

Proposed Selwyn District Plan



Section 32 Report

Coastal Environment

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1. Executive Summary

Section 32 of the Act requires objectives in plan change proposals to be examined for their appropriateness in achieving the purpose of the Resource Management Act 1991 ('the Act' or 'the RMA'), and the policies and methods of those proposals to be examined for their costs, benefits, efficiency, effectiveness and risk in achieving the objectives. The analysis set out in this report is to fulfil the obligations of the Council under s32 of the Act.

This section 32 evaluation report relates to the Coastal Environment. The Selwyn District coastal environment is defined by a long, open coast of mixed sand and gravel beaches that extend from Bank Peninsula to Timaru and includes Te Waihora/ Lake Ellesmere and Muriwai/ Coopers Lagoon. The terrestrial component of the coastal environment is, with the exception of Te Waihora /Lake Ellesmere and Muriwai/ Coopers Lagoon, a slender area of land extending from the mean high-water springs mark (MHWS) to the inland extent of the coastal significance zone. The narrow width of this coastal significance zone is due almost exclusively to land use activities that have modified the environment to almost immediately beyond the backshore. Activities in the coastal environment are limited to holiday hut settlement at the Greenpark, Rakaia and Selwyn huts and rural activities with a few scattered buildings associated with the latter activity.

The Coastal Environment is an overlay with an underlying General Rural Zone, and within which are identified Outstanding Natural Landscapes and areas with outstanding, very high and high natural character (ONC, VHNC and HNC respectively) as well as areas of significant indigenous vegetation.

The purpose of the Coastal Environment chapter is to manage activities that could have adverse effects on the natural character and values of the terrestrial part of the coastal environment. However, it is acknowledged that there is the potential for provisions in the Coastal Environment chapter to overlap with those in other chapters such as Rural, Public Access, Outstanding Natural Features and Landscapes, and Vegetation and Ecosystems.

Te Waihora/Lake Ellesmere and the Rakaia River Mouth are identified as outstanding natural landscapes (ONL) and therefore will be subject to rules developed under the Landscape workstream to manage such areas. Accordingly, it is not considered necessary to include specific additional rules to manage ONL in the coastal environment. However, should it become clear that the landscape provisions are not sufficient to manage adverse effects on their values in accordance with the NZCPS, then it is recommended that additional rules are included in the Plan.

Indigenous vegetation has been identified as an important contributor to the natural character of the coastal environment, especially at Te Waihora/Lake Ellesmere and Muriwai/Coopers Lagoon. However, the management and clearance of indigenous vegetation and biodiversity values is being addressed through the Vegetation and Ecosystems workstream, which will consider rules to manage the effects of this activity, and it is recommended that these are not duplicated in the coastal environment chapter. Except that policies on indigenous biodiversity that give effect to the NZCPS must be included in the Coastal Environment chapter.

It is also understood that a separate workstream dealing with surface water bodies may introduce specific objectives, policies and rules to manage adverse effects on water bodies such as Muriwai/Coopers Lagoon and Te Waihora/Lake Ellesmere. Matters associated with the hut settlements, Heritage, Public Access and Natural Hazards are also being progressed through separate workstreams. However, the management of all these matters will need to give effect to the NZCPS and as relevant, the CRPS.

Strategic objectives

The Strategic Objective of particular relevance to this Natural Environment Topic: Coastal Environment Chapter include:

SD-DI-O3 Land and water resources are managed through an integrated approach, which recognises both the importance of ki uta ki tai to Ngāi Tahu and the inter-relationship between ecosystems and natural processes.

SD-DI-O4 Places, landscapes and features which are significant to Selwyn's character, cultural heritage, or are of spiritual importance to Ngāi Tahu, are identified, recognised for their values, and protected for future generations.

SD-MWV-O1 Strengthen the partnership between the Council and Ngāi Tahu by recognising the cultural significance of Selwyn to Ngāi Tahu and Te Taumutu and Ngāi Tūāhuriri Rūnanga by:

- 1. Promoting active and meaningful participation by those who hold mana whenua in the resource management decision-making process;*
- 2. Recognising that only those who hold mana whenua can identify their relationship with their culture, traditions, ancestral lands, waterbodies, wāhi tapu and other taonga;*
- 3. Enabling the exercise of kaitiakitanga by those who hold mana whenua over Selwyn;*
- 4. Providing for the contemporary connections, cultural and spiritual values held by tāngata whenua; and*
- 5. Continuing to enable tāngata whenua to protect, develop and use Māori Land in a way which is consistent with their culture, traditions and aspirations.*

The Coastal Environment Chapter

This chapter will assist the Council to fulfil its statutory functions and responsibilities as required by the Act through the following proposed objectives, policies and rules:

- Objectives to preserve the natural character of the coastal environment and provide for communities social, economic and cultural wellbeing and their health and safety.
- Policies that address the qualities that contribute to natural character, avoid significant and manage all other adverse effects of activities, promote opportunities to restore and rehabilitate natural character, avoid and manage effects on indigenous biodiversity, and enable the exercise of kaitiakitanga and customary harvest/cultural practices.
- Rules that manage customary harvest, planting of vegetation, buildings and structures, earthworks, and quarrying and mining.
- Definitions for ONC, VHNC and HNC areas.
- Overlays on the Planning Maps that identify the extent of the coastal environment and areas of ONC, VHNC and HNC.

Appendix 1 sets out the linkages between all provisions in the Natural Environment Topic: Coastal Environment Chapter.

2. Overview and Purpose

This s32 evaluation report should be read in conjunction with the s32 'Overview Report', which also includes an overview of the s32 legislative requirements, the methodology and approach to the s32 evaluations and the process that the Council has undertaken to date through its District Plan Review, including consultation and engagement.

2.1 Introduction to the resource management issue(s)

The evaluation of the appropriateness of the Natural Environment Topic: Coastal Environment Chapter is based on the following 2 key issues:

Issue 1 - The need to identify the extent of the coastal environment and areas of outstanding, very high and high natural character.

Issue 2 - Adverse effects of land use, development and subdivision (including cumulative effects), on the coastal environment and the potential loss of, or adverse effects on, natural character.

All the issues identified above are matters that are required to be addressed by the NZCPS. In terms of the management of coastal environments within planning documents (objectives, policies, rules or other methods), the NZCPS sets out how the purpose of the RMA in relation to the coastal environment will be achieved. However, the policies need to be interpreted at a district level and appropriate methods set to achieve the intended outcomes. The Selwyn District Plan was made operative prior to November 2010 and therefore does not recognise the coastal environment (except for one rule) and seemingly relies on the regional council to manage activities in the CMA. This means that the Plan does not give effect to the NZCPS or the relevant requirements under s6 of the RMA.

The Coastal Environment in the Selwyn District is of great significance to Te Rūnanga o Ngāi Tahu given its long-established relationship with Te Waihora/Lake Ellesmere and the surrounding area. As such, the Council will need to consult closely with local iwi and Te Rūnanga o Ngāi Tahu to ensure that the direction and provisions for the protection and management of the coastal environment reflect their needs and views.

It is also acknowledged that matters related to public access, outstanding natural features and landscapes, ecology; the effects of coastal processes on subdivision, use, and development, and the need to recognize and provide for the relationship of mana whenua and their culture and traditions within the coastal environment will be addressed through the Public Access, Outstanding Natural Features and Landscapes, Vegetation and Ecology, Natural Hazard and Cultural workstreams.

The Section 32 evaluation report is structured with the relevant objectives, policies and methods intended to address each issue being packaged together to provide a clear 'line of sight' between the issue and relevant provisions.

2.2 Regulatory and policy direction

Part 2 of the RMA

In carrying out a s32 analysis, an evaluation is required of how the proposal achieves the purpose and principles contained in Part 2 of the RMA. Section 5 sets out the purpose of the RMA, which is to promote the sustainable management of natural and physical resources. Sustainable management includes managing the use, development, and protection of natural and physical resources to enable people and communities to provide for their social, economic and cultural wellbeing and for their health and safety. In achieving this purpose, authorities need also to recognise and provide for the matters of national importance identified in s6, have particular regard to other matters referred to in s7 and take into account the principles of the Treaty of Waitangi referred to in s8.

A number of provisions have been included in the Coastal Environment Chapter in response to the requirements in Part 2, including section 6 which is relevant as it specifically requires the preservation of the natural character of the coast and its protection from inappropriate uses, subdivision and development. Also, of relevance is that the Coastal Environment contains outstanding natural landscapes and features, natural hazards and cultural values and, public access must be maintained and enhanced to and along the CMA.

Section 7 is also relevant as the Coastal Environment is a resource that needs to be managed whilst maintaining and enhancing amenity values and the quality of the environment, and the intrinsic values of ecosystems. Section 8 is relevant because all persons exercising functions and powers under the RMA, in relation to managing the use, development, and protection of natural and physical resources, need to take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

National Instruments

The following national instruments are relevant to this topic/issue:

1. The New Zealand Coastal Policy Statement (NZCPS) came into force in 2010. The objectives and policies in the NZCPS closely reflect the Council's obligations under s5 and s6 of the RMA. The NZCPS recognises the need to balance preservation and protection with enabling people to undertake land uses and development for economic, cultural and social reasons. However, activities need to be appropriately located and managed, recognising that some activities can only be located in the coastal environment.

Policy 1 of the NZCPS sets out how the extent of the Coastal Environment is determined, while recognising that this will vary from region to region and locality to locality due to the high variability of coastal characteristics and values. This has provided the basis upon which the coastal environment of Selwyn has been defined in the Coastal Environment Study. Policy 2 provides guidance on implementing the Council's obligations under the Treaty of Waitangi. Policy 4 acknowledges the need for the integrated management of the boundary between the land component of the coastal environment and the Coastal Marine Area (CMA).

Other policies:

- direct that a precautionary approach should be adopted when considering activities whose effects may be uncertain, unknown or little understood but potentially significantly adverse.

- advocate for the integrated management of the coastal environment (i.e. working with DOC and ECan).
- seek to manage the potential effects of built development, whilst recognising the need for public open space and walking access.
- seek the effective management of hazard risk, protecting indigenous biological diversity and natural features and landscapes and, preserving and restoring natural character.

The District Plan must give effect to the NZCPS as it applies to the landward portion of the coastal environment. It is noted that there is currently very little development in the Selwyn coastal environment, and therefore it is considered that Policies 13, 14 and 15 of the NZCPS will be of particular relevance. In brief, these seek to:

- preserve the natural character of the coastal environment and protect it from inappropriate subdivision, use and development;
- promote restoration or rehabilitation of the natural environment of the coastal environment;
- protect the natural features and natural landscapes (including seascapes) of the coastal environment from inappropriate subdivision, use, and development, respectively.

Other policies in the NZCPS will need to be considered in the relevant workstreams i.e. Policy 17 - protecting historic heritage in the coastal environment from inappropriate subdivision, use and development.

2. The National Policy Statement on Renewable Electricity Generation, and the National Policy Statement on Electricity Transmission will be addressed in the Utilities workstream, but the utility provisions will need to consider the recommendations in the Coastal Environment Study.
3. The National Environment Standard for Plantation Forestry 2017 permits forestry to be planted across the District subject to securing resource consent (as specified by the regulations), except that under clause 6 (1) a rule in a plan may be more stringent than these regulations if the rule gives effect to—
 - (a) an objective developed to give effect to the National Policy Statement for Freshwater Management;
 - (b) any of policies 11, 13, 15, and 22 of the New Zealand Coastal Policy Statement 2010.

Policy 13 of the NZCPS relates to the preservation of natural character and therefore more stringent rules can be applied to areas with outstanding, very high and high natural character.

National Planning Standards and/or Guidance Documents

The following aspects of the National Planning Standards are relevant to this topic / issue:

1. The Draft District Plan Structure Standard is relevant to this topic as it is a requirement to have a natural environmental values section within which there is a chapter that addresses the coastal environment (if the District has a coastline). There is also a requirement to identify the coastal environment and areas of outstanding and high natural character and, include objectives, policies and methods, including rules (if any) that will ensure the life supporting capacity of these systems are safeguarded as well as objectives, policies and methods, including rules (if any) that will manage the effect of activities in the coastal environment.

2. The coastal environment and areas of ONC, VHNC and HNC are to be identified as overlays on the planning maps as required for areas that have been spatially identified following a district wide assessment and have been determined to have distinctive values and be subject to environmental risks and factors that require management in a different manner from the underlying zone provisions.

Regional Policy and Plans

The following regional guidance documents are relevant to this topic / issue:

1. Canterbury Regional Policy Statement

Chapter 8 of the Canterbury Regional Policy Statement (CRPS) sets out the issues, objectives and policies that apply to the Coastal Environment. The CRPS was being written at around the same time that the NZCPS was gazetted and due to this timing, the CRPS was not able to fully consider the requirements of the NZCPS.

The CRPS states that “This chapter of the CRPS seeks to give immediate effect to as many of the provisions of the NZCPS as possible. In some instances, however, it will be necessary to implement additional processes to gather the information that will be necessary to give meaningful effect to the provisions of the NZCPS.” This is taken to mean that the CRPS provisions may not give full effect to the NZCPS and that direct reference back to the NZCPS is appropriate in this circumstance.

The Council must give effect to the CRPS, which includes the following policies that are of particular relevance to the Selwyn District:

Policy 8.3.2 seeks to provide for the integrated management of natural and physical resources and activities in the coastal environment. This requires the Council to work with ECan and Te Rūnanga o Ngāi Tahu to provide for and manage activities within the coastal environment as well as protect outstanding natural landscapes and features and preserve its natural character.

