they serve, long into the future.	No document to be released for submissions at this stage but by 30 September 2021, a report will go to the Minister signalling the probable direction of the review and key next steps	To be advised in due course
Natural and Built Environments Bill		Late 2021, aiming for it to come into force late 2022	Same as for the Exposure draft of the NBE Bill
Strategic Planning Bill	Provides for the development of long-term (30 yrs minimum) regional spatial strategies that integrate land-use planning, environmental regulation, infrastructure provision and climate change response. Mandates use of spatial planning. Requires central govt, local govt, and mana whenua to work together to prepare a strategy.	Bill likely to be Introduced to Parliament in late 2021	Same as above
Managed Retreat & Climate Change Adaptation Bill	Will focus on the necessary steps to address effects of climate change and natural hazards.	Consultation will likely occur in June	Same as above

	Will deal with complex legal and technical issues (e.g. liability and compensation) around managed retreat.	and July 2021. Bill likely to be Introduced to Parliament in late 2021.	
Emissions Reduction Plan	Once the Commission has provided their final advice to the Government by 31 May 2021, Government will need to develop an emissions reduction plan by 31 December 2021 which sets out policies and strategies for meeting emissions budgets.	Likely to be the third quarter of 2021	
National Adaptation Plan	Work on the National Adaptation Plan (NAP) is underway, and will need to be completed by August 2022. The NAP will be an all of government strategy and action plan. The plan will guide action on climate change adaptation between 2022 and 2026 and will respond to and prepare for the risks in New Zealand's first climate change risk assessment.	To be confirmed	



29 June 2021

Tēnā koutou

Parliament has referred an exposure draft of the Natural and Built Environments Bill (NBA) to a select committee inquiry to be carried out by the Environment Committee. The Bill will be open for public submissions shortly.

The release of the exposure draft of the NBA follows the Government's announcement in February 2021 that it would repeal the Resource Management Act 1991 and replace it with three new Acts to reform New Zealand's resource management system.

These proposed new Acts are:

- Natural and Built Environments Act (NBA) to protect and restore the environment while better enabling development, as the primary replacement for the RMA;
- Strategic Planning Act (SPA), to help coordinate and integrate decisions made under relevant legislation, through requiring the development of long-term regional spatial strategies; and
- Climate Adaptation Act (CAA), to address complex issues associated with managed retreat.

The NBA will address the most significant weaknesses in the current RM system. Like the RMA, the NBA will be an integrated statute for environmental protection and land use, and will work in tandem with the SPA.

Given the significance of this reform, a two-stage select committee process is being used, with the select committee inquiry into the exposure draft being the first stage. The second stage will be the normal legislative process for the full Bill.

The NBA and SPA will work together as core parts of an improved resource management system. It is intended for them to be introduced to the House in early 2022, so that they can be considered together. It is also intended that they will be enacted in this Parliamentary term.

Exposure Draft of the NBA

The exposure draft of the NBA is an early draft of the legislation that has not yet been formally introduced into Parliament, and is to be shared with the public for initial feedback. The exposure draft does not cover the full Bill, but instead provides an early look at key aspects including:

- the purpose of the NBA and related provisions;
- the National Planning Framework; and
- Natural and Built Environments Plans.

The Environment Committee inquiry is expected to take 12 weeks, and the Committee will ask the public to make submissions. This will be a valuable opportunity to present your opinions, observations, and recommendations about key aspects of the NBA.

Next Steps

The Environment Committee inquiry will report its findings back to the House, and these will inform further policy development on the reform.

Other components of the legislation that were not developed for the exposure draft will be considered by Ministers before being included in the full Bill.

We encourage you and your associated networks to participate in the select committee inquiry.

Lessons have been learnt from how poor implementation of the RMA contributed to poor outcomes. For the new system, the Government is investing substantial resources to ensure effective implementation.

Links to documents

For further information, please refer to the Select Committee web page available here: www.parliament.nz/en/pb/sc/scl/environment/.

The exposure draft of the NBA legislation and an accompanying parliamentary paper can be found on the Ministry for the Environment's website at: <https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/about-the-exposure-draft/>

Information about how to participate in the Select Committee process can be found at <https://www.parliament.nz/en/pb/sc/make-a-submission/>.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Parker', is positioned above the typed name.

Hon David Parker
Minister for the Environment

Regional Land and Water Plan

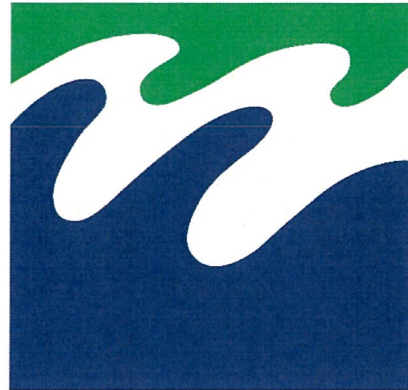


THE WEST COAST
REGIONAL COUNCIL

Operative May 2014

Showing changes from Plan Change 1 made
operative on 22 October 2020,

and consequential amendments re the Lake Kini
wetland boundary changes on Maori reserve land,
made operative on 20 July 2021



THE WEST COAST
REGIONAL COUNCIL

Plan Change 1 to the Regional Land and Water Plan - Lake Kini wetland boundary changes on Māori-owned land

Approved: 13 July 2021

.....
Allan Birchfield
Chairman
West Coast Regional Council

.....
Stuart Challenger
Chairman
Resource Management
Committee

Operative: 20 July 2021

Schedule 1 and 2: Significant Wetlands of the West Coast Region

Significant Wetlands of the West Coast Region

These wetlands support significant values in terms of Section 6(a) and/or 6(c) of the RMA. The Objectives and Policies in Chapter 6 explain the approach to managing wetlands. The general location of the Schedule 1 wetlands is found on the Overview Maps and details of the individual wetlands are to be found in the following Schedule on the maps entitled West Coast Schedule 1 and 2 Wetlands.

Schedule 1 wetlands are identified in the colour red on the following maps.

Schedule 2

Schedule 2 has been inserted into the Plan as a result of appeals on Variation 1 to the Proposed Land and Riverbed Management Plan.

The Objectives and Policies in Chapter 6 explain the approach to managing wetlands. Schedule 2 identified wetlands that either are, or are likely to be, ecologically significant. A wetland in Schedule 2 is considered to be significant if it meets any one of the ecological criteria in Schedule 3. Wetlands identified in Schedule 2 require an assessment using the ecological criteria on Schedule 3 during any resource consent process.

The general location of the Schedule 2 wetlands can be found on the Overview Maps and details of the individual wetlands are to be found in the following Schedule on the maps entitled West coast Schedule 1 and 2 Wetlands.

Schedule 2 wetlands are identified in the colour blue on the following maps.

