

Reply Report

Proposed Otago Regional Policy Statement 2021

5A: SRMR – Significant Resource Management Issues for the Region

Jacqui Todd

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1. Introduction

1. This report forms part of a suite of reply reports that have been prepared to sit alongside and explain the “marked up” version of the final recommendations on the proposed Otago Regional Policy Statement (pORPS). This report addresses the further changes from the earlier section 42A report recommendations and responds to some specific issues raised by the submitters and the Hearing Panel. In that sense, it is very much a “reply” document, and does not set out to restate the Regional Council’s earlier reports.
2. The approach to the whole suite is set out in the first report in this series, *Reply Report – Chapter 1: Introduction and General Themes*. Appended to the suite of reports is a consolidated version of the pORPS containing all final recommendations from the reporting officers.
3. This report is the final set of advice on the Significant Resource Management Issues for the Region (SRMR) section of Part 2 of the pORPS and is in addition to:
 - a. Section 42A report on Chapter 5: Submissions on Part 2 – Resource Management Overview (Section 3.8: Significant resource management issues for the region) (3 May 2022)
 - b. Brief of Supplementary Evidence of Jacqueline Ann Todd: SRMR – Significant resource management issues for the region (11 October 2022)
 - c. Opening Statement of Jacqueline Ann Todd: SRMR – Significant resource management issues for the region (7 February 2023)
4. The hearing session for the SRMR section of the pORPS was held over two days on the 7th and 8th of February 2023. This report does not address SRMR-I5, SRMR-I6, or SRMR-I9 because those provisions are included in the Freshwater Planning Instrument part of the pORPS.
5. In my view the key matters of contention for the SRMR section are the following matters raised by submitters:
 - a. The need to recognise and provide for key regional industries and sector groups in Otago, and the benefits they provide to the health and well-being of the community.
 - b. Recognition that providing for the health and well-being of the community relies on the ability to use and develop natural and physical resources of the region, and concern that the pORPS has overlooked the use, development and protection of physical resources in favour of protection of natural resources.
 - c. Recognition of the role that some industries and sector groups will have in emissions reduction as a response to climate change.
6. To address these concerns, submitters seek amendments to the existing significant resource management issues proposed in the SRMR chapter, as well as the addition of new issue statements.

7. This report analyses the new issues statements proposed by submitters, and then discusses the amendments sought to the existing significant resource management issues for the region.
8. The following provisions are discussed in this reply report:
 - New issue statements
 - SRMR – Introduction
 - SRMR-I1, SRMR-I2, SRMR-I3, SRMR-I4, SRMR-I7, SRMR-I8, SRMR-I10 and SRMR-I11
9. This report takes a provision-by-provision approach to addressing these issues.
10. The Section 32 Evaluation Report for the pORPS does not include an evaluation of the issues, noting that it is not required under Section 32 of the RMA. Instead, it outlines the issues, explains how they were developed, and summarises the analysis undertaken to determine their appropriateness, relevance and significance.¹ Therefore, no section 32AA evaluation is considered necessary for the recommended amendments in this Reply Report.

2. New issue statements

2.1. Submissions and evidence

11. As outlined in my opening statement at the hearing, a number of submitters seek new significant resource management issues.² In response to this, the Panel issued Minute 6³ which directed caucusing on whether the proposed new issues could be consolidated into a new issue or issues.
12. I did not attend this caucusing because:
 - a. Paragraph 10 of the Panel’s Minute 6 directed the following (my emphasis added):

Therefore, the Panel extends the opportunity to Mr Horne, (called by Chorus, Vodafone and Spark), and Ms Tait, (called by Fonterra), who offered to lead such a co-ordination process, to conduct an informal caucusing of planning experts for those submitters interested in pursuing such relief.
 - b. That Minute noted that the panel would be assisted by any response from the s42A report writer or counsel once the ORC has had the opportunity to address such a co-ordinated response. That response is provided in this report.
13. Caucusing was undertaken by two separate groups of planning experts in March 2023, and as a result submitters are now seeking two new significant resource management issues for:

¹ Paragraphs 65-67 of the Section 32 Evaluation Report

² Opening Statement of Jacqueline Ann Todd: SRMR – Significant resource management issues for the region (7 February 2023), paragraphs 13-14

³ Caucusing on Regionally Significant Issues, Minute 6 of the Hearing Panel, dated 10 February 2023.

- a. Infrastructure; and
 - b. Users of natural and physical resources, including primary production, mineral and aggregate extraction, tourism and industrial activities.
14. The outcome of the caucusing and the proposed new issues are discussed in more detail below.
15. In addition, I note that Fish and Game, Realnz and NZSki still seek a new issue statement as proposed in the evidence of Mr Farrell.⁴
- 2.1.1. New significant resource management issue for infrastructure
16. The following parties participated in caucusing on a new significant resource management issue for Infrastructure:
- a. Telecommunications submitters - Chorus New Zealand Limited, Spark New Zealand Trading Limited and Vodafone New Zealand Limited
 - b. Electricity Distribution Businesses - PowerNet Limited, Network Waitaki Limited and Aurora Energy Limited
 - c. Transpower New Zealand Limited
 - d. Contact Energy
 - e. Manawa Energy
 - f. Meridian Energy
 - g. Otago Water Resource User Group
 - h. Federated Farmers
 - i. DairyNZ
 - j. NZSki and Realnz
 - k. Waka Kotahi New Zealand Transport Agency
17. The parties prepared a Joint Witness Statement (“JWS for Infrastructure”)⁵ which included the proposed wording for the new significant resource management issue.
18. By way of background to the proposed new significant resource management issue for infrastructure, the following matters were agreed by parties at caucusing:⁶
- a. The issue should cover infrastructure in general (as defined in the pORPS and RMA), rather than Regionally Significant Infrastructure, given that the scope of the latter is yet to be determined and any distinction can be addressed at the objective and policy level in the ORPS.

⁴ Ben Farrell for Fish and Game, Realnz and NZSki, para [22].

⁵ SRMR Topic: Significant resource management issue for infrastructure. Joint Witness Statement from the planning experts. 22 March 2023.

⁶ Paragraph 2.1 of the JWS for Infrastructure.

- b. The purpose of an infrastructure issue is to acknowledge that because of functional needs and operational needs, it may not be possible to avoid sensitive environments in both rural and urban contexts.
- c. Infrastructure can both benefit and adversely affect Māori. The experts considered that Kāi Tahu is most appropriately placed to identify how infrastructure may affect their well-being and aspirations should they wish to do so and noted that any drafting resulting from the caucusing would be circulated to Kāi Tahu for comment (Minute 8).

2.1.2. New significant resource management issue for users of natural and physical resources

19. The following parties participated in caucusing on a new significant resource management issue for users of natural and physical resources:

- a. Fonterra
- b. Oceana Gold
- c. Horticulture New Zealand
- d. Otago Water Resource User Group
- e. Federated Farmers
- f. DairyNZ
- g. NZSki and Real Group Limited
- h. Silver Fern Farms Limited
- i. Fulton Hogan Limited

20. The parties prepared a Joint Witness Statement (“JWS for resource users”)⁷ which included proposed wording for a new significant resource management issue for users of natural and physical resources.

