

17 May 2019

[REDACTED]

[REDACTED]

Dear [REDACTED]

Local Government Official Information and Meetings Act 1987 (LGOIMA) Request

I refer to your e-mail of 24 April 2019 requesting a copy of the letters of support sent to Plaman Resources.

Please find attached the following

- Letter from Office of Mayor dated 4 October 2018;
- Joint letter from Chief Executive Officer's of Clutha District Council and Dunedin City Council dated 2 November 2018; and
- Letter from Office of Mayor dated 13 May 2019 – seeking a copy of the Goldman Sachs report and clarification on a number of matters. (Note: this is outside your request but provided as you may find it of interest).

Yours faithfully



Jennifer Lapham
Governance Support Officer

Office of the Mayor



4 October 2018

To whom it may concern

Letter of Support: Plaman Global Quarry and Processing Facility

I am pleased to offer my support for the proposed development of the Plaman Global Quarry and Processing Facility. Council recognises the proposed operation at the Foulden Hill Quarry site will provide a range of economic and social benefits to communities and businesses in Middlemarch. We equally anticipate the proposed facility at Milton will provide opportunities for residents across the Clutha District and City of Dunedin.

In addition to our agricultural and engineering strengths, Dunedin, and indeed Otago, has a proud history of education, research, knowledge and innovation a range of sectors. The extraction operations research and processing facility clearly provides another way of building on these fields.

While the economic benefits created through construction and operational jobs remains a key benefit, we would also acknowledge our support of the benefits of the extracted 'Black Pearl' product which can reduce the incidence of antibiotics from the food system. This benefit has a clear and tangible relationship to our work under Council's food resilience activities and principles with the city's Good Food Dunedin Charter.

Once again, we reiterate our support for your proposal and investment in our community.

Yours sincerely

Dave Cull
Mayor of Dunedin

1 November 2018

Craig Pilcher
General Manager, New Zealand
PLAMAN Global

Dear Craig

PLAMAN Global - Regional connections

The operation proposed by Plaman Global includes quarrying, processing and export activities in the Dunedin City and Clutha districts (see key locations map). There are already strong regional linkages and strategic support structures in place which will help to underpin this operation, and these are described below.

The economic and social benefits of the Plaman proposal are aligned with a number of goals, objectives, and outcomes which have been identified by local government and other agencies such as Port Otago and NZ Transport Agency. It is important to note that these agencies are already taking action to deliver on their aspirational objectives, and these are also described below.

Local context

Clutha - The proposed operation includes a new processing plant on the Tokomairiro Plain, to the north of Milton. This would be a game-changing project for Milton and the surrounding area, as the town has a high deprivation index score (8/10), a relatively high rate of unemployment, and a declining number of business units.¹ Milton lies within the Clutha District, which has faced some ongoing challenges to its local economy and businesses over the last two decades. The district has experienced population decline and future growth is unlikely without intervention by local or central government. An ageing and shrinking population is a further challenge that the district has to contend with.

Dunedin - The proposed processing plant at Milton (which is within commuting distance to Dunedin City) and quarry at Fouldon Hills, Middlemarch also provides employment opportunities for Dunedin residents. While Dunedin is continuing to experience solid and consistent economic growth, there have been significant changes to industry with for instance the closure of Hillside Workshops and more recently the Cadbury factory in 2018. Economic and employment growth has continued to come via the construction, health care, retail and professional, scientific and service industry. The service, digital and niche manufacturing sectors also show signs of growth. Dunedin's unemployment of 6.6% to the year to June 2018 has continued to exceed the national average of 4.5% and while the city has leading academic and educational institution, the preponderance of NEET (not in employment education or training) groups remains high.

¹ Stats NZ and Infometrics data



Key locations and regional connections map

Community objectives

Community leaders and major private sector employers in the Clutha District and Dunedin City understand the need to bring new energy and opportunities, to avoid stagnation and encourage economic growth and community wellbeing. [Calder Stewart](#) for example, is a large construction and manufacturing company based in Milton, but with operations throughout New Zealand. This company has a strategic vision to improve the environmental, recreational and economic opportunities in the Milton area, and is taking a proactive, across-the-board approach to ensure this happens. Calder Stewart's ultra-modern headquarters, 'Revolution Hills' and their significant contribution to the adjacent Clutha Gold Cycle Trail are just two examples of their multi-dimensional approach to development.