Scheduled wetlands within or adjacent to the Coastal Marine Area (CMA)

Wetland areas within the CMA are assessed under the provisions of the Regional Coastal Plan. Wetland areas above the CMA are assessed under the provisions of this Plan. Given the fluid nature of the CMA boundary, an assessment of whether a wetland is within the Coastal Marine Area or above it will be made on a case by case basis. Therefore, anyone wanting to undertake an activity in or near a scheduled coastal wetland should check to see whether the rules in the Regional Land and Water Plan or the Regional Coastal Plan apply.

Some of the Schedule 1 and 2 wetland boundaries are amended by Plan Change 1. These are shown on a set of maps that are part of the Land and Water Plan:

“Plan Change 1: Schedule 1 and 2 wetland maps ~~showing~~with changes to wetland boundaries – [operative 22 October 2020](#), ~~excluding~~ [changes to](#) the Lake Kiri wetlands [boundaries](#) KAGP008a [and b](#) on Māori [reserved land](#) – ~~operative 20 July 2021~~–~~under appeal~~”

These maps can be viewed electronically on Council’s website in greater detail.

Maps of other Schedule 1 and 2 wetlands with no boundary changes are retained in the Plan.

Reference Guide to the Schedule 1 and 2 Wetlands

*means the wetland is shown in "Regional Land and Water Plan: Plan Change 1: Schedule 1 and 2 wetland maps with changes to wetland boundaries, ~~ex~~including changes to the Lake Kini wetlands boundaries KAGP008a and b on Maori reserved land ~~under appeal~~"

Wetland Name	Reference	Schedule 1	Schedule 2	Pg. No	In or adjacent to CMA
Heaphy River	HEAP001	x		137	
Gunner Downs	HEAP050		x	137	
Mackay Downs	HEAP051		x	138	
Goulard Downs	HEAP052		x	138	
Otumahana Estuary	KAMP001	x	x	*	x
Kongahu Swamp North	KAMP002a	x	x	*	
Kongahu Swamp	KAMP002b		x	*	
Kongahu South	KAMP003	x		139	
Oparara Lagoon	KAMP005		x	*	x
Butterfly Creek	KAMP007		x	139	
Tony Creek	KAMP008		x	140	
Break Creek	KAMP009		x	140	
Tidal Creek	KAMP053		x	*	
Lawrence Saddle	WANP050		x	141	
Limestone Creek	WANP051		x	141	
Lake Dora and Mokihinui North	WANP052 & 053		x	142	
Blackburn Pakihi	NGAP001		x	142	
Tiger Pakihi	NGAP003		x	143	
Orikaka Wet Forest	NGAP050		x	143	
Denniston Plateau	NGAP051		x	144	
Repo Stream	NGAP052		x	144	
Stockton Ribbon	NGAP053		x	145	
O'Malley Creek	FOUP001		x	145	
Birchfield Swamp	FOUP002, 003, 008, 012		x	*	x
Birchfield Swamp	FOUP004	x	x	*	
Gillows	FOUP005		x	*	
Bradshaws Lagoon	FOUP006	x	x	*	
Buller River Mouth Saltmarsh	FOUP007	x	x	*	
Waimangaroa Swamp	FOUP009	x	x	*	
Jones Creek	FOUP011		x	*	x
Lockington Pakihi	FOUP013		x	146	
Okari Lagoon	FOUP014		x	*	x
South Westport	FOUP016		x	*	
German Terrace	FOUP019		x	146	
Virgin Terrace	FOUP020		x	147	
Caledonian Terrace	FOUP023		x	*	
Costello Hill	FOUP024		x	*	
Bassett's Swamp	FOUP026		x	*	
Silverstream	FOUP029		x	*	
Awakiri River	FOUP030		x	147	
Okari Road	FOUP052		x	*	
Addisons Flat	FOUP053		x	148	
Lake Rahui	BULP001		x	148	
Coal Creek	REEP001		x	149	
Manuka Flat	REEP002		x	149	
Welshmans Pakihi	REEP007		x	150	
Rahu Saddle	REEP009		x	150	
Bald Hill	REEP010		x	151	
Palmers Road	REEP011	x	x	151	
Big River	REEP012		x	152	

Wetland Name	Reference	Schedule 1	Schedule 2	Pg. No	In or adjacent to CMA
Waikukupa Area 2	WAIP010		x	188	
Waikukupa Area 3	WAIP010		x	189	
Oroko Swamp	WAIP011		x	189	
Lake Pratt	WAIP012		x	190	
Lateau & Skiffington	WAIP013		x	190	
Okarito, Deep Creek	WAIP014		x	191	
Waiho Kahikatea Forest	WAIP050		x	191	
Three Mile Swamp	WAIP051		x	192	
Lake Wahapo	WAIP052		x	192	
Heretaniwha Swamp	KAGP004		x	*	x
Jacobs River	KAGP006		x	193	
Lake Kini	KAGP008a		x	193 *	
Lake Kini	KAGP008b		x	194 *	
Manakaiua	KAGP011		x	194	
Meyer Swamp	KAGP012		x	195	
Ohinetamatea River	KAGP014		x	*	
Hunts Beach State Forest	KAGP018		x	*	x
Lake Paringa1	PARP002		x	195	
Lake Paringa 2	PARP002		x	196	
Paringa River	PARP050		x	196	
Lake Moerki	PARP052		x	*	
Horseshoe Flat	MATP050		x	197	
Thomas River	MATP051		x	197	
Mataketake Range	MATP052		x	198	
Clarke Bog	LANP001		x	198	
Marks Flat	LANP002		x	199	
Waiatoto Arawhata 1	HAAP001		x	199	
Waiatoto Arawhata 2	HAAP001		x	200	
Okuru Turnbull	HAAP002		x	*	
Haast River 1	HAAP006		x	200	
Haast River 2	HAAP006		x	201	
Haast Okuru 1	HAAP008		x	201	
Haast Okuru 2	HAAP008		x	202	
Okuru Estuary	HAAP009		x	*	x
Turnbull Waiatoto 1	HAAP012		x	*	
Turnbull Waiatoto 2	HAAP012		x	*	
Cascade River	CASP001		x	202	
Smoothwater River	CASP050		x	203	
Cascade & Teer Plateau	CASP051		x	203	
Matyr River	CASP052		x	204	
Smiths Ponds	CASP053		x	204	
Cascade Tops	CASP054		x	205	
Franklin Swamp	OKUP001		x	205	
Landborough Station	OKUP002		x	206	
Waiatoto	OKUP003		x	206	
Charlies Ponds	OKUP004		x	207	
Gorge Plateau 1	PYKP050		x	207	
Gorge Plateau 2	PYKP050		x	208	
Duncan Saddle Bogs	PYKP051		x	208	
Roa Spur	ARAP051		x	209	



THE WEST COAST
REGIONAL COUNCIL

Regional Land and Water Plan
Operative May 2014

Plan Change 1: Schedule 1 and 2 wetland maps with changes to wetland boundaries
– operative 22 October 2020,

~~Wetlands under appeal are shown with grey shading over text and maps~~
inexcluding changes to the Lake Kini wetlands boundaries KAGP008 a and b on
Māori reserved land ~~under appeal~~ – operative 20 July 2021



Plan Change 1 to the Regional Land and Water Plan: Schedule 1 and 2 wetland maps showing changes to the Lake Kini wetland boundaries KAGP008a and b on Māori reserved land

Approved by resolution of the West Coast Regional Council on 13 July 2021

.....
Alan Birchfield
Chairman
West Coast Regional Council

.....
Stuart Challenger
Chairman
Resource Management Committee

Operative: 20 July 2021

Introduction

This document is one of two documents released by the West Coast Regional Council (the Council) as part of making Plan Change 1 to the Regional Land and Water Plan operative.

