



**AGENDA FOR THE**

**ORDINARY MEETING OF**  
**SELWYN DISTRICT COUNCIL**

**TO BE HELD IN THE**  
**COUNCIL CHAMBERS**

**SELWYN DISTRICT COUNCIL**  
**ROLLESTON**

**ON WEDNESDAY 8 MAY 2019**

**COMMENCING AT 1 PM**

## REPORT

**TO:** Chief Executive

**FOR:** Council – 8 May 2019

**FROM:** Property & Commercial Manager

**DATE:** 1 May 2019

**SUBJECT:** UPPER SELWYN HUTS FUTURE OCCUPANCY STRATEGY

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### RECOMMENDATION

1. *That Council acknowledges:*
  - a) *That climate change over the next 100 years means the sea level rise that will result in changes to the environment around Lake Ellesmere specifically resulting in the lake not being able to be opened to the sea as easily or possibly as often, thus resulting in the lake area likely increasing in volume and area and the water table lifting.*
  - (b) *That Council needs to continue to provide wastewater services but will do so in the most prudent and cost effective manner.*
  - (c) *That the wastewater solution will be funded by the Selwyn Huts community.*
2. *That the Council requests three (3) members of the Upper Selwyn Huts community to join the Council Subcommittee to review options for wastewater collection and treatment; the cost of those options, any proposed changes to the licence agreement to have effect from 1 July 2020, and that the appointed group report back to Council with their recommended proposal no later than 30 September 2019."*
3. *That the huts are located on a reserve and offering licences into the future, with climate change challenges and a desire to return the reserve to an open space area, means that signalling a finite period for licences is the position that the Council wishes to take."*

### 1. PURPOSE

The purpose of this report is to update the Council on progress relating to the Selwyn Huts licences and the related wastewater resource consent process.

### 2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This report is deemed to have a low significance assessment for Council activity.

### 3. HISTORY/BACKGROUND

The Deed of Licence for the occupancy at the Upper Selwyn Huts expires on 30 June 2020.

The Resource Consent for the wastewater treatment system also expires in June 2020.

Council in December 2017 received legal advice in relation to the feasibility of refusing to renew the Licences, the feasibility of renewing the licences for a lesser term (or renewing conditional upon obtaining an extended resource consent term) and the feasibility of withdrawing wastewater services to the huts altogether. This information was considered, together with a report from the Property and Commercial Manager, with the following resolution passed:

*“That in regards to the Upper Selwyn Huts licences that the following occurs:*

- (a) That the Council appoints a Committee of Ward Councillors, the Mayor and Chief Executive, to engage with the Upper Selwyn Huts community to develop a plan regarding the future residential occupancy of the Upper Selwyn Huts reserve;*
- (b) That the plan be prepared in conjunction with Environment Canterbury, Department of Conservation, Taumutu Rūnanga and Ngai Tahu to ensure consistency with arrangements that those authorities are obliged to undertake related to the Lake Ellesmere environment;*
- (c) That the Chief Executive is authorised to obtain from the appropriate authority an extension to the Upper Selwyn Huts wastewater consent that is consistent with the licence expiry for the Lower Selwyn Huts;*
- (d) That these decisions are communicated to the Upper Selwyn Huts community.”*

Council appointed a consultant in February 2018 to undertake the work necessary, including consultation, to develop a future strategy plan. A draft strategy is attached to this report (Appendix 1) and provides a comprehensive report on the issues that need to be addressed for the future of issuing Upper Selwyn Huts licence. The following are the key points considered:

- Purpose of this community strategy
- Background
- Current Context
- Plans/Strategies which impact on the Upper Selwyn Huts
- Stakeholder Consultation
- What all parties are seeking
- Key Issues
- Inter-relationship of issues
- Looking to the future

The committee referred to in (a) above met on 6 November 2018 to consider the reports and proposed a maximum 30 year licence extension in conjunction with an appropriate wastewater resource consent application.

The Council at a portfolio briefing on 28 November 2018 decided that they did not support the recommendations (which covered a number of issues) of the Committee and asked staff to reconsider options.

The Council has previously decided, and regularly confirmed, via Long Term Plan and Annual Plan consultation process that the Selwyn Huts community will not be included within the district wide rating systems for water or sewerage and during the draft annual plan preparation for 2019/2020, the Councillors reconfirmed that decision.

#### **4. PROPOSAL**

##### **The Privilege of Occupying a Public Reserve**

A key issue in considering any licence extension is the privilege that the huts owners have to locate their residential activity on a public reserve. It has been generally considered (by the hut owners in particular) that this privilege would extend in perpetuity.

In recent years, communities have become more aware of the impact climate change will have on them. For coastal communities such as those around the edge of Lake Ellesmere, the increase in the sea level of a forecast 70cm over the next 100 years means that the water table also lifts. Activities such as wastewater treatment and disposal become more challenging due to the closeness of the water table to their activity and thus the ability to obtain a resource consent using today's processes will not be possible.

This report does not discuss the technical issues surrounding this challenge.

The first fisherman's huts in the area were constructed in 1888. Fishermen's huts were accepted as being appropriate at that time and were generally only used by the owners for a limited numbers of days per year. In 2019, a number of huts are similarly temporarily used but many of the huts are now used as a permanent place of residence. The reasons for permanent occupancy are varied but often are due to the unique living environment which attracts a number of the residents while for many, the low cost of purchase is also attractive.

##### **What is the \$ value of a hut?**

The improvement value for a hut based on the current information held in the rates system ranges from \$15,000 to \$116,000 with an average of \$49,990. This is not the value that a hut would necessarily sell for. Huts are advertised for sale from time to time and a review of information on the trade-me website notes that hut values range from the rating valuations noted above to higher value. The true test of the market value is what a hut will sell for and that depends on hut conditions and ultimately what a willing buyer will pay and a willing seller will accept.

Each hut is licenced to occupy 202m<sup>2</sup> but it is important to remember that a licenced area does not mean that there is a legally surveyed area as each hut does not have a title.

The average rate levied on a hut in the 2018/2019 rating year was \$1,066. In addition to the rates levied, the annual licence fee per hut is \$582. The licence fee is levied to fund the water and sewer system annual costs plus the cost of maintaining the recreational reserve. This is a total of \$1,648.

It is important to note that future licence fee \$ values will increase as the costs of operating/upgrading the selected wastewater, and water systems to services the huts have to be funded.

The attraction of the low cost of ownership for a licence holder only using the hut on a temporary residence basis is important but the attraction for a licence holder when using the hut on a permanent basis is also highly attractive.

Permanent occupancy was obviously never contemplated when the huts were initially allowed. Temporary, most likely weekend use for fishing and other recreation, occupation was the norm. Accordingly the small amount of land area each hut was allocated, was of no concern. The closeness of huts when permanent occupation occurs, does potentially cause issues specifically when the land area is only just adequate for the hut with limited spare space for car or any type of storage. It is the limited space for each hut which will be discussed further when future wastewater options are considered.

### **Meeting with Environment Canterbury staff**

Selwyn District Council staff met with a number of Environment Canterbury staff on 21 March 2019 to discuss the issues that Selwyn are having to consider with the wastewater plan. The ECAN staff were a mix of consent processing, consent monitoring and living waters staff while Selwyn staff were the Property and Commercial Manager, Assets Manager and the Asset Manager Water Services.

Selwyn staff advised that they would be lodging a consent by December 2019, but depending on what wastewater option was selected, would also likely require an extension to the 30 June 2020 expiry date of the current consent.

The ECAN staff could not give any certainty as to whether an extension would be granted but noted that where an applicant was able to demonstrate progress towards achieving compliance/progress towards the consented position they are seeking, then ECAN generally look favourably on an extension to allow an applicant to achieve compliance.

ECAN staff also noted that any resource consent that might be approved, would most likely not exceed a 15 year consent period.

Resource consents when issued are generally for longer periods than 15 years. A 30 year period is used by Council as an appropriate timeframe for considered decisions about the use of capital for constructing wastewater systems, and how the construction costs will be funded.

A period of 15 years (as ECAN staff suggest any resource consent would be issued for) raises questions of economic use and financial viability and thus decisions about how to provide wastewater services needs to take this likely shorter time period into account. It also questions the length of period that the Council can realistically licence hut to occupy the reserve.

### **Delivery of Service**

In considering the above costs and challenges with obtaining a resource consent and operating a wastewater service at the hut, readers of this report could decide/conclude that no wastewater service should be provided after 1 July 2020 when the resource consent for wastewater expires.

Provisions of the Local Government Act though do not allow a Council to withdraw an existing services unless a defined process has occurred.

Attached to this report as Appendix 2, is a letter from Buddle Findlay that summarises the issues that need to be considered.

On the assumption that the council has no ability to not provide a service, the following section outlined the upgrade options that could be considered.

### **Wastewater Upgrade options**

Options for the upgrade of the wastewater plant were scoped in 2017 and presented to the Council and the community.

During 2018, staff and the community spent a number of months understanding the impacts of climate change and endeavoured to determine the appropriate pathway forward for the huts community.

The two options consider and cost of each option are summarised as follows:

- On site treatment/disposal at Selwyn Huts \$2.9 million + GST
- Pipe to Pines (ESSS) \$6.2 million + GST.

Each option includes the renewal of the internal reticulation in the hut area. The internal reticulation is generally accepted as being at end of life and needs replacing. Options for replacing range from \$1.1 million to \$1.7 million. A mid-range estimate of \$1.5 million is used for the above two options.

The capital spend per hut based on 96 huts for each option would be:

- On site \$30,210 + GST
- ESSS \$64,583 + GST

Either option is a significant cost, particularly when the average value of a hut is somewhere in the order of \$50,000 to perhaps \$125,000.

Selwyn District Council staff have been considering other options for wastewater service provision.

A number of options were considered in 2017 and the onsite treatment option noted above was identified.

If the total cost of a consentable option is to be reduced to what is deemed affordable, then the reticulation cost needs to be removed one way this could occur is if the replacement is not required.

The simplest way this can occur is if a huts treatment and disposal is right next to the hut.

The problem with this options being possible is limited by:

- Each hut only has a licenced area of 202m<sup>2</sup>,
- Each hut probably occupies say 60m<sup>2</sup> on average
- An area of 130m<sup>2</sup> for a treatment unit and disposal field would very unlikely be adequate, and
- The closeness of each hut to the next would bring into question a number of public health considerations.

A further question to consider is whether the Council would want to approve the installation of 96 individual treatment and disposal units for each hut. Anyone can apply for a resource consent on someone else's property BUT the land owner must approve the consent application.

Council as the land owner, and knowing that obtaining a resource consent and then operating wastewater plants in an environment such as the huts would be very challenging, may say "no" to any request for approval.

The third solution considered in this report is a vaulted system. A vaulted system is used at the Lower Selwyn Huts and in simple terms, all wastewater from a hut is held in a tank either in the ground or on top of the ground. This wastewater is then trucked away from the tank to a treatment site.

The Council would most likely coordinate such a collection system. It would probably be prudent that the Council also manages the funding but only if appropriate agreements are signed and linked to the licence agreements. (In reality the licence agreement would include the financial provisions for the funding of the capital and operating costs of the vault).

An advantage of a vaulted system, for each hut is that the individual hut owner then controls the amount of wastewater they discharge and ultimately the cost of trucking that effluent away. Accordingly those who are permanent occupiers will most likely have higher operating costs than those who are irregular users thus providing some fairness and equity to the operating costs.

A key advantage of a vault is that it would not require a resource consent for discharge.

Staff note that members of the community continue to raise solutions that they think would be suitable at Selwyn Huts. These questions are attached as Appendix 3. Answers are being developed and will be circulated.

### **Wastewater and Licence Expiry Date**

The key date that needs to be kept to the fore when considering the issues surrounding the Upper Selwyn Huts licence renewal is that the wastewater discharge consent expires on 30 June 2020. This is the same date that the licences expires. (The two dates are of course linked together)

Already an option has been considered, and discounted, as to whether the licences could cease at 30 June 2020. The legal advice in Appendix 4 summarises the challenges that public bodies have had with terminating licences without an appropriate period of notice. The recent decision by Christchurch City Council with regard to the licences for huts at Taylors Mistake is recorded.

Council needs to be mindful of allowing an appropriate period from notifying hut owners of their expiry date and then the actual expiry date.

## **5. FUNDING IMPLICATIONS**

The cost of which ever wastewater solution is implemented, will be paid for by the Selwyn Huts community. This cost includes any capital spent and the ongoing annual operating costs.

Council has to be very mindful that securing payment is not as straight forward due to the Council owning the land, and the improvements being owned by the licensee.

Most licence holders meet their financial obligations under the licence. Some don't.

An important point to note is that the hut licence does not provide the same security for payment that the Council would normally have when levying a rate,

There is no ability to place a charge on the land, and remember that the Council owns the land.

Claiming a hut and selling the hut is obviously an option but there would be a limited market for recovering costs.

Accordingly the issue of cost and how it is funded must be carefully considered.

A handwritten signature in black ink, appearing to read 'DM', with a stylized, cursive flourish.

Douglas Marshall  
**PROPERTY AND COMMERCIAL MANAGER**

- Appendix 1** Upper Selwyn Huts Community Strategy Development Draft Working Proposal – October 2018
- Appendix 2** Buddle Findlay legal opinion 4 March 2019 – Provision of wastewater services
- Appendix 3** Questions raised by residents and answers
- Appendix 4** Buddle Findlay legal opinion 7 March 2019 – Upper Selwyn Huts Taylors Mistake baches and heritage issues
- Appendix 5** 9 April 2019 – Letter from Mayor
- Appendix 6** Notes from 8 April 2019 meeting sent to all hut owners
- Appendix 7** Current Deed of Licence
- Appendix 8** Upper Selwyn Huts financial summary

**Upper Selwyn Huts (USH)**

**Community Strategy Development**  
**DRAFT WORKING PROPOSAL**

**October 2018**



Tina von Pein  
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## Executive Summary

The Upper Selwyn Huts is a small, 96 hut settlement situated on the banks of the Selwyn River and not far from the shores of Te Waihora / Lake Ellesmere. The site was a popular destination for Ellesmere and surrounding families to come and camp, swim and fish.

The settlement first started in 1888 with the establishment of a few fishing huts and has gradually grown and evolved over the subsequent 130 years. It now houses 96 huts, with the majority occupied permanently by either the hut owners or tenants.

The current issues facing the Upper Selwyn Huts are intertwined. Timing and sequence are important considerations. Some issues are potentially costly to resolve, which in turn raises questions about the future viability of the settlement.

The main issues facing the Upper Selwyn Huts settlement are:

- Hut owner Deeds of Licence with Selwyn District Council, to occupy reserve land, expiring in 2020.
- A wastewater system with an expiring (2020) resource consent and the need for major remedial / renewal work to ensure any future wastewater treatment option is environmentally sound and compliant with the relevant legislation
- Health and safety issues due to the proximity of the settlement to the Selwyn River and also the proximity of the huts themselves to each other
- Changing climate and the future impact this may have on the location of the settlement in relation to sea level rise, potential rise in the lake water level and subsequent lake opening delays meaning the lake water volume lifts and encroaches on surrounding land.