2.2. Submitters’ response to proposed new significant resource management issues

21. After the caucusing occurred all other submitters were given an opportunity to respond to the proposed new issue(s) by 21 April 2023. A response was received by Mr Barr for QLDC.⁸ Mr Barr agrees that there should be a dedicated issue for infrastructure in the SRMR chapter of the pORPS. However, he suggests amendments to the new issue proposed in the JWS based on the following points:

⁷ SRMR Topic: Significant resource management issue for users of natural and physical resources. Joint Witness Statement from the planning experts. 29 March 2023.

⁸ Craig Alan Barr on behalf of Queenstown Lakes District Council, para (138); Response to Joint Witness Statement on SRMR Issue for infrastructure, dated 21 April 2023.

- a. The proposed new issue for infrastructure would benefit from distinguishing between the various forms of infrastructure (that is, Regionally Significant Infrastructure (RSI) and Nationally Significant Infrastructure (NSI));
- b. There needs to be greater acknowledgement that for infrastructure, particularly RSI and NSI, the concepts of functional or operational needs apply where it is impracticable for it to be located outside of a sensitive environment. When identifying what is impracticable, alternative sites and routes as well as the nature of the infrastructure may be important factors to consider.
- c. Some parts of the proposed new issue too readily contemplate that all infrastructure will have location and functional constraints, without first considering alternatives and whether it is practicable to avoid adverse effects.
- d. Given all of these considerations, Mr Barr concludes that the proposed new issue risks predetermining that any infrastructure has a legitimate constraint and/or functional need.

2.3. Analysis

22. In considering whether two new significant resource management issues are appropriate, I have reviewed whether there is any guidance or criteria on identifying significant resource management issues in regional policy statements.
23. The RMA does not provide any guidance or criteria, other than specifying in section 62(1)(a) that a regional policy statement must state the significant resource management issues for the region.
24. The pORPS does not outline any criteria for identifying significant resource management issues for the region. I have reviewed the background material for the pORPS including the Section 32 Evaluation Report, the Phase 1 and 2 consultation and summary report⁹ and the minutes of the Council meeting on 27 May 2020¹⁰ when the consultation summary report was presented to Council. These reports provide some background to how the 11 significant resource management issues were identified for the region, but do not outline any criteria for identifying the issues.
25. I have not identified any other guidance on determining significant resource management issues for a regional policy statement.
26. Mr Hodgson, for Horticulture NZ, summarises the available guidance on the Quality Planning website for identifying issues¹¹. The Quality Planning website is a resource for resource management practitioners in New Zealand and its purpose is to *'promote good practice by sharing knowledge about all aspects of practice under the RMA'*¹². It provides

⁹ Appendix 3 to the Section 32 Evaluation Report

¹⁰ <https://www.orc.govt.nz/our-council-our-region/council-meetings-and-agendas>

¹¹ Vance Hodgson for Horticulture NZ, para [13]-[20]

¹² <https://www.qualityplanning.org.nz/>

guidance notes on a variety of planning topics including plan development and content. Mr Hodgson outlines the Quality Planning advice in detail. In summary:

- a. An issue is an existing or potential problem that must be resolved to promote the purpose of the RMA. Issues can also be opportunities to assist in promoting the purpose of the RMA.
- b. Environmental issues usually concern conflicts between users of resources, allocation of resources, or effects on the environment.
- c. Issues need to be derived from evidence and facts, and those concerning values (such as amenity) by consultation. Potential issues should be tested to see if they need to be included in, and managed through, the plan.

27. While the Quality Planning advice is not binding on the Panel, I agree with Mr Hodgson that it provides useful guidance on identifying issues. I note that identifying an issue is the first step in regard to the RPS requirement. Once issues have been identified, it must then be determined if each issue is a *significant* resource management issue for the region.

28. The new significant resource management issues proposed by the parties are:

- a. Infrastructure:

The social, economic and cultural well-being of people and communities, and their health and safety, relies on infrastructure. However, infrastructure operation and development can conflict with the achievement of some environmental objectives.

- b. Resource users

The social, cultural and economic well-being of Otago's communities depends on the use and development of natural and physical resources, but this can conflict with the achievement of environmental outcomes, including managing conflicts between land uses.

- c. Fish and Game, Realnz and NZSki:

Social, cultural and economic well-being of Otago's communities depends on use and development of natural and physical resources.

29. In my section 42A report I did not recommend the addition of any new significant resource management issues for the region.¹³ However, after considering the evidence provided on this matter, discussion at the hearing, and the guidance on the Quality Planning website, I agree that new significant resource management issues have been identified for the Otago region. In particular, I note that:

- a. The proposed new issues are consistent with the criteria on the Quality Planning website because:

- i. The issues are about sustainable management of natural and physical resources, and the conflict between allowing the use of these resources to

¹³ Para [550]-[551] of my Section 42A report
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provide for the well-being of the community, while managing the adverse effects on these resources. In my opinion this is an issue that must be addressed to promote the purpose of the RMA; and

- ii. The issues concern a conflict between users of resources, and effects on the environment.
 - b. A number of submitters participated in the caucusing and consider that these issues are significant for the region. I have considered the evidence submitted on behalf of these parties, and the drafting of the proposed new issues. Having considered these matters, and the importance of infrastructure, primary production, tourism and industry in the region, I agree that a significant resource management issue (or issues) has been identified for the region.
30. As a result of caucusing, the parties have proposed two new significant resource management issues for the region, and Fish and Game, Realnz and NZSki seek a third option. In my opinion, the underlying issue is essentially the same across the three proposals: the conflict between using natural and physical resources, and the need to manage the adverse effects of these uses on the environment. In particular, I consider that the two new issues proposed at caucusing are similar, other than the emphasis on the importance of infrastructure, and locational constraints, for the infrastructure issue.
31. In regard to the new significant resource management issue for infrastructure proposed by the parties:
- a. The purpose of the SRMR chapter is to state the issues, or conflicts, that need to be resolved. In my opinion the issue would benefit from more detail about what the conflict is;
 - b. The purpose of the Environmental impact snapshot is to outline the impacts of the issue on the environment. The wording proposed by the parties does not achieve this;
 - c. As outlined earlier in this report, Mr Barr responded to the proposed new issue for infrastructure. I agree with Mr Barr's suggested amendments, for the reasons given in his evidence.¹⁴ His suggested amendments address my concerns raised in a. and b. above; and
 - d. I agree that infrastructure is very important to the region, and that this needs to be acknowledged to assist in describing the issue. However, I do not consider that it requires extensive detail about the importance of infrastructure, and rather consider that the purpose of the issue statement is to outline the issue, or conflict.
32. Given the similarity of the two proposed issue statements, I recommend one combined significant resource management issue for the region, based on the new significant resource management issue proposed by the parties for resource users¹⁵. I recommend

¹⁴ Craig Barr for QLDC, paras [3.1]-[3.8] and Appendix 1.