The other operative document is the Regional Land and Water Plan showing changes from Plan Change 1.

This set of maps is retained as part of the operative Land and Water Plan. The maps show the final extent of the wetland areas as per the Decisions on Plan Change 1, [and the resolved Environment Court appeal on the Lake Kini wetland boundaries on Māori reserve land](#).

If you have any questions on the Plan Change 1 Wetland Boundaries, or wish to obtain a paper copy of this document, or one of the maps, contact Lillie Sadler on 0508 800 118 ~~ext. 8242~~ or email ls@wcr.govt.nz.



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HAAP012 - Turnbull Waitoto 4 (Decisions)

Legend

- Schedule 1
- Schedule 2

Date created: 24/01/2020, 1553 1:7,000
Author: alexc

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Projection: Transverse Mercator
Datum: NZGD 2000
Units: Meter



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KAGP008B - Lake Kani Pakihi and adjacent wetlands (Environment Court resolution)

Legend

- Schedule 1
- Schedule 2

Date created: 05/07/2021, 1101 1:25,000
Author: alexc

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Units: Meter



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KAGP008b - Lake Kani Pakihi and adjacent wetlands (Environment Court resolution)



- Legend**
- Schedule 1
 - Schedule 2

0 362.5 725 1,450 Metres

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Date created: 05/07/2021, 11:01
Author: alexc

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Datum: NZGD 2000
Units: Metre

Report to: Resource Management Committee	Meeting Date: 13 July 2021
Title of Item: Te Tai o Poutini Plan (TTPP) Update	
Report by: Jo Armstrong, Project Manager	
Reviewed by: Heather Mabin, Acting Chief Executive	
Public excluded? No	

Report Purpose

Update the Resource Management Committee (RMC) on matters relating to Te Tai o Poutini Plan Committee.

Report Summary

Te Tai o Poutini Committee met on 29 June at WCRC. The main item of note was a decision not to undertake any on-the-ground assessment of potential significant natural areas (SNAs) until we have more information about central government direction.

An issue on the correct protocol for receiving papers was also raised at the meeting. It was decided to seek further advice, which is shared below.

Draft Recommendations

It is recommended that the Resource Management Committee resolve to:

Note the report.

Issues and Discussion

TTPP Committee Meeting

The Committee had an in-depth discussion about significant natural areas (SNAs). Early results of an initial desk top assessment of potential SNAs were tabled along with possible options for addressing this topic in TTPP.

The Committee requested a legal opinion to clarify if the rule direction given for TTPP will meet the criteria for the upcoming National Policy Statement for Indigenous Biodiversity and the West Coast Regional Policy Statement. Further identification work is pending this legal opinion being taken back to the Committee.

The Committee also discussed Outstanding Natural Landscapes (ONL). It was agreed that the individual district councils would like to review the extent of the ONLs in their district and decide if there are any specific areas that should be considered for review.

In June we contracted for TTPP GIS content delivery with The Property Group. They have had recent experience delivering district plan GIS work for e-publishing on the Isovist platform that we are using.

Staff are working through the contractual process with a company selected to identify Noise Contours for Hokitika Airport, Franz Josef Heliport, Westport Airport, Greymouth Aerodrome and Karamea Aerodrome. This work will be useful when considering development options close to these sites.

Advice Regarding Accepting Papers

A paper on significant natural areas was presented to the TTPP Committee by planning staff. Committee members expressed some concern that accepting the paper would mean that they endorsed the maps appended to it. Advice from LGNZ is that, as a rule of thumb, it is generally good practice to accept papers

tabled on the agenda for discussion. Accepting the paper for discussion does not mean that governors are accepting or endorsing the content of the report. Through the course of discussion councillors can resolve not to accept the contents, recommendations or options contained in the paper.

In this case the Committee could have received the paper but not accepted the maps, and still provide feedback on the options, as occurred at this meeting. This report was an information paper, and decisions were not a recommended or expected outcome.

Report to: Resource Management Committee	Meeting Date: 13 July 2021
Title of Item: Te Tai o Poutini Plan – Alternate Committee Member	
Report by: Jo Armstrong, Project Manager	
Reviewed by: Heather Mabin, Acting Chief Executive	
Public excluded? No	

Report Purpose

To select an alternate representative to attend Te Tai o Poutini Plan Committee meetings if a permanent Committee member is unavailable.

Report Summary

The TTPP Committee discussed the selection of alternate council members to be available to attend TTPP Committee meetings should a permanent member be absent.

Draft Recommendations

It is recommended that Resource Management Committee resolve to:

1. *Select an alternate member to attend Te Tai o Poutini Plan Committee meetings if a permanent Committee member is unavailable.*

Issues and Discussion

Option to select an Alternate WCRC Representative for TTPP

The Local Government Reorganisation Scheme (West Coast Region) Order 2019 allows that:

- a. each party to the Tai Poutini Plan Committee may, for a specified meeting or meetings, appoint a deputy member in place of (as appropriate) that district's mayor, the chairperson of West Coast Regional Council or a member they have otherwise appointed who may perform all the functions, responsibilities, duties, and powers of the member for that meeting or meetings. The party must give notice to the other members (or the chairperson) of the appointment of a deputy for a specified member prior to the meeting or meetings concerned.

The district councils have each identified an alternate to attend TTPP Committee meetings in the place of an absent permanent member. This option has been exercised at one meeting in the past 28 months.

Should the need arise in the future, it is recommended that the Regional Council also identifies an alternate to attend TTPP meetings if a permanent appointee is unavailable.

Report to: RMC Committee	Meeting Date: 13 July 2021
Title of Item: Consents Monthly Report	
Report by: Leah Templeman, Consents & Compliance Business Support Officer	
Reviewed by: Lynda Murchison	
Public excluded? No	

Purpose

For the Resource Management Committee to be kept informed of activities in the Consents department, and to provide an update on current matters.

Summary

This is the Consents report for June 2021 activities.

RECOMMENDATION

That the June 2021 report of the Consents Group be received.