Several other major employers are already located on the Tokomairiro Plain, including [PanPac](#) and the [Otago Corrections Facility](#). A 330 ha Industrial Resource Area has recently been created in this area, to cater for increasing demand for industrial land. Calder Stewart, as the major landowner, has taken a structure plan approach to guide development of this industrial area, so that key infrastructure can be provided for at an early stage to stimulate and guide new businesses.

The combination of affordable flat land, access to transport infrastructure and proximity to Dunedin means that the Milton area has long been recognised as a potential growth hub for industrial and residential development. As well its proximity to SH1, SH8 and the South Island Main Trunk, the new industrial area is just 30km from Dunedin International Airport and 65km from the Port of Otago. Another key reason this northern section of the Tokomairiro Plain was chosen is that it generally has a low risk associated with flooding, as it lies at a slightly higher elevation than other more flood prone parts of the plain.²

Clutha District Council objectives:

To address the employment and economic challenges outlined above, the District Council sees promoting growth as a priority, and believes there are opportunities to promote the district's potential as an attractive place to live, work, play and invest. Council recognises that it has a part to play in regard to economic development, and that it is vital to form partnerships with the local business community, and local, regional and national organisations. Council also recognises that its broad knowledge of what is happening in the district means it is in a good position to help put the right people in touch with each other and broker opportunities.

The Council has produced a number of strategies, which aim to generate growth in Clutha, and create a place where people want to come to live, work and visit. The *Economic Development Strategy* focuses on the following key areas to help promote economic growth:

- Business – encouraging new investment and building capacity.
- Living and Working – connections within and between communities.
- Workforce – the right skills for the jobs that allow businesses to grow.
- Infrastructure – promote infrastructure that encourages economic growth and development.
- Natural Resources – optimising natural resources to create value and ensure sustainability.

The *Living and Working Strategy* focuses on the community / social development work needed to sustain and grow the district. A *Housing Strategy* is currently being developed, to help ensure there are suitable accommodation options across a range of categories (single worker accommodation through to family or executive housing).

Dunedin City objectives:

Dunedin has a vision to become one of the World's Great Small Cities. As part of a suite of eight strategies, Dunedin's economic development strategy 2013-23 has two specific economic goals:

- 10,000 extra jobs over ten years (requiring employment growth of approximately 2% per annum) and
- An average of \$10,000 extra income for each person (requiring GDP per capita to rise by about 2.5% per annum).

The strategy is delivered in partnership with the Otago Polytechnic, University of Otago, Otago Southland Employers Association, Otago Chamber of Commerce Incorporated and Ngai Tahu and is underpinned by five strategic themes:

- Business vitality
- Alliances for Innovation
- A hub for skills and talent
- Linkages beyond our borders
- A compelling destination

² CDC & ORC, 2012. [Milton 2060 Flood Risk Management Strategy](#)


Summary:

Despite their relatively small populations, the Clutha and Dunedin City districts have worked hard to create some aspirational plans and strategies, and made significant improvements to the physical, social and economic environment. An excellent road network, freight hubs and a skilled labour force are just some examples outlined in this report. This means that there is a strong network of infrastructure and support services in place, which will be of benefit to the proposed Plaman Group operation. In return, the community will also benefit from the additional economic activity and employment opportunities such a major operation will bring to this part of Otago.

The benefits for both industry and employees of living and working in a provincial area such as the Clutha / Dunedin City districts can be summarised quite simply:

- Strong and supportive communities
- Compact and accessible
- Lower cost of living
- Excellent infrastructure
- Ease of doing business.

