

ELEVATING NEW ZEALAND THROUGH DEVELOPMENT OF THE WEST COAST

BRIEFING TO MINISTERS



A briefing from Mayors, Chairs and Iwi of the West Coast

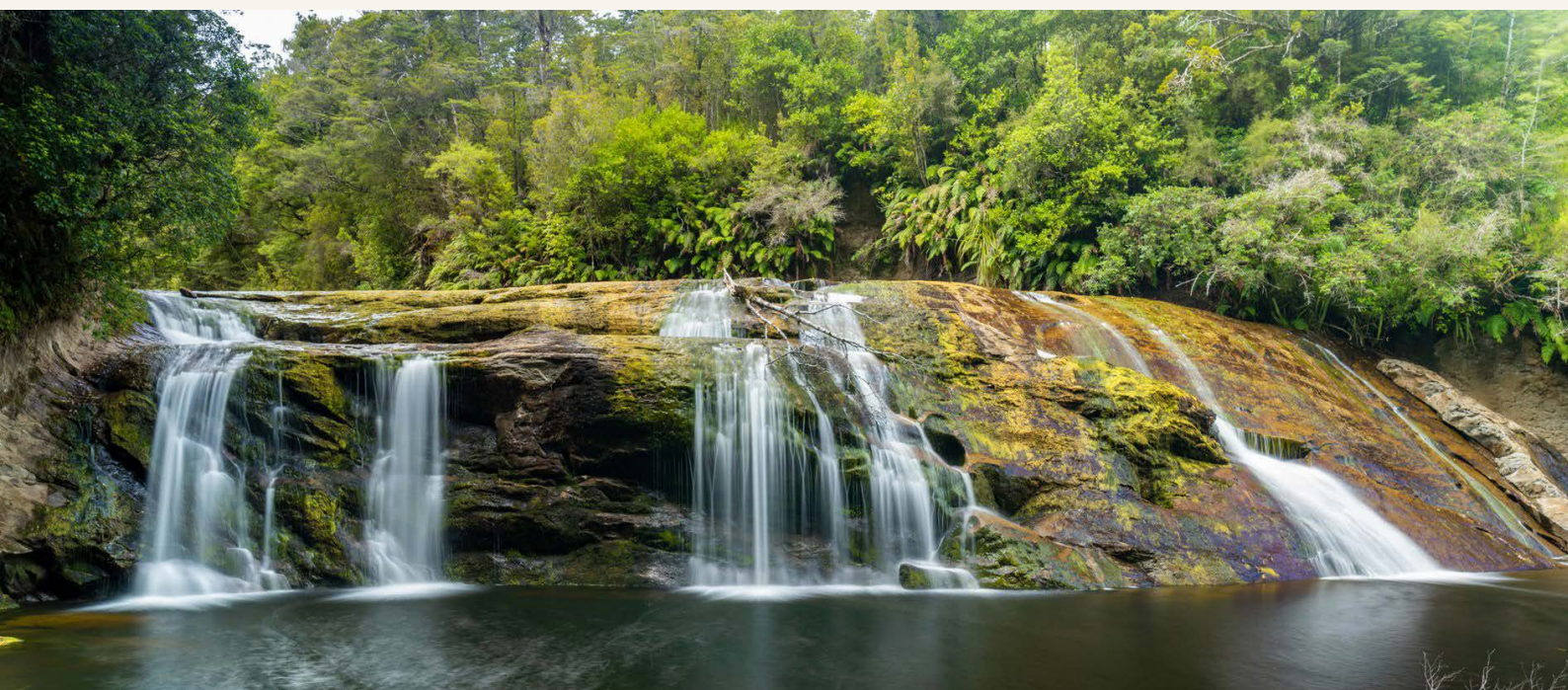
15 December 2023

Commercial in Confidence

WEST COAST
UNTAMED NATURAL WILDERNESS

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PURPOSE

This briefing provides an outline of how the West Coast can work with government to drive economic growth, enhance infrastructure and community resilience, and promote sustainable practices across key sectors within the West Coast region. We want to create a strong investment climate, stimulate job creation, and enhance the quality of life for the residents, as well as contribute to overall economic growth for New Zealand.

EXECUTIVE SUMMARY

WEST COAST DEVELOPMENT WILL ELEVATE NZ

The West Coast is rich in resources and innovative people renowned for hard work. The region is ready to work with the new government to help get the country back on track.

A highly productive region, the West Coast's GDP contribution per job stands at \$142,565, exceeding the national average of \$132,815.

However, the West Coast has an extremely small rating base (22,000 households), limited revenue streams and few publicly owned assets, such as ports, or airports. The region needs revenue streams to complement its rating base, to provide essential services and infrastructure to the communities on the West Coast.

A highly productive region

GDP contribution per worker



West Coast:

\$142,565

New Zealand:

\$132,815

Minerals sector

At **\$183m** GDP, the minerals sector is the second largest industry after agriculture, forestry and fishing.



GDP per minerals sector worker:

\$300,023

ECONOMIC RESILIENCE

Guided by the West Coast Economic Strategy 2050, a plan developed by the region, as a path to economic resurgence. The strategy, centred around building confidence, diversifying the economy, and strengthening communities, focuses on sustainable and inclusive growth to address the region's unique needs and potential.

Aligned with this strategy, the economic revival of the West Coast is closely linked to utilising our natural resources and competitive advantages through responsible mineral production to support a regenerative economic future. This vision also involves diversifying our economy through enhancing the forestry, agriculture, dairy, fishing, and tourism sectors.

To help build confidence, the single biggest contribution the government can make to the West Coast and the New Zealand economy as a whole, is to send a clear, unambiguous message, that "New Zealand is open for business".

Opening Stewardship, and non-National Park Conservation Land to exploration and development opportunities (such as alluvial and mined gold, non-thermal coal production, strategic green energy

minerals, and harvesting naturally felled timber) is essential to the future of the West Coast and New Zealand's economic renaissance. Allowing access to non-National Park Conservation Land for renewable power generation and mineral exploration is key to growing the region's and New Zealand's economy.