Policy 8.3.3 provides for the management of activities, and the protection of the values of the coastal environment. It directs that this will be achieved, at least in part, by avoiding, or where this is not practicable, remedying or mitigating adverse effects within the coastal environment on:

- natural character (including associated natural processes);
- outstanding natural features and outstanding natural landscapes; amenity, cultural and recreational values;
- coastal areas of cultural significance identified in consultation with Ngāi Tahu as tāngata whenua; and
- the health and safety of people.

The Council will need to identify the values of the coastal environment and determine how these can be protected from the adverse effects of use, development and subdivision, or how effects can be appropriately managed. It will also require the Council to engage with Ngāi Tahu as tāngata whenua to identify coastal areas of significance and/or characteristics of the coastal environment that are of special value to Ngāi Tahu and ways to protect Ngāi Tahu values. This process will be assisted by iwi management plans.

Policy 8.3.4 seeks to preserve and restore the natural character of the coastal environment through a range of means including protecting outstanding natural features and landscapes including seascapes; and managing the adverse effects of occupation, subdivision, use and development.

This will require the Council to set out objectives and policies, rules and any non-regulatory methods to preserve the natural character of the coastal environment and protect it from inappropriate subdivision, use and development. These provisions will need to include measures to avoid inappropriate development and subdivision adjacent to and along the CMA boundary that will significantly compromise existing areas of high natural character as well as achieve integrated management between land and the CMA.

Policy 8.3.5 seeks to maintain and enhance public and Ngāi Tahu access to and along the coastal marine area, whilst considering public health and safety, avoiding significant adverse effects on the values of the coastal environment and its natural hazard buffers, protecting Ngāi Tahu sites of special value and recognising the legal rights and lawful activities of owners/occupiers of land.

The Council will need to provide for access through the landward portion of the coastal environment to the CMA. This will require the Council to set out objectives and policies, and methods in its plan to maintain and enhance appropriate public access which have been addressed in the public access chapter and associated s32 assessment documents.

2. Operative Coastal Environment Regional Plan

ECan has prepared the Regional Coastal Environment Plan. The objectives and policies seek to protect, and where appropriate enhance sites and habitats of high natural, physical, heritage or cultural value, and enable people to undertake commercial and recreational activities in the coastal environment. This is to be achieved while protecting regionally significant network utility assets and commercial ports and avoiding, remedying or mitigating the adverse effects of those activities on the natural character of the coastal environment.

In particular, Policy 6.1 seeks to control activities and development to avoid significant adverse effects and remedy or mitigate other adverse effects on coastal ecosystems and processes; identified values of Areas of Significant Natural Value; identified values of areas of high natural, physical, heritage or cultural value, and natural character in areas of the coastal environment where natural character predominates. It also adopts a precautionary approach when considering applications for resource consents where the effects, including cumulative effects are as yet unknown or little understood, or where the functioning of marine ecosystems and coastal processes is poorly understood.

The Coastal Environment Plan became operative in 2005 and includes some updates from 2011 in relation to restricted coastal activities. However, given its age, the Plan does not align with or give full effect to the NZCPS.

3. Mahaanui Iwi Management Plan

The Coastal Environment including the CMA is of great cultural importance and the IMP addresses this matter in several chapters. The principal interest is the identification and protection of cultural values and sites, and ensuring that development, land uses, and subdivision do not generate adverse effects on those particular areas/values within the coastal environment.

Of particular relevance is Policy TAN7.1:

To require that local authorities recognise and provide for the particular interest of Ngāi Tahu in coastal land development activities, including but not limited to:

- (a) The protection of coastal headlands and skylines;*
- (b) The protection of coastal indigenous biodiversity, including remnant forest and endemic species;*
- (c) The protection of mahinga kai values;*
- (d) The protection of wāhi tapu and wāhi taonga;*
- (e) The protection of views of significant natural features and landmarks;*
- (f) Access to coastal areas for customary use;*
- (g) Ngāi Tahu aspirations for coastal areas, including the establishment of matāitai and taiāpure;*
- (h) The potential for sedimentation and contamination of coastal waters; and*
- (i) The increased pressure on existing water resources and community infrastructure.*

The areas of particular cultural significance are being addressed through a separate district plan review workstream being undertaken by Mahaanui Kurataiao Ltd for the Council.

3. Resource Management Issue Analysis

3.1 Background

The operative Selwyn District Plan contains one provision relating to the coastal area, which makes buildings that are seaward of the Coastal Hazard 1 Line, a non-complying activity. The Plan does not contain any other provisions that specifically relate to the coastal environment, with the land adjacent to the sea and that part of Te Waihora/Lake Ellesmere within the Selwyn District being zoned as Outer Plains, and the Rakaia Huts which are zoned as Living 1. This is unsurprising as the Plan was made operative prior to the NZCPS being gazetted in 2010.

The analysis undertaken in the Coastal Environment: Planning Analysis report prepared by BML (2018) indicates that the operative rules and assessment matters are not fully efficient or effective at protecting the coastal environment and neither do they give effect to the NZCPS. The Operative Plan does not currently identify the extent of the coastal environment or identify and preserve areas with ONC, VHNC and HNC.

3.2 Evidence Base - Research, Consultation, Information and Analysis undertaken

Research

The Council has reviewed the current District Plan, commissioned technical advice and assistance from various internal and external experts and utilised this, along with internal workshops and community feedback to assist with setting the plan framework. This work has been used to inform the identification and assessment of the environmental, economic, social and cultural effects that are anticipated from the implementation of the provisions. This advice includes the following:

Title	Author	Brief synopsis	Link to document
Coastal Environment Study, March 2018	BML	It sets out the methodology used to identify the extent of the Coastal Environment and areas of outstanding, very high and high natural character within that environment. It also provides some guidance on activities that are likely to generate significant adverse effects on the coastal environment.	https://www.selwyn.govt.nz/_data/assets/pdf_file/0004/282244/SDC_Coastal_Environment_Study_20180319-FINAL.pdf
Natural Environment Topic: Coastal Environment Baseline Report, March 2018	BML	This report seeks to identify the extent to which the operative District Plan is required to be amended to give effect to both the NZCPS 2010 and the CRPS. This report also identifies a number of options to amend the District Plan to align provisions with current best practice and the NZCPS in the protection and management of the coastal environment in the Selwyn District.	https://www.selwyn.govt.nz/_data/assets/pdf_file/0006/282246/Coastal_Planning_Report_20180320.pdf

In addition to the material listed in the table above, the Council has also gathered the following information and advice which is relevant to this matter:

- Caselaw: There have also been cases that have provided clarity as to the intent of some policies in the NZCPS. Of the many, the most pertinent is a Supreme Court decision (NZSC38) in April 2014 on

two appeals in relation to salmon farms in the Marlborough Sounds¹. This case focussed attention on the underlying policies, particularly in relation to directive policies of the NZCPS that require the avoidance of adverse effects. That decision provides strong direction to avoid adverse effects on areas with outstanding natural character in the Coastal Environment. The decision states that where policy direction states 'avoid', essentially this is what should occur.

This decision also held that because a plan change is required to 'give effect to' (or 'implement') the NZCPS, and because the NZCPS itself is designed to achieve the purpose of the Act, a plan change which gives effect to the NZCPS must necessarily also be in accordance with Part 2. This means that it is (unless one of three special circumstances apply) unnecessary to refer back to Part 2 of the RMA when determining a plan change.

In this case, the CRPS states that it will need 'to implement additional processes to gather the information that will be necessary to give meaningful effect to the provisions of the NZCPS', and therefore direct reference back to the NZCPS is required as the CRPS does not give full effect to this policy statement.

- Caselaw: since the preparation of the Coastal Environment: Planning Analysis Report, the Court of Appeal judgment *RJ Davidson Family Trust v Marlborough District Council* [2018] NZCA 316 has been released. This judgment concerns the extent to which Part 2 of the RMA should be considered in determining applications for resource consent, including in light of the Supreme Court's 2014 *King Salmon* decision.

In short, the Court of Appeal has determined that:

- Notwithstanding *King Salmon*, RMA decision makers should usually consider Part 2 when making decisions on resource consents (that is the implication of the words "subject to Part 2" in section 104).
- However, where the relevant plan provisions have clearly given effect to Part 2, there may be no need to do so as it "would not add anything to the evaluative exercise". It would be inconsistent with the scheme of the RMA to override those plan provisions through recourse to Part 2. In other words, "genuine consideration and application of relevant plan considerations may leave little room for Part 2 to influence the outcome". This is particularly relevant in situations where the NZCPS applies.

This is of relevance to the preparation of plans because the language used by the Court of Appeal suggests the emphasis should be on the plan development process, not whether the plan in question accords with the decision maker's own vision of what Part 2 requires. The Court indicated that if a plan "has been competently prepared" then a decision maker may well "feel assured" in taking the view there is no need to refer to Part 2 because "doing so would not add anything to the evaluative exercise". However, "absent such assurance, or if in doubt" it would be appropriate and necessary for decision makers to refer to Part 2 RMA (this being the implication of the words "subject to Part 2").

¹ *Environmental Defence Society Inc v The New Zealand King Salmon Co Ltd* [2014]

For plan change processes, clearly no council sets out to produce a document that is not “competently prepared”. As such, it remains important that objectives and policies strike the right balance and “say what they mean” – given there is no guarantee that Part 2 will be available when it comes time to consider resource consent applications made under them.

- It is understood that no consents have been received to undertake land uses, development or subdivision seaward of the Coastal Hazard 1 Line.

Economic

Market Economics was commissioned by Selwyn District Council to consider the costs and benefits associated with the proposed changes in the coastal environment provisions in the DPR, as compared to the operative District Plan. The resulting memo (see [Appendix 2](#)) used a high-level assessment but is considered sufficiently detailed to provide an understanding of the potential outcome of implementing the coastal environment provisions. It is also noted that:

- the scope of this assessment did not cover an assessment of alternative policy options.
- the memo does not consider the impacts of other planning rules. For example, the Natural Hazards Chapter/provisions will have implications for development in the coastal environment area, particularly the area of the coastal environment in closest proximity to the Pacific Ocean (less so on the coastal environment adjacent to Te Waihora, although there is expected to be some natural hazards in this area as well which will have implications for built development).

The memo concludes that the coastal environment provisions are likely to produce a positive outcome for the local community. Specifically, the assessment indicates that the overall costs are likely to be small (approx. \$450,000.00 per annum²), which is likely to be outweighed by the benefits (approx. \$800,000.00 per annum³). However, the memo notes that the assessment of costs is indicative as there is limited data to produce an estimate, the key matter is that the benefits are likely to outweigh the costs.

Also, Council Officers have signalled three key changes to the draft (rural activity, aquaculture and small edits to the extent of the coastal environment are adopted) that would reduce the costs, while having a minimal impact on the benefits.

This information has been used to inform the District Plan Review and this s32 evaluation.

Consultation and Engagement

Through the development of the proposed provisions, the Council undertook the following consultation and engagement specifically on this matter:

- In October 2018 the Council sent letters to landowners/occupiers and key stakeholders and posted the summary documents seeking feedback on the approach to the Coastal Environment provisions. However, no feedback was received on matters specific to the Coastal Environment.

² Based on \$100,000 of lost rural production, \$200,000 of aquaculture, \$100,000 of other primary production and small values for design/compliance/consenting.

³ Based on \$100,000 tourism, \$100,000 of commercial fishing, \$600,000 of amenity values and small values for regulatory efficiency.

Selwyn District Council presented the findings of the Natural Character and Landscape Study in 2018 to Mahaanui Kurataiao Limited to set the context for the natural environment chapters that they would be asked to provide comment on.

Engagement with Te Taumutu Rūnanga Advisory Group on an early draft of the Coastal Environment chapter (among others) was facilitated by Mahaanui Kurataiao Ltd who provided the following feedback;

Provision	Feedback/Recommended Amendment	Recommendation/Notes
New Objective <u>Safeguard the functioning of natural coastal processes.</u>	<i>To address NZCPS Objective 1</i>	Natural coastal processes are recognised as contributing to natural character and therefore are already considered and protected through the policy framework and provisions in the Plan.
New Objective <u>Recognise and provide for the relationship of Ngāi Tahu with the coastal environment, including protecting areas with significant cultural values and enabling the exercise of kaitiakitanga.</u>	<i>To address NZCPS Objective 3 and IMP 5.6 Objective 1 and 2</i>	This is woven into Objective CE-O2 and Policy CE-P5.
CE-P1 In identifying the terrestrial part of the coastal environment, recognise that it includes: <ul style="list-style-type: none"> items of cultural and historic heritage in the coastal marine area or on the coast <u>areas with significant mahinga kai, kainga, wāhi tapu and wāhi taonga values to tangata whenua, including coastal lakes, wetlands, estuaries and hāpua,....</u> 	<i>Suggested amendment to provide greater clarity about values and to show they are broader than would be implied by just grouping them with historic heritage - particularly including mahinga kai and specifying lakes, wetlands, estuaries and hāpua to reflect IMP 5.6 Policy TAN3.1</i>	Policy framework for the chapter has been amended to reflect MKT request.
CE-P3 Avoid significant adverse effects, and manage all other adverse effects of subdivision, use and development by: <ul style="list-style-type: none"> ... recognising and providing protection for Ngāi Tahu values in <u>mahinga kai areas</u> 	<i>Suggest including specific reference to mahinga kai to reflect IMP 5.6 objectives 1 and 4</i> <i>Suggested to be consistent with NZCPS Objective 1</i> <i>‘recognising’ the areas doesn’t, in itself, provide</i>	Policy framework for the chapter has been amended to reflect MKT requests.