This report makes four key recommendations:

1. That the Council's ability in the future to issue Licences for hut owners to occupy a site/lot needs to take into consideration the following aspects when making any decision about future Licence extension:
  - Council and hut owners acknowledge that climate change is an issue that will impact on the USH settlement now and in the future.
  - That the wastewater system has reached the end of its consented and economic life.
  - The Upper Selwyn Huts community recognise the uniqueness of them being able to occupy a public reserve for their residential benefit.
2. That the Council consider the inclusion of the Upper Selwyn Huts Settlement in to the District Rating Scheme.
3. That if the Upper Selwyn Huts Settlement is included in the District Rating Scheme, the actions outlined above will be implemented to ensure the achievement of the milestones and timeframes, the latter of which is dictated by both the expiring wastewater consent and expiring hut licenses.
4. That for Council to give certainty and transparency to Licence holders, the Council will grant a Licence for a five-year period from 30 June 2020 and five subsequent renewals of five-year periods. The subsequent renewals will be determined by both the life of the wastewater consent and the ongoing impact of climate change.

Milestones and actions are documented in latter sections of this report.

For the approach in this report to be achievable it relies on the wastewater treatment system consent application and development being successful and that the Upper Selwyn Huts settlement is included in the District Rating Scheme. Should the latter be declined by Councillors, the approach will need to be reinvestigated with the settlement community as any other option will increase the local costs quite substantially.

## Introduction

### Purpose of this community strategy

The purpose of the community strategy process is to engage and consult with members of the Upper Selwyn Huts Community, Environment Canterbury, Ngai Tahu, Taumutu, Selwyn District Council and Department of Conservation to understand the plans and strategies that each organisation has in place to manage their responsibilities around Te Waihora. Refer Appendix 1 – The process for developing the community strategy.

The key output of this process is to develop a community plan outlining the future life expectancy for licences to be granted on the Upper Selwyn Huts Reserve 3048.

The community strategy will be developed, with the support of external independent facilitation, between the two key partner groups of the Upper Selwyn Huts Licensees and the Selwyn District Council. Other organisational / community input and comment will be sought and documented as the stakeholder groups seek input and engagement.

### Scope

The scope of this Upper Selwyn Huts Community Strategy is to outline the most likely scenario for managing the future of the huts.

### Term

It is proposed that through the implementation of this strategy, there is the potential for licences to continue through for a possible 30-year period from 2020 to 2050. Implementing this strategy is totally reliant on a new wastewater resource consent application being reviewed and granted. It is also highly reliant on the Upper Selwyn Huts settlement being included in the district wide rating scheme.

## Background

### How Upper Selwyn Huts began and evolved

It is over 100 years ago since fishermen first camped on what is now known as Selwyn Huts. Horse drawn vehicles and bicycles were then the main means of transport. The Upper Selwyn Huts began in about 1888 when the first fisherman's hut was built. The site, next to the Selwyn River with its many trout, was a popular destination for Ellesmere and surrounding families to come and camp, swim and fish.

With frequent restocking and the clear waters of the river, it soon became one of the best trout fishing stretches of water in the world - even England's future King George IV tried his hand here.

In March 1895 the area was gazetted as a public recreation ground (3048). In November 1895, owing to repeated applications to build further huts on the Reserve, the Commissioner of Crown Lands, recommended that it be brought under the 'Public Domains Act' which would give him the power to lease sections of it. This was finally approved in February 1896.

The occupation of the community was limited until recently, with year-round habitation prohibited and a fishing licence required before a hut could be purchased or occupied. That rule was dropped a few years ago and now there is a steady residential population.

As time passed, the Huts grew larger, increased in number and needed more amenities. Tennis courts went in during 1927, power, a sewage scheme and water supply were added over time as was raising the stop bank.

Prior to June 2011, the Springston South Reserve Management Committee was responsible for the maintenance of the grounds and fixtures. This was undertaken when required by committee members or volunteers. Maintenance of the grounds and fixtures is now the responsibility of the SDC.

On 13th February 2013, Council resolved to classify Reserve 3048 into two areas, one as a Recreation Reserve (Section 3), while the remainder of Reserve 3048 incorporating 96 Huts as Local Purpose (Hut Settlement) Reserve (Section 2), under Section 16 1(b) of the Reserves Act 1977, thus ensuring that their use is in accordance with the correct classification. The new Reserve Classification was gazetted in August 2015.

Refer to Appendix 2, for Historical Summary of the Upper Selwyn Huts Settlement.

## Current Context

### Statutory

The Upper Selwyn Huts are located on the Springston South Reserve, which is crown owned and gazetted as 'special purpose reserve'. Hut owners each have a Deed of Licence with the Selwyn District Council for a specific Lot of land, which remains in Crown ownership. The Licence covers the right of the hut to be situated on the land, based on Lots that were historically pegged out on the reserve. The licensee owns the hut, and the Crown owns the land, and the Council manages the land.

Description	Ownership	Management
Land	Crown	Selwyn District Council (Licensor)
Huts and structures	Licensee	Licensee

For many years SDC delegated the day-to-day management of the reserves to the Springston South Reserve Management Committee. In 2011 SDC took back the role of the day-to-day management of the reserves, and the Committee was disbanded.

The Deeds of Licence were reviewed in 2015 and are due to expire in 2020.

### Geographic

The Springston South Recreation Reserve, incorporating the Upper Selwyn Huts Settlement, is situated in a landscape area classified as Lower Plains Land Type in the Canterbury Regional Landscape Study Review, 2010. This landscape type is described as broad very low angle coalescing outwash fans and associated low terraces of the major rivers. Refer to Appendix 3 – Map of the Springston South Reserve Area.

The Reserve is zoned 'Outer Plains' under the Selwyn District Plan and falls within the 'Lake Ellesmere Flood Area' Flood Zone. Rules governing this zone are detailed in Section C of the Selwyn District Plan. The nearby Selwyn / Waikirikiri River is a 'wahi taonga management area'.

### Community

The Upper Selwyn Huts Settlement comprises of 96 huts (97 lots, with one hut covering two lots), all on the Reserve land which is administered by Selwyn District Council. Up until 2015, only 12 huts were permitted for permanent occupation by residents. When the Deed of Licence was last reviewed in 2015, all huts became permitted to be permanently occupied. As part of the Deed of Licence any hut owner planning to rent their hut, must sign an approval to rent consent form with the Council prior to renting.

There is no official data from Statistics NZ on the resident population (i.e. numbers, age, gender, ethnicity, family size or makeup) or the socioeconomics of the Upper Selwyn Huts settlement as it is too small to be singularly identified and therefore is part of a larger rural meshblock.

Anecdotally we have been told that most of the huts are now permanently occupied, either by the hut owners or as rentals; the resident population ranges in age, gender and family type; and there is a wide range of socioeconomic factors and influences within the settlement. As with any community, various cliques exist within the community which impact on human interactions, communications and management and ongoing development of the settlement.

There are no community services based at the settlement and the nearest service towns (fuel, hardware, groceries, medical, welfare, education, childcare facilities etc) for the settlement are Lincoln and Leeston.

### Core infrastructure in the Settlement

Currently the hut owners pay both a licence fee and rates to the Selwyn District Council. The annual licence fee covers water, waste water and reserve/general maintenance. The rates cover general district rates such as general purpose, uniform annual general charge, drainage, library, Canterbury museum, refuse uniform charge, transportation, district park etc. Managing and maintaining the core infrastructure is the responsibility of the Selwyn District Council and the Upper Huts Settlement community.

#### *Water supply*

The community water supply comes from a local well. In 1967 the water reticulation system was totally upgraded with provision for new piping. Selwyn District Council are currently progressing with an upgrade to the water supply that will see improvements to the water supply. The upgrades will be delivered in two stages being the removal of the old overhead storage tank and implementation of a temporary water supply and then the addition of UV treatment, new bore and surface pumps and new storage tanks as well as the upgrade to the electrical and SCADA control system.

#### *Wastewater*

In the late 1980's the septic tank system installed in 1927 was replaced by a border dyke system with consent granted until 2020. The new system still utilises the original (1927) feeder pipes run down the settlement streets. These pipes are at the end of their life and unfortunately enable infiltration of storm water during wet periods. The overflow pipe for the border dyke system runs directly into the Selwyn River.

#### *Storm water*

The storm water is individually collected from hut roofs and should be piped or open swale into a centralised soak pit on site. However, there have been some concerns raised that with some huts, their storm water may be connected directly to the wastewater system.

There is also a community awareness that during heavy rain events storm water runs freely into the sewer feeders due to the aged and damaged pipes.

#### *Flood protection and control works*

Environment Canterbury is responsible for the flood protection and control works within the area. There is a flood bank running along the Selwyn River and since installation has worked to divert floodwaters from running through the settlement. Environment Canterbury is currently working on repairs to the flood bank where locals have cut tracks / steps up the stop bank or cut into the stop bank to create parking areas.

### *Roads*

There is one 'no exit' road, the main road, running into the settlement. This main road is the only legal road. Other roads in and around the community are designated paper roads. The roads come under the jurisdiction of the Selwyn District Council.

## **Plans / Strategies which impact on the Upper Selwyn Huts**

Crown and local government agencies have a range of plans and strategies that apply to the Te Waihora area. In addition, there is current work being undertaken that will assist in understanding the area particularly in relation to the changing climate and sea level rise. Appendix 4 summarises of these plans and strategies.

Any work, development or decommissioning of the Upper Selwyn Huts settlement will need to be undertaken within the parameters of these plans, strategies and legislation.

## **Stakeholder Consultation**

Information was obtained from key stakeholders and community members regarding what they saw as the challenges, issues and ideas to be addressed, with a focus to identifying the future of the Upper Selwyn Huts settlement and how this could be managed.

Engagement with the community was achieved mainly through community meetings, individual interviews and small group meetings. In addition, key stakeholders with statutory responsibilities related to Te Waihora and surrounds attended a series of discussion meetings to talk about issues and ways to address these.

The collated feedback from the community and key party consultation is summarised in Appendix 5.

## **What all parties are seeking**

The consultation process highlighted the following elements as critical to all parties engaged with the Upper Selwyn Huts settlement. These elements are:

1. Certainty
  - From a licensee perspective: certainty of the duration of the Deed of Licence, with the term being at least 30-50 years
  - From an SDC perspective: certainty of managing risks, health and safety and tenure
2. Affordability
  - From a licensee perspective: comfort that the cost of the new wastewater system will be financially viable for hut owners, and the settlement will come into the District Rating System
  - From an SDC perspective: comfort that the cost of the new wastewater system will not place undue burden on the Council and other ratepayers
3. Transparency
  - From a licensee perspective: transparency on the process, costs, responsibilities and duration
  - From an SDC perspective: transparency on the process, costs, responsibilities and duration

## **Key Issues**

Community and Council alike identified that both needed certainty in relation to the future of the Upper Selwyn Huts Settlement.

From the community consultation and information from stakeholders there appears to be seven higher priority issues, with many of these being interlinked. Resolution of some issues is required to enable other issues to be constructively addressed.

#### Deeds of Licence for hut occupation expiring

This is the most pressing concern for the Upper Selwyn Huts community.

The Upper Selwyn Huts settlement is managed through a Deed of Licence between the hut owner and the Selwyn District Council. This licence sets out the terms and conditions of the hut occupation for a specific Lot on the Springston South Reserve. Refer to Selwyn District Council for a copy of the current Deed of Licence document.

The current licences expire in 2020. The uncertainty of the future of the huts, whether short, medium or longer term, is of great concern. Alongside this is that if / when the hut licences will no longer be issued:

- where will people move to?
- who will pay for / contribute to this move?
- what assets will they have?
- what will the impact be of leaving the hut on site?

#### Wastewater system and Resource Consent

There is an awareness within the Upper Selwyn Huts community that during certain weather events the current system can breach the consent conditions.

The current consent expires in 2020. Without a functioning and consented wastewater system the hut settlement could no longer continue. This is well known to the community and this uncertainty causes great concern.

#### Wastewater system and Cultural Sensitivity Concerns

The Upper Selwyn Huts settlement is located in an area of Te Waihora designated as sensitive cultural land. There are concerns that the current wastewater consent permits discharge to land i.e. directly in to this cultural values management area. There are also concerns in relation to the effects of the rising groundwater levels and the impacts this has on the wastewater system during a wet weather event.

#### Ageing Infrastructure

Both the wastewater and storm water systems have reached the end of their purposeful life and need renewing. The renewal of both these systems will be very expensive. However, for the hut settlement to remain in existence both systems will need to be extensively upgraded or renewed. The costs of the replacement could potentially be shared across both the hut owners and the Selwyn District Council ratepayers, if the Council agrees to bring the Upper Selwyn Huts settlement into the local rating scheme.

#### Changing Climate

The changing climate is becoming more evident through water balance changes (higher evaporation /transpiration, lower flows, higher intensity rainfall events) and increased irrigation demand. The overall ecosystem effects are very difficult to predict.

The effects on coastal lakes include rising sea levels. For Te Waihora this means higher lake levels are required to maintain the current opening techniques, and the higher lake levels mean higher groundwater levels further inland in addition to surface inundation. This will result in fewer lake openings and the lake being open for a shorter time, as coastal erosion increases and will push back barrier.