The West Coast is a microcosm of the national economy, industry and commerce in the region generally mirrors the rest of country. Improving the regulatory environment and investing in critical infrastructure will support other key sectors of the West Coast's economy, including:

- Forestry
- Fishing
- Agriculture & Dairy
- Tourism

CRITICAL INFRASTRUCTURE

Investment in infrastructure resilience is essential to unlock the region's mineral, agricultural and tourism potential, and allowing it to fully contribute to New Zealand's economic renaissance. Infrastructure upgrades are essential to the region's resilience, particularly in response to climate events or an 8 or higher quake along the alpine fault (AF 8+). Key infrastructure upgrade requirements include:

- Upgrading transport networks, such as port, rail, and road systems.
- Enhancing renewable energy generation capacity and power grid reliability.
- Strengthening disaster resilience infrastructure against seismic and climate risks.



COMMUNITY RESILIENCE AND SOCIAL LICENSE

To effectively harness the West Coast's natural resources and untapped potential, maintaining social licence is crucial, especially for investors. We encourage the government to consider a 1-2% increase in mineral royalties, with a portion of this additional crown revenue being directly allocated to the West Coast. This investment would support community resilience, economic sustainability, and conservation/biodiversity initiatives in the region. It will ensure companies have a strong social licence, investing in the local community and New Zealand.

Allocating revenue generated from the responsible minerals sector to invest in major biodiversity/carbon sequestration projects, such as in South Westland, would make a direct impact on New Zealand's climate change commitments. This approach would save taxpayers billions of dollars in ETS offsets and significantly enhance the environmental credibility of the government and minerals sector.

TRACK RECORD – A REGION THAT DELIVERS

The West Coast has a successful track record of working with the public and private sector on major regional development projects that deliver results for both the region and New Zealand.



Provincial Growth Fund

NZ First's PGF initiative has supported **105** West Coast projects:

- Projects completed: **80%**
- Projects near completion: **18%**
- Projects withdrawn: only **2%**





West Coast Wilderness Trail

10 years ago, co-investment from the National Government enabled the development of the \$8.9m Wilderness Trail. Today the trail attracts thousands of visitors and injects \$7m annually into the economy.



Visitor spending

\$7 million annually

RECOMMENDATIONS

- Recognise the untapped economic opportunities within the West Coast.
- Reform regulatory barriers that deter investment and development.
- Streamline the regulatory process for obtaining approvals from NZP&M, DOC, and LINZ.
- Expedite the assessment of Conservation Land to reallocate resources effectively.
- Invest in critical infrastructure on the West Coast.

REGULATORY AND POLICY CHANGES REQUIRED

- Reassess the Conservation Estate's land allocation to promote economic activities without compromising environmental values.
- Amend the purpose of the Crown Minerals Act 1991 to promote the prospecting and exploration of minerals in New Zealand.
- Implement the "One Window" program for streamlined regulatory processes in responsible mineral production.
- Enable the recovery of naturally felled timber through legislation.
- Reconsider the Waitaha Run-of-River Hydro Scheme.

WEST COAST ECONOMY AT A GLANCE

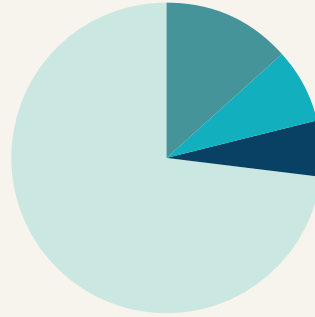


Economic contribution

\$2.37

billion GDP

West Coast
economy



\$319.6m

Agriculture,
forestry &
fishing

\$183.3m

Minerals

\$136.1m

Tourism

\$1732.2m

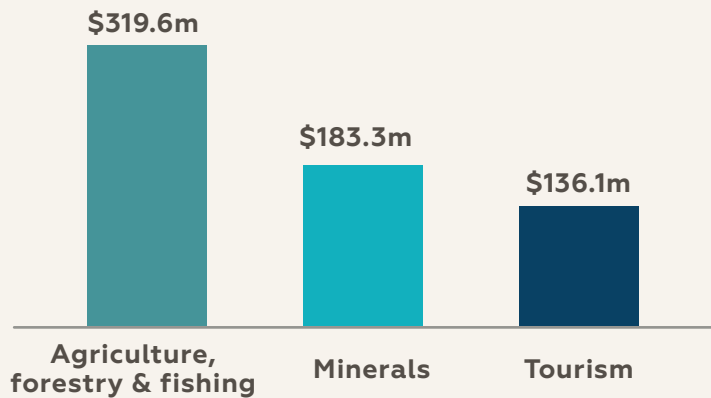
Other



Workforce

16,647

Key economic drivers (GDP contribution)



\$319.6m

Agriculture,
forestry & fishing

\$183.3m

Minerals

\$136.1m

Tourism



Exports

\$761.3

million

A highly productive region
(GDP contribution per job)

West Coast

\$142,565

New Zealand

\$132,815

THE POWERHOUSE OF THE NATION

The West Coast has always attracted pioneering people – from Māori trading pounamu to those who flocked here during the gold rush days.

The region, endowed with rich natural resources and a unique cultural heritage, has historically played a key role powering the nation's economy, and presents fertile ground for economic diversification and development. Balancing economic growth with environmental preservation and community engagement is crucial to ensure sustainable economic and social development.

Approximately 84% of the West Coast currently sits within the Conservation Estate, either within National Parks, or other Conservation Land, including Stewardship Land. This is a direct impediment to the region's ability to develop, prosper, and support the wider New Zealand economy. Regulatory and policy changes are essential to unlock the full economic potential of the West Coast.

Stewardship Land, which makes up 30% of the total area of Conservation Land, was added in 1987 as part of the re-organisation of Crown Land. This classification was a "statutory holding pen", not based on any assessment of conservation values. The Department of Conservation (DOC) was to act as steward for this land until its classification and purpose was determined. It is crucial to expedite this process, either through prioritised action by DOC or by transferring management to an agency that will balance the conservation, cultural, social, and economic value of the land.