Site Visits

Four consents-related sites visits were undertaken between 37 May 2021 and 30 June 2021:

27/05/2021	Investigation, Sewell Peak, Taylorville	Consents Officer Rachel Clark, Compliance Officer Chris Barnes, Consultant Wayne O’Keefe and Contaminated Sites Expert from Davis Ogilvie observed digger exploring the impervious base of the site and discussed potential merits and issues with using the site for landfill.
03/06/2021	Pre-application site visit, TrustPower, Kaniere	Consents Officer Rachel Clark, Compliance Officer Greg Sturgeon and TrustPower representative discussed river erosion and if the current consents covered the proposed work or if a new consent or change of conditions was required.
09/06/2021	RC-2021-0069, Birchfield Coal Mines, Reefton	Consents Officer Rachel Clark, Compliance Officer Emma Carrad and Consultant Luke McNeish viewed the site and the current diversion that is in place and discussed potentially affected parties.
25/06/2021	RCF-2021-0079 Canaan Farming Moana	Consents Officer Jorja Hunt with Compliance Officer Greg Sturgeon viewed the site to ascertain effluent management and potential runoff from four standoff pads.

Non-notified Resource Consents Granted

Fourteen non-notified resource consent applications were granted 01 June 2021 to 30 June 2021:

RC-2021-0054 Janr Farms Limited Bakers Creek, Karamea	To discharge treated dairy effluent to land where it may enter water and to water being a farm drain discharging into Bakers Creek.
RCF-2021-0057 KiwiRail Holdings Ltd Unnamed Creek, Dobson & Omoto	To disturb the bed of multiple unnamed creeks to replace culverts, Dobson and Omoto (national environmental standards). To undertake earthworks and vegetation clearance within 10m of a natural wetland, Dobson (national environmental standards).
RC-2021-0069 Robert and Michelle Little Lees Ferry Road – Unnamed tributary of the Grey River	To disturb the bed of an unnamed tributary of the Grey River for the purposes of water diversion. To divert the flow of an unnamed tributary of the Grey River.
RC-2021-0059 BT Mining Ltd Stockton Mine	To discharge compost to land in circumstances where it may enter water, Stockton Mine.
RCF-2021-0055 Gallagher Farms Limited Westport	To discharge dairy effluent to land where it may enter groundwater for stockholding areas, DS 775, Westport (national environmental standards).
RC-2021-0006 Waka Kotahi NZ Transport Agency Waimangaroa Bridge	To disturb the bed of the Waimangaroa River for the purpose of underpinning the bridge and placing rock riprap. To temporarily divert the Waimangaroa River for the purpose of underpinning the bridge and placing rock riprap. To incidentally discharge sediment to the Waimangaroa River for the purpose of underpinning the bridge and placing rock riprap.
RC-2021-0061 KiwiRail Holdings Ltd Various locations within the rail corridor	To undertake earthworks and vegetation clearance within riparian margins and on land greater than 25 degrees slope associated with culvert repair and replacement, various locations within the rail corridor as it traverses the Grey River, Coal Creek, Buller River and Stillwater.

<p>RC-2021-0062 Alan Summers Wall Road, Kowhitirangi</p>	<p>To discharge dairy effluent to land where it may enter water and to surface and groundwater near DS 260, Kowhitirangi.</p>
<p>RC-2021-0066 Terry Stuart Gibson, Michelle Anne Gibson & Gareth Dean Pietzner & Anna Marie Pietzner</p>	<p>To discharge treated sewage wastewater on-site from a dwelling on to land in circumstances where it may enter water, at Lot 12 DP350045, Beechwater Drive.</p>
<p>RC-2021-0004 Punakaiki Farm Limited Punakaiki River</p>	<p>To disturb the dry bed of the Punakaiki River for the purpose of extracting gravel.</p>
<p>RC-2021-0071 New Zealand Transport Agency State Highway 6, Moeraki and Whakapohai Bridges</p>	<p>To undertake earthworks and vegetation clearance within Erosion Prone Area 2, Moeraki and Whakapohai Bridges.</p>
<p>RC-2021-0067 Silvie Saskova Lot 29 DP457954 Haydens Road Rutherglen</p>	<p>To discharge treated sewage wastewater on-site from a dwelling on to land in circumstances where it may enter water, Lot 29 DP457954 Haydens Road, Rutherglen.</p>
<p>RCF-2021-0072 KiwiRail Holdings Ltd Rail corridor, Crookes, Arnold and Buller River Catchments</p>	<p>To take or divert groundwater for dewatering purposes associated with railway maintenance in the Crooked Arnold and Buller River catchments.</p> <p>To undertake earthworks and vegetation clearance within and within 10m of a natural wetland and to take, divert and discharge water within and within 100m of a natural wetland in the Crooked, Arnold and Buller River catchments (national environmental standards).</p>
<p>RC-2021-0069 Birchfield Coal Mines Ltd Reefton Distribution Centre, Country Road, Reefton</p>	<p>The disturb the bed of an unnamed creek associated with the maintenance of a diversion channel, Reefton.</p> <p>To divert water through a diversion channel, unnamed creek, Reefton.</p> <p>To discharge coal to land in circumstances where it may enter water, Reefton.</p>

Changes to Consent Conditions

Five applications to change consent conditions were granted in the period 01 June 2021 to 30 June 2021

RC07075-V1 So Big Dairies Limited Bulls Road, Westport	To increase the number of cows.
RC-2017-0082-V1 Westroads Limited Flower Street, Blaketown	To change monitoring requirements for dust nuisance.
RC10193-V6 Buller Coal Limited Westport	To vary conditions pertaining to the mine water discharge permits associated with an open cast coal mining on the Denniston Plateau.
RC12081-V4 Westland Dairy Company Limited Hokitika	To change the monitoring condition for Yersinia.
RC07223-V2 Mr Ross Daniel Moore Reefton	To allow the discharge to land of a limited amount of demolition waste from the Kingsgate Hotel site at an existing landfill consented to accept asbestos.

Limited Notified and Notified Resource Consents

No limited notified or publicly notified resource consents were issued in the period 01 June to 30 June 2021.

Resource Consent Applications for Resubmission

Under s 88 of the Resource Management Act 1991, the following resource consent applications were not accepted for processing and the applicant invited to resubmit their application:

RC-2021-0077
Gamos Resources Ltd
Franz Alpine

Applicant submitted two old resource consent applications for community wastewater systems at Franz Alpine (RC06149 & RC09015/1). These consents expired in September 2011 and March 2014, respectively. The community sewage system authorised by RC09015/1 does not function and there is a long-standing issue that needs resolution. However, the applicant is not the owner of the land and did not provide any information to explain what was being applied for now, how this new proposal relates to the remaining infrastructure from the defunct community system, who would use the new system or how it would be owned, operated, funded and maintained long-term, or the legal relationship to the landowner. The applicant received a detailed letter outlining the information needed to enable an application to proceed.