<p><u>and other</u> locations of special significance to tāngata whenua;</p> <ul style="list-style-type: none"> • ... • recognising the on-going natural physical processes that have created the steep mixed predominantly alluvial gravel and sand beaches with a backdrop of eroding cliffs and dunes, <u>and ensuring natural and physical coastal processes are not impeded by land use and development;</u> • ... • recognising that the Rakaia river mouth, Te Waihora/ Lake Ellesmere and Muriwai/ Coopers Lagoon are important breeding, feeding and resting places for wetland and coastal birds, including waders <u>and providing protection for these areas;</u> • 	<p><i>protection – need to state this specifically</i></p>	
<p>Add New Cultural Practices Activity Rule (Amend existing Customary Harvest Rule) Activity status: P Where: n/a Advice note: This rule does not override the requirement to obtain permission of the landowner or administrator for any customary harvesting of taonga species.</p>	<p><i>There should be no need for this note – the need to obtain landowner permission would apply equally for any activity (e.g. conservation activity) if it is on someone else's land</i></p>	<p>Agreed and has been done.</p>
<p>Buildings and structures</p>	<p><i>There are rūnanga concerns around constraints on the following:</i></p> <ul style="list-style-type: none"> - <i>Pou whenua</i> - <i>Fixing or re-establishing culvert for Muriwai</i> - <i>Re-directing coastal drains</i> 	<p>Cultural Practice is a permitted activity. Small scale buildings are also provided for as permitted activities.</p> <p>Pou are considered to be signs and will be considered in the Signs Chapter.</p>

	<p><i>The rules would constrain these. Suggestions to address them:</i></p> <ul style="list-style-type: none"> <i>• Could provide for pou whenua either by permitting structures with small footprint (e.g. <10m² or else by permitting structures intended as cultural markers (and possibly interpretive signage as well?)</i> <i>• Works on the Muriwai culvert and re-direction of drains would fall within earthworks rules. Suggested permitting “mahinga kai activities” (with a fairly broad definition).</i> <i>• However, changed to ‘customary practice’. A definition of ‘customary practice’ incorporating “activities in accordance with the kawa and tikanga of Ngāi Te Ruahikihiki” could be used to provide for a permitted’ customary practice’ activity that would encompass structures such as pou whenua as well as these earthworks.</i> 	<p>Some of the activities mentioned here would require consent from ECan. Otherwise culverts/drains are managed by rules in the Utilities Chapter.</p> <p>Earthworks in Te Waihora HNC are non-complying due to the sensitive nature of this environment. MKT themselves have previously stated that they wanted this area to be identified as ONC rather than HNC. It is identified as an outstanding natural landscape. Given this, it is not considered appropriate to provide for any earthworks. If earthworks are permitted for cultural practices, this may create a permitted baseline.</p>
<p>Rural Activity Rule Activity status: P Where: rural activity: 1. 2. is setback 3m 10 m or more from the coastal marine area.</p>	<p><i>3m setback does not provide much of a buffer to allow for protection of the coastal fringe or to accommodate shifting coastal processes/ climate change</i></p>	<p>Rural Activity no longer managed in this overlay – only buildings/structures and earthworks.</p> <p>Natural hazard in the Coastal Environment to be included in a separate Natural Hazards chapter.</p>
<p>Recreation Activity</p>	<p><i>The definition of this is not listed in these provisions – if the definition does not exclude structures, they should be specifically excluded in this rule.</i></p>	<p>No longer managed in this overlay area – addressed in the underlying Rural Zone.</p>

<p>CE-R7 (Rural or Residential Buildings/Structures)</p> <p>Matters of Discretion</p> <ol style="list-style-type: none"> 1. Whether the proposal is consistent with maintaining the qualities and values of the coastal environment. 2. Whether the proposal preserves and/or enhances natural character values. 3. <u>Whether the proposal safeguards the functioning of natural biological and physical coastal processes .</u> 4. <p>Notification: any application arising from this rule shall not be limited or publicly notified.</p>	<p><i>Suggested to be consistent with NZCPS Objective 1</i></p> <p><i>Excluding limited notification could cut out ability for Rūnanga input, which would be inconsistent with NZCPS requirement to provide for matauranga Maori and exercise of kaitiakitanga (NZCPS Policy 2)</i></p>	<p>Addressed concerns in all relevant matters of discretion.</p> <p>Notification still to be determined.</p>
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RMA First Schedule Consultation

The RMA requires councils to undertake pre-notification consultation with those parties identified in Schedule 1, clause 3, during the preparation of a proposed district plan. These parties include:

- the Minister for the Environment;
- those other Ministers of the Crown who may be affected by the proposed plan;
- local authorities who may be so affected; and
- the tangata whenua of the area who may be so affected, through iwi authorities.

As a result of this consultation, written feedback was received from Christchurch City Council, Environment Canterbury and Department of Conservation. An overview of their feedback and a summary of recommended amendments to draft provisions is contained in a report that was presented to the District Plan Committee on 18 March 2019, as per details below.

Title	First Schedule Consultation (March 2019)
Authors	Justine Ashley, District Plan Review Project Lead, with input from Topic Leads, Selwyn District Council
Brief Synopsis	This report provides a summary of the pre-notification feedback received from RMA First Schedule consultation on the draft Proposed District Plan provisions and the subsequent amendments recommended by Topic Leads.

Link to Document	https://www.selwyn.govt.nz/_data/assets/pdf_file/0008/352196/First-Schedule-Consultation-Report-to-DPC.pdf
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Iwi Authority Advice

Clause 4A of Schedule 1 of the RMA sets out the specific requirements for local authorities to consult with iwi authorities before notifying a proposed plan and to have particular regard to any advice received from those iwi authorities. Access to the draft ePlan and Planning Maps was provided to the iwi authority (Te Rūnanga o Ngāi Tahu) on 17 December 2019 and feedback was invited until 28 February 2020. While no formal response was received from the iwi authority during this pre-notification consultation period, Te Rūnanga o Ngāi Tahu had previously indicated that they were satisfied that Mahaanui Kurataiao Limited were providing the necessary input into draft provisions on behalf of Te Taumutu Rūnanga and Ngāi Tūāhuriri Rūnanga. In addition, the detailed feedback that has been provided by Te Taumutu Rūnanga Advisory Group is also acknowledged in this context.

3.3 Operative District Plan Provisions

The operative Selwyn District Plan contains one provision relating to the coastal area (Rule 3.1.1.1(b)), which makes buildings that are seaward of the Coastal Hazard 1 Line, a non-complying activity. The Plan does not contain any other provisions that specifically relate to the coastal environment, with the land adjacent to the sea and that part of Te Waihora/Lake Ellesmere within the Selwyn District being zoned as Outer Plains and the Rakaia Huts which are zoned as Living 1. This is unsurprising as the Plan was made operative prior to the NZCPS being gazetted in 2010, and therefore does not give effect to the NZCPS.

The operative Plan identifies Te Waihora/Lake Ellesmere as an Outstanding Natural Feature (ONF) and as a Wāhi Taonga Management Site and includes two Silent File Areas. The Lake edge is within the Lake Ellesmere Flood Area and a Wāhi Taonga Management Site is identified on the south-eastern edge of the Lake. Policy B1.4.13⁴ recognises Te Waihora/Lake Ellesmere as an ONF and seeks to manage activities that may adversely affect its natural character or views across the lake, or from the lake across the Plains. The Policy also seeks to manage the clearance of existing areas of indigenous vegetation and wetlands and encourage restoration and enhancement.

⁴ 5 Policy B1.4.13 (a) Recognise Te Waihora/Lake Ellesmere and its margins as an Outstanding Natural Feature; and

(b) Ensure that any structures, earthworks or tree planting located along the margins of the lake, or any structure located across the surface of the lake do not detract from its natural character or the views across the lake or from the lake across the Plains; and

(c) Control the clearance of existing areas of indigenous vegetation and wetlands and encourage the restoration and enhancement of these areas in and around the vicinity of the lake.

The operative Selwyn District Plan does not recognise, nor does it provide for appropriate management of the coastal environment. The Plan does not identify the extent of the coastal environment and neither does it include provisions that seek to protect the values and character of that environment. Consequently, the Plan does not give effect to the NZCPS or the CRPS.

It has therefore been recognised by the Council that there is a need to identify the extent of the coastal environment and undertake a comprehensive review of its associated character, values and threats. The Council commissioned the Coastal Environment Study which contains the specialist review of the coastal environment in the Selwyn District, including identifying the extent of that environment using the matters set out in Policy 1 of the NZCPS 2010.

3.4 Analysis of best practice – how other councils are addressing the same issue

A review of current practice in respect of this matter has been undertaken, together with a review of the following District Plans:

- Hurunui District Plan (second generation, decisions released)
- Christchurch District Plan (second generation)
- Proposed Dunedin District Plan (second generation, decisions released, under appeal)

These plans were chosen because Second Generation District Plans developed since 2010 generally include specific provisions that apply to the coastal environment as directed by the RMA, NZCPS and CRPS. In general, our experience shows that the level of protection provided in second-generation district plans for coastal environments has increased significantly. This is primarily driven by the NZCPS, evolving planning approaches and case law directing the need for this matter to be dealt with strongly in district plans and to use clear, directive language.

Within Canterbury (under the same RPS regime) there are four operative second generation plans, of which only two incorporate the provisions of the NZCPS and are assessed below. Further afield there are limited numbers of operative second generation plans that are comparable to the Selwyn situation, but it is considered relevant to look at the Proposed Dunedin District Plan for comparison purposes as it reflects best practice and gives effect to the NZCPS.

The details of the review are contained in Natural Environment Topic: Coastal Environment-Planning Assessment, 20th March 2018. In summary, the findings of the review are:

- The HDP applies a Coastal Environment Zone identified in accordance with the NZCPS, whereas the CDP and PDDP apply natural character overlays with land having an underlying zoning. However, the CDP also identifies the extent of the coastal environment on the planning maps.
- The objective in the HDP closely reflects the intent and wording of the NZCPS, but the policies, whilst generic, are an interpretation of its intent. The objectives and policies in the CDP and the

PDDP address similar issues i.e. the intent to identify the coastal environment, protects its values and provide for public access. Both plans also seek to protect values of importance to the District and identify these in the plan. However, the objectives and policies in the PDDP also seek to limit the types of activities that can occur and provide guidance as to appropriate activities and manage adverse effects.

- The rules that apply to the coastal environment are contained in the same chapter as the relevant objectives and policies in the HDP. Whereas the CDP Coastal Environment chapter does not contain any rules and the Coastal Environment chapter in the PDDP contains a small number of rules related to, for example clearance of vegetation. Otherwise, rules managing activities in the Coastal Environment are contained in the relevant zone/management chapters or natural character sub-chapter of the CDP and PDDP.
- Most of the plans provide for a low level of change and small-scale activities as a permitted activity. This is generally restricted to small scale buildings.
- The HDP applies a restricted discretionary or discretionary activity status to the majority of activities i.e. larger buildings, earthworks, forestry, indigenous vegetation clearance, tracks and roads in the coastal environment. The CDP and the PDDP generally apply such activity status to activities in areas of natural character and to activities that do not meet permitted activity standards. The use of restricted discretionary and discretionary activity status provides for these activities subject to a consent process and enables the assessment of impacts on identified values. It also means that applications can be declined, if necessary.
- In all plans reviewed, the most stringent activity status is non-complying, with this usually applied to large scale activities with high potential for visual change, including forestry, mining/quarrying, and large buildings or activities in areas with high and outstanding natural character. The use of a non-complying status suggests that applications should be subject to a stringent assessment of adverse effects and consents should only be granted if the activity will not result in more than minor adverse effects on areas with outstanding natural character or the activity(ies) is/are not contrary to the relevant objectives and policies.
- Some of the plans reviewed are complex and this makes interpretation and application potentially difficult, especially for landowners who are unlikely to be familiar with district plan terminology and layout. The more simplistic plan approaches such as adopted in the HDP are likely to be more understandable for a wider audience e.g. a specific section or chapter dealing with coastal environment issues holistically or an overlay with rules contained in the appropriate zone chapter.

Since this analysis of best practice was prepared, the Hurunui District Plan has been made operative and beyond challenge, but there do not appear to be any substantial changes to the provisions that were analysed in the Coastal Environment: Planning Analysis report. Decisions have also been released on the Dunedin District Plan, and whilst changes have been made to the policies and rules, the fundamental intent

has not altered. The main changes have been to strengthen the policies to avoid certain activities and to clearly list these in the policies, and to make the language more directive.

3.5 Summary of the Issues Analysis

The analysis of the issues has identified that:

- The operative Selwyn District Plan does not give effect to the NZCPS or the CRPS as it does not identify the extent of the coastal environment or areas of at least high natural character. As such, the coastal environment may not be protected from inappropriate activities and land uses as required by Policy 8.3.3 in the CRPS and the objective and policies of the NZCPS. The Coastal Environment Study identified that significant adverse effects would arise from any major change to the current situation, for example large scale land-use change and land intensification such as the back dunes becoming pasture. This could also affect biodiversity values in the coastal environment and consequently the natural character of an area.
- There are no objectives or policies within the operative Plan that apply to the coastal environment. The policy framework does not ensure the preservation of the natural character of the coastal environment and protection from inappropriate subdivision, use and development as required by Policy 13 of the NZCPS.
- There is only one rule (Rule 3.1.1.1(b)) in the operative District Plan which makes buildings seaward of the Coastal Hazard 1 Line, a non-complying activity. It is noted that hazard lines are likely to be identified along the coast in consultation with ECan. If these hazard lines follow the dune line, it is considered that the management of activities in the coastal environment will be simple as many activities will firstly be managed through controlling the effects of hazards. However, there may be areas of the coastal environment that lie landward of the Coastal Hazard 1 Line, that do not have at least high natural character, or the proposed activity does not require the removal of indigenous vegetation, but it is still necessary to manage effects on the values and character of the coastal environment.
- It is understood that the identification of the coastal environment excluded the highly modified rural landscape that adjoins the dune system along the coast. However, if modification of the land occurred beyond the dune system and extended into the coastal environment, this could have significant adverse effects on its values and character. Activities of particular concern are earthworks, land use intensification and buildings/structures. Consideration needs to be given to how such change is to be managed including through appropriate rules that reflect the intent of the NZCPS to avoid adverse effects on outstanding natural character and, avoid significant, and manage adverse effects on all other areas of natural character.