¹⁵ SRMR Topic: Significant resource management issue for users of natural and physical resources. Joint Witness Statement from the planning experts. 29 March 2023.

amendments to the wording proposed by the parties at caucusing for the following reasons:

- a. Infrastructure will need to be recognised in the issue given that one combined issue is now recommended, and recognising that part of the issue for infrastructure is the impact of infrastructure on natural resources due to locational constraints (as well as the effects of the use of resources);
- b. The purpose of the issues statements is to state the issue, or conflict, that needs to be resolved. In my opinion the issue would benefit from more detail about what the conflict is, and in particular more detail about the effects on the environment as a result of the use and development of natural and physical resources;
- c. The proposed title includes reference to managing conflicting land uses, and there is some discussion about reverse sensitivity. I agree that this is an issue. However, in my opinion these matters are adequately covered in other significant resource management issues and are not directly relevant to conflict between resource use and management of adverse effects of this use on the resources.

33. A tracked changes version showing my recommended amendments to the significant resource management issue proposed by the parties is included in Appendix One.

34. In my opinion the most appropriate place to insert the new significant resource management issue for the region is after SRMR-I9, and before SRMR-I10 and SRMR-I11, because these last two issues draw together the threads of all preceding issues.

2.4. Final recommendation

35. I recommend the addition of a new significant resource management issue for the region:¹⁶

SRMR-I10a – the social, cultural and economic well-being of Otago’s communities depends on the use and development of *natural and physical resources*, but that use and development can compromise or conflict with the achievement of *environmental outcomes*

Statement

The ability to access and use *natural and physical resources*, including for *infrastructure, primary production, mineral* and *aggregate extraction, tourism and industrial activities*, is essential for the social, cultural and economic well-being of the region. Access to, and the ability to use, *natural and physical resources* can be impacted by regulatory changes, incompatible *land uses, natural hazards* and *climate change*. Equally, the use and development of the region’s *natural and physical*

¹⁶ 00322.004 Fulton Hogan, 00314.009 Transpower, 00315.015 Aurora, 00310.003 The Telecommunication Companies, 00213.018 Fonterra, 00236.029, 00236.033 Horticulture NZ, 00231.022 Otago Fish and Game, 00235.058 OWRUG, 00411.097 Wayfare

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resources can have adverse effects on the environment which need to be appropriately managed.

Context

The well-being of Otago's communities relies on the ability to access and use the region's natural and physical resources. The quality of these resources and the ability to access them has a direct bearing on the well-being of people and communities in the region.

Failing to plan and provide for activities that contribute to the regional economy can lead to adverse socioeconomic consequences. Conversely, failure of activities to sustainably manage their impact on natural and physical resources can also lead to poor socioeconomic outcomes.

Appropriate access to and use of natural and physical resources needs a planning framework that recognises and provides for the essential operational, locational and functional requirements of activities while managing the adverse effects of these activities. The ongoing effects of climate change (addressed elsewhere in the Issues section) will have an ongoing impact on the operation of activities.

Impact snapshot

Environmental

The use of natural and physical resources can have adverse effects on the environment, which need to be appropriately managed to avoid, remedy or mitigate the adverse effects. Loss or degradation of resources can diminish their intrinsic values. Some of Otago's resources are nationally or regionally important for their natural values and economic potential and so warrant careful management.

Economic

Activities that rely on natural and physical resources generate direct and indirect economic benefits; therefore, their ability to operate, or to improve their operational efficiency, affects the economy of the region.

The ability to access and use natural and physical resources may impact the ability of activities to optimise the use of investments and assets and realise their potential economic value.

Activities that rely on natural and physical resources also rely on clear regulatory settings to inform investment decision-making about the use and development of natural and physical resources.

Social and cultural

The ability for activities to access and use natural and physical resources provides for the social and cultural well-being of people and communities including by supporting employment, liveability, recreation, resilience, food security and investment into communities.

Inappropriately located *subdivision*, use and development can increase the potential for harm to human health arising from incompatible activities locating in close proximity to each other.

3. Amendments to existing significant resource management issues

36. In addition to the new issues, submitters are still seeking amendments to the introductory section of the SRMR chapter and existing significant resource management issues as follows.

3.1. SRMR – Introductory section

3.1.1. Introduction

37. The introduction to the SRMR chapter was discussed in section 3.8.3 of the s42A report, with my analysis in paragraphs [56] to [64].

3.1.2. Submissions

38. Transpower, Horticulture NZ, Fish and Game, Realnz and NZSki, seek amendments to the Introductory section of the SRMR chapter.

39. Transpower considers that the SRMR chapter is inconsistent with the purpose of the RMA because it does not contemplate the use, development and protection of important physical resources as well as natural resources. They seek the deletion of Figure 2 in the Introductory section, and amendments to recognise the importance of physical resources in the region.¹⁷

40. Horticulture NZ agrees in part with recommended amendments to the Introductory section, but is still seeking additional reference to food production in the final sentence of paragraph 2 as follows:¹⁸

From a social and cultural perspective natural resources support and are impacted by food production, recreation, housing, and cultural activities (Refer Figure 2).

41. Mr Farrell for Fish and Game, Realnz and NZSki supports the additions they are seeking to the third paragraph to acknowledge social and economic well-being as matters that are considered in the significant issues identified for the region.¹⁹

3.1.3. Analysis

42. I agree with the submission by Transpower that identifying issues only as they relate to natural resources is inappropriately narrow and inconsistent with the purpose of the

¹⁷ Ainsley McLeod for Transpower, para [7.9]

¹⁸ Vance Hodgson for Horticulture NZ, para [55]

¹⁹ Ben Farrell for Fish and Game, Realnz and NZSki, para [26]

RMA, and sections 59 and 30(1) of the RMA, as outlined in Ms McLeod’s EIC.²⁰ I recommend adopting the amendments suggested by Ms McLeod. This includes the deletion of Figure 2. In my opinion this is appropriate because the concept of the relationship between natural and physical resource use is adequately explained in the text and Figure 2 does not capture the relationship with physical resources.

43. In my section 42A report I did not recommend adding a reference to food production as requested by Horticulture NZ, because I do not consider that this level of detail is necessary for the issues statement.²¹ It is covered more generally by the reference to agricultural industries in the statement about impacts from an economic perspective. I have not changed my opinion on this.
44. In regard to the amendments sought by Fish and Game, Realnz and NZSki, I note that the sentence they seek to change is a summary of the 11 significant resource management issues for the region, with reference to the titles of the 11 issues. I do not agree that it is appropriate to add “social and economic well-being” as these terms are not part of the issue titles. However, given that this paragraph (paragraph 3) of the Introduction summarises the 11 significant resource management issues for the region, amendments are recommended to reference the additional significant resource management issue for the region.