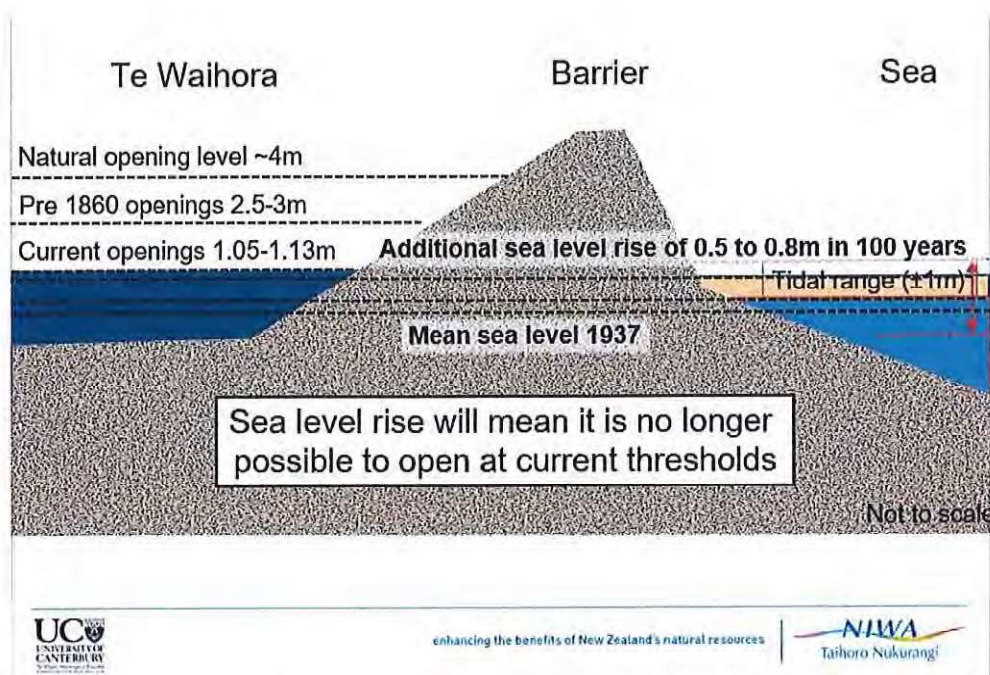
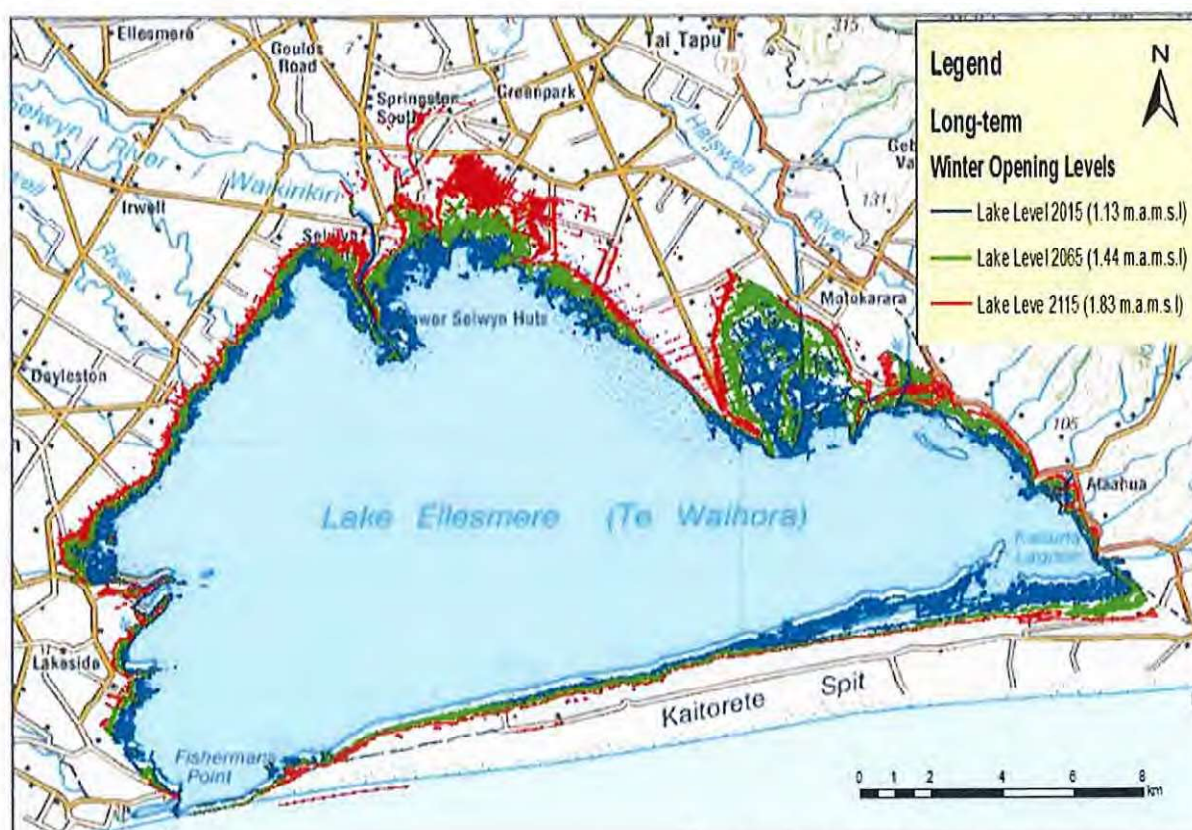


Diagram courtesy of Brett Painter (Environment Canterbury)

Current modelling (NIWA / Lincoln University) of the rising sea levels between 2015 and 2115 predicts that the lake will need to reach a higher capacity before it can successfully be opened. The direct impact of this will be a rise in the level of Te Waihora prior to Lake openings, and the potential local inundation this will cause around the lake environs.



Map courtesy of Dalia Zarour (Lincoln University)

### Flooding

Lake Ellesmere has flooding potential around the shoreline due to high river flows from the Selwyn River or when the Lake is high due to the lake opening being delayed and a south easterly wind direction. This can impact on lakeside communities such as the Upper and Lower Selwyn Huts and Greenpark Huts and is evidenced by the shoreline extending inland and encroaching into settlement areas.

The Upper Selwyn Huts Settlement is built parallel to the Selwyn River and is separated from the river by a purpose-built flood bank. In a major flooding event, any breaches to the flood bank within the immediate vicinity of the settlement will result in health and safety issues being realised and potentially flooding related damage and other impacts on the settlement.

#### Risk Management – Health and Safety

As the governing local authority and the land owner, the Selwyn District Council has both responsibility and potential liability for health and safety related issues. The Council, along with the community, has responsibility to ensure that all health and safety issues are identified, investigated and appropriate mitigations are set in place.

## Inter-relationship of issues

For Selwyn District Council to be able to issue Deeds of Licence beyond 2020, a wastewater consent needs to be submitted and approved by Environment Canterbury. Prior to this being submitted to Environment Canterbury, Selwyn District Council will need to:

- Determine the most appropriate system for installation, reviewed against the planning and legislative requirements
- Identify the capital cost of the system
- Identify the annual operational and maintenance costs
- Confirm the costs and the support from Council and licensees to pay these costs

Any wastewater system will need a defined 'life expectancy'. This will, in turn, determine the duration for which the Council allows the occupancy of the settlement and the issuing of Deeds of Licence.

Also linked into the development of a new wastewater system will be the repair or replacement of the pipes running under the streets to the main wastewater deposit area.

While considering both the wastewater and licence issues, the Selwyn District Council also needs to be cognisant of its health and safety responsibilities as a land owner, both currently and into the future.

## Looking to the Future

During the community meetings and other conversations, discussions indicated that most people understand the potential impacts of the changing climate on those living in lake edge regions of Te Waihora. There is also recognition that the impact is not predicted in the short term, but evident in the medium and long-term predictions and that these predictions may change over time.

#### Recommended Option for Wastewater system

Through the community engagement process many ideas were tabled as potential solutions. These are documented in Appendix 6.

A high level analysis of these ideas, based on a combination of financial, environmental, cultural and feasibility aspects, were considered.

The priority issue is addressing the wastewater system (resource consent expires 2020). Any future for the hut settlement is reliant on having a robust and compliant wastewater system.

#### Wastewater system

Council staff have investigated a range of wastewater system options and consider that the EcoEng Solution to be the best option based on:

- Compactness of the plant / system
- Has longer term life than other systems
- Is considered more fitting to the type of settlement
- It will address the concerns related to discharges in this culturally sensitive area
- It will address the concerns related to ageing and damaged infrastructure
- Boundaries of the adjacent reserves can be planted up to enable the drip system to work amongst and support the newly planted area
- Potentially more financially viable for the community and Council

While the wastewater system is being confirmed, a Council decision on whether (or not) to bring the Upper Huts Settlement into the District Rating Scheme, which will then determine the way forward, needs to be made. If not part of the District Rating Scheme, the full costs of the system will likely sit with the Deed of Licence holders; if part of the District Rating Scheme then some cost sharing across the ratepayer base is likely.

High level Financial Estimates and Assumptions based on this system

#### Scenario 1- per council report 27 June 2017

##### DISTRICT RATING - Capital expenditure only

	Package plant & reticulation	Connection to ESSS & reticulation	Connection to ESSS & Reticulation & DC
Capex	\$2,781,000	\$5,284,000	\$6,156,025
Interest rate	6.0%	6.0%	6.0%
Loan period	20	20	20
Ratepayer #'s	11,000	11,000	11000
Annual Loan payment	\$242,460	\$460,683	\$536,710
rate per annum (GST Inc)	\$25	\$48	\$56

#### Scenario 2 - reduced DC effective 1 July 2018

##### DISTRICT RATING - Capital expenditure only

	Package plant & reticulation	Connection to ESSS & reticulation	Connection to ESSS & Reticulation & DC
Capex	\$2,781,000	\$5,284,000	\$5,808,668
Interest rate	6.0%	6.0%	6.0%
Loan period	20	20	20
Ratepayer #'s	11,000	11,000	11000
Annual Loan payment	\$242,460	\$460,683	\$506,426
rate per annum (GST Inc)	\$25	\$48	\$53

**Scenario 3 - scenario 2 but ONLY Huts funding****HUTS RATING - Capital expenditure only**

	Package plant & reticulation	Connection to ESSS & reticulation	Connection to ESSS & Reticulation & DC
Capex	\$2,781,000	\$5,284,000	\$5,808,668
Interest rate	6.0%	6.0%	6.0%
Loan period	20	20	20
Ratepayer #'s	97	97	97
Annual Loan payment	\$242,460	\$460,683	\$506,426
rate per annum (GST Inc)	\$2,875	\$5,462	\$6,004

**Scenario 4 - Scenario 3 but only 77 huts****HUTS RATING - Capital expenditure only**

	Package plant & reticulation	Z	Connection to ESSS & Reticulation & DC
Capex	\$2,781,000	\$5,284,000	\$5,808,668
Interest rate	6.0%	6.0%	6.0%
Loan period	20	20	20
Ratepayer #'s	77	77	77
Annual Loan payment	\$242,460	\$460,683	\$506,426
rate per annum (GST Inc)	\$3,621	\$6,880	\$7,564

## Advancing this Process

### Critical Milestones and timeframes

Milestone	Timeframe
Review of historical documentation	February – March Complete
Statutory Stakeholders Group sessions	April – July 2018 Complete
Community changing climate information sessions	May – June 2018 Complete
Local settlement community engagement	June – July Phase 1 - Complete
Council Working Party review of Draft this document	August 2018

Financial analysis for wastewater option undertaken by SDC	August 2018
Proposal to Council to bring the Upper Selwyn Huts Settlement into the District Rating Scheme	September 2018
Council approval of draft Upper Selwyn Huts document for consultation	September 2018
Preparation of the wastewater resource consent application	October 2018
Community Consultation on this document	September / October 2018
Focused consultation with Upper Selwyn Huts community on the costs and contributions involved and the proposed Deed of Licence changes	October 2018
Review of consultation feedback	November 2018
Council decisions on changes and way forward	November 2018
Resource consent application finalised and submitted to Environment Canterbury	January 2019
Potential decision on resource consent application	June 2019
Council start work on new wastewater system	July 2019
Updated Deed of Licences signed with hut owners	August 2019

### Next Steps

To achieve the milestones identified above, a process of work and activity will need to be undertaken and managed to ensure necessary timeframes and sequencing of activities are met.

### Actions to facilitate the achievement of milestones

	Action	Who is responsible	Timeframe
1	Finalise papers for Council on draft proposal.	Douglas Marshall	
2	Wider community consultation and feedback.	Tina von Pein	
3	Prepare paper to Council on including the Upper Selwyn Huts community in the District Rating Scheme.	Douglas Marshall	
4	Based on community feedback, confirm this is the most appropriate system for installation, reviewed against the planning and legislative requirements, including detailed analysis to ensure the proposed system meets the resource consent requirements.	Douglas Marshall	
5	Identify the capital cost of wastewater the system.	Douglas Marshall	
6	Identify the annual running and maintenance costs.	Douglas Marshall	
7	Detailed costing of the proposed system (capital, installation, running, maintenance costs).	Douglas Marshall	
8	Confirm the costs and the support from Council and licensees to pay these costs.	Douglas Marshall / Tina von Pein	
9	Prepare and submit resource consent application to Environment Canterbury.	Murray England???	
10	Work to resolve any issues or concerns with the resource consent application.	Murray England???	
11	Update the Deeds of Licence.	Tanya Maylam	
12	Signing of Deeds of Licence.	Douglas Marshall	

### Updating the Deed of Licence

To give the hut owners transparency and certainty of tenure, and to give the Council certainty that they will be able to safely manage the current and future occupation of the Springston South Reserve, the Deed of Licence need to be updated to reflect issues raised by both parties.

- A. A nominated review date, where the progress of the wastewater system installation and community compliance with this is determined. These dates will be linked to the resource consent approved by Environment Canterbury.
- B. Agree and include right of renewal dates e.g. 6x5 years, 3x10 years.
- C. Include a termination date for the Deed of Licence (e.g. 2050).
- D. A stated review date for updated information on the changing climate predictions and the potential impact on the Upper Selwyn Huts Community.
- E. An annual bond contribution from each licence holder, to be held by Council, and used for the demolition of huts not removed by owners should the settlement be decommissioned.
- F. A compliance check on each hut in relation to building standards and consents, storm water disposal and other Council bylaws e.g. No dogs.
- G. Ensure clauses related to responsibilities for removal or demolition of huts by owners or Council are clear.
- H. Good behaviour bonds / statements

## Recommendations

1. That the Council's ability in the future to issue Licences for hut owners to occupy a site/lot needs to take into consideration the following aspects when making any decision about future License extension:
  - Council and hut owners acknowledge that climate change is an issue that will impact on the USH settlement now and in the future.
  - That the wastewater system has reached the end of its consented and economic life.
  - The Upper Selwyn Huts community recognises the uniqueness of them being able to occupy a public reserve for their residential benefit.
2. That the Council consider the inclusion of the Upper Selwyn Huts Settlement in to the District Rating Scheme.
3. That if the Upper Selwyn Huts Settlement is included in the District Rating Scheme, the actions outlined above will be implemented to ensure the achievement of the milestones and timeframes, the latter of which is dictated by both the expiring wastewater consent and expiring hut licenses.
4. That for Council to give certainty and transparency to Licence holders, the Council will grant a Licence for a five-year period from 30 June 2020 and five subsequent renewals of five-year periods. The subsequent renewals will be determined by both the life of the wastewater consent and the ongoing impact of climate change.

## Appendices

Appendix 1: The process for developing the community strategy.

Appendix 2: Local History Summary

Appendix 3: Map of the Springston South Reserve

Appendix 4: Summary of plans and strategies

Appendix 5: Community Comment / Feedback and Analysis comment

Appendix 6: Suggested solutions and analysis comment

## Appendix 1: The process for developing the community strategy.



The community strategy was developed through a series of 5 iterative steps. These included:

1. Information gathering and sharing
  - Plans and strategies
  - Historical documentation
  - Current issues research and information
  - Organisational conversations
  - Local conversations
2. Community consultation
  - Information sharing
  - Issues – actual and perceived
  - Potential solutions
3. Analysis / feasibility of potential solutions
  - Engineering
  - Financial feasibility
  - Community / District feasibility
4. Ongoing Community Engagement
  - Dialogue between stakeholders
  - Review / discussion on solutions and practicalities in developing the strategy
  - Establishing an agreed (or compromised) pathway forward
5. Community Strategy drafted and agreed (as much as possible) by key stakeholders

## Appendix 2: Local History Summary

The following local timeline for the Upper Selwyn Huts was provided by Mr G Evans, Chairperson of the Upper Selwyn Huts Residents Association.