Report to: RMC Committee	Meeting Date: 13 July 2021
Title of Item: Compliance and Enforcement Monthly Report	
Report by: Colin Helem, Compliance Team Leader	
Reviewed by:	
Public excluded: No	

Purpose

For the Resource Management Committee to be kept informed of activities in the Compliance and Enforcement department, and to provide an update on current matters.

Summary

This is the Compliance and Enforcement report for June 2021 activities.

RECOMMENDATIONS

1. That the July 2021 report of the Compliance Group be received.
2. That the \$5,000 bond for RC-2014-0110 Peter Savage is released.

Site Visits

A total of 51 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits
Resource consent monitoring	18
Mining compliance & bond release	24
Complaints	9
Dairy farm	0

This report covers the period of 28 May 2021 to 30 June 2021.

- A total of 12 complaints and incidents were recorded.

Non-Compliances

Note: These are the activities that have been assessed as non-compliant during the reporting period.

A total of 3 non-compliances occurred during the reporting period.

Activity	Description	Location	Action/Outcome	INC/Comp
Discharge to air	A compliance officer while travelling on the state highway observed that materials were being burnt on an outside fire. The black smoke from the fire led the officer to believe that plastics were being burnt.	Hokitika	On investigation it was found that prohibited materials were being burnt which included plastics and treated timbers. The operator has been issued with a formal warning.	Incident

Activity	Description	Location	Action/Outcome	INC/Comp
Discharge to water	Complaint received that a creek was discoloured with sediment behind the WDC Butler's landfill.	Butlers	Enquiries established that a contractor engaged to do work at the landfill was driving through a small creek with machinery which was causing the discharge of sediment. A verbal direction was given to install a culvert to prevent further discharges. A follow up inspection will be undertaken.	Complaint
Gravel Extraction	A routine inspection of a gravel extraction site established that the extractor had not remediated the riverbed to a compliant standard.	Reefton	As the contractor still had machinery nearby a direction was given to do further work to remediate the site properly.	Incident

Other Complaints/Incidents

Note: These are the other complaints/incidents assessed during the reporting period whereby the activity was found to be compliant, or non-compliance is not yet established at the time of reporting.

Activity	Description	Location	Action/Outcome	INC/Comp
Riparian Margin Clearance	Complaint received that a farmer has cleared or damaged riparian margin vegetation.	Seddonville	The site was investigated and established that no breach of the regional rules had occurred.	Complaint
Wastewater discharge	Complaint received that a caravan located permanently on a section was discharging its waste onto the ground which was then entering a stormwater drain.	Little Wanganui	The site was investigated and established that the complaint was not substantiated. There was no evidence of discharges from the site.	Complaint
Discharge of dairy animal effluent	Complaint received that a person has dumped dairy effluent sludge near a creek.	Little Wanganui	The site was investigated and established that it was not dairy effluent but earth that had been dumped in several locations off the side of the road near the creek.	Complaint

Activity	Description	Location	Action/Outcome	INC/Comp
Discharge of stormwater	Complaint received that a person has stormwater coming onto their property which is causing erosion. The complainant had recently purchased the property and was made aware of the issue by the seller.	Ross	The site had been investigated previously in 2015 and established that the source of the water is a creek which terminates on the complainant's property. This is likely the result of historic gold mining and has been occurring for a long time. There is no breach of the regional rules. A site visit was undertaken with the new owner to explain the background and offer some possible solutions.	Complaint
Discharge to water	Complaint received that Waimea Creek was discoloured with sediment from a gold mining operation.	Stafford	The complaint was investigated and established that the downstream extent of Waimea Creek was significantly discoloured with sediment. However, the upstream of the creek had since cleared so the source of the discharge could not be located. The downstream extent was still discoloured due to the mouth being blocked.	Complaint
Earthworks in or within the vicinity of a wetland	Complaint received that a person has cleaned out an existing drain in the vicinity of a schedule 2 wetland.	Haast Beach	The site has been investigated and enquiries are ongoing.	Complaint
Discharge to water	Complaint received that a coal mining operation has impacted a water body.	Stockton Plateau	Enquiries are ongoing	Complaint
Stormwater discharge	Complaint received that stormwater is discharging off a built-up section and flooding the front of the neighbour's property.	Cobden	The site has been investigated and enquiries are ongoing.	Complaint
Fishing vessel sinking	Grey District Council Port Team Leader notified the Council that the 12 metre fishing vessel Humma1 was sitting on the bottom of the Greymouth harbour while still tied to its mooring. It is believed that strong winds may have caused the boat to sink.	Blaketown Wharf	Council staff attended and deployed a rapid deployment boom to contain any diesel or oil discharged from the vessel. The site notes and photos outlining the Councils response is attached to this report.	Incident

Update on Previously Reported Ongoing Complaints/Incidents

Activity	Description	Location	Action/Outcome	INC/Comp
Dumping of demolition material	Complaint received that the demolition material removed from the old Grey Base hospital contained materials not authorised by the resource consent when it was dumped at the disposal site.	Coal Creek	<p>The Council continues to receive complaints from the same complainants and correspondence from their lawyer regarding the operation of the site.</p> <p>Recent inspections established that the contractor is still working towards compliance with removal of unconsented materials.</p> <p>The resource consent expires on the 1st of July 2021. After this date, another inspection will be undertaken to assess the compliance of the site.</p>	Complaint

Formal Enforcement Action

Formal Warning: There was one formal warning issued during the reporting period.

Activity	Location
Burning materials: burning of unauthorised materials, plastics and treated timbers.	Hokitika

Court Proceedings Update

CMR Mining Ltd/ Brent Whyte - unauthorised disturbance of the bed of a river and discharge of sediment laden water. This matter was dealt with in the Greymouth District Court on the 8 June 2021. The court imposed a total fine of \$51,000. The courts sentencing notes are attached to this report.

Cargill RD Barrytown Ltd – unauthorised disturbance of the bed of Fagan’s Creek. This matter has been adjourned to 31st of August 2021 for sentencing in the Greymouth District Court.

Council is represented in all these proceedings by Nathan Laws from Ross Dowling Marquet Griffin (who are based in Dunedin and Council’s usual legal counsel for enforcement proceedings).

Mining Work Programmes and Bonds

The Council received the following seven work programmes during the reporting period. All programmes have been approved.

Date	Mining Authorisation	Holder	Location	Approved
31/05/2021	CML37150	Bathurst Resources Limited	Stockton	Yes
31/05/2021	RC03175	BT Mining Ltd	Cypress	Yes

31/05/2021	RC11088	BT Mining Ltd	NO 2 South Stockton	Yes
10/06/2021	RC-2015-0167	Greid Mining Ltd	German Gully	Yes
10/06/2021	RC-2017-0137	Greid Mining Ltd	Lawsons Flat	Yes
16/06/2021	RC-2017-0085	ML Contracting Ltd	Dead Horse Creek	Yes
18/06/2021	RC08109	MR Mills	Atarau	Yes

No bonds were received during the reporting period

The following bond is recommended for release

Mining Authorisation	Holder	Location	Amount	Reason For Release
RC-2014-0110	Peter Savage	Callaghan's Creek	\$5,000	Mining has concluded and Rehabilitation completed.