3.1.4. Final recommendation

45. My final recommended amendments to the first three paragraphs of the Introduction of the as notified version of the pORPS are:

- a. Amend paragraphs one and two:

Otago’s people and communities rely on the *natural and physical*²² resources that Otago’s *environment* provides to enable their social, economic, and cultural well-being. Natural resources include *freshwater* (i.e. surface and groundwater, *wetlands, estuaries*), *land and soil*,²³ terrestrial, and *freshwater* ecosystems, coastal and marine ecosystems, and air, landscapes, vegetation and natural landforms. *Physical resources include infrastructure, buildings and facilities.*²⁴

From an economic perspective *natural and physical*²⁵ resources support, and are impacted by, agricultural industries (e.g. grazing, cropping, horticulture, viticulture), urban development, industrial development, *infrastructure*, energy generation, transport, marine industries (fishing and aquaculture), tourism and *mineral* extraction. From a social and cultural perspective *natural and physical*²⁶

²⁰ Ainsley McLeod for Transpower, para [7.7]-[7.9]

²¹ Para [63] of my Section 42A report.

²² 00314.009 Transpower

²³ 00239.019 Federated Farmers, 00236.021 Horticulture NZ

²⁴ 00314.009 Transpower

²⁵ 00314.009 Transpower

²⁶ 00314.009 Transpower

resources support and are impacted by recreation, housing, and cultural activities (Refer Figure 2).²⁷

~~Figure 2—Relationships between natural resources, resource use and strategies~~²⁸

- b. Delete Figure 2.²⁹
- c. Amend paragraph three:³⁰

This RPS identifies the ~~eleven~~ twelve most significant issues impacting the Otago region. Issues firstly considered include *natural hazards, climate change, pest species, water* quantity and quality, and *biodiversity* loss, collectively the “natural asset-based issues”. Two “place-based issues” of regional significance are then addressed - being Otago’s coast and Otago’s *lake* areas. Conflicts between resource use and development and managing the adverse effects of resource use are considered and Finally, issues of economic and domestic pressures, cumulative impacts and *resilience* are considered.

3.2. SRMR-I1 – *Natural hazards* pose a risk to many Otago communities

3.2.1. Introduction

- 46. SRMR-I1 considers the significant natural hazards affecting the Otago region, identifies potential consequences and risks and highlights the impacts these hazards may have on environmental, economic, and social well-being.
- 47. SRMR-I1 was discussed in section 3.8.4 of the s42A report, with my analysis in paragraphs [93] to [15].
- 48. In my brief of supplementary evidence (11 October 2022) I recommended amendments to the end of the first paragraph of the Economic impact snapshot to acknowledge that natural hazards could impact on renewable electricity distribution, transmission and distribution, with the potential for regional and national consequences. I also recommended the addition of a sentence stating that new infrastructure should be located in areas where it is less vulnerable to natural hazards.

3.2.2. Submissions and evidence

3.2.2.1. Economic impact snapshot

- 49. Meridian and the Electricity Distribution Businesses (Aurora, Network Waitaki and PowerNet) support the recommended amendments to the Economic impact snapshot, but seek additional amendments to:

²⁷ 00314.009 Transpower

²⁸ 00314.009 Transpower

²⁹ 00314.009 Transpower

³⁰ Clause 10(2)(b)(i), Schedule 1, RMA - Consequential amendment arising from 00322.004 Fulton Hogan, 00314.009 Transpower, 00315.015 Aurora, 00310.003 The Telecommunication Companies, 00213.018 Fonterra, 00236.033 Horticulture NZ, 00231.022 Otago Fish and Game, 00235.058 OWRUG, 00411.097 Wayfare

- a. protect and enable electricity distribution,³¹ and
- b. better reflect that renewable electricity generation activities often have a functional need to locate or operate in a particular environment.³²

50. The amendments sought by the Electricity Distribution Businesses include:

- a. improvements to the readability of the first paragraph;
- b. an additional sentence stating that infrastructure should be enabled and protected to ensure it is resilient.

51. In regard to the first paragraph, I recommended the addition of the following sentence in my supplementary evidence:

Where possible new infrastructure should be located in areas where it is less vulnerable to natural hazards.³³

52. The Electricity Distribution Businesses request that it be amended to state:

Where ~~possible~~ practicable new infrastructure should be located in areas where it is less vulnerable to natural hazards.

whereas Meridian requests that it be amended to state:

~~Where possible new~~ New infrastructure should be encouraged to located in areas where it is less vulnerable to natural hazards.

3.2.2.2. Social impact snapshot

53. Meridian seeks an amendment to the Social impact snapshot to acknowledge the potential impacts of natural hazard events extending beyond the region.

3.2.3. Analysis

3.2.3.1. Economic impact snapshot

54. I agree that some of the amendments suggested by Ms Justice for the Electricity Distribution Businesses improve the grammar and readability of the paragraph. I do not agree with the addition of a sentence stating that *infrastructure* should be enabled and protected to ensure it is resilient, as I consider that this is more relevant to the response to natural hazard risk, and more appropriately dealt with as the response in the other chapters of the pORPS.

55. In regard to the final sentence, and the use of the terms “where possible”, “where practicable” and “encouraged”, I prefer the wording suggested by Ms Ruston for Meridian. In my opinion this is the most appropriate terminology to assist in outlining the issue without predetermining the response.

³¹ Megan Justice for Aurora, Network Waitaki and PowerNet, para [8.2]

³² Susan Ruston for Meridian, para [58]

³³ Para [14.b] of my brief of supplementary evidence (11 October 2022)

56. Therefore, I recommend accepting the submission by Meridian, and accepting in part the submission by the Electricity Distribution Businesses.

3.2.3.2. Social impact snapshot

57. In regard to the submission from Meridian, in my s42A report I did not recommend this amendment, because I do not consider that it is necessary to state that the economic impacts of natural hazards can extend beyond the regional boundary if renewable electricity generation activities are disrupted. This is covered more generally by the last sentence in the first paragraph which acknowledges the subsequent impacts on electricity generation capacity. I have not changed my opinion on this.

3.2.4. Final recommendation

58. My final recommended amendments to the first paragraph of the Economic impact snapshot of the as notified version of the pORPS are:

Otago's primary industries, *infrastructure*, energy and transport systems, and *urban areas* are exposed to the full range of hazards noted above, with potential for major-to-catastrophic economic consequences, including damage to production, *infrastructure* such as transport routes (highways, bridges), the built *environment* and communications, and often resulting in supply chain disruptions. *Natural hazards* could also impact on *renewable electricity generation* ~~in~~ and the transmission and distribution of electricity the region with subsequent impact on electricity generation capacity the potential for significant national and regional consequences. New *infrastructure* should be encouraged to locate in areas where it is less vulnerable to *natural hazards*.³⁴

3.3. SRMR-I2 – *Climate change* is likely to impact our economy and environment

3.3.1. Introduction

59. SRMR-I2 considers the potential impacts of climate change on the Otago Region. The issue addresses the tensions and risks climate change poses to environmental, economic, and social well-being.