Timeline	Activity
1888	W.H. Spackman (barrister, solicitor, Chairman Canty. Angling Society)
14 Jun 1889	W.H. Spackman wrote Commissioner of Crown Lands seeking the lease of 20 acres of Reserve 959
28 Feb 1890	Commissioner of Crown Lands wrote the area was under lease until 28 Feb 1890
1890	8 small huts on the reserve
22 Mar 1895	Reserve 3048 was gazetted as a public recreation ground to be known as "Lake Ellesmere Recreation Ground" 5 acres set aside as fishing settlement, 15 acres becoming public domain. Repeated applications during 1895 led to the land being brought under the Public Domain Act. Giving the Commissioner the power to lease sections within it, and this came into effect in Feb 1896.
Feb 1896	
12 Apr 1897	The Lake Ellesmere Domain Board was constituted. 3x Canty Acclimatisation Society, 3x Selwyn District Councillors. Its name changed to Springston South Domain Board.
1897	An occupation of 20 shillings per annum and the first bylaws governing the settlement adopted
1897	Saw planting & fencing of the 5 acre portion of the fishing reserve authorised, with the planting belt approved in 1903
Feb 1906	A form of licence was adopted
Dec 1907	60 residents petitioned the board to lay down a Tennis Court.
Dec 1910	The Acclimatisation Society pegged out in 1913, 1916 (sections 81-88) and 1919 the tennis courts
26 Oct 1911	Tennis Courts officially opened, with netting around courts and building used for visitors and storage.
1912	Domain used for sports gatherings, a meeting held in the Springston South School resulted in a decision to hold a sports meeting on New Year's Day
1915	Well sunk in area of tennis court sunk to depth of 221 feet
1920	Power installed
1922	Tennis Courts new asphalt
Mar 1927	Community Septic Tank installed, driven by the Health Dept. Scheme approved by Dec 1926 at the cost of 1537 pounds and reticulation mains including 5 public conveniences (at extra cost) was accepted in March 1927
Jun 1927	The Springston South Hut Owners Assoc. Chairman H. W. Heslop appeared in the board minutes with the names of S.F. Barnett (hut owners) & C.NC. Powell (resident of the district) was added to the Board.
Sept 1927	Tender accepted to install a 1500 gallon reinforced concrete tank.
1931	W. Stewart the Commissioner of Crown Land pushed for a new row of hut sites on part of horse paddock.
1932	Septic Tank extended.
1967	Water reticulation system totally ungraded with provision for new piping.
1983	Meeting held with the Ellesmere County & Catchment Board to discuss continued use of Septic Tank.
Late 1980's	Septic tank replaced by a boarder dike system with consent granted until 2020.
1984	Lands & Survey Dept. offered the fishing reserve to the Ellesmere District Council, but the offer was not taken up.
31 March 1990	The old Springston South Domain Board was renamed Springston South Reserve Management Committee.
28 Jun 2011	Notification of discharge of the Springston South Reserve Management Committee by the Selwyn District Council, because of issues of governance.

	<i>That pursuant to the powers set out in Clause 30 (5) (a) of Schedule 7 of the Local Government Act 2002, the Council discharge Springston South Reserve Management Committee with immediate effect. Further to this, all governance and operational responsibilities associated with the management of the Springston South Reserve shall revert to the Selwyn District Council for the time being.</i>
15 Dec 2017	Council appoints committee to develop a plan regarding the future residential occupancy of the Upper Selwyn Huts.
23 Jan 2018	Selwyn Huts Association committee elected at a Special Meeting held at the Springston South Soldiers Memorial Hall.

### Appendix 3: Map of the Springston South Reserve



## Appendix 4: Summary of plans and strategies

### **Selwyn District Council**

The following key Council planning documents, policies, strategies and bylaws apply to this plan and to the management and operations of Springston South Reserve (Upper Selwyn Huts Settlement).

- Local Government Act (2002)
- Long Term Plan (LTP)
- District Plan and associated rules (currently under review)
- Community Facilities Activity Management Plan (2015-2025), (AMP)
- Council Policy Manual (2014)
- Selwyn District Health and Safety Policy (2015)
- Trees and Vegetation Management Policy (2010)
- Selwyn District Physical Activity Plan (2007)
- Open Space Strategy (2014)
- Rural Fire Bylaw (2009)
- General Bylaw (2009)
- Reserves Act (1977)
- Parks and Reserves Bylaw (2009)
- Dog Control Bylaw (2012)
- Land ownership responsibilities (especially health and safety)
- Natural hazard modelling projects

### **Taumutu / Ngai Tahu**

The Waihora Joint Management Plan (2004) applies to the bed of the lake. It was developed 12 years ago between the Department of Conservation and Ngai Tahu to give effect to the Ngai Tahu Claims Settlement Act 1988.

The Plan is a statutory document containing long term objectives and detailed policies and methods for effective integrated management of the Joint Management Plan Area and natural and historic resources within the area. While the Upper Selwyn Huts is on Selwyn District Council land, the Lower Huts are within the Joint Management Plan Area. The Plan acknowledges that recreational huts provide bases for people mainly involved with fishing and gamebird shooting.

The Joint Management Plan is currently under review. Ngai Tahu will be writing to key stakeholders (including Hut Association) to inform them of the review. The review includes a statutory public submission process.

### **Environment Canterbury**

Two key Environment Canterbury documents impact on the Upper Selwyn Huts area. The Land and Water Regional Plan (LWRP) set guidelines and rules around aspects such as land use, permitted and non-permitted activities. The Selwyn Waihora Zone Implementation Plan (ZIP) Addendum (2013) has recommendations on point source discharges and these were given effect in the (now operative) Selwyn Te Waihora Plan (the Selwyn Waihora sub-regional section of the Canterbury Land and Water Regional Plan).

### **Department of Conservation**

The Waihora Joint Management Plan (2004) applies to the bed of the lake. It was developed 12 years ago between the Department of Conservation and Ngai Tahu to give effect to the Ngai Tahu Claims Settlement Act 1988.

The Plan is a statutory document containing long term objectives and detailed policies and methods for effective integrated management of the Joint Management Plan Area and natural and historic resources within the area. Joint Management Plan

### **Christchurch City Council (CCC)**

There are no CCC plans or strategies that set direction or guidelines for the Te Waihora area. However, what happens within areas of the CCC district does impact directly on Te Waihora, for example discharge into the Halswell River, which feeds into Te Waihora.

CCC are currently undertaking cadastral mapping of land ownership around the lake. This may help inform some of the future decisions that need to be made.

### **Central Government**

Both the Resource Management Act (RMA) 1991 and the National Policy Statement (NPS) for Freshwater Management guide what can and cannot be undertaken and how these are managed. The RMA is New Zealand's main piece of legislation which sets out how we should manage our environment. The NPS provides direction to local government about matters of *national* significance which contribute to meeting the purpose of the Resource Management Act 1991.

## Appendix 5: Community Comment / Feedback and Analysis comment

From the community and group meetings and individual interviews, the following issues were raised by participants. These have been collated into sections under the headings of:

- Operational issues
- Environmental issues
- Other issues

## Operational Issues Analysis Comment

Issue Raised	Analysis Comment
The current Upper Selwyn Huts Licences expire at the end of 2020	Renewal of licences will be linked to successful wastewater consent application as without the wastewater system the community cannot exist as a settlement (within the current planning and legislative frameworks).
Increasing difficulty in opening Te Waihora due to rising sea levels	An environmental outcome that will impact on the lake settlements, and one that will help inform any licence decisions made.
Many of the waste feeder pipes were damaged in the earthquake	Work on these will need to be part of installing a new wastewater system. Note: Any damage to pipes outside of the licensed area is the responsibility of SDC, any damage within the licensed area is the responsibility of the licensee.
Are these pipes insured and has Council collected insurance for any earthquake damage to them?	Yes, they are insured however there was little or no earthquake damage, so no insurance claim as made as a result.
The Waste Water system, on occasions, breaches its consent conditions	Many issues contribute to this and a new wastewater system is required to overcome this.
Infiltration of water into the sewage system, especially obvious in heavy rain events	Many issues contribute to this and a new wastewater system is required to overcome this.
Old sewer pipe going out to Selwyn River not blocked off. There is also another pipe that goes out to River that is not blocked off.	SDC now aware of this and will undertake to remedy the problem.
The sewer pipe along hedge is ½ open in places so collects water	A new wastewater system will remedy this issue.
Drain in centre of court - soak hole needs clean up	SDC now aware of this and will undertake to remedy the problem.
Water pipes – pre PVC and are very brittle. If increasing water pressure then will need to check robustness of pipes	SDC aware of this and water
There is no Emergency water supply tap	Emergency (Fire) services bring in their own water truck when called to fires in the settlement.
USH – some people are buying pumps and linking these to the water system, which may in turn create issues	Needs investigating further by SDC.

## Environmental Issues Analysis Comment

Environmental Issue Raised	Analysis Comment
Flooding from the Selwyn River	Recent floods have breached the stop bank above the settlement, sufficiently upstream for the flood to flow around the settlement. Should the stop bank breach nearer or opposite the settlement the outcome would be very different as it has the potential to flood through the huts, destroy roads and the infrastructure, not to mention putting lives in danger.
Rising Sea Levels	Correct and as the sea levels rise it will impact on the opening of the lake and the lake level.
Increasing difficulty in opening Te Waihora due to rising sea levels	Correct and as the sea level continues to rise, opening the Lake will become increasingly difficult. The teams responsible for managing the lake opening are working on identifying and investigating alternative opening regimes.
The impact of sediment in the Lake, coming down the Selwyn River	Some sediment will be coming down the Selwyn River and into the Lake, and then washing out of the Lake when it is opened.
The impact of wind on the lake level in stormy conditions	The lake level can rise substantially depending on the direction and strength of the wind – southerlies are particularly influential.
If closed off to the sea, Waihora will become predominantly a freshwater lake so ecology, birdlife, fisheries of Waihora will change	This is correct.
There will also be unknown impact on fish exchange especially when having to lift water heights	This is correct.
Concern from Ngai Tahu about the discharge of human waste so close to the lake and also in a sensitive cultural area	Issue needs to be addressed as part of the new wastewater system and compliance with resource consent conditions.
How will Central Plains water impact on the Lake – will it rise round the Lake? Will it increase the freshwater component of the Lake?	We understand that there has been no modelling on this to date, so the direct impact is currently unknown.

Other Issues Raised	Analysis Comment
<p>Hut Owners want to be part of the Lake Opening Protocol Group</p>	<p><b>Response from Environment Canterbury (who manage the Protocol Group process):</b>  <u>Who is on / represented by the protocol group?</u>  <i>The protocol is made up of Te Taumutu Runanga, Department of Conservation, The Lake Rating District Liaison Committee, North Canterbury Fish &amp; Game Council, Lake Ellesmere Commercial Fishermen's Association, Selwyn District Council, Christchurch City Council and Waihora Ellesmere Trust.</i>  <u>What are the criteria for being on the group?</u>  <i>The group is formed to assist the consent holders in determining the most appropriate times for lake openings or whether an opening should be started or delayed. So with that the parties on the group have a vested interest in the lake, represent other users, are able to offer advice based on their area of interest/expertise. There are no set criteria.</i>  <u>What is the process for other group representatives to be considered?</u>  <i>This is something we have not dealt with but have been informally approached by a group who would like to be represented on the Protocol Group. In this particular case, the group are represented by SDC, DOC and the Lake Liaison Committee so really wouldn't need their own place on the group and are unlikely to add value.</i>  <i>The Protocol document notes that the Protocol is to be reviewed at least every 5 years, which means it must be reviewed next year (2019) and it is possible that the makeup of the Group would be reviewed too.</i></p>
<p>Reported misconception by Council that many of the huts do not meet Building Consent Code of Compliance standards. Locals acknowledge that some huts do not meet the required standards, but note that the majority do.</p>	<p>A review of each hut against the building standards will clarify between perception and reality. All buildings on the reserve should be compliant and if huts remain then those that are not compliant need to be addressed.</p>
<p>Tower Insurance – may not be able to insure due to climate change and other issues</p>	<p>More information needs to be gathered on this topic, as it will be site / area specific.</p>
<p>National debate on climate change – Government may elect to put some national legislation / guidelines in place</p>	<p>Stakeholders and Council understand that this might well be the outcome of the national debate on climate change. Depending on the Government process there may be the opening for local input into any legislation or guidelines.</p>
<p>Uncertainty around licence duration makes it very unsettling for people and hard to determine the future.</p>	<p>Acknowledged – this process is focused on community and stakeholder feedback informing any decisions to enable the licences to be appropriately renewed, and to give surety on the duration of any renewal.</p>
<p>The licence expiry of 2020, and uncertainty over the future is making it hard for people wanting to sell their hut. Locals consider this situation is not helped by the mixed messages coming from Council about the duration / status of licences when people call about property files.</p>	<p>SDC will remind staff of the facts of the current situation with the licences i.e. they expire in 2020, and Council is currently working with the community to develop a future strategy. There is no guarantee that the licences will continue into perpetuity.</p>

Other Issues Raised - continued	Analysis Comment
Want Upper Selwyn Huts community brought in under the district rating scheme.	Acknowledged – requests for this will be part of the forward process. If declined by Selwyn District Council, then other financial alternatives will need to be more thoroughly investigated.
Concerns raised about the perception of some Councillors and other that the USH community do not pay rates.	This will be clarified again with Councillors. The community pay a licence fee for the lot they occupy on the reserve, and they also pay rates to SDC based on the value of their hut.
If the hut settlement is closed down – who would pay for the removal of the huts?	The current Deeds of Licence specifies this as the hut owner's responsibility. Refer to clause 26. Expiry of Licence, in the Deed of Licence.
Many huts are not able to be moved, so owners would be left with no equity	Hut owners will have been aware at the time of building or renovating the hut or structure that they hold a Deed of Licence with SDC, and this Deed of Licence has an expiry date.
Concern that Council is still issuing permits when the future is so unknown.	Concern acknowledged.
No dogs allowed at the USH, as per licence agreements – however many hut dwellers have dogs on site.	This does not comply with the Deed of Licence. SDC have been made aware of this situation.
Storm water discharge - needs to be confirmed that people are not discharging straight into the sewage system.	SDC have been made aware of this
Licence fees: What do they cover? How are they apportioned? Are they held in a separate account at Council?	Licence fee covers water, waste water and reserve/general maintenance. The licence fee is coded to the USH and is managed SDC. Annual Rates covers other general district rates such as general purpose, uniform annual general charge, drainage, library, Canterbury museum, refuse uniform charge, transportation, district park etc and is based on valuation of hut.
Going to pressurise water system, but will it be sufficient for from hydrants.	The age and condition of the pipework will determine how much the water can be pressurised. The fire brigade bring water trucks with them when attending fires in the Upper Selwyn Huts settlement.
There is only one access way in and out of the USH, so in the event of something like a grass fire coming towards the huts, people would be isolated / trapped there.	Noted – although this has always been the access situation.
Council have put in waste water systems at Coes and Chamberlains Ford. As rate payers we ask why these systems being paid for to accommodate freedom camping and not for USH community	Both areas are reserves at which the locals, the public and those individuals who choose to freedom camp can stay overnight. As public reserves facilities need to be provided and maintained.
Focus on calling these dwellings homes – not huts – as they are homes to the residents	Noted – however the Deed of Licence refers to 'huts and structures' erected on the lot. This reflects the original purpose of the occupation of the settlement.