4. Scale and Significance Evaluation

The level of detail undertaken for the evaluation of the Proposed District Plan provisions has been determined by an assessment of the scale and significance of the implementation of these provisions. The scale and significance assessment considered the environmental, economic, social and cultural effects of the provisions. In making this assessment regard has been had to the following, namely whether the provisions:

	Low	Low-Moderate	Moderate	Moderate-High	High
Degree of change from the Operative Plan					✓
Effects on matters of national importance (s6 RMA)					✓
Scale of effects – geographically (local, district wide, regional, national)		✓			
Scale of effects on people (how many will be affected – single landowners, multiple landowners, neighbourhoods, the public generally, future generations?)		✓			
Scale of effects on those with particular interests, e.g. Tangata Whenua				✓	
Degree of policy risk – does it involve effects that have been considered implicitly or explicitly by higher order documents? Does it involve effects addressed by other standards/commonly accepted best practice?				✓	
Likelihood of increased costs or restrictions on individuals, businesses or communities.		✓			

The level of detail of analysis in this report is moderate-high. The coastal environment needs to be protected and its natural character preserved under the NZCPS, but it does not contain many activities;

these being mainly limited to rural activities and associated buildings/structures, scattered dwellings and hut settlements. It is unclear whether the coastal environment is valued by the community as there is limited public access, but it is known to contain several sites of significance to tāngata whenua. The Coastal Environment study has identified areas of ONC, VHNC and HNC and, the Rakaia River mouth and Te Waihora/Lake Ellesmere have been identified as ONL's.

Activities within these areas can adversely impact on the natural character values and generally need to be limited in nature and extent to protect the identified values. This means that resource consents are required for a broad range of activities, with subsequent costs. In addition, consenting information requirements can impose additional costs on applicants as specialist natural character assessments are often required. However, the cost to the environment of not appropriately managing activities in the coastal environment has the potential to be very high and the preservation of the natural character of the coastal environment is recognised as a matter of national importance under the RMA 1991.

5. Evaluation of Proposed Objectives

5.1 Introduction

This section of the report evaluates the proposed objectives as to whether they are the most appropriate to achieve the purpose of the Act.

5.2 Strategic Objectives

The following objective from the Strategic Objectives chapter of the Proposed District Plan are relevant to this issue / topic is:

SD-DI-O3 Land and water resources are managed through an integrated approach, which recognises both the importance of ki uta ki tai to Ngāi Tahu and the inter-relationship between ecosystems and natural processes.

SD-DI-O4 Places, landscapes and features which are significant to Selwyn's character, cultural heritage, or are of spiritual importance to Ngāi Tahu, are identified, recognised for their values, and protected for future generations.

SD-MWV-O1 Strengthen the partnership between the Council and Ngāi Tahu by recognising the cultural significance of Selwyn to Ngāi Tahu and Te Taumutu and Ngāi Tūāhuriri Rūnanga by:

- *Promoting active and meaningful participation by those who hold mana whenua in the resource management decision-making process;*
- *Recognising that only those who hold mana whenua can identify their relationship with their culture, traditions, ancestral lands, waterbodies, wāhi tapu and other taonga;*
- *Enabling the exercise of kaitiakitanga by those who hold mana whenua over Selwyn;*
- *Providing for the contemporary connections, cultural and spiritual values held by tāngata whenua; and*
- *Continuing to enable tāngata whenua to protect, develop and use Māori Land in a way which is consistent with their culture, traditions and aspirations.*

The proposed objectives for the Coastal Environment Chapter are to achieve this Strategic Objective.

5.3 Evaluation of Proposed Objectives

General Policy Direction Options and Recommendations	
<ol style="list-style-type: none"> Option 1 - Status Quo – retain existing objectives, policies, rules and assessment matters. Option 2 - Include objectives to preserve the natural character of the coastal environment, and enable communities to provide for their social, economic and cultural wellbeing. Option 3 - Repeat s6a of the RMA: Preserve the natural character of the coastal environment (including the coastal marine area) and protect it from inappropriate subdivision, use, and development. <p>Option 2 is the preferred option. It is considered most likely to address the key resource management issues identified in Sections 2 and 3 above and give effect to the relevant statutory planning documents.</p>	
Objective Most Appropriate Way to Achieve the Purpose of the RMA	
Proposed Objective	Summary of Evaluation (relevance, usefulness, achievability, reasonableness)
CE-O1 The natural character of Selwyn's coastal environment is preserved while enabling communities to provide for their social, economic and cultural wellbeing in a manner appropriate for the coastal environment.	<p>The objective is considered the most appropriate way to achieve the purpose of the Act because it:</p> <ul style="list-style-type: none"> will give effect to part 5 of the RMA, which requires the Council to provide for people's economic and social wellbeing. will address the requirement under s6(c) of the RMA to preserve the natural character of the coastal environment. will give effect to Policy 8.3.4 in the CRPS that seeks to preserve the natural character of the coastal environment, and Policy 8.3.3 in the CRPS that seeks to provide for the management of activities, and the protection of the values of the coastal environment. will reflect best practice by using directive language and reflecting the approach taken in other district plans. will not result in unjustifiably high costs on the community or landowners given the direction to preserve natural character in the RMA. will require the Council, community and landowners to work together. provides an acceptable level of uncertainty and risk in comparison to the protection of the coastal environment to date.
CE-O2 The relationship of Ngāi Tahu with their cultural values, traditions and ancestral lands in the coastal	<p>The objective is considered the most appropriate way to achieve the purpose of the Act because it:</p>

environment is recognised and maintained and Ngāi Tahu are able to exercise Kaitiakitanga.	<ul style="list-style-type: none"> • will address the requirement under s8 to take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi). • will give effect to the requirement under s6(e) to recognise and provide for the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga. • will assist in giving effect to Policy 8.3.5 in the CRPS, which seeks to maintain and enhance Ngāi Tahu access to and along the CMA. • will reflect best practice by using directive language. • reflects the approach taken in other district plans. • will not result in unjustifiably high costs on the community or landowners given the direction to provide for Maori relationships with the coastal environment in the RMA. • provides an acceptable level of uncertainty and risk in comparison to the lack of direction on providing for Nahi Tahu's relationships with the coastal environment to date. • will require the Council, Ngāi Tahu and landowners to work together.
Status Quo	Summary of Evaluation
There are no objectives and policies that specifically relate to the coastal environment.	The status quo is not preferred and cannot legally be endorsed as it does not give effect to the NZCPS or the CRPS.
Principal Alternative	Summary of Evaluation
Preserve the natural character of the coastal environment (including the coastal marine area) and protect it from inappropriate subdivision, use, and development.	This wording just reflects the Council's obligations under the RMA and does not reflect the intended outcomes for Selwyn. As stated above, neither does it give effect to part 5 of the RMA, which requires the Council to provide for people's economic and social wellbeing.

5.4 Summary of Evaluation

The preservation of the natural character of the coastal environment and the recognition and maintenance of the relationship of Ngāi Tahu and their cultural values, traditions and ancestral lands in the coastal environment is required by the RMA (s6). The coastal environment also contributes to the character of the District and activities within this area need to be carefully managed to protect its identified values, whilst ensuring that existing activities can continue to occur. The preferred objectives will achieve the purpose of the RMA as they are clear statements of intent that preserve natural character and manage effects on the identified values of the coastal environment for the benefit of the wider community and as a matter of national importance.

6. Evaluation of Proposed Policies, Rules and Methods

6.1 Introduction

Section 32(1)(b) requires an evaluation of whether the provisions are the most appropriate way to achieve the objectives by identifying other reasonably practicable options, assessing the efficiency and effectiveness of the provisions in achieving the objectives, and summarising the reasons for deciding on the provisions.

The assessment must identify and assess the benefits and costs of environmental, economic, social and cultural effects that are anticipated from the implementation of the provisions, including opportunities for economic growth and employment. The assessment must, if practicable, quantify the benefits and costs and assess the risk of acting or not acting if there is uncertain or insufficient information available about the subject matter.

The proposed provisions relevant to the Coastal Environment Chapter have been assessed in accordance with the following issues:

Issue 1 - The need to identify the qualities that contribute to the natural character of the terrestrial part of Selwyn's coastal environment.

Issue 2 – The need to manage adverse effects of land use, development and subdivision (including cumulative effects), on the coastal environment including the potential loss of, or adverse effects on, the coastal environment's natural character.

Issue 3 – The need to recognise the importance of the coastal environment to Ngāi Tahu.

Provisions have been bundled where they are expected to work together to achieve the objective(s). For efficiency, this evaluation focuses on the approach and the policies and rules which implement that approach as a package, rather than a detailed analysis of every provision.

6.2 Quantification of benefits and costs

Section 32(2)(b) requires that if practicable the benefits and costs of a proposal are quantified.

Given the assessment of the scale and significance of the proposed changes in Section 4 above, a detailed economic analysis has been undertaken to assist in the quantification of benefits and costs (see Appendix 2). The outputs from the economic analysis have been incorporated into the following evaluation of proposed provisions and are referenced accordingly.

6.3 Policy recognising the qualities that contribute to the natural character of the terrestrial part of Selwyn's coastal environment.

The issue is that the operative District Plan does not identify areas with natural character or the qualities that contribute to the natural character of the terrestrial part of Selwyn's coastal environment. This is

required by the NZCPS and CRPS. This process has been undertaken by the Boffa Miskell landscape planning team, utilising their expert knowledge of the appropriate methodology and criteria established through the NZCPS, best practice and relevant case-law. The specialist assessment has identified that there are areas within the coastal environment with outstanding, very high and high natural character, whose qualities are required to be protected from adverse effects arising from inappropriate subdivision, development and uses. However, it also important to recognise that the coastal environment, even within areas with ONC, VHNC and HNC, is not pristine and has been modified by previous and existing activities.

The qualities that contribute to the natural character of the terrestrial part of Selwyn's coastal environment are set out in CE-SCHED1, while Policy CE-P1 recognises activities that have modified the natural character of Selwyn's coastal environment.

Provisions (Policy, Rule, Method) Most Appropriate Way to Achieve the Objectives
<p>Option 1</p> <p>Relevant objective(s):</p> <p>CE-O1 The natural character of Selwyn's coastal environment is preserved while enabling communities to provide for their social, economic and cultural wellbeing in a manner appropriate for the coastal environment.</p> <p>Summary of the proposed policies, rules, definitions and assessment matters that give effect to the objective(s) relevant to this issue:</p> <p>CE-P1 Recognise that the following activities occur in, and have modified the natural character of the terrestrial part of Selwyn's coastal environment:</p> <ol style="list-style-type: none"> 1. hazard mitigation works, and 2. physical resources and built facilities, including infrastructure, and 3. farming and its associated buildings and structures. <p>CE-SCHED1 Coastal Environment Qualities and Values</p> <p>Recognise that the following qualities and values contribute to the natural character of the terrestrial part of Selwyn's coastal environment:</p> <ol style="list-style-type: none"> 1. on-going natural physical processes that have created the steep mixed predominantly alluvial gravel and sand beaches with a backdrop of eroding cliffs and dunes; 2. important breeding, feeding and resting places for wetland and coastal birds at the Rakaia river mouth, Te Waihora/Lake Ellesmere and Muriwai/Coopers Lagoon; 3. a dynamic environment that is subject to coastal hazards. 4. coastal vegetation and the habitat of indigenous coastal species including migratory birds. 5. elements and features that contribute to the natural character, landscape, visual qualities or amenity values. 6. items of historic heritage in the coastal environment or on the coast. 7. inter-related coastal marine and terrestrial systems, including the intertidal zone, and 8. areas with significant mahinga kai, kainga, wāhi tapu and wāhi taonga values to tangata whenua, including coastal lakes, wetlands, estuaries and hāpua. <p>Appendix 1 sets out the linkages between all provisions in the Coastal Environment Chapter.</p>
Efficiency and Effectiveness