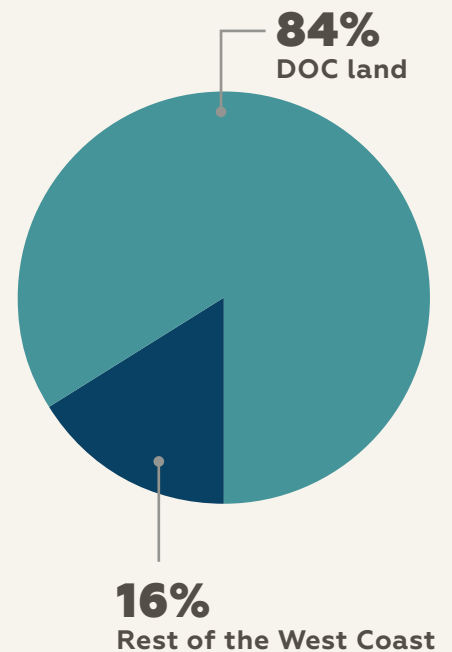
Mineral production is a key economic driver in the region, contributing \$183.3 million into New Zealand's GDP. The scope of opportunity here is significant, and includes numerous high-value resources, such as gold, industrial and green energy transition strategic minerals, and high-grade thermal and non-thermal coal.

The single biggest and easiest win for the West Coast and New Zealand is to facilitate domestic and international investment into the responsible exploration and processing of minerals within the country.

Beyond mineral production, there is scope for growing the agriculture, forestry, fishing, and tourism industries, mostly via less onerous regulatory processes and infrastructure upgrades. For example, allowing the harvesting of naturally felled timber on Conservation Land will greatly enhance the timber processing sector in the region.

Upgrading critical infrastructure such as roading/bridges, stormwater and flood protection works, renewable energy generation, ports and housing stock will significantly enhance the region's potential and capacity for economic growth and diversification.

West Coast, South Island



QUICK WINS AND PRIORITY PROJECTS – HOW TO WIN THE WEST COAST

To maximise national benefits, the West Coast seeks central government support for the following strategic projects:

Issue Mining Permits to
Strengthen Economy

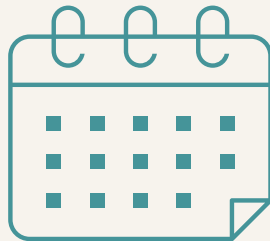


Potential economic activity from
Spring Creek Mine: **\$60m⁺** per annum

Job creation: **60+**

Cost to government: **\$0**

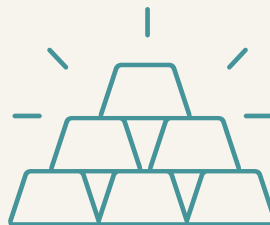
Streamline Mineral
Regulatory Processes



Current processing time for mining permits
on the West Coast: **382** days

Cost to government: **\$0**

Return Investment
to the Mineral Sector



Potential mineral production from
Siren Gold: Job creation: **250+**

Cost to government: **\$0**



Naturally Felled Timber Recovery



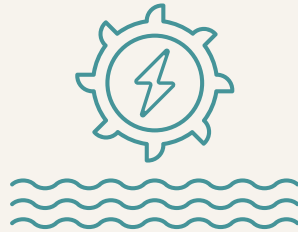
Potential economic activity:

\$40m⁺ per annum

Public income: **\$1.6m⁺** per annum
(royalties for DOC)

Cost to government: **\$0**

Waitaha Run-of-River- Scheme

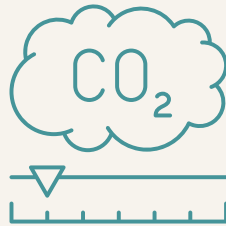


Homes powered: **12,000**

Carbon emissions offset: **119,460** tonnes

Cost to government: **\$0**

Conservation and Carbon Sequestration



Could save NZ taxpayers

billions in ETS offsets

Stewardship Land Reclassification



Potential economic activity:

\$150m⁺ (from agriculture alone)

Job creation: **750+**

Cost to government: **\$0**



HOW WE ADVANCE THE ECONOMY VIA THE WEST COAST

Innovative solutions are required to advance New Zealand. The West Coast has the potential to boost economic growth and provide platforms for international connections through enhanced ports and airports. By investing in modern, reliable infrastructure, we can significantly improve the fundamental pillars of productivity. Many of the opportunities in the region can be achieved through changes to current regulatory and policy barriers.

OPPORTUNITIES

- a. **Simplify** and speed up the current complex regulatory process of obtaining necessary approvals from New Zealand Petroleum and Minerals (NZP&M), Department of Conservation, and Land Information New Zealand.
- b. **Amend** Section 1 A "Purpose" of the Crown Minerals Act 1991, to promote, rather than manage the prospecting and exploration of minerals in New Zealand.
- c. **Ensure** the prior government's proposed changes to the Crown Minerals Act are taken off the table, instead supporting responsible mineral production on Crown Land where economic benefit is demonstrated and environmental protections are in place.
- d. **Review** of the National Parks Act to allow a more flexible approach to managing access to Conservation Land, where necessary for economic development purposes.
- e. **Complete** the review of Stewardship land and ensure that access to generate wealth from appropriate economically valuable land is protected.
- f. **Transfer** management of Stewardship Land to an agency that will balance its conservation, cultural, social, and economic value, or a new land management agency and releasing economically productive Stewardship Land to the West Coast community (Councils and Iwi) to be held in trust to generate economic opportunity and high value jobs for the region.
- g. **NZP&M** to develop and publish a critical minerals list, in line with those already produced by our Five Eyes partners.
- h. **Release** of NZP&M's entire electromagnetic survey of the West Coast.
- i. **Investigate** increasing royalties (in consultation with the mineral sector) on responsible mineral production and allocating a percentage of the revenue to invest in community resilience and economic sustainability and conservation/biodiversity projects on the West Coast, to ensure that companies have a strong social licence – investing in the community.
- j. **Reconsider** and consent the Waitaha Run-of-River Hydro Scheme.
- k. **Approve** the drawdown of \$15.6 million already earmarked for the Westport flood protection scheme and \$8.775 million for the Franz Josef flood protection scheme, contingent on the appropriate planning work, completed by Councils.
- l. **Request** central agency officials to work with West Coast officials (District and Regional Councils) on the relevant regulatory and funding solutions to the strategic infrastructure requirements on the West Coast.