Signature Panel

Steven Hill	Clutha District Council	CEO
		Date:
Sue Bidrose	Dunedin City Council	CEO
		
		Date: 2 November 2018

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Appendix 1: Strategic support structures – Clutha District Council

<u>Clutha District Economic Development Strategy 2015</u>	<p>Quote: “It’s a simple choice really; we can focus on generating growth in our district, or allow it to decline”.</p> <p>Key outcome: An economic environment that encourages growth in a way that sustainably supports the community.</p> <p>Goals:</p> <ul style="list-style-type: none"> ▪ To achieve business excellence ▪ Create a vibrant and diverse workforce with the skills to meet the changing needs of the district. ▪ Promote infrastructure and policy that encourages economic growth and development. ▪ Maximise the sustainable productive use of our natural resources (add value to existing and future resources). <p>Benchmarks:</p> <ul style="list-style-type: none"> ▪ Increased labour force participation rates. ▪ Greater proportion of youth in education, employment and training. ▪ GDP and GDP per capita growth. ▪ Employment growth. ▪ Growth in number of business units and business size. ▪ Increased number of businesses exporting.
<u>Living and Working in the Clutha District, 2015</u>	<p>Quote: “There are opportunities to promote the district’s potential as an attractive place to live, work, play and invest. Employers and local bodies create towns and places where people like to be.”</p> <p>Goals:</p> <ul style="list-style-type: none"> ▪ Attract people to the Clutha District to fill our jobs ▪ Address skill and labour shortages and plan for future skill needs ▪ Increase employment and career opportunities that encourage people to stay in the district.
<u>2018-28 Long Term Plan</u>	<p>Key activities:</p> <ul style="list-style-type: none"> ▪ Milton – Waiholā pipeline to address water supply issues and provide for growth. ▪ Upgrading stormwater and sewerage networks – environmental and safety benefits. ▪ Clutha Gold Cycle Trail – additional option for commuters in the Milton area. ▪ District Plan zoning review – the right mix for residential and industrial land use. ▪ Milton Main Street improvements – enabling this community to thrive. ▪ ‘Our Place’ Waiholā and Milton Community Plans – priority projects.
<u>2015-25 Long Term Plan</u>	<p>Key activities:</p> <ul style="list-style-type: none"> ▪ District Plan review – to facilitate development of an industrial hub near Milton. ▪ Milton sewage treatment plant upgrade. ▪ Tokomairiro Plain flood diversion and extension work. ▪ <i>Our Place Milton</i> Community Plan development.

Appendix 2: Strategic support structures - Dunedin City Council

<p><u>Dunedin City Economic Development Strategy. By Dunedin For Dunedin and Beyond 2013-2023.</u></p>	<p>Quote: "On our doorstep is the wider Otago region. We need to make sure that we collaborate to compete on the world stage, rather than compete amongst ourselves. Dunedin needs Otago, and Otago needs Dunedin."</p> <p>Vision: Dunedin is one of the world's great small cities. We are renowned as a confident community where enterprise and creativity support a productive and sustainable city.</p> <p>Goals:</p> <ul style="list-style-type: none"> ▪ 10,000 extra jobs over 10 years (employment growth of 2% per annum) ▪ An average of \$10,000 extra income for each person <p>Strategic Themes:</p> <ul style="list-style-type: none"> ▪ Alliances for innovation ▪ Linkages beyond our borders <p>Benchmarks:</p> <ul style="list-style-type: none"> ▪ Dunedin's export growth exceeds the national average over 10 years. ▪ Dunedin's proportion of high growth businesses exceeds the national average. <p>Enterprise start-up rates exceed those of comparator cities.</p>
<p><u>Dunedin City Integrated Transport Strategy, 2013</u></p>	<p>Objectives:</p> <ul style="list-style-type: none"> ▪ Dunedin is well connected for freight, including connections to key gateways such as Port Otago and Dunedin International Airport. ▪ A transport network that provides for the efficient movement of people and goods. <p>Strategic Responses:</p> <ul style="list-style-type: none"> ▪ Encourage increased use of the rail network for freight movement and provide safe and efficient access for freight vehicles on designated routes. ▪ Ensure Dunedin's critical transport infrastructure is resilient in the face of future threats and constraints.