THE WEST COAST
REGIONAL COUNCIL

SITE NOTE	
Reference number/s:	REQ-2021-2267
Location:	Greymouth
Subject:	Marine Oil Spill – Humma1 Fishing Vessel
Case officer:	Chris Barnes

Grey District Council Port Team leader notified the council of the Humma1 12m fishing vessel was sitting on the bottom of the Greymouth inner harbour still tied to its mooring beside the wharf. It is believed that strong swells and winds may have caused this boat to sink.

28 June 2021: WCRC oil spill trained staff assessed the boat and found only a residual amount of oil had surfaced. Port staff informed the WCRC staff that they in conjunction with the Greymouth fire service will attempt to refloat the Humma1 on the low tide the following morning. WCRC trained responders were put on standby. Subsequent enquires later in the day found there is possibly 700l of diesel onboard.

29 June 2021: An attempt to refloat the Humma1 failed. After making an assessment and speaking to both the fire service and port staff WCRC staff activated a Tier 2 Response in line with the West Coast Regional Oil Spill Contingency Plan.

Four WCRC staff mobilised and dispatched a 99m length of rapid deployment boom around the vessel to prevent any oils entering the outer environment.

Contact was made with the salvager, the salvager said they will have a dive tonight and try to plug up any fuel/oil breathers. They would look at refloating the boat on the low tide in the morning. The salvager also said that there was already what looks like black engine oil on the surface. I told him that I will be back onsite in the morning to reassess the situation.

30 June 2021: Two WCRC staff went to the site and assessed the situation, noted was a black oil slick around 5m². Only a small amount seemed to have moved to the outside of the rapid deployment boom.

Four WCRC staff and three Port staff were tasked with laying out sorbent pads and booms to collect the oil on the water's surface. Two staff worked from a small boat alongside the boom to push the sorbent pads and oil to the waters edge where they were collected and bagged ready for disposal by the remaining staff.

Site photographs



Figure 1: Humma with residual oil sheen 28-06-2021:



Figure 2: Rapid deployment boom being deployed 29-06-2021:



Figure 3: Rapid deployment boom being deployed:



Figure 4: Vessel contained within boom:



Figure 5: Oil on surface being contained by booming 30-06-2021:



Figure 6: Residual sheen from contained oils:



Figure 7: More oil on the surface:

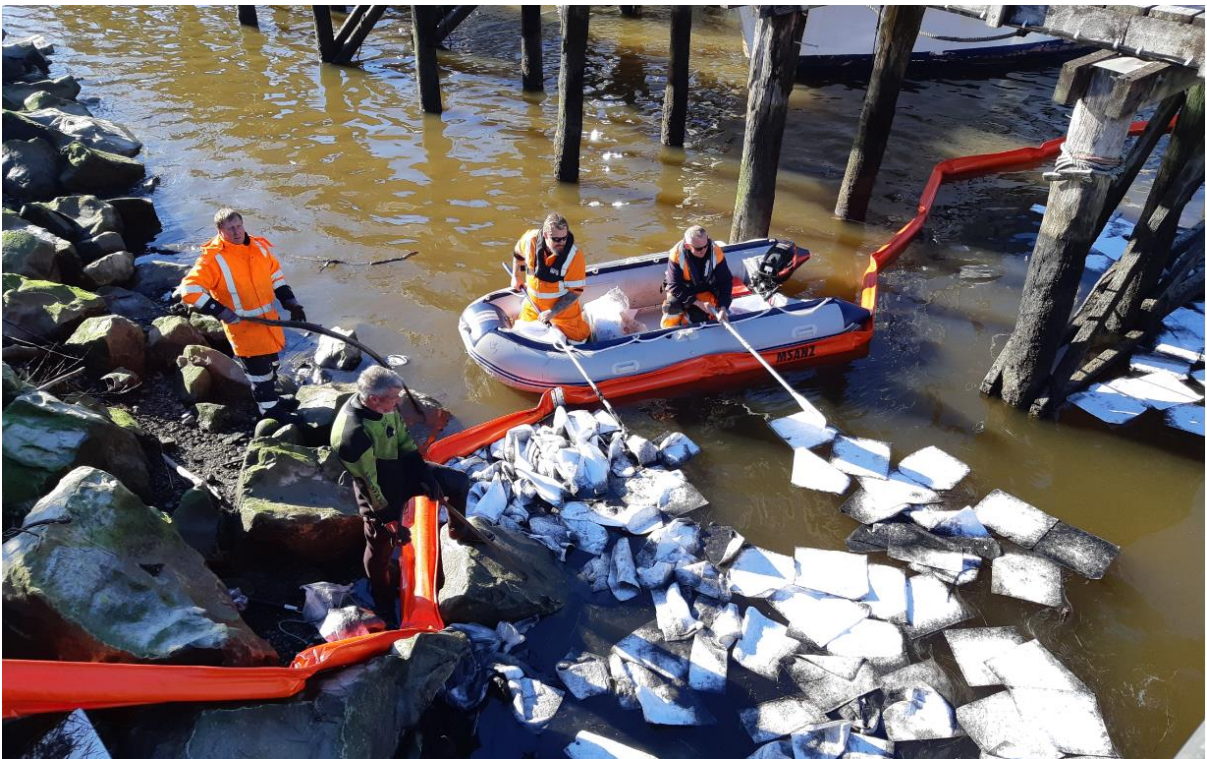


Figure 8: Sorbent pads being used to capture oils:



Figure 9: Result after oil removed by responders:

Case officer's signature:



Site note completed by Chris Barnes

Regional on Scene Commander – West Coast Regional Council

Date site note completed: 1 July 2021

**IN THE DISTRICT COURT
AT GREYMOUTH**

**I TE KŌTI-Ā-ROHE
KI MĀWHERA**

**CRI-2019-018-000853
[2021] NZDC 11533**

WEST COAST REGIONAL COUNCIL
Prosecutor

v

**CMR MINING LIMITED
BRENT DAMON WHYTE**
Defendants

Hearing: 8 June 2021
Appearances: N Laws for the Prosecutor
H van der Wal for the Defendants
Judgment: 8 June 2021

NOTES OF JUDGE B P DWYER ON SENTENCING

[1] CMR Mining Limited (In Liquidation)(CMR) and Brent Damon Whyte have each pleaded guilty to two mirror charges brought by the West Coast Regional Council.

[2] The first is for breaching s 15(1)(b) of the Resource Management Act 1991 by discharging or alternatively permitting the discharge of contaminants (sediment) to land in circumstances where they may enter water. That is charging documents ending 0201 for Mr Whyte and 0203 for CMR. The second is for breaching s 13(1)(b) of the Act by disturbance of the bed of a river. That is charging documents ending 0193 for Mr Whyte and 0196 for CMR.