SPRING CREEK MINE AND OTHER MINES – PERMIT ISSUING

Issue permits to strengthen economy and contribute to green technology.

The Spring Creek Mine, formerly operated by Solid Energy, presents both economic potential and a pathway towards sustainable technologies. While it was shuttered in 2017, Terra Firma Ltd sees an opportunity to reopen and reinvigorate the mine not for the extraction of thermal (heat generating) coal but for bituminous (coking coal) to be used largely for silicon production.

Benefits to the West Coast and New Zealand:

- **Boost the economy:** Estimated to generate \$60 million annually in revenue, it will bolster the West Coast's GDP by approximately 2.5%.
- **Create jobs:** It will directly create 60 well-paying jobs, with upwards of \$6 million in wages - much of which will be recycled locally through household spending.
- **Generate flow on economic benefits:** The down-stream benefits to contractors and service providers are significant, including utilising local existing expertise in the mining industry.
- **Contribute to the green economy:** Spring Creek coal has unique properties and is in high demand globally for the manufacture of silicon metal which is mainly used in solar panels.
- **Enable new industry for NZ:** The mine has the potential to add a new industry manufacturing silicon metal utilising quartz from Southland deposits.
- **Balance growth with the environment:** Terra Firma has done extensive work including safety and environmental impact assessments. Utilising the mine site's existing infrastructure and adhering to New Zealand's stringent environmental standards, the project embodies a balance between economic aspirations and responsible environmental practices.
- **Encourage further investment:** Approving the permits for this project will extend the life of

coal production with environmental benefits (15 years to the Stockton mine alone) across the Coast, making the region more attractive for further investment.

Advancing the initiative:

- Issue a public declaration of government support for the mining industry by amending section 1 A "Purpose" of the Crown Minerals Act 1991, to promote, rather than manage the prospecting and exploration of minerals in New Zealand, and officially ending the "no new mines" policy of the previous government.
- Simplify and speed up the current complex regulatory process of obtaining necessary approvals from New Zealand Petroleum and Minerals (NZP&M), Department of Conservation, and Land Information New Zealand.

The resources required to conduct mining operations have been secured, as has the support of the local leadership including Council, Iwi and Development West Coast.



POTENTIAL
IMPACT



Economic contribution

\$60

million per annum



Employment

60+

new jobs

SIREN GOLD – RETURN INVESTMENT TO THE MINERAL SECTOR

Siren Gold's future mining operations will not only drive economic growth but support regional development and deliver essential materials for modern technologies delivering clean energy systems.

Benefits to the West Coast and New Zealand:

- **Scale of opportunity:** Siren Gold's current resource estimate is 1.33Moz at 3.2g/t AuEq (gold equivalent). With further exploration and streamlined permit approvals, this resource could potentially increase to 2-3Moz AuEq with export earnings in excess of \$6 billion. Siren Gold has the potential for moderate to large scale, low impact underground mining operations with a centralised processing facility.
- **Return on investment:** Siren Gold can potentially provide New Zealand and the West Coast with a multi-commodity stable mining operation with gold and antimony concentrates exported from the Westport port.
- **Skilled workforce:** It is estimated that a highly skilled workforce of over 250 people would be required for Siren's mining and processing operations.
- **Development of critical minerals sector:** Siren Gold's antimony resource (a highly critical

mineral with applications spanning from solar panels, wind turbines, lithium-ion batteries, and next generation liquid metal grid storage batteries) will play a crucial role in developing and securing New Zealand's supply chain for critical minerals.

- **Low impact:** The decline access for the underground mine will require minimal land disturbance and can generally be located in areas already affected by historic mining. Siren plans to utilise low impact underground mining methods similar to the current development being undertaken by Federation Mining at its Snowy River project.

Advancing the initiative:

- Policy and legalisation are needed that encourages investment in New Zealand's minerals sector and allows an effects-based, case-by-case approach to proposals for development that addresses the balance between social, cultural, environmental, and economic priorities.
- The Stewardship Land review to be finalised or shelved as the current uncertainty is constraining investment. Siren has two projects, Lyell (gold) and Langdons (gold and antimony), that are currently subject to Stewardship Land review that was meant to be completed in December 2022. The status of the review is unknown.
- Streamlining access to DOC land for underground mining is essential to unlock this considerable opportunity.



POTENTIAL IMPACT



Employment

250

new jobs

WAITAHA RUN-OF-RIVER HYDRO SCHEME

Approve this vital renewable energy project.

Benefits to the West Coast and New Zealand:

- **Electrifying New Zealand:** The project will help increase the supply of affordable, clean energy to become a lower emissions economy.
- **Powering economic growth in the region:** The West Coast desperately needs additional energy generation to power growth in the region, including in the mineral and dairy sectors, and to support decarbonisation through EV uptake and process heat electrification (such as an electrode boiler at Westland Milk Products Hokitika factory, which could potentially require up to 40 MW of additional capacity). Currently there is only 12 MW of spare electricity capacity into the Hokitika and South Westland areas from the transmission grid, which will soon constrain economic growth.
- **Improving efficiency:** The local generation of electricity will help reduce transmission losses and thus nodal electricity prices for the West Coast.
- **Powering homes:** The Waitaha Hydro Scheme is poised to power 12,000 homes, meeting the electricity demands of nearly half of Westpower's existing consumer base (Grey District, Westland District and part of Buller District).

- **Reducing emissions:** It will play a key role in refining energy efficiency, reducing dependency on fossil fuel powered generation (from coal and gas – Westland Dairy alone will be able decarbonise by 50%), and providing a more reliable and cost-effective energy supply. The project has the potential to offset carbon emissions by between 65,340 and 119,460 tonnes of CO₂ per year – equivalent to taking 24,502 to 44,797 cars off the roads each year.
- **Disaster resilience:** The Waitaha Hydro Scheme will increase the chances that West Coast has sufficient local power generation to supply the region if it is cut off from the national grid in the event of an AF 8+ quake.
- **Encourage further investment:** Approving this project will encourage investment in other renewable energy projects on the West Coast.