Appendix 3: Strategic support structures - transport

<u>Port Otago</u>	<p>Quote: "Port Otago, at Port Chalmers is New Zealand's fifth largest port (by value) with over \$3,500 million worth of exports in 2015, mainly primary commodities. It is a freight port for regional and international import/export and a key South Island port, exporting containerised produce from throughout Otago and Southland."</p> <p>Vision: A sustainable, primary deep-water port</p> <p>Strategic Direction:</p> <ul style="list-style-type: none"> ▪ Strengthening our culture as a values-led, high-performing company. ▪ Positioning Port Otago as a sustainable, primary deep-water port. ▪ Delivering operational excellence. ▪ Working with our stakeholders and local community. <p>Actions:</p> <p>Strive to identify new market opportunities with future market needs.</p> <p>Focus on freight consolidation by rail to sustainably increase cargo volume</p> <p>Invest in local initiatives that provide environmental, social and economic outcomes.</p>
<u>South Island Regional Transport Committee</u>	<p>Priorities:</p> <ul style="list-style-type: none"> ▪ Identify and facilitate integrated freight network improvements across the South Island. ▪ Identify and pursue options for improving resilience & security of the transport network across the South Island. ▪ Support innovative multi-modal (road, rail, air, sea) solutions to transport problems.
Regional Land Transport Committee: <u>Update of the Otago Southland Regional Land Transport Plans 2015 - 2021</u>	<p>Quote: "Creating these plans has heightened our awareness that journeys do not stop at administrative boundaries. Many journeys, whether by freight or visitors, span Otago and beyond."</p> <p>Focus areas:</p> <ul style="list-style-type: none"> ▪ Regional development, productivity and connectivity. ▪ Better integration of rail and coastal shipping at the South Island scale ▪ Improvement projects on SH1 in Otago and Southland, from Invercargill to Oamaru. ▪ Reduce heavy traffic volume by development of inland port / freight hub near Milton. ▪ A suite of other improvements to the Dunedin transport network. <p>Recent progress:</p> <ul style="list-style-type: none"> ▪ Safety improvements on SH1 between Dunedin and Mosgiel.
<u>Dunedin International Airport Limited (DIAL)</u>	<p>Objectives:</p> <ul style="list-style-type: none"> ▪ Develop strategies and initiatives to grow trading activities ▪ Provide outstanding customer service to our valued customers

Office of the Mayor



13 May 2019

Craig Pilcher
General Manager, New Zealand
PLAMAN Global Corporation
cpilcher@plamancorp.com

Dear Craig

Goldman Sachs' report on the Plaman Foulden Hills Diatomite project

I am writing following recent reports in the news media (Otago Daily Times and Newshub) regarding a report by investment bankers Goldman Sachs on the diatomite project at the Foulden Marr that appears to have been leaked to the media. The report refers to "letters of support from Dunedin City Council" (in fact there was just one, from me to you about the economic benefits of the mine, based on the information provided to myself and my staff. In addition we are reported by Goldman Sachs as a "pro-mining" Council based on Macrae's goldmine, all of which (until very recently) lies outside the Dunedin City boundary.

Are you aware of this report? I request you provide me with a copy, as the media's reporting to date has raised a number of concerns in our Council and community.

The media reports appear to show that that the full extent of the environmental impacts and loss of "pre-eminent" fossil cache at the Foulden Maar were not adequately disclosed at the presentation you gave us last year. At the presentation, we were given the impression that the site only contained black diatomaceous earth, and now we have information that it could contain fossil records of incalculable value. As such, we would like your assurance the site contains only black diatomaceous earth as it has a strong bearing on the support we continue to give.

In addition, the media report that the Goldman Sachs report suggests a number of ways that your company can act 'manage' media and local communities. This includes suggesting locals are poorly resourced to fight any proposal, which also left me concerned about how forthright you have been with information to us.

I look forward to you clarifying this situation as a matter of urgency, as it raises questions around the DCC's letter of support for the Overseas Investment Office for your wider land purchase for the project. As well as the Goldman Sachs report, I would appreciate if you could share any other relevant information.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dave Cull".

Dave Cull
Mayor of Dunedin