## Appendix 6: Suggested solutions and analysis comment

Suggested Solutions Raised	Analysis Comment
Historically from river mouth up river to Greenpark huts a stop bank was formed with a gate to release water, although this gate is not working it and the stop bank could be fixed.	SDC staff have limited understanding of this issue.
Horseshoe Lake (Christchurch City) – each pump pushes out 4 tonnes water an hour. They only turn on one pump as too much water pumped if all 4 are turned on.	Unsure how this would be effective in dropping the water level as the water would need to be pumped through the local environs, and out over the break to the sea.
Put a canal system (V5 Proposal) through from Lake Waihora to Lake Forsyth (Wairewa) and have smaller more efficient drainage to Wairewa.	There are many issues including the fact that the two lakes are very different and that Wairewa sits at 2m above sea level (i.e. This is higher than Waihora). To achieve this would be a large engineering and environmental challenge. There are also unanswered questions as to the impact this would have on the state of Wairewa (a freshwater lake)
Have a barrier that is mechanically opened in a canal between the two lakes.	Issue is that Wairewa sits at 2m above sea level (i.e. This is higher than Waihora). If replace lake opening with canal – what would the fish exchange be when you had to have gates opening and lifting water from 1m to 2m
Can manual canal openings of the lake be used to accommodate fish migration?	This would need to accommodate the range of fish migration periods. Also, the issue of opening such a canal against the rising sea level raises similar issues as the future challenges with the mechanical lake opening process.
There was an old proposal to develop a Canal between Waihora and Rakaia...	There may be some aspects of this idea that have merit, however there were valid researched reasons that this was not progressed.
Break off the spit completely so sea enters the Lake.	This would result in the Lake reverting back to an estuary, which in turn will have great biodiversity and environmental impacts on the lake.
Council provide an alternative location where huts could be resettled, or alternative accommodation where the cost of a home would be the same as the cost of the hut they own.	This is outside of the brief of Council. Hut owners have always been aware that they did not own the land on which they built their hut and that it was on a public Reserve.
Shared septic tank system, offering the local farmer the treated waste water for farm irrigation.	Septic tank would need to be very large to provide a single system for all the huts in the settlement. In addition, there is limited space in the hut area to accommodate this.
Arrange with local farmer to put sewage outlet pond on his farm, which can then be used for irrigation.	This may be a worthy discussion to have when the wastewater system is progressed further. However, it needs to bring into consideration the challenges in contracting this into the future the farm owner.

Suggestion Raised - continued	Analysis Comment
Install a separate / robust system for the storm water disposal.	The storm water system is not meant to be connected to the wastewater system. Responsibilities in relation to Water, Sewer and Sanitary aspects are set out in Clause 13 of the Deed of Licence.
Each hut to install a self-composting toilet	Not a viable option under current planning and legislative frameworks.
What about freeholding the land?	Council have ruled this out as an option based on a range of factors such as the time, the cost, the size of the lots, subdividing costs, and the RMA requirements. It also does not address the wastewater and health and safety issues associated with the issue of the location of the Upper Selwyn Huts Settlement
Sewage pipeline to Lincoln	This has been considered and found to be not practicable as there are not sufficient residences along the way to make it a viable option.
Why not take out the stop bank on the other side of the river between the lower & upper huts – which would mean the river will spill over on the farmland and take pressure off the huts' side	This suggestion is just transferring one issue from one side of the river to the other. It does not address the other issues related to the wastewater system etc.
30 years will give people some level of comfort to duration of licence. Sign up for 30 or 50 years but with right of renewal e.g. 3 x 10 years / 5 x 6 years	Council are working through this engagement process to try and give the licensees and the Council some certainty. Right of renewal suggestion has been proposed to be included as part of an updated Deed of Licence.

4 March 2019

**To**

Douglas Marshall  
Selwyn District Council  
PO Box 90  
Rolleston 7643

**From**

Mark Odlin

**By Email**

douglas.marshall@selwyn.govt.nz

Dear Douglas

**Upper Selwyn Huts – Provision of Water Services**

1. We refer to recent correspondence in relation to the management of the Upper Selwyn Huts settlement (**Huts**) and the Council's relationship with licence holders. The related issues of wastewater disposal and the impact of climate change form a key part of the impetus to resolve the Huts situation.
2. As we understand it:
  - (a) As well as other potential impacts on the Huts, climate change is likely to render the current Council provided wastewater treatment system for the Huts unviable or uneconomic over time.
  - (b) The Council's consent for the current wastewater treatment system expires in June 2020. At this stage, no environmentally acceptable and economically sustainable alternative to the Council provided wastewater treatment system has been identified.
  - (c) The Council wants to proactively address and resolve these issues. To do otherwise would be an avoidance of the Council's responsibilities as the territorial authority for the district which contains the Huts. This intention is outlined in a number of places in the Council's 2018/2028 long term plan (**LTP**) which states:
    - (i) on page 16:

*The Council agreed to continue working with the Upper Selwyn Huts community, to develop a plan for the future residential occupancy of the settlement. This process will also involve Environment Canterbury, the Department of Conservation (which holds the lease for the nearby Lower Selwyn Huts settlement), Te Taumutu Rūnanga and Ngāi Tahu.*

(ii) on page 152:

*The expansion/renewal of infrastructure at Selwyn Huts will consider both climate change projections and community views in decision-making. This will be informed by studies including "Impact of Climate Cycles and Trends on Selwyn District Water Assets" (Aqualinc , 2016)*

3. The removal of the Huts on the expiry or earlier termination of the various licences is an obvious and practical way of addressing the environmental and cost issues that will inevitably arise as the effects of climate change are felt. Any solution short of a retreat from the Huts will inevitably raise a number of issues including:
  - (a) the Council's ongoing obligation to provide water services (which include wastewater services) to the Huts community under section 130 of the Local Government Act 2002 (**LGA**); and
  - (b) how the costs of providing such water services should be borne.

*Obligation to continue providing water services*

4. Section 130(2) of the LGA provides:

*A local government organisation ... must continue to provide water services and maintain its capacity to meet its obligations under this subpart.*

5. Notwithstanding this obligation, part 7, subpart 2 of the LGA sets out a procedure under which a local authority may close a small (serving 200 or fewer persons) water service. There are a number of steps in this procedure, including:
  - (a) reviewing the likely effect of the closure on:
    - (i) the public health of the community that would be affected by the closure; and
    - (ii) the environment in the district of that community;
  - (b) assessing, in relation to each property that receives the water service, the likely capital cost and annual operating costs of providing an appropriate alternative service if the water service is closed down;
  - (c) comparing the quality and adequacy of the existing water service with the likely quality and adequacy of the alternative service referred to in paragraph 5(b);
  - (d) consultation with the Medical Officer of Health for the district;
  - (e) public consultation on the:
    - (i) the views of the Medical Officer of Health; and
    - (ii) the information the local authority has received in the course of:
      - (1) undertaking a review, assessment, and comparison of options as outlined in paragraphs 5(a) to 5(c); or

- (2) preparing a management plan and making assessments on those options; and
- (f) support from 75% or more of users of the system in a referendum.

6. In short, there are significant constraints on a local authority's ability to withdraw water services and a community cannot simply be left "stranded" without such services. All the alternatives must be assessed and consultation undertaken on that assessment. The withdrawal must then be supported by a 75% majority of users. The local authority must then manage the transition to any alternative system. It is apparent from the LTP statements cited above and the Council's approach to these issues generally that the Council is mindful of these obligations.

*Cost of provision of water services*

7. We understand that the current position is that:
- (a) Huts licensees do not pay the district wide sewerage or water supply targeted rates for separately used or inhabited parts of a rating unit (**SUIPs**) connected to a Council provided schemes; and
  - (b) the cost of provisioning water services is recovered from licensees under licence arrangements (presumably as part of the Council's ability to recover *Other Charges* from licensees which include *all costs in relation to the supply of water, sewage, drainage and rubbish disposal which are not otherwise including in any charges or assessments made by any authority or by the Licensor<sup>1</sup>*).
8. We note that the funding impact statement on page 160 of the LTP suggests that if individual Huts are SUIPs (which we understand is how they are treated for other rating purposes) they should be subject to the sewerage targeted rate. However, the rating example outlining typical Huts rates on page 189 does not make any reference to sewerage or water supply targeted rates so it is reasonably clear that, notwithstanding the all-encompassing language on page 160, water services targeted rates are not payable by Huts residents. Assuming the Council intends to continue with its current practice of recovering costs via the Other Charges mechanism, we **recommend** that the Council make it clear in the 2019/2020 annual plan funding impact statement that the district wide sewerage and water supply targeted rates do not apply to the Huts (so there is no doubt on this point).
9. We think that both rates and the contractual *Other Charges* mechanism in Huts licences are appropriate means of recovering the cost of providing water services to the Huts. In addition, we note that, in the context of cost recovery via rates:
- (a) Recovering the cost of providing water services via rates (including district wide targeted rates) comes squarely within one of the purposes of the Local Government (Rating) Act 2002 (**LGRA**) which provides at section 3 that:

*The purpose of this Act is to promote the purpose of local government set out in the Local Government Act 2002 by—*

<sup>1</sup> Clause 6.2 of the representative licence that we have sighted (Rossiter).

*(a) providing local authorities with flexible powers to set, assess, and collect rates to fund local government activities:*

...

- (b) The LGRA goes on to provide an array of rating tools which could be applied to this situation including, most relevantly, a targeted rate. However, we note that the Council has recently tended to move to a model where the costs of provision of network infrastructure (such as wastewater infrastructure) are spread across the district (i.e. under district wide targeted rates). It would go against this trend for the Council now to look to recover the greater costs of continuing to provide water services to the Huts solely from that community.

## Conclusion

10. Our preliminary conclusions and observations on these issues are that:

- (a) The Council cannot withdraw water services from the Huts community without going through the procedure in part 7, subpart 2 of the LGA. This would require community support and the Council to work with the community to ensure that acceptable alternatives are in place.
- (b) While the Council could, over time, seek to recover any increased cost of provision of wastewater services to the Huts via the Other Charges mechanism or via targeted rates, this would need to be done in a careful, transparent, consultative and measured fashion in conjunction with all other management measures for the Huts.
- (c) Any targeted cost recovery from Huts owners (for provision of wastewater or other services) may lead to a concentration risk if the number of Huts dwindle. In other words, the divisor for any item of capital cost will become smaller meaning the cost per Hut will increase (thereby increasing the risk of a further spiralling of costs and licence terminations).
- (d) Overall, we think that the Council needs to proceed extremely cautiously and consistently in this context. All reasonably practical alternatives should be considered and necessary consultation undertaken in accordance with the requirements and principles of the LGA. Ultimately, all the various potential issues relating to the Huts need to be considered here very carefully by Council "in the round", and without illusion that any given course of action will be straightforward.

11. We would be happy to discuss any of the above matters with the Council when convenient.

Yours sincerely



## Mark Odlin

Partner

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## UPPER SELWYN HUTS – QUESTIONS AND ANSWERS AS AT 1 MAY 2019

1. Why 30 years?

The 30 year period was considered as the Council renewal funding cycle is generally 30 years in length. In addition if the huts will not be able to be retained in perpetuity, then a 30 year period is an appropriate length of time for individuals to utilise their investment in their hut and then remove their hut to a new location, if possible, at the end of 30 years.

2. How often is this reviewed?

Probably reviewed every 5 years when the licence is renewed but the 30 year period should be considered a maximum period.

3. What is the difference between freedom campers and those living on the reserve in respect to wastewater, refuse etc.

Freedom Camping is allowed by the Freedom Camping Act. Such camping has limitations and rules about how it can occur but limited services are provided. These services are the same services that you might find in a park/reserve e.g. toilets, refuse bins. Although water might be available, it is not always fit for drinking. A Freedom Camper has no property rights, just an ability to camp in an area of a period of time.

The Selwyn Huts licence holders have a “legal right” as defined in the licence deed to locate their hut on an area of land for an agreed period of time. Overtime the community have funded water, wastewater and refuse services through their licence fee payments. The licences are issued under the provisions of the Reserves Act.

4. Why do we need to go to ECan and Ngai Tahu for the consent?

a. There was a suggestion that we wrote our own consent for Coes Ford

Discharges for wastewater all have to be applied for from Environment Canterbury who as a Regional Council has the statutory responsibility to consider and approve or decline wastewater discharges to land or water. Council has had to obtain resource consents for Selwyn Huts wastewater and has also had to do the same for the Coes Ford toilets wastewater system by applying to Environment Canterbury.

5. Explain the difference between a reserve and a special-purpose reserve

The ‘recreation reserve’ status of the reserve defines the primary use of the reserve area being for recreational purposes i.e. open space reserve, cricket pitch, bmx track etc.

The ‘local purpose hut settlement’ reserve status again defines the primary use of that area of land i.e. historic hut settlement.

6. Greenpark Huts and Lower Selwyn Huts have their own systems

a. Need to refer to this in the staff report

Greenpark Huts wastewater systems are based on septic tanks while the Lower Huts systems are based on individual vaulted systems for each hut. Each hut owner funds the capital and operating costs of their system.

7. Why hasn't planning occurred to plant trees to absorb extra water that will be generated via the CPW scheme?

CPW have a variety of consent conditions that they need to adhere to. There is no condition related to the planting of trees to absorb excess water around the lake.

***Observations made during (and after) the meeting***

8. The first speaker suggested that Council had invested heavily in CPW.

Correct and the investment has all been repaid including the applicable interest charges.

9. Reference was made to a Press article dated 7 March where comments were attributed to Douglas Marshall with respect to the risk of removal of dwellings. The question was asked whether this was Council policy.

The licence includes a number of clauses about the licence and licensor responsibilities. Clauses 8, 9 and 20 are specifically relevant to the removal/maintenance/upgrade of improvements and that the cost of all improvement, including removal, lies with the licensee.

10. Noted the inclusion of Selwyn Huts in the district-wide reserve rate

David explained the credit back proposal.

All maintenance on the recreation reserve from 1 July 2018 is funded by the District Reserve rate. Although each hut pays this rate, the costs are no longer funded by the licence fee.

11. Average land value at Upper Selwyn Huts is considerably lower than elsewhere in the district, thus not surprising that the square metres rates are considerably higher there than elsewhere.

Rates are not charged on m2 and there is no calculation that compares the capital cost of schemes on a m2 basis. The high capital cost per hut compared to other areas is due to the low number of huts being serviced.

12. Rural septic tanks are not part of our district-wide rating scheme.

Correct, septic tanks and individual. The district wide rating systems for water and wastewater only apply to schemes included in the scheme at any one time.

13. Provide details of finances back to June 2011

Attached as Appendix 8 to the covering report is the requested financial summary

## THE FOLLOWING QUESTIONS STILL NEED TO BE ANSWERED

14. Why is Selwyn Huts not included in the district-wide wastewater rate?
  - a. Noted the Huts sit on a reserve
  - b. Referred to the decisions of the time
  - c. Noted lack of affordability
  - d. Also need a full cost model for each solution
15. The state of Selwyn Hut finances including transparency around proceeds of the tractor sale and some other reserve equipment
16. Has the volume of wastewater impacted on the condition of the network?

Note - In responding to this question, we will focus on issues of stormwater and rainwater inundation into the system and the fact that significant capital investment will have to be made to the piping network within the Selwyn Huts reserve regardless of the type of long-term solution that is put in place.