Benefits	Costs
Environmental <u>Direct benefits</u> <ul style="list-style-type: none"> Relies on existing available and up to date information on coastal attributes. Clearly identifies the qualities of the areas of natural character that are to be preserved. Enables activities to be assessed with a clear understanding of the natural character qualities to be preserved. <u>Indirect benefits</u> <ul style="list-style-type: none"> None identified. 	Environmental <u>Direct costs</u> <ul style="list-style-type: none"> Mapping and identification of areas with natural character will not reflect the dynamic nature of the coastal environment. <u>Indirect costs</u> <ul style="list-style-type: none"> None identified.
Economic <u>Direct benefits</u> <ul style="list-style-type: none"> Landowners have a clear understanding of natural character attributes and qualities. <u>Indirect benefits</u> <ul style="list-style-type: none"> None identified. 	Economic <u>Direct costs</u> <ul style="list-style-type: none"> Cost of undertaking a comprehensive natural character assessment. Possible need to amend maps in the future as the coastline changes. <u>Indirect costs</u> <ul style="list-style-type: none"> None identified
Social <u>Direct benefits</u> <ul style="list-style-type: none"> The community understands what attributes have been considered to identify an area as having natural character. <u>Indirect benefits</u> <ul style="list-style-type: none"> None identified. 	Social <u>Direct costs</u> <ul style="list-style-type: none"> None identified. <u>Indirect costs</u> <ul style="list-style-type: none"> None identified.
Cultural <u>Direct benefits</u> <ul style="list-style-type: none"> None identified. <u>Indirect benefits:</u> <ul style="list-style-type: none"> May indirectly identify matters of importance to Ngāi Tahu within areas of natural character thus providing some additional protection (in addition to that 	Cultural <u>Direct costs</u> <ul style="list-style-type: none"> None identified. <u>Indirect costs</u> <ul style="list-style-type: none"> None identified.

provided by rules or overlays specific to cultural matters).	
Summary of Efficiency Assessment	
The benefits to the environment outweigh the costs, which are principally economic. Environmental benefits are greater than for Option 2 and outweigh any increase in compliance costs.	
Effectiveness Assessment	
<p>The proposed provisions are considered to be the most effective means of achieving the objective(s) as together they will:</p> <ul style="list-style-type: none"> • give effect to the provisions of the NZCPS and the CRPS. • enable the Council to fulfil its statutory obligations, including s6(a). • ensure that a robust process is undertaken and documented that sets out qualities for all areas of natural character. • enable the Council to effectively administer its District Plan and to monitor the outcomes of the proposed provisions in a clear and consistent manner. 	
Options less or not as appropriate to achieve the objective(s)	
<p>Option 2: Status quo</p> <p>Areas with natural character are not identified.</p>	<p>Appropriateness</p> <p>The operative Plan does not identify the extent of the coastal environment meaning that no specific provisions or consideration can be given to the values and qualities of this area. Neither does it identify areas with ONC, VHNC and HNC. As such, it would be difficult to give effect to the RMA to preserve natural character as there is no understanding of the level of natural character in defined areas or its qualities. Consequently, if perpetuated the status quo would not achieve the objectives.</p>
Does the objective, rule and policy impose a greater or lesser prohibition or restriction on an activity which a National Environmental Standard applies?	
N/A	
Risk of acting or not acting	
It is considered that given the guidance in the NZCPS, CRPS and best practice, there is a low risk of acting in the manner proposed.	

6.4 Policies and rules relating to adverse effects of land use, development and subdivision (including cumulative effects), on the coastal environment including the potential loss of, or adverse effects on, the coastal environment's natural character.

It is proposed to focus the policies on achieving the preservation of natural character and its protection from inappropriate subdivision, use and development, by managing activities in a comprehensive manner.

The operative Plan has one rule that manages buildings seaward of the coastal hazard 1 line and no policies or rules that address the specific character or values of the coastal environment. It is proposed to have directive policies that provide clear direction on avoiding significant adverse effects, and managing all other adverse effects of subdivision, use and development and promoting opportunities to restore and rehabilitate natural character.

The proposed rules will also be clearer and focused upon managing effects on the attributes of the coastal environment and the qualities of natural character. There are a limited number of permitted activities than is provided for in the in the underlying General Rural Zone, recognising established activities such as cultural practices and the need for small-scale buildings/structures. Any activity where there is the potential for significant adverse effects on identified areas of natural character will require consent.

Provisions (Policy, Rule, Method) Most Appropriate Way to Achieve the Objectives
<p>Option 1</p> <p>Relevant objective:</p> <p>CE-O1 The natural character of Selwyn’s coastal environment is preserved while enabling communities to provide for their social, economic and cultural wellbeing in a manner appropriate for the coastal environment.</p> <p>CE-O2 The relationship of Ngāi Tahu with their cultural values, traditions and ancestral lands in the coastal environment is recognised and maintained and Ngāi Tahu are able to exercise Kaitiakitanga.</p> <p>Summary of the proposed policies, rules, definitions and assessment matters that give effect to the objective(s) relevant to this issue:</p> <p>CE-P2 Preserve the natural character qualities and values of areas within the terrestrial part of the coastal environment that have:</p> <ol style="list-style-type: none"> 1. outstanding natural character as described in Appendix CE-SCHED2; 2. high and very high natural character as described in CE-SCHED3; and 3. other areas with natural character. <p>Policy CE-P3</p> <ol style="list-style-type: none"> 1. Avoid adverse effects of activities on natural character in areas of Selwyn’s coastal environment that have been identified as having outstanding natural character as described in CE-SCHED2, including by; <ol style="list-style-type: none"> a. only enabling activities and development in areas with outstanding natural character that have an operational or functional need to locate in these areas; or have a public benefit and are small in scale; and 2. Avoid significant adverse effects and manage other adverse effects of activities on natural character in all other areas of Selwyn’s coastal environment; including by: <ol style="list-style-type: none"> a. retaining a sense of remoteness and wildness; b. other than within Rakaia Huts township, maintaining a very low density of buildings and structures; c. ensuring natural and physical coastal processes are not impeded by land use and development; d. retaining and enhancing areas of indigenous vegetation;

- e. protecting important breeding, feeding and resting places for wetland and coastal birds, including waders;
- f. maintaining the stability of the coastal dune systems;
- g. enabling limited earthworks outside of the Te Waihora/Lake Ellesmere HNC; and
- h. enabling existing farming operations, where these do not conflict with identified natural character values.

CE-P4 Avoid the clearance of indigenous vegetation and the adverse effects of activities within those areas, habitats and taxa listed in CE-SCHED4.

CE-P5 Avoid significant adverse effects and avoid, remedy or mitigate other adverse effects of activities on:

1. Significant Natural Areas identified on the Planning Maps and listed in EIB-SCHED4 that are outside of areas, habitats and taxa listed in CE-SCHED4;
2. the Rakaia river mouth, Te Waihora/Lake Ellesmere and Coopers Lagoon/Muriwai, which are important breeding, feeding and resting places for wetland and coastal birds;
3. habitats of indigenous species that are important for recreational, commercial, traditional or cultural purposes; and
4. corridors and areas important for linking or maintaining ecological values

CE-P6 Enable and promote opportunities to restore and rehabilitate natural character.

CE-P7 Maintain Ngāi Tahu's relationship with the coastal environment by:

1. enabling the exercise of kaitiakitanga and mahinga kai in the coastal environment in accordance with tikanga protocols; and
2. protecting Ngāi Tahu values in mahinga kai areas and other locations of special significance to tāngata whenua.

The following provides a general summary of the resource consent category allocated to various land use activities relating to the Coastal Environment, where the activity complies with the rule and any rule requirements.

Activity	Rule - Activity Status
CE-R1 Mahinga kai	Permitted
CE-R2 Plantation Forestry, Horticultural Planting, Woodlot Shelterbelt Activity	Restricted Discretionary
CE-R3 Buildings and Structures	Permitted
CE-R4 Quarrying Activity and Mining Activity	Discretionary
CE-R5 Earthworks	Permitted

Assessment matters relating to:

- preservation of natural character,
 - adverse effects on or alteration of natural elements, processes and patterns.
 - need to remove vegetation
 - modification of natural land forms.
 - effects on people's ability to enjoy the coastal environment.
 - the context and values of historic and cultural significance and the relationship, culture and traditions of Ngāi Tahu,
 - restoration or rehabilitation of the natural character of the coastal environment.
 - adverse cumulative effects.
 - supports farming, community, tourism or recreational activities
 - the extent to which the proposal has functional need or operational need for its location.
 - shading of adjoining sites and public roads.
- Definition for mahinga kai.
 - Overlays on Planning Maps that identify the extent of the coastal environment and areas of outstanding, very high and high natural character.

Appendix 1 sets out the linkages between all provisions in the Coastal Environment Chapter.

Efficiency and Effectiveness	
Benefits	Costs
<p>Environmental</p> <p><u>Direct benefits</u></p> <ul style="list-style-type: none"> • Clearly identifies the coastal environment and areas with natural character that enables activities to be managed to protect identified qualities. • Preserves the natural character of the coastal environment. • Clearly identifies activities that can be undertaken without resource consent. • Requires assessment of activities that have the potential to generate significant effects. • Enables applications to be declined thus protecting areas with ONC, VHNC and HNC. • Decision makers are provided with reliable information on the qualities of areas identified as having ONC, VHNC and HNC to undertake an assessment of the effects of a proposal. • Ensures that buildings/structures do not adversely affect people's enjoyment of the coastal environment. 	<p>Environmental</p> <p><u>Direct costs</u></p> <ul style="list-style-type: none"> • Rules/standards may potentially limit some activities and development. <p><u>Indirect costs</u></p> <ul style="list-style-type: none"> • Potentially puts greater development and subdivision pressure on areas outside those with ONC, VHNC and HNC.

<ul style="list-style-type: none"> • Where required, technical inputs will ensure development only occurs when it has been demonstrated as appropriate. • Activities that are appropriate and that contribute to the values of the coastal environment can occur without the need for resource consent (e.g. customary activities). • Protects the values of the coastal environment and qualities that contribute to natural character. <p><u>Indirect benefits</u></p> <ul style="list-style-type: none"> • May assist in protection of indigenous vegetation that contributes to natural character. • May assist in protecting the values of ONL's. 	
<p>Economic</p> <p><u>Direct benefits</u></p> <ul style="list-style-type: none"> • Avoiding duplication of rules that apply in the underlying Rural Zone may minimise the risk of conflicting provisions and potentially unnecessary applications. • Enables activities that do not undermine the natural character of the coastal environment. • Consents will be more efficiently handled. Assuming that 10% of consents in the rural area receive a savings of \$500 per consent, indicates that the total regulatory efficiency may be less than \$100,000.00 per annum (Economic Analysis). <p><u>Indirect benefits</u></p> <ul style="list-style-type: none"> • Adjoining land increases in value due to preservation of natural character. • Tourism opportunities provided by the coastal environment (the Economic Analysis has concluded this will be less than \$100,000.00 per annum around Te Waihora). 	<p>Economic</p> <p><u>Direct costs</u></p> <ul style="list-style-type: none"> • Potential loss of economic and employment opportunities due to uncertainty created by the resource consent process, as well as deterring the establishment of new activities. • Cost to the Council of processing applications and potentially requiring its own natural character assessments. • Higher costs for landowners and ratepayers involved in obtaining resource consents and associated time/costs/uncertainty associated with more stringent activity status and the need for specialist natural character assessments (the Economic Analysis has concluded this will be less than \$0.01 million per annum) <p><u>Indirect costs</u></p> <ul style="list-style-type: none"> • Value of land in coastal environment declines due to stringent controls and limits on activities.
<p>Social</p>	<p>Social</p>

<u>Direct benefits</u> <ul style="list-style-type: none"> The coastal environment contributes to people's sense of wellbeing. <u>Indirect benefits</u> <ul style="list-style-type: none"> Provides a place for recreational activities. Contributes to the identify and character of the District. 	<u>Direct costs</u> <ul style="list-style-type: none"> Inability to obtain work or develop land could force people to move away from the coastal environment and long-standing community connections. <u>Indirect costs</u> <ul style="list-style-type: none"> None identified.
Cultural <u>Direct benefits</u> <ul style="list-style-type: none"> Recognises and provides for the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, wahi tapu and other taonga. <u>Indirect benefits</u> <ul style="list-style-type: none"> May assist in the protection of sites of cultural significance. 	Cultural <u>Direct costs</u> <ul style="list-style-type: none"> Tāngata Whenua may not be able to undertake economic development of their land in areas with ONC, VHNC and HNC. <u>Indirect costs</u> <ul style="list-style-type: none"> None identified.
Summary of Efficiency Assessment	
The benefits to the environment outweigh the costs, which are principally economic. Environmental benefits are greater than for Options 2 and 3 and outweigh any increase in compliance costs.	
Effectiveness Assessment	
<p>The proposed provisions are considered to be the most effective means of achieving the objective(s) as together they will:</p> <ul style="list-style-type: none"> give effect to the provisions of the NZCPS and the CRPS. enable the Council to fulfil its statutory obligations, including s6(a), s6(e) s7(c), s7(f). ensure that adverse effects on ONC, VHNC and HNC areas are managed appropriately by ensuring the effects on ONC are avoided and effects on all other areas of natural character are avoided, remedied or mitigated and activities generally require resource consent. enable the Council to effectively administer its District Plan and to monitor the outcomes of the proposed provisions in a clear and consistent manner. 	
Options less or not as appropriate to achieve the objective(s)	
Option 2: Status quo One rule to only manage buildings seaward of the Coastal Hazard 1 line.	Appropriateness The current provisions are not considered the most appropriate way in which to achieve the objective(s) because there are no policies and rules that address the management of activities in the coastal environment. This does not reflect best practice or the requirements of the NZCPS and the CRPS.
Option 3: Stringent Regulatory Approach Require all activities in the coastal environment to apply for resource consent.	Appropriateness Option 3 is not considered the most appropriate way in which to achieve the objective(s) because it would

	<p>be too stringent and place unnecessary constraints on landowner's ability to use their land and continue existing activities. This could generate significant costs for the Council and landowners, essentially requiring consents to farm and potentially carry out activities that are currently permitted, if existing use rights cannot be proved. There is the potential (limited) loss of economic and employment opportunities due to uncertainty created by the resource consent process, as well as deterring new activities from establishing.</p> <p>Whilst it would enable all adverse effects to be considered and managed, it is unnecessary in preserving natural character and would be difficult to justify to the community.</p>
Does the objective, rule and policy impose a greater or lesser prohibition or restriction on an activity which a National Environmental Standard applies?	
N/a	
Risk of acting or not acting	
It is considered that given the guidance in the NZCPS, CRPS and best practice that there is a low risk of acting in the manner proposed.	