[3] The Defendants have pleaded guilty to the two charges against each of them. Section 24A of the Sentencing Act 2002 is not applicable. No suggestion has been made that the Defendants should be discharged without conviction so each Defendant is hereby convicted of each charge against them.

[4] The offending occurred between 7 June and 3 July 2019 at which time CMR was carrying out an alluvial gold mining operation at Notown about 20 kilometres inland from Greymouth.

[5] Mr Whyte was the sole shareholder and director of CMR. CMR was operating under resource consent RC13092 issued by the Council which authorised the following activities set out in paragraph 8 of the summary of facts:

- 8 The consent commenced on 20 February 2014 and has a duration of 10 years. The activities authorised are:
 - 8.1 To undertake earthworks associated with alluvial gold mining;
 - 8.2 To disturb the beds of various creeks for the purposes of diversion;
 - 8.3 To divert creeks;
 - 8.4 To take and use surface water for alluvial gold mining;
 - 8.5 To take and use groundwater for alluvial gold mining; and
 - 8.6 To discharge sediment-laden water to land in circumstances where it may enter water.

[6] RC13092 included the following conditions which are set out in paragraph 9 of the summary of facts:

- 9 The conditions of consent include:
 - 9.1 Except during diversion of creeks in accordance with the consent, a buffer of 5 metres of undisturbed land must be maintained between mining and any permanent flowing waterbody greater than 1 metre in width; and
 - 9.2 Discharges of sediment-laden water to land:
 - 9.2.1 must only occur from mining ponds/sediment pond systems;

- 9.2.2 shall not result in a conspicuous change in colour more than 100 metres downstream of the discharge;
- 9.2.3 is not to increase the natural concentration of suspended solids in the receiving water by more than 10 milligrams per litre at or beyond 100 metres downstream of the discharge; and
- 9.2.4 is not to increase the natural turbidity in the receiving water, as recorded immediately upstream of the discharge, by

more than 10 NTUs at or beyond 100 metres downstream of the discharge.

[7] The mining site adjoined Livingstone Creek, a small stream approximately 1.5 metres wide at its greatest flow. I was told that Livingstone Creek flows at various rates, various widths and apparently dries up at some times during the year. The creek has cobble, gravel and boulder substrate. Livingstone Creek flows into Twelve Mile creek, a more substantial waterway, again with a substrate of gravels and cobbles which in turn flows into the Grey River.

[8] On 28 May 2019 a Council enforcement officer observed that Twelve Mile creek was discoloured with sedimentation. The source was mining work being undertaken by a CMR excavator in Livingstone Creek. The officer directed that the work was to stop. An infringement notice was issued and the fee for that has been paid. Abatement notices requiring cessation of discharges and remedial works were also issued.

[9] The Council reinspected the site on 7 June 2019 and it was noted that no work was being carried out then. The next Council inspection took place on 3 July 2019 after Council officers again noticed that Twelve Mile Creek was running discoloured. The officers went and checked the CMR site including the mine's pond system. What they found was described in these terms in paragraphs 28 to 33 of the summary of facts:

- 28 On the true right of Livingstone Creek below where the manager was working with an excavator, dirty water was discharging into the creek (photos 6 and 7). This water was not passing through the mine pond or settling pond system.

- 29 Disturbance of the bed and along the banks of Livingstone Creek was apparent for about 400 metres upstream from the main settling ponds. About 290 metres of disturbance at the bed of the river had occurred since 28 May 2019. As a result of the earthworks, overburden and the bank materials had collapsed into the creek bed. Upstream of the disturbance the creek did not appear significantly turbid. It became significantly turbid as it flowed through the mine area, as shown in photographs taken by enforcement officers.
- 30 Sediment-laden water was also running into the creek from disturbed ground outside the bed, without passing through any of the pond systems.
- 31 Samples were collected. The results of the analysis of these samples are discussed below.
- 32 During the inspection, the earth wall above the main settlement pond collapsed into the pond causing a sudden rush of dirty water from the pond into Livingstone Creek. The manager, using his excavator, tried to reduce the level of water in the pond, which resulted in sediment-laden water entering the creek.
- 33 The disturbed area of creek bed which was covered in earth, gravel and mud contributing to the significantly discoloured water flowing through to the Grey River.

[10] These findings are the basis of the charges in this case. Water samples were taken at three testing sites on Livingstone Creek on 3 July. Paragraph 34 of the summary of facts contains the results in tabulated form:

34 Samples were taken at three locations. The results of sampling were:

Livingstone Creek	Upstream	Mixing Zone	Downstream
Turbidity	13.80	639	1,475
Total Suspended Solids	27.0	2,670	2,730

In summary the sampling results identified elevated levels of turbidity and total suspended solids downstream of the works, massively above the limits allowed under RC13092.

[11] Both Livingstone and Twelve Mile Creeks were discoloured by the sediment discharge. Obvious discolouration extended to the confluence of Twelve Mile Creek with the Grey River, 1.7 kilometres downstream from the mining site.

[12] Livingstone and Twelve Mile Creeks normally have good water quality which might be expected to support a range of native fish species. The creeks are suitable

for fish spawning. The disturbance modified the stream bed of Livingstone Creek with consequential effects on macroinvertebrates and fish habitat.

[13] The Council environmental report attached to the summary of facts recorded that it might take up to five years or so for natural processes to remedy the adverse effects on Livingstone Creek. The environmental report concluded in these terms:

In summary, longer term negative impacts on ecology in Livingstone Creek are likely to persist due to the modification of stream habitat within and adjacent to the waterway. Observed changes in macroinvertebrate community structure in lower Livingstone Creek on 29 November 2019, indicated mining had a negative impact on stream ecology. Twelve Mile Creek did not appear to be significantly impacted by sediment discharges and was likely to have recovered quickly. Suspended sediment levels improved by 29 November 2019 making interference with fish spawning less likely in areas where habitat had not been significantly altered.

These findings appear to have been confirmed by an updated environmental report provided to the Court today which suggests that recovery by natural processes is occurring in Livingstone Creek.

[14] The maximum penalty for this offending is \$600,000 for each offence for CMR and \$300,000 for each offence for you Mr Whyte. Counsel agree that because of the interconnection of the parties which means that a fine against one of them also comes out of the pocket of the other, a joint or global approach to sentencing as between Defendants is appropriate. Counsel appear to disagree as to how fines should be calculated overall on a global or individual charge basis.

[15] Mr Laws has identified separate starting points of \$40,000 to \$45,000 for the s 13 offending relating to disturbance of the riverbed and \$20,000 to \$25,000 for the s 15 discharge offending. An all up total on both charges, in the order of \$60,000 to \$70,000. Mr van der Wal suggests that the starting points identified are appropriate but that based on the totality principle, the starting point for the discharge offences (that is \$40,000 to \$45,000) should not be cumulative, but a single starting point should be adopted for both offences, namely that suggested for the riverbed disturbance charge of \$40,000. The Defendant's submission raises two issues.