Advancing the initiative:

- The \$150 million project will be funded by Westpower, requiring no financial support from Government.
- To unleash this investment in an important renewable energy scheme, the Minister of Conservation needs to revisit and reconsider the application for the Waitaha project.

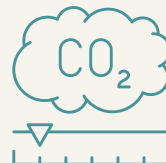


POTENTIAL IMPACT



Electrify New Zealand

12,000
homes powered



Emissions Offset

119,460
tonnes of CO₂ per annum

STEWARDSHIP LAND RECLASSIFICATION

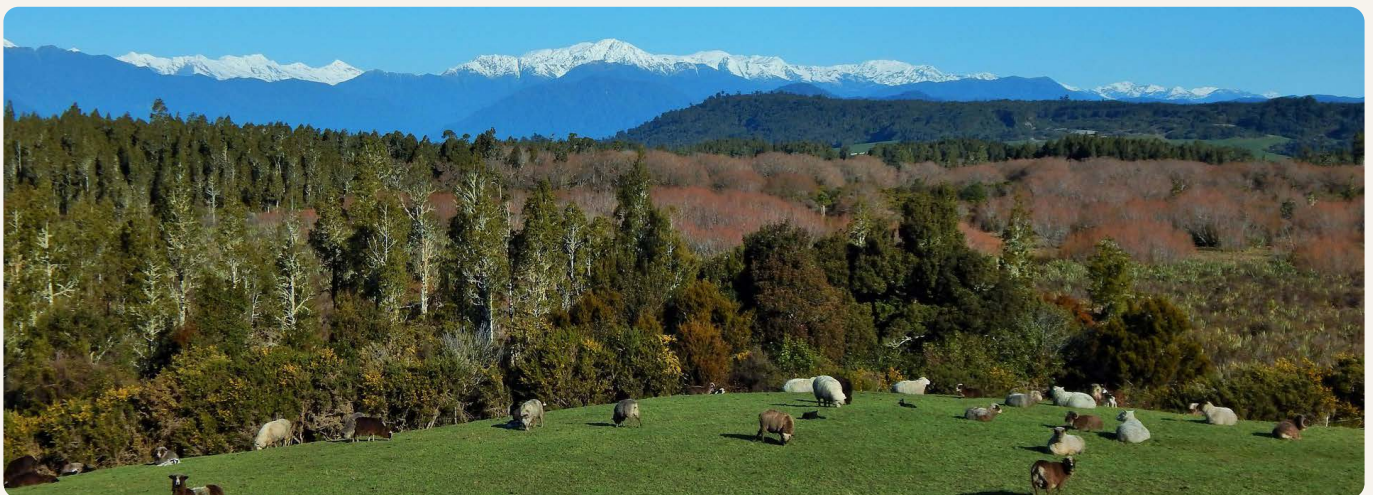
Approximately half of New Zealand's 3,000 Stewardship Land parcels, around 1 million hectares, lie within the West Coast region. Exploring opportunities to reclassify some of these areas can result in economic gains without compromising the conservation values of the land. The Conservation Estate comprises 84.2% of land area within the West Coast, with 1.6% under Land Information New Zealand (LINZ) administration. At present this leaves 14.28% available for private ownership. The land in Conservation Estate and Crown ownership is not rateable by local authorities.

Benefits to the West Coast and New Zealand:

- Unlock potential:** Reclassifying selected areas can allow for sustainable developments or initiatives which were previously restricted. This can include eco-tourism projects, conservation partnerships, or low-impact industries that balance economic and conservation values. In addition, allowing easier access across Stewardship Land will increase the viability of alluvial gold operations on private land, which are often adjacent to Stewardship Land.
- Boost the economy:** By reclassifying and releasing just 5% (50,000Ha) of Stewardship Land, the West Coast could gain a potential \$154 million boost in its regional GDP from agriculture alone, creating 750 new full-time jobs. These figures are conservatively estimated without considering economic multipliers.
- Bolster conservation efforts:** By identifying the high-value conservation areas within Stewardship Land and reclassifying them accordingly, New Zealand can provide better protection and resource allocation to those areas.
- Enable renewable energy projects:** Accessing current Stewardship Land for energy projects like run-of-river hydro schemes will be vital to deliver on the West Coast Renewable Energy Strategy and contribute to the national policy to reduce emissions.
- Strengthen climate resilience:** Reclassifying Stewardship Land can bolster the region's defences against rising sea levels and other climate challenges by ensuring sustained access to essential resources like gravel and rock.
- Increase local revenues:** By expanding the pool of rateable land, local authorities can accrue additional revenues, which can be channelled back into the region.

Advancing the initiative:

- DOC to complete the current Stewardship Land review, with a focus on increasing productivity, revenue generation and export growth, to unlock economic opportunities for New Zealand and bolster conservation efforts.



POTENTIAL IMPACT



Agriculture economic contribution

\$154

million+ per annum



Employment

750+

new jobs

STREAMLINING THE REGULATORY PROCESS TO FACILITATE RESPONSIBLE MINERAL PRODUCTION

The “One Window” program proposes a unified approach to mineral extraction regulations on the West Coast, streamlining the complex process of obtaining necessary approvals from various entities like Councils, Iwi, NZP&M, DOC, Land Information New Zealand, WorkSafe, and more. This initiative seeks to simplify the overlapping legislative requirements, foster responsible mining practices, and expedite the launch of responsible mining operations through better coordination and clear, consolidated processes.