7. Conclusion

This evaluation has been undertaken in accordance with Section 32 of the Act in order to identify the need, benefits and costs arising from the District Plan Review relating to the Coastal Environment Chapter provisions and the appropriateness of the current and proposed methods and rules having regard to their effectiveness and efficiency relative to other means in achieving the purpose of the Act.

The proposed approach is to have simple and directive objectives supported by clear and focussed policy statements. This policy framework sets out to identify and protect areas of ONC, VHNC and HNC and is supported by a range of rules focussing on the activities that could threaten the values of the coastal environment and identified areas of natural character.

Bibliography

The following publications have been reviewed in the context of this Section 32 Evaluation:

1. New Zealand Coastal Policy Statement.
2. National Environment Standard for Plantation Forestry 2017
3. National Planning Standards.
4. Canterbury Regional Policy Statement.
5. Operative Coastal Environment Regional Plan.
6. Mahaanui Iwi Management Plan.
7. Hurunui District Plan.
8. Christchurch District Plan.
9. Dunedin District Plan.
10. Auckland Plan.

Appendix 1: Provision Cascade

Issue	Strategic Objective	Objectives	Policies	Rules	Matters of Assessment	Schedules	Planning Maps
<p>Issue 1 - The need to identify the extent of the coastal environment and areas of outstanding, very high and high natural character.</p> <p>Issue 2 - Adverse effects of land use, development and subdivision (including cumulative effects), on the coastal environment and the potential loss</p>	<p><i>SD-DI-O3 Land and water resources are managed through an integrated approach, which recognises both the importance of ki uta ki tai to Ngāi Tahu and the inter-relationship between ecosystems and natural processes.</i></p> <p><i>SD-DI-O4 Places, landscapes and features which are significant to</i></p>	<p>CE-O1 The natural character of Selwyn's coastal environment is preserved while enabling communities to provide for their social, economic and cultural wellbeing in a manner appropriate for the coastal environment.</p> <p>CE-O2: The relationship of Ngāi Tahu with their cultural values, traditions and</p>	<p>CE-P1 Recognise that the following activities occur in, and have modified the natural character of the terrestrial part of Selwyn's coastal environment:</p> <ol style="list-style-type: none"> 1.hazard mitigation works, and 2.physical resources and built facilities, including infrastructure, and 3.farming and its associated buildings and structures. <p>CE-P2 Preserve the natural character qualities and values</p>	<p>CE-R1 Mahinga kai</p> <p>CE-R2: Plantation Forestry, Horticultural Planting, Woodlot Shelterbelt Activity</p> <p>CE-R3 Buildings and Structures</p> <p>CE-R4 Mineral Extraction</p> <p>CE-R5 Earthworks</p>	<p>CE-MAT1 Plantation Forestry, Horticultural Planting, woodlots and Shelterbelts</p> <ol style="list-style-type: none"> 1. the extent and nature of any adverse effects on the identified qualities of natural character. 2. The benefits of any restoration or rehabilitation of the natural character of the coastal environment. 3. Whether the proposal recognises the context and values of historic and cultural significance and 	<p>CE-SCHED1 Coastal Environment Qualities and Values</p> <p>CE-SCHED2 Outstanding Natural Character Areas – Natural Character Qualities and Values</p> <p>CE-SCHED3 High and Very High Natural Character Areas – Natural Character Qualities and Values</p> <p>CE-SCHED4 Coastal Environment – Indigenous</p>	<p>Coastal environment and associated Outstanding, Very High and High Natural Character Areas identified as overlays on planning maps</p>

of, or adverse effects on, natural character.	<p><i>Selwyn's character, cultural heritage, or are of spiritual importance to Ngāi Tahu, are identified, recognised for their values, and protected for future generations.</i></p> <p><i>SD-MWV-O1 Strengthen the partnership between the Council and Ngāi Tahu by recognising the cultural significance of Selwyn to Ngāi Tahu and Te Taumutu and Ngāi</i></p>	<p>ancestral lands in the coastal environment is recognised and maintained and Ngāi Tahu are able to exercise Kaitiakitanga.</p>	<p>of areas within the terrestrial part of the coastal environment that have:</p> <ol style="list-style-type: none"> 1.outstanding natural character as described in Appendix CE-SCHED2; 2.high and very high natural character as described in CE-SCHED3; and 3.other areas with natural character. <p>CE-P3 1. Avoid adverse effects of activities on natural character in areas of Selwyn's coastal environment that have been identified as having outstanding natural character as described in CE-SCHED2, including by;</p>		<p>the relationship, culture and traditions of Ngāi Tahu.</p> <ol style="list-style-type: none"> 4. The extent to which natural features such as landforms within the surrounding area mitigates the visibility of the planting. 5. The extent to which the proposal will result in adverse cumulative effects <p>CE-MAT2 Building and Structures</p> <ol style="list-style-type: none"> 1. Whether the proposal is consistent with preserving the natural character qualities and values of the coastal environment; 2. Whether any restoration or 	Vegetation Areas, Habitats and Taxa	
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	<p><i>Tūāhuriri Rūnanga</i> by:</p> <ol style="list-style-type: none"> <i>Promoting active and meaningful participation by those who hold mana whenua in the resource management decision-making process;</i> <i>Recognising that only those who hold mana whenua can identify their relationship with their culture, traditions, ancestral lands, waterbodies, wāhi tapu and other taonga;</i> <i>Enabling the exercise of kaitiakitanga by those who</i> 		<ol style="list-style-type: none"> only enabling activities and development in areas with outstanding natural character that have an operational or functional need to locate in these areas; or have a public benefit and are small in scale; and Avoid significant adverse effects and manage other adverse effects of activities on natural character in all other areas of Selwyn's coastal environment; including by: <ol style="list-style-type: none"> retaining a sense of remoteness and wildness; other than within Rakaia 		<p>rehabilitation of the natural character of the coastal environment is proposed;</p> <ol style="list-style-type: none"> The extent to which the proposal will adversely affect or alter natural elements, processes and patterns; The extent to which the proposal will require the removal of vegetation that contributes to the natural character of the area; Whether the proposal will require the modification of natural landforms that contribute to the natural character of the area; 		
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	<p><i>hold mana whenua over Selwyn;</i></p> <p>4. <i>Providing for the contemporary connections, cultural and spiritual values held by tāngata whenua; and</i></p> <p>5. <i>Continuing to enable tāngata whenua to protect, develop and use Māori Land in a way which is consistent with their culture, traditions and aspirations.</i></p>		<p>Huts township, maintaining a very low density of buildings and structures;</p> <p>c. ensuring natural and physical coastal processes are not impeded by land use and development;</p> <p>d. retaining and enhancing areas of indigenous vegetation;</p> <p>e. protecting important breeding, feeding and resting places for wetland and coastal birds, including waders;</p> <p>f. maintaining the stability of the coastal dune systems;</p> <p>g. enabling limited earthworks outside of the Te Waihora/Lake</p>		<p>6. Whether the proposal will introduce a level of human activity that will undermine the naturalness or wildness of the area ;</p> <p>7. Whether the proposal will affect people's ability to enjoy the smells and sounds in the surrounding coastal environment;</p> <p>8. The extent to which the proposal will result in adverse cumulative effects on natural character qualities;</p> <p>9. Whether the proposal supports community, tourism or recreation activities;</p>		
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			<p>Ellesmere HNC; and</p> <p>h. enabling existing farming operations, where these do not conflict with identified natural character values.</p> <p>CE-P4 Avoid the clearance of indigenous vegetation and the adverse effects of activities within those areas, habitats and taxa listed in CE-SCHED4.</p> <p>CE-P5 Avoid significant adverse effects and avoid, remedy or mitigate other adverse effects of activities on:</p> <p>1. Significant Natural Areas identified on the</p>		<p>10. Whether the proposal supports the continuation of existing farming activities;</p> <p>11. The extent to which the proposal has functional needs or operational need for its location.</p> <p>CE-MAT3 Building and Structure Height</p> <p>1. Effects on the natural character qualities of the receiving environment.</p> <p>2. The extent to which the increased building or structure height will result in:</p> <p>a. visual dominance;</p> <p>b. incompatibility with the character and scale of buildings and structures within and surrounding the site.</p>		
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			<p>Planning Maps and listed in EIB-SCHED4 that are outside of areas, habitats and taxa listed in CE-SCHED4;</p> <ol style="list-style-type: none"> the Rakaia river mouth, Te Waihora/Lake Ellesmere and Coopers Lagoon/Muriwai , which are important breeding, feeding and resting places for wetland and coastal birds; habitats of indigenous species that are important for recreational, commercial, traditional or cultural purposes; and corridors and areas important for linking or 		<p>CE-MAT4 Building and Structure Footprint and Site Coverage</p> <ol style="list-style-type: none"> Whether the scale of the building or structure will detract from amenity values and enjoyment of the coastal environment. Whether the scale of the development, including the total site coverage, is consistent with the character and amenity of the receiving environment. Effects on the natural character qualities of the coastal environment. Whether the building or structure will 		
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			<p>maintaining ecological values</p> <p>CE-P6 Enable opportunities to restore and rehabilitate natural character.</p> <p>CE-P7 Maintain Ngāi Tahu's relationship with the coastal environment by:</p> <ol style="list-style-type: none"> 1.enabling the exercise of kaitiakitanga and mahinga kai in the coastal environment in accordance with tikanga protocols; and 2.protecting Ngāi Tahu values in mahinga kai areas and other locations of special 		<p>meet a community or public need.</p> <p>CE-MAT5 Building and Structure Setbacks</p> <ol style="list-style-type: none"> 1. Effects on views across the coastal environment from publicly accessible areas. 2. Effects on adjoining sites including potential for reverse sensitivity. 3. Whether the setback is in-keeping with the character of development in the surrounding area. 4. Whether a reduced setback minimises any loss of indigenous vegetation or reduces any risk 		
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			significance to tāngata whenua.		from natural hazards. CE-MAT 6 Building and Structure Appearance 1. The extent to which the building or structure will give rise to adverse visual effects, taking into account the size of the building or structure and the surface area with high reflectivity. 2. Whether the proposed exterior materials respond to and respect the landscape and natural character.		
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Appendix 2: Economic Analysis

Memo

To: Andrew Mactier, Justine Ashley
From: Rodney Yeoman, Associate Director
Date: 2 July 2019
Re: Environment Topics s32 – Coastal

Introduction

The purpose of this memo is to summarise the evidence/research base that relates to economic matters associated with the Coastal Environment (“CE”) provisions which are proposed in the Selwyn District Plan Replacement (“DPR”).

Background

The coastal environment is important to the Selwyn community and visitors and other stakeholders outside the District, who benefit from protection of the natural features of the environment. Many coastal councils in New Zealand have implemented policies to protect the terrestrial part of the coastal environment from inappropriate development.

The Selwyn District coastal environment as defined in the DPR is located within the northern part of the Canterbury Bight, which is a long, open coast of mixed sand and gravel beaches that extends from Bank Peninsula to Timaru. Te Waihora/Lake Ellesmere occupies much of the northern part of the coastal environment in the Selwyn District and much of the lake and its shoreline is within Selwyn District, with the coastal environment extending south west from the outlet of Te Waihora/Lake Ellesmere to the Rakaia River mouth. The lake is one of New Zealand’s most significant wetland systems and its outstanding values are recognised in a National Water Conservation Order as: habitat for wildlife, indigenous wetland vegetation and fish, and as being of significance in accordance with tikanga Māori in respect of Ngāi Tahu history, mahinga kai and customary fisheries.

The coastal environment includes both terrestrial and marine components. The CE generally includes land up to the summit of the first coastal ridge/crest or escarpment, with the width of this zone varying depending on the topography. From a jurisdictional perspective, the management of the environment is split between Selwyn District Council (terrestrial) and Environment Canterbury (marine).⁵ Each council in the region is expected to produce a Terrestrial study in the second-generation district plan.⁶ Selwyn’s Operative District Plan (ODP) does not recognise nor does it provide for appropriate management of the coastal environment.

Boffa Miskell was commissioned by SDC to provide evidence from which the CE was identified and CE provisions could be developed for the DPR. This study identified three terrestrial areas in the CE that have Very-High Natural Character (VHNC) or High Natural Character (VNC). These are Te

⁵ Technically either side of the mean highwater springs.

⁶ Boffa Miskell (2018) Selwyn Coastal Environment.

Waihora/Lake Ellesmere, Muriwai/Coopers Lagoon and Rakaia river mouth. Parts of the Rakaia River mouth were also found to be of Outstanding Natural Character (ONC).

In the District the activities in the coastal environment are mainly limited to the small Rakaia Huts township, the historical seasonal fishing settlements at Greenpark and Lower Selwyn Huts and the kāinga at Taumutu. The majority of land in the coastal environment is used for rural production, with a few scattered farm buildings. The most intensive use of land in the CE is the New Zealand King Salmon Tentburn hatchery, just south of Coopers lagoon.

Selwyn District Council (SDC) is investigating whether policies to protect the CE, by minimising further development, should be implemented in the DPR. SDC has commissioned Market Economics (M.E) to provide an economic assessment of the costs and benefits associated with the draft provisions⁷.