60. SRMR-I2 was discussed in section 3.8.5 of the s42A report, with my analysis in paragraphs [145] to [167].

3.3.2. Submissions and evidence

3.3.2.1. Statement

61. The following submitters seek amendments to the Statement:

³⁴ 00315.015 Aurora Energy, 00314.09 Transpower, 00310.003 The Telecommunications Companies
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- a. Mr Hodgson for Horticulture NZ supports an amendment to the first paragraph to acknowledge the impacts of climate change on food production systems and related food supply and food security needs.³⁵
- b. Ms Hunter for Contact supports the addition of two paragraphs acknowledging the critical role that renewable electricity generation has to play in New Zealand's decarbonisation requirements.³⁶

3.3.2.2. Economic impact snapshot

62. Three submitters seek amendments to the Economic impact snapshot, under the heading of Regional Industry, to expand on impacts of, and responses to, climate change:

- a. Ms Baish for Ernslaw One supports amendments to the last sentence of the first paragraph to recognise the need to adapt to more sustainable forms of energy production:³⁷

Climate change may also result in shifting land use activities, including food and fibre production, to adapt to altered climate conditions, which will incur costs, and potentially enable resources previously unviable to come into production, such as the conversion of biomass into biofuels.

- b. Mr Hodgson for Horticulture NZ supports an additional sentence to this same paragraph acknowledging the opportunity for diversification to horticulture to reduce emissions. In his opinion, this is an inevitable climate change impact rather than a solution to climate change:³⁸

Diversification to horticulture presents an opportunity to reduce emissions and support the transition to a low emissions economy.

- c. Ms Styles for Manawa Energy disagrees with my recommendation not to recognise the importance of hydroelectric power schemes in the region on the basis that this strays into solutions rather than stating an issue. She considers that it is short-sighted to not draw attention to potential solutions that can be facilitated through the pORPS provisions. She seeks the following addition:³⁹

A number of hydroelectric power schemes are located within the Otago Region. The current Government has set a target for increasing renewable electricity to 100% by 2030. Alongside that sits New Zealand's commitment to the Paris Climate Change Agreement – to reduce greenhouse gas emissions to 30% below the 2005 levels, and a domestic 'net zero' commitment of all greenhouse gas emissions (except methane) by 2050. For these commitments to be achieved, rapid electrification of the economy will be required, and this

³⁵ Vance Hodgson for Horticulture NZ, para [60]

³⁶ Claire Hunter for Contact, para [7.6]

³⁷ Lynette Baish for Ernslaw One, para [18]

³⁸ Vance Hodgson for Horticulture NZ, para [65]

³⁹ Stephanie Styles for Manawa, para [91] and Appendix Two

will require a significant increase in the installed capacity of emissions free renewable electricity generation.

Or a shorter version if required:

A number of hydroelectric power schemes are located within the Otago Region. A significant increase in the installed capacity of emissions free renewable electricity generation will be necessary to contribute to commitments.

3.3.3. Analysis

3.3.3.1. Statement

63. In my s42A report I did not recommend adopting the submission by Horticulture NZ seeking reference to the impacts on food production systems.⁴⁰ I considered that it is covered more generally in the Statement by the sentence acknowledging that climate change may affect the number and types of crops and animals that the land can sustain. I have not changed my opinion on this.

64. SRMR-I2 is about the impacts of climate change on the economy and environment, and as outlined in my s42A report, I did not recommend adopting Contact's submission point because I did not agree that it is necessary to discuss the role of Otago's renewable energy facilities in achieving New Zealand's climate change and decarbonisation requirements.⁴¹ In my opinion the two additional paragraphs suggested by Contact go into a much greater level of detail about the response to climate change than is necessary to outline the issue. I have not changed my opinion on this.

3.3.3.2. Economic impact snapshot

65. In my opinion all of the changes sought to the Economic impact snapshot are about emissions reduction and the response to climate change. SRMR-I2 is about the impact of climate change, and I do not consider that it is necessary to go into a greater level of detail about the response to climate change. Therefore, I do not recommend any further amendments to the Economic impact snapshot of SRMR-I2.

3.3.4. Final recommendation

66. I do not recommend any further amendments.

⁴⁰ Para [147] of my Section 42A report

⁴¹ Para [145] of my Section 42A report

3.4. SRMR-I3 – *Pest* species pose an ongoing threat to indigenous biodiversity, economic activities and landscapes

3.4.1. Introduction

67. SRMR-I3 considers pest species in Otago and the significant impacts these species have on the region’s environment, economy, and social well-being.

68. SRMR-I3 was discussed in section 3.8.6 of the s42A report, with my analysis in paragraphs [192] to [209].

3.4.2. Submissions and evidence

69. The third paragraph of the Economic impact snapshot for SRMR-I3 discusses the impact of weeds, including the impact on power systems. In my s42A report I recommended amendments to this paragraph in response to a number of submissions, including a submission from Meridian.⁴²

70. In her evidence, Ms Ruston for Meridian suggests additional amendments to improve the readability of the Economic impact snapshot and address my concerns that some of the amendments requested in Meridian’s submission were not a good fit for the sentence.⁴³

3.4.3. Analysis

71. In my opinion the amendments suggested by Ms Ruston are minor and improve the readability of the sentence without changing the meaning. Therefore, I recommend adopting the amendments suggested by Ms Ruston in her EIC.

3.4.4. Final recommendation

72. My final recommended amendments to the third paragraph of the Economic impact snapshot of the as notified version of the pORPS are:

Weeds, for example, are conservatively estimated to cost the New Zealand economy \$1.6 billion per annum in terms of loss of economic production, management and control costs. They also affect landscape amenity value and tourism experiences relied upon by the tourism sector. Weeds, including didymo and lake snow,⁴⁴ can also adversely impact infrastructure, for example, such as⁴⁵ water systems including irrigation, dams, and levies; power systems (e.g. generation penstock, gates, valves, surge tanks, transmission lines) renewable electricity generation infrastructure and activities;⁴⁶ and transportation systems (e.g. road beds, lake and river transportation, airstrips).

⁴² Para [210] of my Section 42A report.

⁴³ Susan Ruston for Meridian, para [68]

⁴⁴ 00411.103 Wayfare Group Ltd

⁴⁵ 00306.016 Meridian

⁴⁶ 00306.016 Meridian

3.5. SRMR-I4 – Poorly managed urban and residential growth affects productive *land*, treasured natural assets, *infrastructure* and community well-being

3.5.1. Introduction

73. SRMR-I4 considers the impacts of poorly managed urban and residential growth on environmental, economic, and social well-being. A number of outstanding matters have been raised in evidence in regard to SRMR-I4.

74. SRMR-I4 was discussed in section 3.8.7 of the s42A report, with my analysis in paragraphs [241] to [253]. This issue was also discussed in my brief of supplementary evidence (11 October 2022), with the replacement of the terms “residential living” and “residential” with “lifestyle development” and “lifestyle” respectively recommended, as consequential amendments to changes recommended in the UFD chapter.