Benefits to the West Coast and New Zealand:

- **Streamline processes:** By coordinating efforts across agencies, we can reduce redundancies and accelerate the approval timeline for responsible mineral extraction. NZP&M currently has a severe backlog in their system, with an average processing time for mineral permits on the West Coast of 382 days.
- **Boost the economy:** Improved regulatory processes can lead to an increase in responsible mineral extraction, bolstering the region’s GDP significantly and creating well-paid jobs. On the West Coast, each mining job adds \$300,023 to the regional GDP, more than twice the contribution of the average regional job (\$142,565).
- **Strengthen sustainable practices:** With an emphasis on environmental and cultural considerations, the streamlined process will facilitate mineral extraction that aligns with

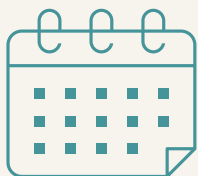
New Zealand’s broader environmental and social goals.

- **Improve regulatory transparency:** Publicly accessible information on regulatory processes and decision-making will enhance transparency and trust in the mining sector and attract further investment.

Advancing the initiative:

- **Coordination:** Agencies will work together more closely to manage applications and compliance, increasing efficiency, with trials of ‘Navigator’ roles to facilitate the pre-application phase for applicants.
- **Standardisation:** Simplification of application processes across agencies through a unified digital portal that standardises submission and monitoring procedures.
- **Localised presence and oversight:** A pilot initiative will place NZP&M staff on the ground, on the West Coast, for direct industry support, with joint efforts in coordinated monitoring to utilise regional expertise efficiently.
- **Delegation:** Investigating the transfer of certain regulatory functions to local entities, accompanied by enhanced transparency through published timelines and performance indicators, complemented by tools for public understanding of the regulatory landscape.

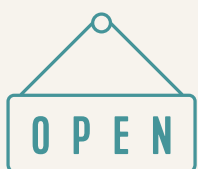
POTENTIAL IMPACT



Improve process times for mineral permits

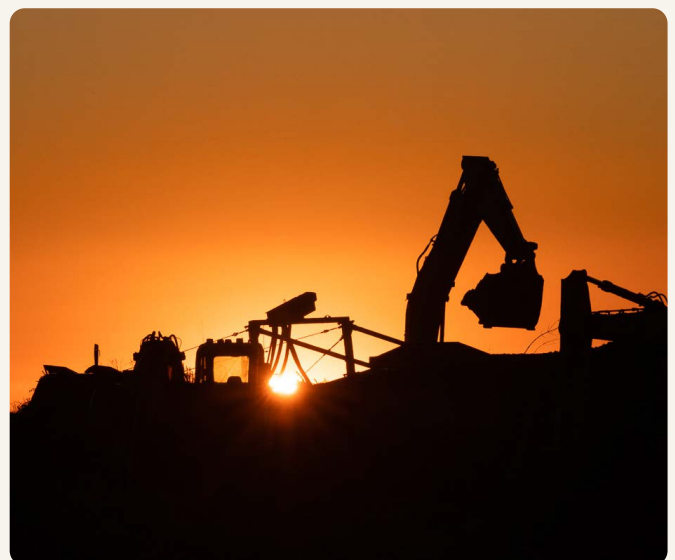
The current average processing time on the West Coast is

382 days



Demonstrate NZ is open for business

Long delays for processing mineral permits have been driving potential investors away.



NATURALLY FELLED TIMBER RECOVERY

Following Cyclone Ita, the West Coast Wind-blown Timber (Conservation Lands) Bill (WCWT Act 2014) was established and expired in July 2019. The Bill allowed a controlled and sustainable method to retrieve irreversibly damaged timber from conservation areas on the West Coast. Backing a new bill inspired by the WCWT Act 2014 will help stimulate economic activity in the region, while ensuring responsible timber recovery.

Benefits to the West Coast and New Zealand:

- **Diversify the economy:** Responsibly harnessing naturally felled timber offers an avenue for economic diversification and the constructive management of the environmental aftermath of such incidents.
- **Boost the economy:** During the operational period of the WCWT Act 2014, the West Coast experienced an increase in economic activity, with estimates suggesting the harvesting, sale, and value add manufacturing of windblown timber injected up to \$80 million into the national economy over two years.
- **Regional resilience:** Being able to access this sustainable source of timber will encourage high value timber processing and manufacturing on the Coast.
- **Generate public income:** DOC will be able to collect royalties. During the WCWT Act 2014, DOC benefitted directly by collecting stumpage fees amounting to \$1.6 million.
- **Reduce imports:** Harvesting naturally felled timber stimulates local industries and decreases the dependence on overseas timber. Post Cyclone Ita, timber recovery on the West Coast is estimated to have diminished foreign hardwood timber imports by 15-20% over two years.
- **Promote eco-integrity:** By reducing timber imports, New Zealand minimises its environmental footprint while also helping to avoid sourcing timber from nations where environmental regulations may be less stringent.

Advancing the initiative:

There is an opportunity to amend legislation to allow naturally felled timber on the Conservation Estate to be sustainably removed by approved processors after any major weather event, at the discretion of the Minister of Conservation.