Scope

The key purpose of this memo is to consider the costs and benefits associated with the proposed changes in the CE provisions in the DPR, as compared to the ODP. The following steps have been undertaken in this assessment,

- Review of existing research on the economic case for minimising development in the CE,
- Discussion of the proposed CE in the Selwyn DPR, and
- Application of the economic case to the proposed CE.

Economic Case for Coastal Environment Protections

The nature and quality of the coastal environment is inherently related to the types and extent of landscape and related resources that occur within the environment, whether or not they are recognised formally (i.e. HNC, VHNC, ONC). While the value of natural character associated with the CE accrues widely across the community as a public good, the decisions on land uses that impact these values are controlled mostly by private landholders. In economics, a (market) decision can fail to produce an optimal outcome if there is a set of benefits (or costs) that accrue beyond the decision maker – this outcome is called a “market failure”.

These benefits and costs are referred to as ‘externalities’, and can accrue to others in the community who have no direct influence over the operation of that monetisable market. These externalities occur commonly, and arise because there are no structures which fully link benefits and costs through money transactions to those who receive or generate them. This is particularly the case in regard to public goods, such as natural character values.

Generally, when there are externalities associated with a market, the resulting outcome can be sub-optimal with the monetisable market selecting to provide too little or too much of the item in question (for example, intensified land use). The application of (planning) regulations can shift this component of the wider market towards the optimal outcome for society. This outcome was clearly acknowledged in the early research on the RMA and Coastal Policy Statements,

⁷ Selwyn District Council (2019) Coastal Environment Draft Provisions – received 4th June.

“While the market system may successfully deal with some aspects of allocation of human activities in the coastal zone, there are reasons why the market fails as the ONLY mechanism to regulate human use of the coast. These reasons relate to the wider values (anthropocentric and non-anthropocentric) associated with resources in the coastal zone, as well as the characteristics of the coast as a common property resource. In what follows, these two reasons are explained in more detail, leading to the conclusion that a national coastal zone policy is essential if resources in the coastal area are to be allocated sustainably and to the maximum social, economic, and cultural well-being of society.”⁸

In some locations in New Zealand there are significant direct and indirect economic benefits associated with protecting the natural character of the coastal environment from intensified land uses. For example, there are key areas around New Zealand where the quality of the coastal environment has been a major draw for international and domestic tourists. One obvious example is the Hauraki Gulf, around Auckland and the Coromandel, which has become a major part of tourism activity in regional economies in the upper North Island.⁹ Tourism in the coastal environment has grown exceptionally fast, and while tourists that visit the South Island are drawn by a range of factors, it is clear that the quality of the natural character of coastal environment is a key factor. The natural character of the CE in the Selwyn is likely to attract some tourism to the District (e.g. salmon fishing in the Rakaia).

New Zealand’s coastal environment also supports economic activity in other sectors of the economy, including commercial fisheries, aquaculture, shipping, extractive resources (sands, gas, oils) etc.¹⁰ However, the coastal environment in the Selwyn District mainly produces benefits in terms of commercial fisheries¹¹ and aquaculture¹². There are no ports, marinas, extractive mining and limited shipping¹³. The coastal environment extends to the divide on land, so there are farming and other activities in that environment which also produce economic output / benefits, and generate costs.

There are also a number of other benefits associated with protecting coastal environments,

- Amenity (or experiential) Benefits, which accrue more widely to the local community¹⁴ who enjoy the natural character.
- Regulatory Efficiency, which accrues to Council and the community, if the CE provisions align with higher order Policy (CPRS), best practise (case law) and align with neighbouring districts.

⁸ Department of Conservation (1992) An Evaluation Framework for the New Zealand Coastal Policy Statement.

⁹ Auckland Council (2012) Towards an Economic Valuation of the Hauraki Gulf: A Stock-take of Activities and Opportunities.

¹⁰ Market Economics (2019 - Draft) Measuring New Zealand’s Blue Economy - National Science Challenge: Sustainable Seas.

¹¹ Most significantly tuna (eels) caught in Te Waihora/Lake Ellesmere. Mossburn Enterprises processing and holding facilities (at Timber yard Point) are not in the coastal environment.

¹² King Salmon hatchery at Tentburn.

¹³ There is a small number of boat ramps in coastal environment – Lower Selwyn Huts, Timber yard Point, Taumutu and Rakaia Huts.

¹⁴ Local community includes landowners/managers and their families of those farming the land, who will also benefit from amenity associated with the protection of the natural character in the coastal environment.

- Environment, which accrue to flora and fauna which are indirectly protected from more intensive land uses.
- Cultural, which accrue to iwi, hapū and the community¹⁵ as certain features that have cultural significance are indirectly protected from more intensive land uses.
- Protection of primary production from residential encroachment.

However, there are costs associated with implementing CE provisions. The main costs are likely to be,

- Design/compliance/construction costs to meet the requirements of the CE provisions.
- Resource Consenting, additional planning processes required for some businesses and residential activities that do not meet the requirements of the CE provisions.
- Impacts on potential future rural production conversion that are restricted.
- Potential constraints on aquaculture in the coastal environment.
- Other Primary Activity, reduction in human activity if the requirements cannot be met and/or resource consent cannot be obtained (both business and residential) certain primary activities may be lost to the District.

A literature search of economic research on CE has shown that there are limited studies that undertake a complete assessment of the costs and benefits. However, the studies found have confirmed that the lists of impacts discussed above covers the full range of impacts associated with CE.

We have also reviewed publicly available documentation that has supported other council policy on CE. The review included a search for material used in by Auckland Council¹⁶, Christchurch City Council¹⁷ and Dunedin City Council¹⁸ to support their CE policies. This review has found no detailed economic assessment of the costs and benefits for any other councils CE. In all cases, the Section 32 reports provide a brief list of costs and benefits, with no qualitative or quantitative discussion of the potential scale.

Proposed Coastal Environment Provisions

At this stage of the consultation on the DPR the proposed CE provisions¹⁹ include objectives that preserve natural character (CE-O1), access (CE-O2) and cultural values (CE-O3). There are policies that define the nature (CE-P1) and qualities (CE-P2) of the terrestrial coastal environments. The remaining policies focus on defining the types of adverse effects that are to be avoided (CE-P3), promote restoration (CE-P4), maintain public access (CE-P5) and recognise customary uses (CE-P6).

¹⁵ Cultural/Social Benefits that accrue to non-iwi members of the community (i.e. fishermen with a long history at the Huts settlements, other).

¹⁶ Auckland Council (2013) Haruki Gulf Plan Review: section 32 report for landform 1 (coastal cliffs and slope).

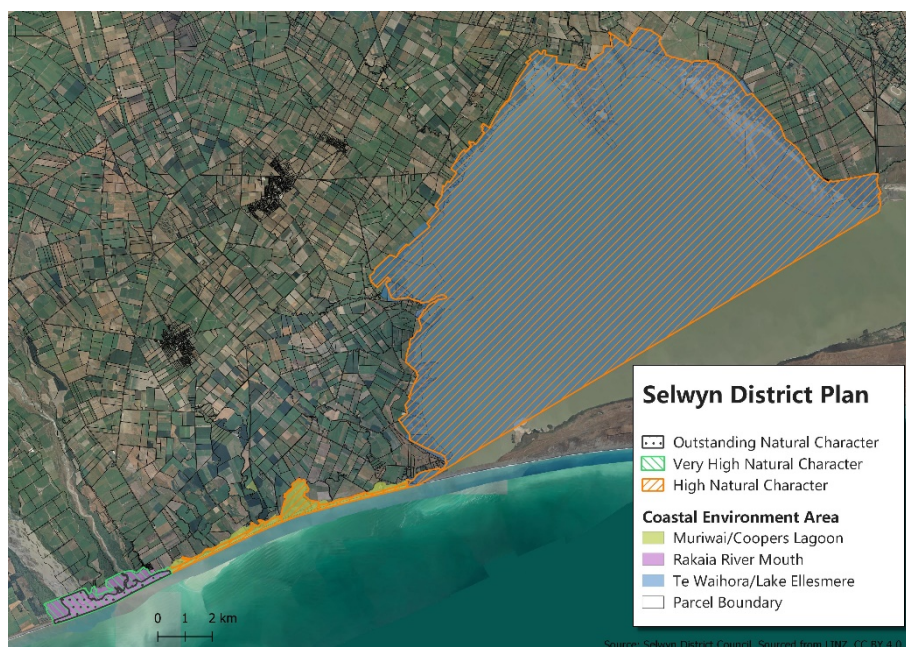
¹⁷ Christchurch City Council (2015) Section 32 Report Chapter 19 Coastal Environment.

¹⁸ Dunedin City Council (2015) Natural Environment Section 32 Report.

¹⁹ Selwyn District Council (2019) Coastal Environment Provisions – received 4th June.

The extent of the areas covered by the provisions was defined based on the detailed technical landscape study of the District's coastal areas.²⁰ The assessment of the terrestrial coastal environment identified three distinct natural character areas within the coastal environment, most of which is HNC area around Te Waihora/Lake Ellesmere and Muriwai/Coopers Lagoon. There is also a small area of VHNC and ONC around the Rakaia river mouth.

Figure 1.1: Selwyn District Coastal Environment Study 2018 – ONC, VHNC and HNC



In summary, the DPR proposes to include new overlays that cover the CE. The proposed coverage extends the CE into relatively small area of privately held land. In total the CE provisions in the DPR cover 3,477 hectares of private land, of which the majority is rural zoned and remainder is residential. The CE covers 0.6% of the land in the District. Most of the CE has High Natural Character (94%) or Very High Natural Character (1.9%). About 0.8% of the CE has Outstanding Natural Character. Only 3.3% of the CE does not fall within HNC or VHNC or ONC categories.

Table 1.1: Summary of Land Covered by CE overlays – DPR

Zone CE	DP (Review)			
	ONC	VHNC	HNC	CE
Parcel area (ha)				
Rural	27	65	3,267	3,475
Residential	-	0	0	2
Business	-	-	-	-
Total	27	65	3,267	3,477
Land*				1,243
Parcels				175

**approximation based on aerials.*

The parcel boundaries, which are the primary layer used to assess land in the table above, are defined by LINZ from legal titles. Generally, legal titles and parcel boundaries are not updated to

²⁰ Boffa Miskell (2018) Selwyn Coastal Environment.

match natural changes that occur in the CE. In high erosion or flood prone areas the extent of a parcel may not match the real world land. In order to account for this, the memo has developed a rough estimate of the land in the CE using the latest aerials. The assessment excludes parcel areas that are either water or marshy. This assessment shows that a little over a third of area in the parcels that are within the CE is estimated to be 'land' which could be used, which is 1,243 hectares in 175 parcels.²¹

Also important is the fact that some of the land covered by the CE will have Hazard overlays, which may restrict the use of the land in any case. This memo does not account for this likely overlap, or other overlaps from other topics or regional plans (e.g. nitrogen rules).

The current draft CE provisions includes 21 rules which define which types of activities can occur as of right or require resource consent. Broadly, low intensity activities are permitted as of right, which includes recreation (CE-R1), customary harvest (CE-R2), conservation (RE-R3), motorised watercraft (CE-R4), existing rural (CE-R5), residential activity (CE-R6) and amenity planting (CE-R7). Also, landholders can construct buildings and structures (Rural/Residential CE-R9 and Public Amenity CE-R10) as of right if they meet certain requirements, including height²², footprint²³, site coverage²⁴, set-back²⁵, appearance²⁶ and lighting²⁷.

There are controls on some building/structures (i.e. Restricted Discretionary) and earthworks (CE-R11, CE-R12, CE-R17 – mostly non-complying for earthworks where they do not meet permitted activity standards). Also, the current draft of the rural activity provisions suggest that farmers will need a consent if they wish to convert to new more intensive rural activities, primarily those that require the erection of any buildings or structures (i.e. Discretionary). Council Officers have advised that the wording of provisions managing rural activities will be subject to further consideration through detailed integration phase with the rural Chapter, and to ensure alignment between CE and LNC provisions to ensure certain rural activities are not overly constrained, specifically the conversion from one type of pastoral or cropping use to another similar use (such as dairying).

Landholders will require a consent to undertake other more intensive activities, such as Vineyard/ Orchard/Woodlot/Shelter Belt (CE-R14, CE-R20), Quarrying/Mining (CE-R15, CE-R18), Forestry/Plantations (CE-R19) and all other activities (CE-R21).

In summary the CE provisions in the DPR are overall enabling for the existing low intensity activities that currently locate in the area (i.e. a low level of change is permitted). The CE provisions introduce new rules that will restrict the use of land for intensive activities, especially where they require the erection of buildings or structures. This is understandable as the goal of the CE

²¹ The estimate of the land in the CE is sufficiently accurate for the purposes of assessing the CE provisions in the DPR. SDC may wish to undertake more detailed GIS assessment to produce a more accurate picture of the land area. However, the results from a more detailed assessment would be unlikely to change the findings in this memo.

²² CE-REQ1 – within a "Building Node" residential building up to a height of 8m and farm building up to a height of 11m. Outside a "Building Node" up to a height of 4m.

²³ CE-REQ2 – within a "Building Node" max footprint up to 300m². Outside a "Building Node" max footprint up to 100m². Public Amenity buildings max footprint up to 40m².

²⁴ CE-REQ3 – max site covered by buildings or structures of 2,000m².

²⁵ CE-REQ4 – min of 20m from Coastal Marine Area.

²⁶ CE-REQ5 – max reflectance value of 30%.

²⁷ CE-REQ6 – light spill is directed at an angle below 90° from the vertical.

provisions is to protect areas that have high natural character from development and intensive uses.