17. Has the consent for the wastewater scheme ever been non-compliant.
18. What if any wastewater maintenance work have we done in the community?
19. What was the recent capital expenditure on the water scheme for?
20. What was the cost of the Taumutu solution?
21. Revisit the five options from a few years ago.
22. What was the eco-trenching option that was presented in June 2017?
23. Give good reasons for them still not being a member of the district-wide rating group for wastewater.
24. What contact is DOC having with Lower Selwyn Huts? Provide details of current operational and costs associated with the Lower Huts system.
25. Review the cost of the various options both to the local community, and also under the district-wide system
26. What is the difference between Upper Huts and say Lincoln, who also had to invest in their own scheme.
  - Noted that Upper Huts is not going to grow, but rest of the district is
27. What is our annual investment in the scheme maintenance?
28. Is ECan still happy with holding tanks, or similar structures?
29. What is the cost of a vaulting system?
  - a. What supporting infrastructure would need to be put in place?
  - b. What changes within each private property would need to be made to the current connections if a vaulting system was installed?

30. Reference was made to discussions four years ago about a sewerage unit with pumped treated effluent. Can anybody recall this discussion? The question from the floor asked why we had moved away from that solution.
31. We are trying to provide a long-term solution that satisfies both the community and our partners.
32. A comment was made that the scheme is non-compliant. Not sure what this was in reference to.
33. Get a copy of Brent Painters' climate change maps
  - a. Incorporate into staff report
34. Research the Marahau camping ground scheme that was recently installed at a cheap cost
35. There seemed to be a suggestion that Upper Huts had been excluded from the wastewater scheme and not the water scheme – this of course is incorrect
36. There is another residents' group operating at Upper Selwyn Huts chaired by Keith Morrison. It is called the Upper Selwyn Huts Community Development Trust and it was incorporated in 2003. They had their most recent meeting on 3 April which Debra attended.
37. Would semi-permanent residents rather pay on a volumetric or non-volumetric basis?

7 March 2019

**To**

Douglas Marshall  
Selwyn District Council  
PO Box 90  
Rolleston 7643

**From**

Scott Holdaway  
Mark Odlin

**By Email**

douglas.marshall@selwyn.govt.nz

Dear Douglas

**Upper Selwyn Huts – Taylors Mistake baches and Heritage issues**

1. As requested, we have set out below:
  - (a) a summary of where matters currently sit (as at 7 March 2019) in relation to the Taylors Mistake baches (the **Baches**); and
  - (b) our initial thoughts on potential heritage issues in relation to the Selwyn Huts (the **Huts**).

**Taylors Mistake baches**

2. The Christchurch City Council Hearings Panel on the Baches concluded on 22 February 2019, following reasonably extensive consultation. The Hearings Panel has made certain recommendations, which will ultimately be considered by the full Council at a future date (understood to be sometime in March 2019).
3. The recommendations were relevantly as follows:
  - (a) That ground licences to occupy be offered to individual Bach owners as soon as practically possible where the relevant Baches are subject to low risk from slope instability hazards.
  - (b) Where the relevant Bach is subject to moderate to high risk from slope instability hazards, that a ground licence to occupy be offered to the owner as soon as practically possible, contingent on the Council being satisfied as to reassessment or mitigation works being carried out within two years (or later, as agreed). Interim licences at a nil licence fee were recommended while such reassessment or mitigation is carried out. Residential occupation on a limited basis would be permitted in the interim where there is a moderate hazard. No residential occupation would be permitted in the interim where there was a high hazard.

- (c) In relation to the provisions of the licences:
  - (i) The licences would be for a fixed term of 35 years, at a market licence fee. The income from the licence fees would be managed as a special fund for the public benefit of the surrounding area.
  - (ii) Transfers of the licences would only be permissible to defined family members. If a licensee wished to dispose of the licence but had no family member who wished to take it up, the licensee must offer to surrender it to the Council. If the Council accepted such surrender then it would pay the licensee a sum equal to replacement cost of the relevant Bach, less depreciation.
  - (iii) Maintenance and alterations to the Baches would need to be in accord with heritage values. If destruction or damage caused the heritage values of a particular Bach to be lost, or it became otherwise uninhabitable, the licence would terminate (and the Bach would, supposedly, be removed).
  - (iv) Other specific provisions were to be included in relation to hazards, including an exclusion of Council liability to the maximum extent permitted by law, and an entitlement of the Council to terminate the licence if the hazard risk were to change unacceptably.
- (d) In the event such a licence was not granted (or accepted), but the Bach was of high heritage value, a non-residential licence for 35 years at nil licence fee could be granted to an approved entity for museum purposes.
- (e) Delegation was recommended to the Chief Executive to take enforcement action to require removal of any Bach and bring to an end residential use of any Bach which was not authorised by licence.

4. Other matters worthy of note:

- (a) The consultation period ran from 23 November 2018 to 14 January 2019. There were 171 submissions received, and presentations from 28 submitters were heard. The submissions were generally in favour of Council issuing licences to allow for retention of the Baches. The predominant reason given for supporting their continued presence was heritage and character. The predominant reasons given by those who did not support the Baches was the presence of natural hazards and the potential for impeding public access.
- (b) Most of the Baches have some form of heritage classification (see further discussion below).
- (c) It was denied that the term of 35 years was simply "passing the buck" to a future Council. Rather this term was driven by the need to avoid triggering a deemed subdivision under the Resource Management Act 1991.

- (d) The particular land concerned is unformed legal road, so matters particularly relevant to that type of land needed to be considered – i.e. the retention of reasonable public access past the Baches.

### Heritage issues

5. As indicated in our previous survey of settlements similar to the Huts, there appears to be a growing consensus (although not always without controversy) that at least some such settlements and/or particular dwellings have historical or similar significance worthy of protection. The following two examples are particularly relevant for present purposes:
  - (a) The Taylors Mistake Baches currently have two types of classification. The "Rotten Row", being a row of 13 of the Baches was registered as a Historic Area (no 7267) on what is currently known as the New Zealand Heritage List/Rārangi Kōrero (the **Statutory List**) under the Heritage New Zealand Pouhere Taonga Act 2014 (the **Act**) on 27 October 1995. In addition, many other of the Baches have been given heritage listings in the Christchurch District Plan. These categorisations were initially quite controversial, with the expert evidence seemingly being divided as to merit around the time of their inclusion. In particular, the Council experts were initially quite dismissive. However, the situation now appears to have changed, with a general degree of acceptance, evidenced by:
    - (i) the significant weight heritage matters seem to have both with submitters and with the Heritage Panel itself in relation to the Baches; and
    - (ii) the current internal Council heritage advisor now being quite supportive of their heritage value, to the extent that they recommend in their report to the Hearings Panel that the present District Plan heritage listings in relation to the Baches be expanded.
  - (b) Dr Kenneth Palmer in his comments recorded in The Press on 2 March 2019 referenced the situation on Rangitoto Island (also covered in our earlier advice about comparable situations). Notably, three settlement on Rangitoto Island achieved registration on the Statutory List as a Historic Area (nos. 7385, 7386 and 7387) on 24 April 1997. The heritage status of these areas became potentially relevant in the context of the subsequent judicial review, which Dr Palmer referred to, sought by the owners in 2004 of the notice to vacate given by DOC. The High Court set the notices aside and directed that the Minister of Conservation reconsider the matter (including in relation to heritage matters), seemingly with the result that all baches remain in place. However, we would make the point that the result of the judicial review in the Rangitoto case was heavily dependent on the specific legislative context – being the relevant provisions of the Hauraki Gulf Marine Park Act 2000, so its applicability to the situation at the Huts is limited.

6. In relation to the Huts, we have not as yet seen any expert consideration of what (if any) heritage values might exist. Obviously based on the above examples, it is possible that such values might exist, but equally there are potentially arguments to be had between experts over potential differences with those examples, as well as consideration to be given to any relevant circumstances particular to the Huts. Overall though, we would not find it particularly surprising if there was expert support of there being heritage values of some kind in at least some of the Huts, or the area as a whole, given its history.<sup>1</sup> Notably, the Huts were apparently established in 1895, which in itself could potentially mean they have relevance as an "archaeological site" for the purposes of the Act (i.e. being associated with human activity before 1900).<sup>2</sup>
7. If there is a sufficient degree of expert support of heritage value in relation to the Huts, the question would then become what that might lead to. Obviously such material would at the very least be of rhetorical value to owners in any public debate, but in terms of formal legal implications, there are three main possibilities:
  - (a) Heritage New Zealand Pouhere Taonga (HNZPT) applies either on its own initiative or following the application of any other person to include the Huts on the Statutory List. This would then lead to a formal notification and assessment procedure under the Act.
  - (b) The scheduling of the Huts as heritage items in the Selwyn District Plan. In the context of the Huts, this could potentially occur following either a private plan change, or if proposed as part of the forthcoming review of the Selwyn District Plan. However, both of these possibilities would be potentially quite expensive for those seeking such an outcome.
  - (c) A heritage order could be sought by a heritage protection authority under the Resource Management Act 1991. Such an order would be unlikely to be successfully sought or obtained by anyone other than HNZPT (who would be comparatively more likely to make an application for inclusion on the Statutory List).
8. Overall, if the heritage angle were to be pushed in relation to the Huts, we consider the most likely immediate possibility to be either that an application is made to HNZPT, or HNZPT is lobbied to commence its own application, to include the Huts on the Statutory List.
9. If part or all of the Huts were to be entered on the Statutory List as a historic area, the most notable consequence would be that HNZPT could then *"make recommendations to [the Council] as to the appropriate measures that [the Council] should take to assist in the conservation and protection of the historic area"*, to which the Council *"must have particular regard"*<sup>3</sup>. There would also be potential consequences for the determination of applications for future resource consents in relation to the relevant historic area.

<sup>1</sup> See *The Role of Public Participation in the Management of Hut Communities: A Case Study of the Selwyn Huts* by O. O. M. Krielen, Lincoln University, 2015 at pp 15 - 17.

<sup>2</sup> Heritage New Zealand Pouhere Taonga raised this point in their submission to the Hearing Panel in relation to the Baches.

<sup>3</sup> See section 74 of the Act.

## Conclusion

10. We trust the above is sufficient for your present purposes, but please advise if you require any further information.

Yours sincerely

The image shows two handwritten signatures in blue ink. The first signature on the left is 'm. odlin' and the second signature on the right is 'S / Holdaway'.

## Mark Odlin / Scott Holdaway

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## OFFICE OF THE MAYOR

### SAM BROUGHTON

Phone 027 223 8345

9 April 2019

Dear Selwyn Huts Residents,

I am writing to ensure that all Selwyn Hut licence holders and residents are informed with the latest information on current discussions relating to Selwyn Huts, and to ensure you understand the process we are going through to bring certainty to the Huts future.

This letter contains the information given at a recent meeting of Selwyn Hut licence holders on Monday 8th April 2019 at the Soldiers Memorial Hall. It also has notes from that meeting.

I invite you to read the information and respond to us as soon as you can - but no later than the end of the month - so that any new information can be included in the report coming to Council in May.

The Huts are a place where families enjoy the peace and quiet of an area beside a beautiful river. There has been uncertainty about the Huts' future and licenses. Uncertainty is not a nice place to have to live in. It can take emotional and physical tolls on people and creates unrest. Conversations that create certainty can be difficult but are worth having.

There is a long history at the mouth of the Selwyn, Waikirikiri River. Activity pre-dates the Huts, and has increased over time with the establishment of the Huts, and more recently as a response to a housing need created, in part, by the earthquakes.

The settlement is sited on a Reserve and is treated differently than our townships on freehold title.

Over the past 4-5 years I have been aware of a number of conversations about the future of the huts. Some of the conversations have been informal while others have been in proper meeting format. There are many players in these conversations including the Hut licence holders, Environment Canterbury, the Department of Conservation, Te Taumutu Rūnanga, and our Council. The two main factors which continue to be at the centre of these discussions are: climate change; and the cost of infrastructure.

### ***Climate Change***

There have been a number of workshops held to explain the current view of Climate Change and its effects on Te Waihora Lake Ellesmere and those who live around it including Hut settlements, Te Taumutu Rūnanga, and farmers. Council is using the best available science from Environment Canterbury.

An overview of the science is that the sea level is rising, this will make opening the lake to the sea harder, this will mean higher lake levels and higher ground water levels.

### **Infrastructure Cost**

Council has been working with Environment Canterbury to extend the current consent to bring it into line with the timing of the Lower Huts consent. Council excluded the huts settlement from the District Wide rating changes that were made four years ago meaning all costs relating to the huts will be borne by the hut owners. Of the options presented so far the range for a solution was between about \$3m and \$7m.

You are welcome to attend the Council meeting on Wednesday 8 May 2019. The meeting will be held in the Council Headquarters Building on Norman Kirk Drive in Rolleston, commencing at 1.00pm. If you wish to speak in the public forum for that meeting, we would appreciate your notification 24 hours prior to the meeting commencing.

Please email your questions to [douglas.marshall@selwyn.govt.nz](mailto:douglas.marshall@selwyn.govt.nz) using the subject line 'Selwyn Huts'.

We are working to find a solution that gives certainty for the short to medium term of continued Hut occupation. This obviously will be balanced with the cost of any solution.

Yours sincerely



Sam Broughton  
**Mayor of Selwyn**

## **Selwyn Huts Residents' Meeting**

### **8 April 2019**

The meeting was opened by Graham Evans. He noted his position as Chair of the Hut Owners Association which was set up in 2017. He referred to previous discussions with Council staff, made specific reference to a staff report, and attached legal advice.

He referred to proposal being presented to Council in August 2018 which in turn was discussed in November 2018, albeit with no outcome.

He talked about social issues and aired some suggested costs associated with removing the Huts (\$30m and \$50m were figures he used). He also talked about the impact of climate change, questioning the level of increase over the next 100 years. He stated that during the last flood, the lake level was raised 2.1m and observed the impact this had on surrounding land, but pointing out that the level was considerably higher than any suggested impact of lake level rise.

Sam spoke to the meeting acknowledging the invitation to be present this evening. Council representatives were invited to be in attendance from 7.00pm until 8.00pm to hear the concerns of the local community, to receive questions and where appropriate, to answer this questions this evening. He commented that uncertainty is not a place to have to live in stating it can take an emotion and physical toll on people and create unrest. He said that conversations that create certainty can be difficult, but are worth having. He eluded to two factors which continue to be at the centre of these discussions, being climate change and the cost of infrastructure. He referred to recent discussions between Council staff, hut owners, ECan, DOC and Taumutu.

Sam noted that the responses to queries raised this evening would be addressed in a report to the scheduled meeting on 8 May 2019. He invited Upper Selwyn Huts licence holders to attend that meeting and directed them to the location of the report which will be attached to the Agenda for that Council meeting.

### ***Questions from the floor***

- Why 30 years?
  - How often is this reviewed?
- Why is Selwyn Huts not included in the district-wide wastewater rate?
  - Noted the Huts sit on a reserve
  - Referred to the decisions of the time
  - Noted affordability
    - Also need a full cost model for each solution
- The state of Selwyn Hut finances including transparency around proceeds of the tractor sale and some other reserve equipment
- What is the difference between freedom campers and those living on the reserve in respect to wastewater, refuse etc.
- Has the volume of wastewater impacted on the condition of the network? In responding to this question, focus on issues of stormwater and rainwater inundation into the system.