3.5.2. Submissions and evidence

75. A number of submitters, including Fonterra and Horticulture NZ, seek changes to SRMR-I4 to acknowledge the impacts of urban and residential encroachment into rural areas, including impacts on rural industry and highly productive land. I discussed these submissions in my s42A report and recommended amendments to acknowledge the issue of reverse sensitivity effects on rural areas.⁴⁷

76. However, Horticulture NZ and Fonterra consider that further amendments are needed to adequately acknowledge this issue.

77. On behalf of Horticulture NZ, Ms Wharfe still considers that it is appropriate to include references to highly productive land and seeks amendments to the Context and Environmental Sections to achieve this.⁴⁸

78. On behalf of Fonterra, Ms Tait discusses the need for recognition of impacts on rural industry, noting that there is a clear policy pathway for rural industry to be recognised in SRMR-I4 (Policy UFD-P7), and that it has been recommended to add a definition for rural industry to the pORPS.⁴⁹ Ms Tait considers that while the issue provides comprehensive coverage of the effects on primary production and productive land, it does not adequately provide for rural industry. Amendments to the Title, Context, and Environmental and Economic impact snapshots are requested to address this. The requested additions include reference to “rural industry” or “rural activities” in the Title, Context and Environmental impact snapshot, an amendment to the Economic impact statement about reverse sensitivity effects, as well as the following addition to the Environmental impact snapshot:

⁴⁷ Para [241] – [254] of my Section 42A report

⁴⁸ Lynette Wharfe for Horticulture NZ, para [334]-[341]

⁴⁹ Susannah Tait for Fonterra, para [7.1] – [7.8]

Such activities can be important contributors to the existing and future well-being of communities and a number of these activities provide a significant contribution to the regional economy.

79. In addition to the amendments sought by Fonterra to the Economic impact snapshot, QLDC seeks an amendment to the fourth bullet point to acknowledge housing affordability challenges in the region.⁵⁰
80. Finally, in their submission DCC seeks amendments to the Social impact snapshot to better reflect the broader impact of urban and residential growth on the transport network by referring to the potential for deaths and serious injuries on the entire transport network, rather than just road fatalities on rural highways. In the absence of suggested wording, I did not recommend adopting this submission.⁵¹ In his EIC, Mr Frenz for DCC has now proposed suggested wording to address this.⁵²

3.5.3. Analysis

81. I agree with Ms Wharfe that adding reference to highly productive land in the Context and Environmental impact snapshot is appropriate because it assists in outlining the issue for the Otago region, which includes areas of highly productive land which are vulnerable to urban or rural lifestyle expansion. However, given that the definition of highly productive land in the National Policy Statement for Highly Productive Land (NPSHPL) does not cover all highly productive land in Otago (until the mapping and identification process has been carried out, as discussed in Ms Wharfe’s evidence)⁵³, I recommend additions which refer to the value of land for food production in Otago more generally, rather than referring specifically to highly productive land.
82. In regard to the Context, in paragraph [254] of my Section 42A report I recommended the addition of a paragraph in the Context which includes reference to the productive capacity of the land. However, as outlined in Ms Boyd’s Reply Report 9: LF – Land and Freshwater, the recommended definition of productive capacity relates to supporting land-based primary production (and therefore excludes activities that are not land-based primary production). This is not the intention of the reference to productive capacity in SRMR-I4, where it is intended to apply to all land. Therefore, in accordance with Ms Boyd’s recommendation, I recommend replacing that reference with “the ability of the land to support *primary production*”.
83. In regard to the amendments sought by Fonterra, I agree that the effects of urban encroachment on rural-based activities should be better recognised in SRMR-I4. I recommend adopting the amendments in part, including the additional references to impacts on rural based activities in the Title, Context and Environmental and Economic impact snapshots. I do not agree with the suggested additional sentence to the Environmental impact snapshot, which discusses the contribution of rural activities to the

⁵⁰ Kathryn Russell for QLDC, para [3.6]

⁵¹ Para [251] of my Section 42A report.

⁵² Keith Frenz for DCC, para [8.1]-[8.5]

⁵³ Lynette Wharfe for Horticulture NZ, para [112]-[122]

community and economy. While I agree with this statement, I do not consider that it assists in stating the issue in relation to urban encroachment.

84. I agree in part with the amendment sought by QLDC to acknowledge that housing affordability challenges are already present in the region, but not to the level of detail requested by QLDC. I recommend accepting this submission in part.

85. Finally, I agree with the amendment sought by DCC to the Social impact snapshot. I consider that is a better overall statement about impacts on the whole transport network and more consistent with Waka Kotahi's programme to reduce deaths and serious injuries on all roads.

3.5.4. Final recommendation

86. My final recommended amendments to the following sections of SRMR-I4 in the as notified version of the pORPS are:

a. Amend the Title:⁵⁴

SRMR-I4 – Poorly managed urban and residential growth affects productive *land*, treasured natural assets, *rural industry*, *infrastructure* and community well-being

b. In the Context:

i. Add the following paragraph to the end of the Context:⁵⁵

In addition, the productive *land* in Otago contributes to the social and economic well-being of the community through production of food and other rural production-based products. In some parts of Otago, *land* and soil resources are particularly valuable for food production. However, where development occurs in a place or manner that removes or reduces the potential to use productive *land*, including through *reverse sensitivity effects*, the ability of *land* to support *primary production* is compromised.

c. Amend the Environmental impact snapshot:

Urban areas and associated concentration of human activity result in adverse impacts on the natural *environment*, as a result of *land* consumption, landscape, waterway and vegetation modification for housing, industry, transport of goods and people and recreation areas, the diversion and use of *water*, and *waste* disposal and effluent and pollution *discharges* to air, *land* and *water*. *Urban or rural lifestyle expansion can remove *land* and soil resources from productive uses, including for the production of food.*⁵⁶ All of these can also impact *mana whenua* values. These impacts can also result in loss or impediment of access to important resources including significant *biodiversity* or natural features and landscapes. *Poorly managed urban growth can lead to additional carbon emissions, this can create tensions*

⁵⁴ 00213.015 Fonterra

⁵⁵ 00236.025 Horticulture NZ

⁵⁶ 00236.025 Horticulture NZ

between the need to increase residential housing stock and the need to meet carbon reduction targets.⁵⁷

~~Urban development growth within *rural areas*⁵⁸ can also lead to reverse-sensitivity effects on existing *primary production* activities and related rural based activities, because urban activities can be sensitive to the effects generated by *primary production* activities⁵⁹ and related rural based activities.⁶⁰ whereby traditional methods of pest management or the undertaking of rural production activities cannot be deployed due the proximity of urban populations and the potential for adverse impacts on those populations.⁶¹~~

...

d. Amend the Economic impact snapshot:

While potentially providing short term commercial returns, poorly managed urban growth and development may result in long term impacts including:

- the loss of land for *primary production* activities ~~productive land~~⁶² (either directly though building on it, or indirectly though *reverse sensitivity effects*);
- the consequences of previous decisions (low density development, including rural ~~residential~~ lifestyle,⁶³ in the short term can preclude higher density development in the medium to longer term);
- increased capital and operational costs for *infrastructure* which can foreclose other more suitable investments or spending, increased costs from less efficient spatial arrangements (such as increased transportation and *infrastructure* costs to both users and operators), and loss of valued natural capital and future opportunities; and
- housing affordability ~~can be~~ challenges are present in the region and are⁶⁴ negatively affected by urban growth where demand outpaces supply.
- conflict arising from the location of incompatible activities within proximity of each other, including the potential for *reverse sensitivity effects* on the continued operation and growth of rural based activities.⁶⁵

⁵⁷ QLDC (not captured on SODR)

⁵⁸ 00208.004 AgResearch, 00410.002 Rural Contractors NZ

⁵⁹ 00208.004 AgResearch, 00410.002 Rural Contractors NZ

⁶⁰ 00213.015 Fonterra

⁶¹ 00208.004 AgResearch, 00410.002 Rural Contractors NZ

⁶² 00322.006 Fulton Hogan

⁶³ Clause 10(2)(b)(i), Schedule 1, RMA – Consequential amendment arising from 00221.016 Silver Fern Farms, 00236.103 Horticulture NZ.

⁶⁴ 00138.004 QLDC

⁶⁵ 00213.016 Fonterra

~~In Otago, housing has been more affordable for homeowners than the NZ average in recent years, however house value growth has been higher in Otago (12.6% per annum) than the NZ average (7%) since 2017.⁶⁶~~

...

- e. Amend the third paragraph of the Social impact snapshot:

Transportation of goods and people between and within urban areas can also generate impacts on humans. For example, increased traffic congestion and lack of safe and attractive alternatives within urban areas impacts people and businesses living near to high volume traffic routes, resulting in lost time for family and other activities for those who use them, and ~~road fatalities on rural highways~~ deaths and serious injuries on the transport network.⁶⁷

3.6. SRMR-I7 – Rich and varied biodiversity has been lost or degraded due to human activities and the presence of *pests* and predators

3.6.1. Introduction

87. SRMR-I7 considers the issues associated the loss of biodiversity in the region, with habitat loss, land use change, vegetation clearance and pests identified as the contributors to this loss.

88. SRMR-I7 was discussed in section 3.8.10 of the s42A report, with my analysis in paragraphs [399] to [418].

3.6.2. Submissions and evidence

89. Mr Farrell for Fish and Game, Realnz and NZSki supports minor amendments to the Statement and Context as follows:

- a. Add to the Statement:⁶⁸

Subdivision, development and changing land use can result in ecological enhancement and restoration benefits, particularly in areas where indigenous biodiversity has been degraded.

- b. Add to the Context:⁶⁹

A means of enhancing and restoring indigenous biodiversity in the Region includes promoting subdivision and changes in land use (including development) which results in ecological enhancement and restoration benefits, including outside SNAs where indigenous biodiversity has been heavily degraded or lost.

⁶⁶ 00138.004 QLDC

⁶⁷ 00139.017 DCC

⁶⁸ Ben Farrell for Fish and Game, Realnz and NZSki, para [29]

⁶⁹ Ben Farrell for Fish and Game, Realnz and NZSki, para [30]

3.6.3. Analysis

90. In my opinion the changes sought by Mr Farrell do not assist in outlining the issue because they are more about the responses or solutions to the issue of lost and degraded biodiversity. I do not recommend adopting these amendments.

3.6.4. Final recommendation

91. I do not recommend any further amendments.

3.7. SRMR-I8 – Otago’s coast is a rich natural, cultural and economic resource that is under threat from a range of terrestrial and marine activities

3.7.1. Introduction

92. SRMR-I8 considers the nature of the Otago coast, and the threats to its values.

93. SRMR-I8 was discussed in section 3.8.11 of the s42A report, with my analysis in paragraphs [429] to [436].

3.7.2. Submissions and evidence

94. In his evidence, Mr Farrell for Fish and Game, Realnz and NZSki supports a minor amendment to the second paragraph of the Context (second sentence):⁷⁰

Such activities ~~can be~~ are important contributors to the ~~existing and future~~ health and well-being of people and communities, ~~when they are located and managed appropriately.~~

3.7.3. Analysis

95. I agree in part with the amendments supported by Mr Farrell, which help to state the issue more succinctly in my opinion. However, I do not agree that it is appropriate to delete the final part of the sentence. I consider that in the context of this issue, the appropriate location and management of the activities referred to is important, and should be retained.

3.7.4. Final recommendation

96. My final recommended amendments to the second paragraph of the Context of the as notified version of the pORPS are:

Activities occurring within or affecting the coastal environment include urban development, recreational activities, transport *infrastructure*, energy generation and transmission, *land* and marine based (e.g. aquaculture) food production industries

⁷⁰ Ben Farrell for Fish and Game, Realnz and NZSki, para [31]
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and other *rural industry* activities, carbon forestry and⁷¹ *plantation forestry*, fishing, tourism, and *mineral* extraction. Such activities ~~can be~~ are⁷² important contributors to the ~~existing and future~~⁷³ health and well-being of communities, when they are located and managed appropriately. A number of these activities provide a significant contribution to the regional economy.

3.8. SRMR-I10 – Economic and domestic activities in Otago use natural resources but do not always properly account for the environmental stresses or the future impacts they cause

3.8.1. Introduction

97. SRMR-I10 considers the issues associated with economic and domestic activities on natural resources, such as development, water abstraction, discharges, primary production, transport and tourism.

98. SRMR-I10 was discussed in section 3.8.13 of the s42A report, with my analysis in paragraphs [481] to [495]. SRMR-I10 was also discussed in my brief of supplementary evidence (24 February 2023), although I did not recommend any changes.

3.8.2. Submissions and evidence

99. In its submission DCC seeks to clarify SRMR-I10 as being more specific to water abstraction, wastewater and stormwater discharges (and reference similar submissions from Port Otago, COES and Lynne Stewart). I did not recommend that this be adopted, partly because no wording was provided. In his evidence, Mr Frentz on behalf of DCC now proposes alternative wording for the Statement, to address his concern that there is a disconnect between the Title and Statement for SRMR-I10.⁷⁴

SRMR-I10 – The use of natural resources in Otago can adversely affect the natural and physical environment, as well as social, cultural and amenity values, and recreation if not well managed.

Statement

Otago is a region rich in natural resources that are utilised in primary and extractive industries as well as in urban and regional development. Within the region there are also many significant and sensitive environments that are adjacent to, or form the backdrop to, everyday activities that provide the values that are enjoyed by residents and visitors throughout the region. The activities that interface with these resources and environments must be well managed to ensure that the values that are enjoyed today remain available to future generations.

