



Report 10.278  
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File N/03/09/05

Committee Catchment Management  
Author Jacky Cox, Engineer

## Hutt River mouth: lease and licence renewal

### 1. Purpose

To seek the Committee's approval to enter into a commercial arrangement with Winstone Aggregates in respect of the extraction and disposal operations at the Hutt River mouth.

### 2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3) (b) of the Local Government Act 2002.

### 3. Background

Greater Wellington holds resource consents that allow the extraction of sand and shingle from the Hutt River mouth, and for the disposal of by-products that cannot be commercially utilised.

Bed levels at the river mouth are managed to:

- Prevent formation of a bar and general aggradation of the river bed below Estuary Bridge, which would cause flood levels to increase.
- To maintain stable bed levels for the reach from Estuary Bridge to Ewen Bridge.
- To ensure free flow drainage from the Te Mome and Waiwhetu Streams.

The extraction of sand and shingle is done under licence by Winstone Aggregates as a commercial operation. Winstone Aggregates operates on land at the Hutt River mouth owned by Greater Wellington but leased to them.

The Hutt River Advisory Subcommittee considered Report 10.99 at its 25 March 2010 meeting, which noted that by May 2011, resource consents and the lease and licence agreements at the Hutt River mouth must be renewed.

## **4. Winstone Aggregates**

### **4.1 Company profile**

Winstone Aggregates are part of Fletcher Building Group and New Zealand's largest supplier of aggregates with 26 operational sites nationwide. Operational sites include hard rock quarries, cleanfill and managed fill, gravel extraction, and coastal sand extraction. Within the Wellington Region, Winstone Aggregates has operations at Belmont, Dry Creek (Hayward's), Otaki, Petone and Waikanae.

### **4.2 Environmental performance**

Winstone Aggregates has an environmental management system that was introduced thirteen years ago. This system is based on the ISO 14001 standard and undergoes regular audits and assessments to ensure compliance with regulations and conformance with the ISO standard.

Within the Wellington region, Winstone Aggregates has generally demonstrated good compliance with resource consents held for their specific aggregate operations.

## **5. Comment**

Winstone Aggregates are a good operator. They are a large national company with robust environmental systems in place. They have run the extraction operation at the Hutt Mouth since 1940.

The extraction and disposal operations at the Hutt River mouth are well run by knowledgeable and qualified staff and the site is kept clean and tidy. They have fully complied with the conditions of the resource consent since it was granted. Any concerns raised are quickly remedied.

## **6. Discussions with Winstone Aggregates**

Staff have had an initial meeting with Winstone Aggregates to set the scene and scope out the work required for the renewal of resource consents and the lease and licence agreements. Following this meeting, letters were exchanged to confirm that:

- The resource consents for the extraction and disposal operations will be sought by Greater Wellington.
- Greater Wellington will seek resource consents for a term of 35 years.
- Both parties are prepared to enter into an extended relationship in respect of the extraction operation at the Hutt River mouth.
- The licence and lease agreements should be extended for a period equal to the term of the new resource consents or 20 years, whichever is the lesser.
- Winstone Aggregates would in addition be given first right of renewal of a licence for a further 15 years if appropriate.

- External costs for the resource consent renewal application are shared on a 50/50 basis between Greater Wellington and Winstone Aggregates.
- Relevant data and information for the resource consent application will be supplied by Winstone Aggregates as the operator.

Refer to **Attachment 1** (copy of Winstone Aggregates letter).

Given the length of time (minimum of 20 years) that Council will have an agreement with Winstone Aggregates; Council endorsement is sought before we progress with the commercial negotiations.

## 7. Proposed agreement

On the basis of their previous performance and their willingness to share the costs of the renewal of resource consents, officers believe it is appropriate to enter into a long term agreement with Winstone Aggregates to extract sand from the mouth of the Hutt River.

However, Council endorsement is required before we progress commercial negotiations, given the length of time (minimum of 20 years) that Council will have an agreement with Winstone Aggregates.

## 8. Communication

Subject to Council approval, a meeting to commence commercial negotiations will be scheduled for 24 June 2010.

No communication is proposed with stakeholders and the community until consultation commences as part of the resource consent renewal process.

## 9. Recommendations

*That the Committee:*

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Approves** officers entering into commercial negotiations with Winstone Aggregates for an agreement to extract material from the mouth of the Hutt River.
4. **Approves** officers renewing the licence with Winstone Aggregates to extract material from the mouth of the Hutt River, subject to the granting of resource consents, for a period up to the term of the consent.

Report prepared by:



**Jacky Cox**  
Engineer

Report approved by:



**Graeme Campbell**  
Manager  
Flood Protection

Report approved by:



**Wayne O'Donnell**  
General Manager  
Catchment Management

**Attachment 1: Letter from Winstone Aggregates**