- Why do we need to go to ECan and Ngai Tahu for the consent?
  - There was a suggestion that we wrote our own consent for Coes Ford
- Has the wastewater scheme ever been non-compliant?
- What if any wastewater maintenance work have we done in the community?
- What was the recent capital expenditure on the water scheme for?
- Explain the difference between a reserve and a special-purpose reserve
- What was the cost of the Taumutu solution?
- Revisit the five options from a few years ago
- What was the eco-trenching option that was presented in June 2017?
- Give good reasons for them still not being a member of the district-wide rating group for wastewater
- Greenpark Huts and Lower Selwyn Huts have their own systems
- What contact is DOC having with Lower Selwyn Huts? Provide details of current operational and costs associated with the Lower Huts system.
- Review the cost of the various options both to the local community, and also under the district-wide system
- What is the difference between Upper Huts and say Lincoln, who also had to invest in their own scheme?
  - Noted that Upper Huts is not going to grow, but rest of the district is
- What is our annual investment in the scheme maintenance?
- Is ECan still happy with holding tanks, or similar structures?
- Provide details of finances back to June 2011
- What is the cost of a vaulting system?
  - What supporting infrastructure would need to be put in place?
  - What changes within each private property would need to be made to the current connections if a vaulting system was installed?
- Why hasn't planning occurred to plant trees to absorb extra water that will be generated via the CPW scheme?
- Reference was made to discussions four years ago about a sewerage unit with pumped treated effluent. The question from the floor asked why we had moved away from that solution.

**Dated**

**1 July 2015**

## **DEED OF LICENCE**

**SELWYN DISTRICT COUNCIL  
(the "Licensor")**

**THE PERSON(S) NAMED IN SCHEDULE 1 OF  
THIS LICENCE  
(the "Licensee")**

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DATED

2015

**PARTIES:**

1. **SELWYN DISTRICT COUNCIL** (the "Licensor")
2. **THE PERSON(S) NAMED IN SCHEDULE 1** (the "Licensee")

**BACKGROUND**

- A. The Licensor manages the Reserve;
- B. The Licensor wishes to grant, and the Licensee wishes to accept, a licence to occupy the Lot on the Reserve subject to the terms and conditions of this Licence.

**OPERATIVE PARTS****TERMS AND CONDITIONS****1. DEFINITIONS AND INTERPRETATION**

1.1 In this Licence, unless the context otherwise requires:

- (a) **"Commencement Date"** means the date specified in Schedule 1 as being the effective date of the grant of Licence. It includes, where relevant, the date of any renewal;
- (b) **"Day"** means a 24 hour period, or part thereof, during which time the Lot is used for recreational accommodation or permanent residential purposes;
- (c) **"Licence"** means permanent licence (as described in Schedule 1) granted by the Licensor to the Licensee under this Licence;
- (d) **"Licence Fee"** means the amount specified in Schedule 1 and charged by the Licensor for the Licensee's right to occupy the Lot on the Reserve. It includes any variation in that amount following a Licence Fee Review;
- (e) **"Licence Fee Payment Date"** means the date specified in Schedule 1 on which each instalment of the Licence Fee falls due for payment;
- (f) **"Licence Fee Review"** means a review of the Licence Fee determined in accordance with clause 7 of this Licence;
- (g) **"Licence Fee Review Date"** means the date specified in Schedule 1 on which the Licence Fee Review occurs;
- (h) **"Lot"** means the area of land more particularly described in Schedule 1;
- (i) **"Reserve"** means the reserve more particularly described in Schedule 1;
- (j) **"Term"** means the period of time specified in Schedule 1 during which this Licence operates. It includes, where relevant, any period of renewal of the Term; and
- (k) **"Working Days"** means days on which the registered banks are open for general banking business in Christchurch.

1.2 In this Licence unless the context otherwise requires:

- (a) a reference to a party is a reference to a party to this Licence and includes that party's successors in title;
- (b) schedules and annexures form part of this Licence and have effect accordingly;
- (c) words appearing in this Licence which also appear in Schedule 1 mean and include the details appearing after them in that Schedule;
- (d) a provision of this Licence to be performed by two or more persons binds those persons jointly and severally;
- (e) words in a singular number include the plural and vice versa;
- (f) words importing a gender include all other genders;
- (g) references to a statute or statutory provision, or order or regulation made under it, include that statute, provision, or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date of this Licence;
- (h) where the Licensor's consent or approval is expressly required under a provision of this Licence, the Licensee must seek the consent or approval of the Licensor for each separate occasion it is required notwithstanding that the Licensor has granted consent or approval for a like purpose on a prior occasion.

1.3 Words used in the Background to this Licence have the same meaning given to them in clause 1.1

## **2. GRANT OF LICENCE**

2.1 Pursuant to Section 61 of the Reserves Act 1977, the Licensor grants, and the Licensee accepts, a Licence to occupy the Lot subject to the terms and conditions contained in this Licence.

## **3. TERM**

3.1 The Licence commences on the Commencement Date and continues for the Term unless terminated early in accordance with the terms of this Licence.

3.2 On the expiry of the Term, and provided:

- (a) the Licensee has observed the terms and conditions contained in this Licence;
- (b) the Licensee has given to the Licensor written notice of the Licensee's desire to continue to occupy the Lot beyond the Term at least 3 months before the end of the Term; and

the Licensor may elect to renew the Term of this Licence for such duration as the Licensor in its sole discretion considers appropriate.

## **4. TYPE OF LICENCE**

4.1 The various lots on the Reserve have been set aside by the Licensor to be granted to Licensees as:

- (a) permanent licences,

and the type of Licence granted to the Licensee is specified in Schedule 1.

## 5. LICENCE FEE

- 5.1 The Licensee must pay to the Licensor in advance and in the manner directed by the Licensor the Licence Fee on the Licence Fee Payment Dates specified in Schedule 1.
- 5.2 If the Licensee defaults in payment of the Licence Fee for 10 days after a Licence Fee Payment Date, the Licensee is to pay interest on the unpaid Licence Fee from the Licence Fee Payment Date until the date of payment at the Penalty Interest Rate specified in Schedule 1.

## 6. OTHER CHARGES

- 6.1 In addition to the Licence Fee the Licensee must pay the following charges ("**Other Charges**") on demand and in the manner directed by the Licensor:
  - (a) all rates, levies, taxes, duties, assessments, charges and other outgoings which may be charged, levied or reasonably assessed or which may become payable by virtue of the Licensee's occupation of the Lot; or
  - (b) all costs in relation to the supply of water, sewage, drainage and rubbish disposal which are not otherwise included in any charges or assessments made by any authority or by the Licensor.
- 6.2 The Licensee must pay all charges for electric power, water supply, telephone rental and other utilities supplied to the Lot. The Licensor will not be liable for any cost incurred in re-establishing the supply of any of these utilities in the event of any of them becoming unavailable for any reason.

## 7. LICENCE FEE REVIEW

- 7.1 The Licensor will review the Licence Fee on the Licence Fee Review Dates in the following manner:
  - (a) the Licensor will commence the review not earlier than 3 months before a Licence Fee Review Date and no later than 9 months following the Licence Fee Review Date by giving written notice to the Licensee.
  - (b) subject to clause 7.1(e), the notice must specify the Licence Fee which the Licensor considers to be the market value for the licence of the Lot as at the Licence Fee Review Date.
  - (c) if, within 28 days of receipt of the Licensor's notice, the Licensee gives written notice to the Licensor that the Licensee disputes the proposed new Licence Fee the new Licence Fee is to be determined in accordance with clause 7.2(a);
  - (d) if the Licensee does not give notice to the Licensor under clause 7.1(c) the Licensee will be deemed to have accepted the Licence Fee specified in the Licensor's notice.
  - (e) notwithstanding clause 7.1(b), the new Licence Fee so determined or accepted must not be less than the Licence Fee payable during the year preceding the particular Licence Fee Review Date and will be the Licence Fee payable by the Licensee from the Licence Fee Review Date.

- (f) until determination of the new Licence Fee, the Licence Fee payable by the Licensee from the Licence Fee Review Date is to be the Licence Fee specified in the Licensor's notice. On determination of the new Licence Fee an adjustment is to be made and paid, either by the Licensor or by the Licensee, whichever is applicable.

7.2 Immediately the Licensee gives notice to the Licensor under clause 7.1(c), the parties will endeavour to agree on a new Licence Fee. If the parties are unable to reach agreement within 28 days the new Licence Fee is to be determined as follows:

- (a) by registered valuers acting as experts and not as arbitrators as follows:
  - (i) each party will appoint a valuer and give written notice of the appointment to the other party within 14 days of the parties agreeing to determine the new Licence Fee by this means.
  - (ii) if the party receiving a notice does not appoint a valuer within the 14 day period the valuer appointed by the other party is to determine the new Licence Fee and that valuer's determination will be binding on both parties.
  - (iii) before commencing their determination the respective valuers must appoint an umpire who need not be a registered valuer.
  - (iv) the valuers are to determine the new Licence Fee which they consider to be the market value for the licence of the Lot as at the Licence Fee Review Date but in no case is the new Licence Fee to be less than the Licence Fee payable during the year preceding the particular Licence Fee Review Date. If they fail to agree the Licence Fee is to be determined by the umpire and that determination will be binding on both parties..
  - (v) each party is to be given the opportunity to make written or verbal representations or submissions to the valuers or the umpire subject to such reasonable time and other limits as the valuers or the umpire may prescribe.
  - (vi) the valuers or the umpire must have regard to any such representations but will not be bound by them.
- (b) the valuers or umpire must give written notice to the parties once they have determined the new Licence Fee. The notice is to provide how the costs of the determination are to be borne and is to be binding on the parties.
- (c) each subsequent Licence Fee Review will take place in accordance with the procedure fixed in clause 7.1.

## **8. BUILDING WORKS**

- 8.1 The Licensee must not carry out any alterations, additions, removals or demolition works on the Lot without the prior written consent of the Licensor.
- 8.2 The Licensee must, upon request by the Licensor, submit written building plans and other details to the Licensor for approval before commencing any works:

- 8.3 In giving approval under clause 8.1 the Licensor may, in the Licensor's sole and absolute discretion, impose any reasonable terms and conditions as the Licensor considers appropriate.
- 8.4 The Licensee must pay the Licensee's costs associated with applications for consent and approval to carry out works under this clause.
- 8.5 When undertaking any building works, the Licensee must comply with all statutory requirements including obtaining building consents and code compliance certificates as required under the Building Act 2004.
- 8.6 If, during the Term, the Licensee (with the Licensor's prior written approval) removes any improvements from the Lot the Licensee will, unless the Licensor indicates otherwise in writing, repair and make good at the Licensee's own expense all damage which may have been done by the removal and will leave the Lot in a clean and tidy condition.
- 8.7 Should the Licensee fail to repair and restore the damage, the Licensor may undertake whatever works and operations are necessary to effect the same and may recover from the Licensee any costs and expenses incurred in doing it as a debt due by the Licensee to the Licensor.

## **9. EXISTING HUT AND STRUCTURES**

- 9.1 The Licensee shall maintain the existing hut and any improvements together with any fences, gates or other structures now existing or which may be erected on the Lot in good order and repair and in a neat and tidy condition to the satisfaction of the Licensor.
- 9.2 Subject to the Licensor providing to the Licensee reasonable notice, the Licensor and the Licensor's employees and agents may, at all reasonable times, enter the Lot to view its condition and the condition of the hut and any improvements.

## **10. LICENSEE'S FURTHER OBLIGATIONS**

- 10.1 The Licensee must at the Licensee's expense:
  - (a) take all steps necessary to control any pest, insect or rodent infestation occurring in or emanating from the Lot, and if required by the Licensor, engage a pest exterminator approved by the Licensor; and
  - (b) hold and maintain all approvals, authorities and consents required to occupy and use the Lot including, where required, any discharge consents;
  - (c) comply with all requirements of the Licensor, any competent authority and with all relevant bylaws and fire safety requirements. The keeping of dogs on the Lot is not permitted, in accordance with all and any Selwyn District Dog Control Bylaw.
- 10.2 The Licensee must ensure that it or its invitees do not carry out any acts prohibited under this Licence. The Licensee must immediately report to the Licensor any act in contravention of this Licence and wherever possible the names and addresses of any person carrying out such acts; and must provide the Licensor with details of the circumstances surrounding such incidents.

## **11. PROTECTION OF THE ENVIRONMENT**

11.1 Except as approved in writing by the Licensor, the Licensee will not, whether by act or omission:

- (a) interfere with, remove, damage, or endanger the natural features, animals, plants, or historic resources on the Reserve; or
- (b) deposit on the Reserve debris, rubbish or other dangerous or unsightly matter, or contaminate any water body on the Reserve; or
- (c) pile or store materials in any place on the Reserve where it may obstruct the public or create a nuisance; or
- (d) conduct any noxious, noisome, dangerous or offensive activity on the Reserve.

11.2 The Licensee shall dispose of all refuse and recycling material in the receptacles provided or otherwise in accordance with the reasonable directions of the Licensor.

## **12. FIRE**

12.1 The Licensee must:

- (a) take all reasonable precautions to ensure no fire hazards arise from its occupation or use or from any act or neglect of its invitees;
- (b) not light or permit to be lit any fire on the Reserve without the written permission of the Licensor;
- (c) not store or permit to be stored fuels or other combustible materials on the Reserve without the written permission of the Licensor. In that event storage of fuels and combustible materials must be in accordance with the provisions of the Hazardous Substances and New Organism Act 1996.

## **13. WATER, SEWER AND SANITARY**

13.1 The Licensee shall:

- (a) obtain the Licensor's approval to connect a lateral pipeline from a Lot to any of the sewer or potable water main pipelines before any connection works are commenced;
- (b) meet the Licensor's costs of, or incidental to, approving any application or undertaking any works on behalf of the Licensee;
- (c) undertake any works affecting the lateral pipelines in accordance with required consents or conditions of consent including any building consents;
- (d) keep any lateral pipelines which service the Lot in a state of good order and repair, free of any infiltration and obstructions; and
- (e) ensure that storm water is not discharged from the Lot into the waste water system.

13.2 The costs of resolving any problems relating to a lateral pipeline shall be:

- (a) shared equally between licence holders where the issue relates to a shared section of lateral pipeline from the common junction to the main pipeline; and
- (b) individually the responsibility of the licence holder where the issue relates to a licence holder's section of lateral pipeline above the common junction.

#### **14. TREES AND SHRUBS**

- 14.1 Any trees, shrubs or hedge plants which have the potential to shade adjoining lots shall not be allowed to grow beyond a height of 2.2 metres. The planting of willow, poplar and cabbage trees is expressly prohibited.

#### **15. ADVERTISING**

- 15.1 The Licensee must not erect or display any signs or advertising on the Lot or Reserve without the prior written approval of the Licensor. At the expiry or termination of this Licence the Licensee must remove all signs and advertising material and make good any damage caused by the removal.