POTENTIAL IMPACT



Economic contribution

\$40

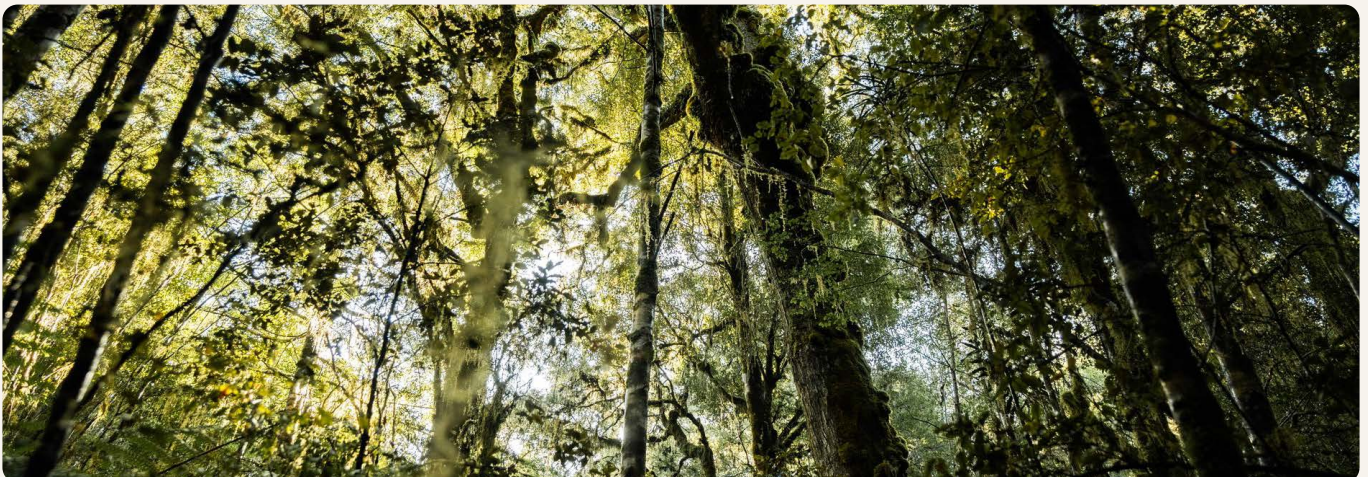
million per annum



Public income

\$1.6 (DOC royalties)

million per annum



NATIONALLY SIGNIFICANT CONSERVATION AND CARBON SEQUESTRATION PROJECTS IN SOUTH WESTLAND

The West Coast is at the forefront of addressing two of the world's most pressing environmental challenges, biodiversity decline and climate change. South Westland is home to two pioneering projects that combine cutting-edge science with community involvement to tackle these issues head-on.

Predator Free South Westland: This ambitious \$47 million project aims to eradicate possums, rats, and stoats from a 107,000-hectare area between the Waiho and Whataroa Rivers, the Southern Alps and the Tasman Sea. The project is a collaboration between residents, Te Rūnanga o Makaawhio, DOC, Predator Free 2050 Limited, OSPRI, and the NEXT Foundation, with implementation by Zero Invasive Predators Ltd (ZIP). It is the most ambitious predator elimination project ever attempted on the New Zealand mainland.

Measuring impact on carbon sequestration: ZIP is exploring how possums, deer, and chamois affect the carbon sequestration capacity of native forests. The project was prompted by the results of the National Forest Inventory, which indicated a statistically significant decline in carbon stocks of New Zealand's podocarp forests. While the exact cause of this decline isn't conclusively established, evidence suggests it's largely driven by browsing from introduced mammals.

Supported by Predator Free 2050 Limited, DOC, the Ministry for Primary Industries, NIWA, and philanthropic partners, the initiative uses an approach used by NIWA to measure and model changes in the amount of carbon dioxide in the air as it flows from the coast over the forest inland.

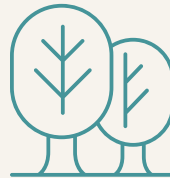
Benefits to the West Coast and New Zealand:

- **Biodiversity preservation:** Eliminating invasive predators significantly contributes to preserving New Zealand's unique biodiversity.
- **Economic and social support:** The projects provide economic and social benefits to the South Westland community, which has been severely impacted by the COVID-19 pandemic.
- **Scientific advancement:** These initiatives are developing innovative new tools and

techniques, contributing to global knowledge on biodiversity conservation and carbon sequestration.

- **Climate change mitigation:** Understanding and enhancing the carbon sequestration capacity of native forests plays a vital role in New Zealand's efforts to combat climate change.
- **Emissions Trading Scheme (ETS) savings:** This project may conclusively demonstrate that managing browsing animals enhances forest carbon storage, and significantly contribute to New Zealand meeting its greenhouse gas emissions obligations, saving taxpayers billions in ETS offsets.
- **Enhanced environmental reputation:** These globally significant projects will boost the environmental standing of both the government and the nation as a whole.

POTENTIAL IMPACT



Biodiversity preservation



Could save NZ taxpayers \$billions in ETS offsets





CRITICAL INFRASTRUCTURE

The West Coast faces distinctive infrastructure challenges that are critical to address for long-term resilience and economic growth. Key priorities include extensive upgrades in transportation networks (rail, road, port), utilities (power grid, renewable energy generation), and disaster resilience infrastructure. Addressing these issues is essential given the region's susceptibility to severe natural events, such as storms or a potential AF8+ earthquake along the alpine fault, which could isolate the West Coast from the rest of New Zealand for months.

Strategic Focus and Long-term Benefits

Projects like the enhancement of Westport, Greymouth, and Jackson Bay port facilities, flood protection upgrades, and the development of housing and retirement capacities will facilitate the region's growth. Initiatives such as the Franz Josef River upgrade, backed by an \$8.775 million budget from the Department of Internal Affairs (DIA), highlight the region's commitment to balancing infrastructure development with conservation. Similarly, investments in stormwater infrastructure, three waters management, and critical projects like the new dredge for Westport port, reinforce the West Coast's commitment to sustainable and resilient growth. These investments, supported by the Regional Infrastructure Fund, will not only strengthen the region's infrastructure but also ensure its readiness to face future challenges, contributing significantly to New Zealand's overall economic and environmental stability.

Upgrades in areas of flood protection, airports, and the 'Three Waters' (drinking, storm, and wastewater management) are not just necessary but vital for the sustenance and growth of the region.

Port Infrastructure Upgrade Requirements

Upgrading the port facilities in Westport, Greymouth, and Jackson Bay is crucial for increasing the region's export capabilities and will provide a much-needed boost to local economies. This is particularly important for bulk exports like mineral sands, and for supporting key sectors such as tourism, fishing, dairy, and forestry. Additionally, these upgrades are vital for import capacity, especially in scenarios where road access might be compromised due to natural disasters.



The proposed improvements include expanding wharfs and dock facilities, modernising cargo handling equipment, and dredging capability. These upgrades, supported by co-funding from central government (potentially via the Regional Infrastructure Fund), will position West Coast ports as pivotal hubs in New Zealand's maritime network, contributing significantly to international trade and commerce while ensuring resilience in the face of environmental challenges.

Upgrading the Region's Airports

Enhancing airport infrastructure, including runway improvements, terminal upgrades, and better safety and navigation systems, is crucial for increasing connectivity and supporting tourism and business travel. Upgrades to airports like Hokitika Airport, with projects such as new runway sealing, improved runway lighting, and the establishment of an Emergency Operating Centre, are essential.