[16] The first relates to the principle of totality which Mr van der Wal submits should be applied in identifying a starting point or starting points. I disagree with that. In my understanding, totality is a factor to be applied as the last step in the sentencing process. It requires the Court to step back and look at the calculated sentencing outcome and ask if that is an appropriate overall penalty looked at in the round for the charge or charges concerned. I will undertake that exercise in due course.

[17] The second issue is whether or not it is appropriate to identify two penalty starting points as Mr Laws has done or just one global starting point as Mr van der Wal suggests. Both approaches are adopted by the Court from time to time when dealing with multiple charges, depending on circumstances. Whether or not to do so in any instance is a matter of exercise in judicial discretion and I am not aware of any guidelines in that regard. Factors such as the relative seriousness and effects of the individual offences, whether they took place at the same place and time, their relative contributions to adverse effects, who was responsible for each and whether the offences charged have distinctly different elements or consequences, all come into play.

[18] In this instance I propose adopting a global starting point for the two offences against each Defendant. The factors that lead me to do so are that both offences were discovered by the Council at Livingstone Creek on the same day and that the two individual offending incidents each appear to have contributed collectively to the contamination of the water bodies (both Livingstone Creek and Twelve Mile Creek) by sediment. My understanding of the summary of facts is that there were two sources of sediment.

[19] Firstly, the Defendants had excavated over the relevant period, some 290 metres of the bed of Livingstone Creek causing overburden and riverbank materials to collapse into the creek. Trucks engaged in the mining activity had been driven through the creek. As a consequence, gravel and mud covered the stream bed.

[20] The second source was sediment laden water generated by ground disturbance outside the bed of the creek. This sediment laden water was not conveyed to the mine's

sediment management ponds for treatment or retention as required by resource consent RC13092.

[21] From my reading of the summary of facts it appears likely that both of these sources contributed to sediment contamination in Livingstone and Twelve Mile Creeks. It is not possible for me to identify which made the greater contribution.

[22] For these reasons I have determined to identify one overall global starting point for the two offences. In doing so I record that the fact that there were two separate sources of sediment identified, increases the seriousness of the offending and will be reflected in the starting point I identify. The factors which have influenced my determination of starting point are the following.

[23] The fact that adverse effects on Livingstone Creek will persist over the medium term (around about five years) but adverse effects on the more substantial water body (Twelve Mile Creek) have apparently ceased.

[24] The provisions of s 6(a) of the Resource Management Act which requires those exercising functions under the Act to protect our water bodies from inappropriate use and development as a matter of national importance.

[25] Deterrence which is a factor arising both in regard to s 6(a) and because the Defendants were people operating in an industry who must operate properly and in accordance with their legal obligations. Mr van der Wal advises, Mr Whyte, that you had difficulty in understanding what he describes as the “complex technical requirements” to properly operate an alluvial mining operation at this particular site. It must be said that by carrying on mining works (I observe that expression includes rehabilitation works) after a warning by Council officers that work should not be done in the creek, that you effectively took the risk that things would work out all right and they did not do so.

[26] Then there is the fact that the offending involved breach of the conditions of the resource consent under which the mining operation was being carried out. I note

that Mr van der Wal comments as to what he describes as “practical difficulties” in complying with the conditions of this particular consent. However, the answer to that proposition is to have the conditions changed if they cannot practically be complied with. I note the difficulties again which Mr van der Wal has expressed that you had in that regard. The fact is that in undertaking these operations you must be fully aware of what you are legally required or allowed to do and what you are not allowed to do.

[27] Then there is what the Defendants have conceded was a high degree of culpability on their part. Again that must be looked at in the light that stream bed disturbance was undertaken in defiance of Council officer advice that there should be no mining work in the creek. An infringement notice had been issued after the Council visited on 28 May and this offending was discovered only a few weeks later. Again, whether or not you understood the distinction between rehabilitation and mining work, they are all encompassed by the terms of the resource consent. Culpability is a factor of significant weight in my considerations.

[28] A further significant factor is that fine sediment is a pervasive and major contributor to pollution in our rivers. While the effects of these particular offences might be regarded as minor when they are considered in isolation, they will cumulatively contribute to the effects of sediment in our water bodies.

[29] I have had regard to the comparable cases to which I have been referred by counsel. Typically, none are on all fours for this offending. I consider that Mr Laws’ suggested starting points are consistent with the levels adopted in the other identified cases.

[30] In short, I consider that fixing penalty starting point in this case largely comes down to an exercise in balancing a high degree of culpability on the one hand against short lived environmental effects on Twelve Mile Creek and medium term but remediable or recoverable effects on the small water body of Livingstone Creek on the other, but in the context of the cumulative effect of sediment on our waterways generally.

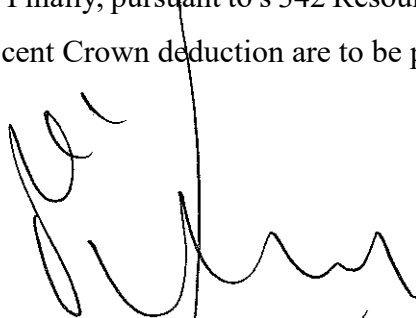
[31] Having done so I determine that the appropriate starting point for penalty considerations is the global sum of \$60,000. I can say that had there been more significant or longer lived effects on Twelve Mile Creek, that figure would have been considerably higher.

[32] I will not make any allowance for past good character in light of the previous infringement and abatement notices. I concur with the Prosecutor's submission that although guilty pleas were indicated at a reasonably early stage, that was done in a situation where there were ongoing challenges to the summary of facts and admissibility of evidence, a number of which fell into the trivial, inconsequential or irrelevant category suggesting that the Defendants were not fully prepared to acknowledge the extent of their guilt from the outset. Further to that, the value of the guilty plea in finalising this matter was considerably diluted as a result of these challenges.

[33] Under those circumstances I determine that the appropriate reduction from starting point should be 15 per cent giving an end penalty outcome of \$51,000 overall. I consider that this is a fair, appropriate and proportionate penalty for these offences which involve two charges for each Defendant and a high degree of culpability.

[34] Accordingly each Defendant is fined the sum of \$12,750 on each charge. Additionally, they will pay solicitor costs of \$339 and disbursements of \$944.80. I will levy these costs 50 per cent each, that is \$641.90 against the charges contained in charging document ending 0193 (Mr Whyte) and (0196 CMR). The Defendants will pay Court costs of \$130 on each charge.

[35] Finally, pursuant to s 342 Resource Management Act, I direct that the fines less 10 per cent Crown deduction are to be paid to West Coast Regional Council.

A handwritten signature in black ink, appearing to read 'B P Dwyer', is written over a vertical line that extends from the text above. The signature is fluid and cursive.

B P Dwyer
Environment/ District Court Judge