Selwyn District Coastal Environment Costs and Benefits

This memo assesses the costs and benefits of the proposed CE for the District in qualitative and quantitative terms. We have drawn on information collected from Council, Waihora Ellesmere Trust, various other economic data sets to provide high-level understanding of the relative value of the costs and benefits. However, this memo does not complete a detailed or full assessment of the costs and benefits.

Benefits of CE

First, this memo discusses the types of benefits that may accrue from the CE provisions. The following list of benefits has been adopted, which is consistent with literature on natural character of coastal environments,

- i. Tourism;
- ii. Commercial fishing;
- iii. Amenity (or experiential);
- iv. Regulatory Efficiency;
- v. Environment (biophysical);
- vi. Cultural; and
- vii. Discourage residential encroachment into primary production.

Parts of the District have qualities that attract both domestic and international tourists, who spend money within the local economy which benefits the community. According to the Selwyn District economic profile, tourism has grown rapidly over the last decade (7% per annum) and now contributes to 2.5% of the total economy.²⁸ This data shows that while tourism in the District is small relative to most locations in the country, it is growing quickly.

However, while the coastal environment may draw tourists to the District (especially Te Waihora/Lake Ellesmere), it is considered that the numbers are likely to be relatively small. For example, the Waihora Ellesmere Trust (WET) considers that the coastal environment is “unknown” and “underused”.²⁹ It is considered that the CE is likely to have limited impact on number of tourists that visit the District. However, it is likely that the protections will help maintain tourism volumes.

WET’s research suggests that the tourism associated with the lake is likely to be minimal (less than \$0.1 million per annum).³⁰ Therefore, it is expected that the value of tourism that is affected by the CE (around the lake) is likely to be small, i.e. much less than \$0.1 million per annum. There is no

²⁸ Infometrics (2019) Economic Profile – Selwyn District.

²⁹ Waihora Ellesmere Trust (2019) Lake Access Brochure.

³⁰ Butcher, G. (2009) Te Waihora/Lake Ellesmere State of the Lake and Future Management – Chapter 10 Economic Value.

information on the tourism activity in the rest of the CE, however this activity is not likely to be significant.

There is also likely to be tourist activity in the CE area at the Rakaia river mouth, where there are several holiday homes and small camping ground at Rakaia Huts. Unfortunately, there is no research available on the amount of tourism in this area.

Te Waihora/Lake Ellesmere is an important part of New Zealand's commercial fisheries for tuna (eels). Mossburn Enterprises (a large exporter) has a processing and holding plant at Timber Yard Point, on the edge of Te Waihora/Lake Ellesmere. Commercial fisherman also harvest flounder and mullet from the coastal environment. In total the lake sustains a commercial catch of less \$1 million per annum.³¹

The CE provisions will protect the ecosystems that the eels and lake fish rely on, which could result in benefits to the commercial fisherman. While there is no evidence of the potential scale of the benefit, it is unlikely to be large. Indicatively, if the CE provisions resulted in 10% improvement in the fisheries the additional benefit would be less than \$0.1 million per annum.

Another key benefit associated with CE provisions is the amenity value associated with the natural character.³² The community and visitors to the District will receive benefits from using (experiencing) natural character and non-use values from preserving the coastal environment.³³ Typically, the positive impacts of natural character are not quantified in monetary terms because there is no direct market transaction from which to estimate the value. Treasury New Zealand provides a useful discussion of research and methods commonly applied to calculate these non-market values.³⁴ Lincoln University maintains a database of "non-market" values, many of which relate to environmental protection. One of the studies in the database relates to Rakaia (and Waimakariri River), part of which falls within CE in Selwyn.³⁵ The Sharp *et al* study indicated a non-market value of the Rakaia River of approximately \$18 per household.

In qualitative terms it is considered that the amenity value of the area in the CE is likely to be significantly positive. It is possible to provide an understanding of what the potential value could be by assessing the scale of the local population that benefit from the coastal environment (the local community) and a notional non-market value. For example, there are approximate 25,000 household living in the District, who may receive some benefit from coastal environment being protected. If the non-market value was only \$24 per household per annum³⁶ then the total value would be approximately \$0.6 million. The implementation of the CE provisions is expected to protect a portion of this value. While it is not possible to confirm the exact value of amenity, it is reasonable to assume that the notional value discussed above (which only relates to Rakaia, which is a small part of the CE) is likely to grossly underestimate the actual value.

³¹ Ibid.

³² Amenity value is used in this memo to includes direct use and non-use values.

³³ Ibid.

³⁴ NZIER (2018) What's the use of non-use values? Non-Use Values and the Investment Statement.

³⁵ Sharp, B.M.H., Kerr, G.N., and Leathers, K.L. (2004). Instream Water Values: Canterbury's Rakaia and Waimakariri Rivers.

³⁶ We have taken the non-market value from Sharp *et al* and adjusted for inflation. The value relates to the Rakia river, which is a much smaller area than is covered by the CE. However, the community is likely to place different values on the river as compared to the coastal environment.

Another important benefit is the regulatory efficiency of the CE. The provisions are considered to be relatively more efficient compared to the ODP because of the following features of the DPR,

- **Cross Boundary Alignment:** the drafting of the CE provisions in the DPR have been aligned to the neighbouring districts and higher order planning documents (CRPS). This alignment will enable the wider community to understand the CE provision.
- **Applies 'Best practise':** the CE provisions have been drafted based on best practise (common law) which will enable the council and the community to efficiently enforce the DPR, while minimising potential legal challenges.
- **Evidence based:** the CE overlays are based on a comprehensive review of the District's coastal environment. This evidence base should result in better decisions on the CE and ensure the robustness of DPR.

The regulatory efficiency will accrue to both council (via administration time and cost savings) and landholders that undertake an application (via consent costs), mostly when a landholder makes an application for a consent

There are around 230 consents issued for farm buildings and non-building construction every year in the entire District. Most of these consents will fall outside of the CE, however this information provides an understanding of the scale of development that is occurring in rural areas. Some of consents will have CE issues, which will now be more efficiently handled. Assuming that 10% of consents in the rural area receive a savings of \$500 per consent, indicates that the total regulatory efficiency may be less than \$0.01 million per annum.

Finally, it is likely that there will be associated benefits in terms of environmental, cultural values³⁷ and residential encroachment on primary production³⁸. However, it is impossible to quantify how these values may be improved by the CE provisions, as each of the values are also subject to other provisions in the DPR (Ecological Management Areas, Sites of Cultural Significance and rural land provisions).

The CE provisions are likely to produce real benefits to the District. The difference between the ODP (which has no CE provisions) and DPR provisions/overlays have relatively small coverage, however they cover areas that have important natural character.

Costs of CE

Second, this memo discusses the types of costs that accrue from CE provisions. The following list of costs has been adopted,

- Design/compliance/construction costs,
- Resource Consenting,

³⁷ Butcher, G. (2009) Te Waihora/Lake Ellesmere State of the Lake and Future Management – Chapter 10 Economic Value. – suggests that customary harvest has a value of less than \$0.01 million per annum.

³⁸ There is limited evidence of residential or holiday home developments encroaching into the coastal environment. This means that the rural activity within the coastal environment is unlikely to be crowded out by residential.

- Potential rural production from conversions,
- Aquaculture, and
- Other Primary Activity.

First, the CE provisions may result in additional costs for building in the overlay areas. Landholders that wish to build in the overlay areas will be required to commission additional designs to ensure that their buildings comply with the CE provisions (light spill, appearance etc). They will also have to bear additional compliance costs, which may include time during build consenting and/or meetings with the council officers. Compliance with the CE provisions also may result in the landholder being required to purchase more costly products (paint and lighting). However, there are very few buildings constructed in the CE each year, which means that the additional costs on design / compliance / construction are likely to be minimal per annum (i.e. less than \$0.01 million per annum).

Alternatively, the landholder could choose to not comply with the CE and apply for a resource consent. This is likely to be a more expensive and risky option than complying with the CE provisions, so is likely to only occur when the particular land-use in question requires buildings with a specific character and/or activity that is not permitted. However, it is expected that there will be very few instances where an applicant applies for a resource consent, it is assumed that this cost would be minimal.

The current drafting of the CE provisions would require farmers to apply for a consent if they wish to convert to an alternative rural activity. As discussed above, the provisions are expected to be corrected to allow farmers to undertake most rural production, as of right. If this change is made to the provisions, then the following discussion would become redundant.

Currently most of the land in the CE is used for Sheep/Beef grazing which has a gross return of approximately \$287 per hectare.³⁹ Some farmers may wish to convert to higher productive farming (e.g. dairy), which can generate gross returns \$2,517 per hectare.⁴⁰ Without a detailed farm assessment it is not possible to establish what proportion of the land in the CE could viably be converted. Also, we note that there may be other regional rules that could restrict conversions in the CE area (e.g. nitrogen rules). However, if a third of the CE rural land⁴¹ was viable to convert to dairy farming, then revenue generated could increase by \$0.9 million per annum. Our understanding of the current CE provisions is that a consent may be required to undertake a conversion from existing pastoral and cropping uses to dairying, although we also understand the wording of specific rules relating to this is still subject to redrafting and change. Indicatively, if 10% of the potential converted land was declined a consent then the District would loss in the order of \$0.1 million per annum in farm output.

There is also some onshore aquaculture in the coastal environment, most importantly the New Zealand King Salmon hatchery at Tentburn. This hatchery employs around 15 people and produces

³⁹ Beef and Land New Zealand (2019) Benchmarking Tool – Sheep and Beef Mixed Finishing Farm 2016-17 Canterbury/Marlborough.

⁴⁰ Dairy New Zealand (2019) Benchmarking Tool – Average Dairy Farm 2016-17 Canterbury/Marlborough.

⁴¹ We estimate that roughly a third of the parcel area in the CE is “useable” land. It is apparent from the latest aerials that the parcels include 1) large areas that has eroded or become swampy (which is no longer land) and 2) significant areas that are fenced off from productive uses.

3 million salmon smolt. The smolt from Tentburn are obviously vital to the operations of King Salmon, which generates annual revenues of \$160 million of which half is exported.⁴² New Zealand King Salmon intend to improve in the hatchery soon, with new load-out facilities.⁴³

In the current draft CE provisions aquaculture would require a consent and most of Tentburn parcel is covered by CE and HNC overlays (excluding the existing buildings and smolt pens). This could mean that New Zealand King Salmon's future activity may be constrained. We have no information about the current capacity or utilisation of the facility, so there is no way to establish when or to what extent this may be an issue. However, from a District perspective only a small number of jobs are associated with the facility (approx. 15⁴⁴) and the economic value is around \$2 million per annum⁴⁵. To illustrate, if the restrictions in the CE resulted in a 10% impact on the level of aquaculture output, this would amount to \$0.2 million per annum. However, we note that this site falls within the Natural Hazard area, such that development would already be restricted.

Finally, the CE provisions may restrict some types of activity in the overlay areas, which may result in lost activity in the wider economy. Some types of primary activity in the District may be negatively impacted, however the affect is unlikely to be large. For example, even if the CE provisions resulted in -0.1% impact on Horticulture, Mining and Forestry in the District this would only represent less than \$0.1 million per annum. While this value is relatively small, it is likely to overestimate the potential impact.

While it is not possible to robustly estimate the value of the costs in the list above, it is expected that the implementation of the current draft of the CE provisions will result in negative impacts. Most of the costs will primarily occur in the sparsely populated parts of the District, where little economic activity or community is located.

We note that the most significant costs relate to the CE provision (CE-R5) that restricts conversions of rural activity and the restrictions on aquaculture. Council Officers have advised that the wording of the CE provisions relating to rural activities will be changing. If this occurs, then some these costs would be avoided.

Conclusions

In conclusion, this memo has reviewed the existing economic research available on the benefits and costs associated with CE provisions. The memo has applied these previous studies to the Selwyn District to provide an indication of the potential benefits and costs associated with a proposed set of provisions in the DPR, relative to the ODP.

The indicative assessment in this memo shows that the CE provisions are likely to produce a positive outcome for the local community. Specifically, the assessment indicates that the overall costs are likely to be small (approx. \$0.45 million per annum⁴⁶), which is likely to be outweighed by the benefits (approx. approx. \$0.8 million per annum⁴⁷). However, we note that the assessment of

⁴² New Zealand King Salmon (2018) Annual Report 2018.

⁴³ Ibid.

⁴⁴ Stats New Zealand (2019) Business Demography Data.

⁴⁵ Infometrics (2019) Economic Profile – Selwyn District.

⁴⁶ Based on \$0.1 million of lost rural production, \$0.2 million of aquaculture, \$0.1 million of other primary production and small values for design/compliance/consenting.

⁴⁷ Based on \$0.1 million tourism, \$0.1 million of commercial fishing, \$0.6 million of amenity values and small values for regulatory efficiency.

costs in this memo are indicative as there is limited data to produce an estimate, the key matter is that the benefits are likely to outweigh the costs.

Also, Council Officers have signalled three key changes to the draft (rural activity, aquaculture and small edits to the extent of the CE are adopted) that would reduce the costs, while having minimal impact on the benefits.

Important caveats to this memo are,

- that the scope of this assessment did not cover an assessment of alternative policy options.
- does not consider the impacts of other planning rules. For example, the Natural Hazards Chapter/provisions will have implications for development in the CE area, particularly the area of the CE in closest proximity to the Pacific Ocean (less so on the CE adjacent to Te Waihora, although there is expected to be some natural hazards in this area as well which will have implications for built development.

Also, that this memo was produced using a high-level assessment. It is considered that this assessment is sufficiently detailed to provide an understanding of the potential outcome of implementing the CE provisions. However, Market Economics can undertake a more detailed assessment if required.

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