Upgrading the capacity of the Westport Airport needs to be investigated further. Enhancements to the airport will provide additional resilience and provide improved air link capacity to the region. This becomes increasingly important as the demand for highly skilled and well-paid workers in the high-value mineral sector grows. Currently operating without central government funding, Sounds Air's viability as a crucial transport provider for the economy is uncertain. It is essential to consider some form of government support to ensure the continuation of their operations, which are vital in maintaining business links between Wellington and the wider country.

Investing in airport infrastructure is a strategic move that will significantly benefit the West Coast, improving access to the region and boosting its economic prospects.

Roading Upgrade Requirements

The West Coast's roading network requires substantial upgrades to meet local industries' growing demands and to ensure resilience. A key priority is reinforcing state highway bridges, especially those on State Highway 6, to accommodate heavier loads, which is essential for industries like dairy that depend on road transport. Road infrastructure improvements are also vital for ensuring efficient and safe transportation of goods and people. Enhancing



road connectivity and resilience is crucial not just for facilitating commerce but also to ensure communities remain accessible in the wake of events that could isolate them.

Furthermore, these upgrades will contribute to reducing operational costs and improving the efficiency of transport networks. Investment in road infrastructure, as part of the broader infrastructure development plan supported by the Regional Infrastructure Fund, will play a significant role in driving economic growth and enhancing the quality of life for residents in the region.

Investment in Infrastructure to Attract Housing Investment

Infrastructure is pivotal for attracting investment in housing on the West Coast. The region currently has a chronic housing shortage, partially driven by Councils being unable to finance the basic infrastructure (road, power, water) necessary to attract property developers to invest in new housing and subdivisions.

Improved infrastructure, such as reliable transportation, efficient utility services, and robust disaster resilience systems, creates a more attractive environment for housing developers and investors. This investment is crucial for meeting the housing needs of a growing population and workforce, particularly in areas with economic development potential. Enhanced infrastructure will not only support existing communities but also attracts new residents and businesses, contributing to the region's socio-economic development. Therefore, a strategic focus on infrastructure investment is essential for fostering a sustainable and thriving housing market on the West Coast.

Waiho River Franz Josef Flood Protection Work

A formal risk assessment was undertaken in October 2023 for all key flood protection infrastructure on or near the Waiho River, in the vicinity of the Franz Josef township and State Highway. All areas were identified as having a risk rating of High or Critical for failure over the next 10 years.

Over the short-term, the avulsion into the Tatare River north of the Waiho River and township seriously increases risk to Havill's stop-bank and the town oxidation ponds, and moderately increases risk to the 55kph State Highway Corner and Link stop-bank.

The risk can be partially reduced by relaxing the river to the south downstream to occupy more of its floodplain (which is currently private farmland). However, substantial risk reduction is only realised once all stop-banks on the south side of the river are removed, including the NZTA stop-banks from the SH6 Bridge to Canavan's Knob. If the river is not released to the south, the risk of a north stop-bank failure impacting the town and State Highway will increase with time.

We would like to ensure that NZTA is doing the necessary investigation and design work, and then has financial provision for the moving of the state highway southwards away from the river. This is because the Regional Council will need to remove the southside flood banks to allow the river to move, and consequently the state highway will need to be moved.

Single District Plan for the Region - One Plan

In 2018 the previous government passed an order in Council, under the RMA to create a single district plan. West Coast Regional Council is the only council that has been directed to do this.

The financial burden on West Coast Regional Council and West Coast ratepayers, with only 22,000 ratable units, is significant. This regulatory and financial imposition has forced the Council to pass on the cost to ratepayers and take out a commercial loan of \$5m to cover the cost of producing

the plan. In recognition of this financial imposition the previous government granted West Coast Regional Council \$500,000 as a contribution towards this cost. However, it was always recognised that this contribution was very small relative to the total project cost of delivering a single district plan for the West Coast. The current cost projections for this are in excess of \$6 million.

Buller District Council's Master Planning

Buller District Council, in collaboration with Ngāti Waewae and West Coast Regional Council, is undertaking a holistic Master Plan for the greater Westport area in response to economic shocks and recent flood events. Funded by the Multi Tool Business Case and supported by the Crown and Buller District Council, this Master Plan addresses growth, hazard avoidance, and potential retreat in Westport. It aligns with government policies and is crucial for adapting to future climate change impacts, offering a model for other regions in New Zealand.

Potential for Central Government Support

The proposed Regional Infrastructure Fund, with a capital funding of \$1.2 billion, could be a key resource in addressing these infrastructure needs. This fund could significantly contribute to the West Coast's infrastructure development, enabling projects like the \$25 million flood scheme for Westport, which contrasts starkly with the estimated \$200 million recovery cost if such preventative measures are not taken.

The opportunity cost of not funding the infrastructure upgrades identified would be significant. For example, the five bridges on State Highway 6, are expected to bring about a 20% reduction in operating costs, demonstrating the economic efficiency of these investments. The fund's allocation to various projects, including port upgrades for increased export capacity, flood protection, and enhancements in road and rail infrastructure, is critical to both safeguard the region and bolster its economic potential, particularly via tourism.

Fast tracking the consent process under the RMA for new housing projects would help alleviate the chronic housing shortage on the West Coast. This would be a major contributor to the economy by attracting skilled professionals and families to the region, and encourage investment from major resource sector companies, knowing they could relocate and house staff on the West Coast.

In the immediate term, we request government approve the drawdown of \$15.6 million already earmarked for the Westport flood protection scheme and \$8.775 million for the Franz Josef flood protection scheme, contingent on the appropriate planning work, completed by Councils. We would also request government consider providing additional funding to support the development of the 'One Plan' or consider revoking the order directing West Coast Regional Council to formulate a single district plan for the whole region.

We would like to request a meeting with relevant Ministers to articulate the work programme and the opportunities to address long term and outstanding responses to economic and significant natural hazards challenges that the region faces.

SECONDARY BRIEFINGS

We will be happy to provide more detailed briefings on any or all of the topics mentioned above.