#### **16. HEALTH AND SAFETY**

- 16.1 The Licensee must notify the Licensor of anything on the Reserve or the surrounding area which may endanger the public or the environment.
- 16.2 The Licensee must:
- (a) take all reasonable steps to protect the safety of all persons present on the Lot/Reserve; and
  - (b) take all reasonable steps to eliminate any dangers to the public and must clearly and permanently mark any that remain and of which the Licensee is aware.

#### **17. VEHICLES, BOATS AND TRAILERS**

- 17.1 There are to be no more than two motor vehicles parked on the Lot at any time. This excludes the motor vehicles belonging to any visiting invitees of the Licensee.
- 17.2 All motor vehicles brought onto the Lot are to have a current warrant of fitness and vehicle registration, unless an exemption through LTNZ has been issued.
- 17.3 Any caravans, buses, boats or trailers brought onto the Lot are to have a current electrical certificate, current warrant of fitness and registration.
- 17.4 The subleasing or hiring of motor vehicles, caravans and buses on the Lot is prohibited, provided that they may be used for temporary/holiday accommodation by permanent Licensees or their invitees on a non-payment basis for a period not exceeding 4 weeks.

#### **18. TEMPORARY SUSPENSION**

- 18.1 The Licensor may temporarily suspend the grant of Licence under this Licence if, in the reasonable opinion of the Licensor, there is a temporary risk to public safety or the safety of the Licensee or any other licence holders whether arising from natural events such as earthquake or flood or whether arising in any other way including the activities of the Licensee or its invitees.

- 18.2 The Licensor may suspend the Licence while the Licensor investigates any of the circumstances contemplated in clauses 18.1 and also where reasonably required while the Licensor investigates any potential breach by the Licensee or its invitees of which the Licensor has become aware.
- 18.3 During any period of temporary suspension:
- (a) the Licensee shall vacate the Lot and not re-enter the Lot unless and until directed to do so by the Licensor (acting reasonably); and
  - (b) the Licence Fee payable by the Licensee is to abate in fair proportion to the loss of use by the Licensee.
- 18.4 The Licensor is not to be liable to the Licensee for any loss sustained by the Licensee by reason of the suspension of the Licence under clause 18.

## **19. CONSENT TO TRANSFER**

- 19.1 The Licensee is not to transfer, sublicense, rent or hire out, assign, mortgage or otherwise dispose of the Licensee's interest under this Licence or any part of it without the prior written consent of the Licensor (such consent not to be unreasonably withheld). Where the Licensor's consent is given, the Licensee shall procure that the transferee enter into a new licence with the Licensor for the balance of the current Term, such new licence to otherwise be on the same terms and conditions as contained in this Licence.
- 19.2 The Licensee must pay any transfer consent fee prescribed by the Licensor and any costs reasonably incurred by the Licensor in relation to the transfer and the new licence.

## **20. DAMAGE OR DESTRUCTION**

- 20.1 If the hut or any proportion of it is damaged or destroyed, the Licensee will notify the Licensor of its intentions to rebuild or remove the structures from the Lot. In any event the Licensee will, at its own cost, repair the damage or demolish and rebuild/reinstate the hut to a similar or improved standard of repair and condition.
- 20.2 Any repair or rebuild/reinstatement in accordance with clause 20.1 shall be undertaken by the Licensee in accordance with the terms of this Licence and for the avoidance of doubt, in accordance with such consents and permits as may be required by the Licensor and by Council or its successor (acting in its capacity as territorial authority in carrying out its statutory consent functions under the Resource Management Act 1991 or the Building Act 2004).

## **21. TERMINATION**

- 21.1 If:
- (a) any money due under this Licence is unpaid and remains unpaid for 10 days after receipt of a written notice pursuant to Section 245 of the Property Law Act 2007; or
  - (b) the Licensee has not complied with the Licensee's obligations in this Licence after receipt of a written notice pursuant to Section 246 of the Property Law Act 2007 specifying the default and requiring the default to be remedied within one month,

then the Licensor may by notice in writing terminate this Licence and re-enter the Lot. Upon termination, the Licensee's rights will cease immediately, but the Licensee will still be liable for any money due under this Licence up to termination or for damages for any breach committed prior to termination.

- 21.2 If the Licensor terminates the Licence under this clause all rights of the Licensee are to cease absolutely; but the Licensee is not to be released from any liability to pay the Licence Fee or other monies up to the date of termination or for any breach of any term up to the date of termination.
- 21.3 The Licensor may exercise the Licensor's right under this clause to terminate the Licence notwithstanding any prior waiver or failure to take action by the Licensor or any indulgence granted by the Licensor for any matter or default.

## **22. LICENSOR MAY REMEDY LICENSEE'S DEFAULT**

- 22.1 The Licensor may elect to remedy at any time without notice any default by the Licensee under this Licence at the Licensee's cost provided that where it is able and safe to do so in the circumstances, the Licensor shall first endeavour to give the Licensee notice of such election.
- 22.2 The Licensee must pay to the Licensor forthwith on demand all reasonable costs and expenses incurred by the Licensor, including legal costs and expenses as between solicitor and client, in remedying such default.

## **23. QUIET ENJOYMENT**

- 23.1 The Licensee, while paying the Licence Fee and performing and observing the terms and conditions of this Licence, is entitled peaceably to hold and enjoy the Lot without hindrance or interruption by Licensor or by any person or persons claiming under the Licensor until the expiration or earlier determination of this Licence.

## **24. LICENSOR'S DIRECTIONS**

- 24.1 The Licensee must comply with all reasonable notices and directions of the Licensor under the authority of this Licence.

## **25. INDEMNITY**

- 25.1 The Licensee will indemnify and keep indemnified the Licensor against all claims made by any person in respect of any injury, loss, or damage, including fire, caused or suffered as a result of or arising out of any acts or omissions of the Licensee or its invitees or otherwise caused as a consequence of its occupation of the Lot.
- 25.2 This indemnity is to continue after the expiry or other determination of this Licence in respect of those acts or omissions occurring or arising before its expiry or determination.

## **26. EXPIRY OF LICENCE**

- 26.1 If the Licensor permits the Licensee to remain in occupation of the Lot after the expiry or earlier termination of the Term, the occupation is to be on the basis:

- (a) of a monthly tenancy only, terminable by 1 month's written notice by either party; and
  - (b) at the Licence Fee then payable; and
  - (c) otherwise on the same terms and conditions, as they would apply to a monthly tenancy, as expressed or implied in this Licence.
- 26.2 At the expiry or earlier determination of the Term, the Licensee must quietly yield up the hut and any improvements on the Lot in the same good and substantial repair and condition as they were in at the Commencement Date, fair wear and tear excepted.
- 26.3 The Licensor may direct that the hut and any improvements remaining on the Lot at the expiry, surrender or termination of this Licence, be removed by the Licensee at the Licensee's cost.
- 26.4 Where the Licensor does not make a direction under clause 26.3, the hut and any improvements remaining on the Lot at the expiry, surrender or termination of this Licence will be deemed to be fixtures and property in them will vest absolutely in the Licensor and the Licensor will not be liable to pay compensation to the Licensee for the hut and improvements.
- 26.5 Where the Licensee fails to comply with a direction under clause 26.3; then the Licensor may remove or destroy or otherwise dispose of anything otherwise remaining on the Lot, and recover the costs and expenses of their removal or destruction from the Licensee as a debt due to the Licensor.

## **27. FORCE MAJEURE**

- 27.1 Neither party will be liable to the other party for any delay in performance, of or failure to perform, its obligations (other than a payment of money) under this Licence as a result of any cause beyond its reasonable control.

## **28. OWN RISK**

- 28.1 The Licensee enters into this Licence on the understanding that because of its proximity to Te Waihora (Lake Ellesmere), the Reserve and the Lot may be subject to flooding from time to time.
- 28.2 The Licensee acknowledges and accepts all risks, and occupies the Lot at their own risk. The Licensor shall not be liable, and expressly excludes all liability, for any damage or injury caused howsoever to the Licensee or their invitees or to any property of the Licensee.

## **29. NOTICES**

- 29.1 A notice or other document is given to, or served on, an individual person when it is:
- (a) delivered by registered post to that person; or
  - (b) actually received by that person.
- 29.2 A notice or other document is deemed to be received by a person when:
- (a) it is handed to, and accepted by, that person; or
  - (b) if that person does not accept it when it is handed to him or her, it is put down in that person's presence and brought to his or her attention; or
  - (c) it is otherwise received in writing by that person.

### 30. COSTS

- 30.1 The Licensee must pay in full immediately on demand all costs and fees (including but not limited to solicitors' costs and the fees of debt collecting agencies engaged by the Licensor) arising out of and associated with steps taken by the Licensor:
- (a) to enforce or attempt to enforce the Licensor's rights and powers under this Licence if the Licensee is in breach or default;
  - (b) to recover outstanding money owed to the Licensor.

### 31. WAIVER

- 31.1 No failure by a party to exercise, or delay in exercising (in whole or in part) any right, power or remedy under, or in connection with, this Licence shall not operate as a waiver of that right, power or remedy. A waiver of any breach of any provision of this Licence shall not be effective unless that waiver is in writing and signed by the party against whom that waiver is claimed. A waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

### 32. SEVERABILITY

- 32.1 Any illegality, or invalidity or unenforceability of any provision in this Licence is not to affect the legality, validity or enforceability of any other provisions.

### 33. ENTIRE UNDERSTANDING

- 33.1 Except as provided by legislation, this Licence and any written variation agreed by the parties contain the entire understanding between the parties with reference to the subject matter of this Licence and there is no other agreement, representation or warranty whether it is expressed or implied which in any way extends, defines or otherwise relates to the provisions of this Licence.

### 34. THE LICENSOR ACTING AS TERRITORIAL AUTHORITY

- 34.1 The Licensee acknowledges that:
- (a) The Licensor, in its capacity as territorial authority (the "**Council**"), is required to carry out its statutory consent functions under the Reserves Act 1977, Resource Management Act 1991, the Building Act 2004 and the Conservation Act 1987 in accordance with the provisions of those and other statutes.
  - (b) The granting by the Council of any consent or approval by the Council as territorial authority under those Acts or any other legislation, will not of itself be deemed to be a consent or approval by the Licensor under this Licence.
  - (c) The Council is bound by statutory obligations to exercise its powers, including discretionary powers and duties under those Acts or any other legislation without regard to any relationship it may have with the Licensee under this Licence.

### 35. DISPUTE RESOLUTION

- (a) If there is a dispute between the parties in relation to this Licence, either party may give the other party notice of the dispute.
- (b) Within 10 Working Days of receipt of the notice of dispute, the parties shall meet to endeavour to resolve the dispute.
- (c) If the dispute is not resolved within 20 Working Days of receipt of the notice of dispute, either party may by notice to the other party refer the dispute to mediation. The mediation will be in Christchurch and conducted under the LEADR New Zealand Incorporated ("LEADR") standard mediation agreement. If the parties do not agree on a mediator or the mediator's fees within 5 Working Days of receipt of the notice of mediation, the mediator shall be appointed or the fees set by the chair of LEADR (or his/her nominee) at the request of either party.
- (d) While any dispute remains unresolved each party shall continue to perform this Licence to the extent practicable, but without prejudice to their respective rights and remedies.
- (e) Nothing in this clause 35 will preclude a party from seeking urgent interlocutory relief before a court.

**EXECUTION**

**THE COMMON SEAL** of )  
**SELWYN DISTRICT COUNCIL** was )  
 hereto affixed in the presence of: )

\_\_\_\_\_ Mayor

\_\_\_\_\_ Chief Executive Officer

**SIGNED** by )  
**The LICENSEE** )  
 in the presence of )

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Print Licensee's Name

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Occupation

## SCHEDULE 1

1. **Licensee:**
2. **Reserve:** Reserve 3048 and Reserve 4349 Local Purpose Hut Settlement situated in block XII Leeston Survey District being approximately 3.4 hectares in area
3. **Lot:** [ ] of the Reserve as shown on the attached plans.
4. **Commencement Date:**
5. **Term:** Five (5) years commencing on the Commencement Date.
6. **Licence Fee:** \$582.00 per annum
7. **Licence Fee Instalments:** [monthly/quarterly/annually] in advance
8. **Licence Fee Payment Date:** [the 1st day of October]
9. **Licence Fee Review Date:** each anniversary of the Commencement Date
10. **Penalty Interest Rate:** 10%
11. **Address for Notices:**  
  
**Licensor:**  
  
**Selwyn District Council**  
  
 2 Norman Kirk Drive  
 Rolleston 7643  
  
**Licensee:**
12. **Licence Type:** Permanent.
13. **Additional Agreed Terms:** The following terms (if any) are specific to this Licence:

**PERMANENT LICENCES  
TERMS AND LIMITATIONS ON USE**

1. The Licensee may permanently occupy the Lot and reside in the hut in accordance with the terms and conditions of the grant of licence provided in this Licence.

**Upper Selwyn Huts – summary of financial information**

A summary of the income and expenditure for Upper Selwyn Huts from July 2011 to June 2018 is set out in the table below. It shows the annual income plus the expenditure on operating expenses, projects, renewals and capital items. It also shows the opening and closing account balance. The closing balance of \$97,253 is the cumulative deficit position to be funded. The deficit position will deteriorate further in 2018/19 financial year due to substantial expenditure on the water system.

<b>Summary financial information</b>							
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance</b>	<b>24,941</b>	<b>21,848</b>	<b>18,577</b>	<b>17,117</b>	<b>(16,570)</b>	<b>(20,179)</b>	<b>(55,728)</b>
Income	39,896	38,451	38,235	37,712	47,277	46,491	58,544
Operating expenditure	37,994	36,707	35,678	66,903	48,243	63,486	64,441
Projects	3,924	4,792	3,923	3,527	1,021	2,868	1,196
Renewals	1,055	0	0	597	1,622	3,695	11,967
Capital projects	16	223	94	372	0	11,991	22,465
<b>Funding surplus/(deficit) for the year</b>	<b>(3,093)</b>	<b>(3,271)</b>	<b>(1,460)</b>	<b>(33,687)</b>	<b>(3,609)</b>	<b>(35,549)</b>	<b>(41,525)</b>
<b>Closing balance</b>	<b>21,848</b>	<b>18,577</b>	<b>17,117</b>	<b>(16,570)</b>	<b>(20,179)</b>	<b>(55,728)</b>	<b>(97,253)</b>

**Notes:**

1. The opening balance in 2011/12 of \$24,941 represents the bank and term deposit balances as at 30 June 2011, less the accounts payable the same date.
2. Income is the hut licence income for each year plus interest revenue, and also includes the proceeds from the sale of a tractor in 2017/18.
3. Operating expenditure includes expenditure on reserve, water and sewerage maintenance. Reserve maintenance costs will be funded by the reserves district wide rate from 2018/19.
4. Project expenditure is items of a one off nature, including social club activities.
5. Renewals expenditure mainly relates to the water supply.
6. Capital expenditure includes the installation of monitoring equipment for the sewerage scheme in 2016/17 plus new tennis court fencing in 2017/18.
7. The deficit of \$97,253 can be summarised as follows:

Replacement of tennis court fencing		\$22,465
Renewals - Linear (Pipe Valve)		\$11,967
Install monitoring and SCADA e		\$11,991
Balance - annual operating deficits and minor works		\$50,830
		<u>\$97,253</u>