⁷¹ 00239.027 Federated Farmers

⁷² 00411.117 Wayfare

⁷³ 00411.117 Wayfare

⁷⁴ Keith Frentz for DCC, para [8.9]

100. Mr Farrell for Fish and Game, Realnz and NZSki supports the following minor amendments to the last sentence of the Statement:⁷⁵

Tourism and recreation, which relies on the *environment* and provides significant benefits to the economy and people's health and well-being, can also put pressure on natural *environments*.

101. Ms Hunter for Oceana Gold supports a range of amendments to SRMR-I10 to recognise the importance of mineral and aggregate extraction activities to the social, economic and health and well-being of the Otago community.⁷⁶

102. On behalf of Fonterra, Ms Tait outlines her concerns with the existing issues, which in her opinion overlook the cost of doing business and the cost associated with business constraints or closures, and the overall risk of this to the economic and social well-being of the people and communities as resource use becomes restricted or prohibited. In her evidence she recommends a new issue statement, or amendments to a number of issues, including SRMR-I10, to address this.⁷⁷

3.8.3. Analysis

103. In my opinion the suggested amendments by Mr Frentz for DCC highlight the overlaps between SRMR-I10 and the new issue statement that is recommended. While I agree with the statements suggested by Mr Frentz, I consider that the suggested new title for SRMR-10, and the suggested amendments to the Statement are actually more relevant to the proposed new issue for resource users. In my opinion, SRMR-10, is subtly different, and more about the issue that activities affecting the environment do not properly account for their impacts (for example, by externalising some of their costs). Therefore, given my recommendation to add a new significant resource management issue for the region, I do not recommend adopting the amendments suggested by DCC because I consider that those matters are now covered by the new issue.

104. I agree with Mr Farrell that recreation can put pressure on the environment and recommend adopting his amendment in part. However, I do not consider that it is necessary to refer to the benefits of tourism and recreation to outline the issue and do not recommend adopting this part of the submission.

105. In regard to the amendments requested by Ms Tait and Ms Hunter, in my opinion these matters are better addressed by a new significant resource management issue for the region. I note that both experts were involved in caucusing for the new issue for resource users, which I have recommended adopting (with amendments). Therefore, I do not recommend adopted their suggested amendments to SRMR-I10 as I consider they are addressed by the new issue that I recommend.

⁷⁵ Ben Farrell for Fish and Game, Realnz and NZSki, para [36]

⁷⁶ Claire Hunter for Oceana Gold, para [7.1] - [7.3], and amendments tabled at hearing on 7 February 2023.

⁷⁷ Susannah Tait for Fonterra, para [7.1] – [7.21]

3.8.4. Final recommendation

106. My final recommended amendments to the Statement of the as notified version of the pORPS are:

Sediment from development and ~~forestry~~ primary production⁷⁸ activities flows⁷⁹ into streams and builds up in the coastal *environment*, smothering kelp forests and affecting rich underwater habitats. *Water* abstraction and *wastewater* and *stormwater discharges* adversely affect the natural *environment*, cultural and *amenity values*, and recreation. Agriculture, ~~fishing~~⁸⁰ and *minerals* extraction support employment and economic well-being but also change landscapes and habitats. Otago's port moves freight to and from Otago and Southland, but operates alongside sensitive *environments*, including the Aramoana saltmarsh. Tourism and recreation,⁸¹ which relies on the *environment*, can also put pressure on natural *environments*.

3.9. SRMR-I11 – Cumulative impacts and resilience – the environmental costs of our activities in Otago are adding up with tipping points potentially being reached.

3.9.1. Introduction

107. SRMR-I11 considers the cumulative impacts on the environment in Otago as consequences of resource use, economic and social activities.

108. SRMR-I11 was discussed in section 3.8.14 of the s42A report, with my analysis in paragraphs [517] to [536]. This issue was also discussed in my brief of supplementary evidence (11 October 2022), where I recommended some amendments to the issue to take into account the transition required to achieve environmental outcomes.

3.9.2. Submissions and evidence

3.9.2.1. General

109. As discussed for SRMR-I10, Ms Tait for Fonterra supports a new issue, or amendments to existing issues, to address the matters that Fonterra raises in submissions.⁸² In regard to SRMR-I11, as an alternative to a new issue, Fonterra seeks amendments to the Environmental, Social and Economic impact snapshots.

⁷⁸ 00020.005 Rayonier Matariki

⁷⁹ Clause 16(2), Schedule 1, RMA

⁸⁰ 00126.001 Harbour Fish, Southern Fantastic and Fantastic Holdings, 00124.001 Southern Inshore Fisheries Management Company Limited

⁸¹ 00231.022 Fish and Game

⁸² Susannah Tait for Fonterra, para [7.21]

3.9.2.2. Statement

110. Mr Hodgson for Horticulture NZ supports the addition of “and health and safety” to the second sentence of the Statement.⁸³

3.9.2.3. Environmental Impact Snapshot

111. Ms Ruston for Meridian supports the following changes to the first two paragraphs of the Environmental impact snapshot:⁸⁴

While many ecosystems have a degree of resilience, increasing pressures on the *environment*, typically as a result of human activities (for example economic development), can have an adverse cumulative effect.

A key tipping point is the pending effects of climate change that are resulting from greenhouse gas emissions. Some of these effects Climate change also has are already being experienced in the Otago region, and further climate change has the potential to seriously challenge ecosystem adaptive capacity and the location and functioning of business and communities in the region. Decarbonising our economy is a priority for mitigating the scale of climate change and the associated economic and social disruption that can result. Key to reducing greenhouse gas emissions is increasing renewable electricity generation. Much work is being undertaken to address this challenge, but it is still possible that permanent changes may occur (tipping point).

The first and best response to possible tipping points is to ensure sustainable management of our natural resources and avoid immediate and long-term cumulative effects that degrade the *environment*. ...

3.9.3. Analysis

112. As discussed for SRMR-I10, I consider that the matters raised by Ms Tait are better addressed by the recommended new significant resource management issue.
113. I do not recommend adding “and health and safety” to the Statement because I consider that this is captured more generally by the reference to personal and community well-being.
114. Finally, I do not agree with the amendments requested by Meridian, as they are not consistent with the intention of this paragraph. In my opinion the issue is about cumulative impacts and tipping points fronts a broader issue, rather than being focussed on climate change as a tipping point. I do not consider it is necessary to go into the detail of decarbonisation and increasing renewable electricity generation, because I do not think this assists in outlining the issue in regard to cumulative impacts. I do not recommend adopting these amendments.

⁸³ Vance Hodgson for Horticulture NZ, para [70]

⁸⁴ Susan Ruston for Meridian, para [71]

3.9.4. Final recommendation

115. I do not recommend any further amendments.

Appendix 1 - Recommended amendments to Significant Resource Management Issue for users of *natural and physical resources*

SRMR-I10a– the social, cultural and economic well-being of Otago’s communities depends on the use and development of *natural and physical resources*, but ~~this~~ that use and development can compromise or conflict with the achievement of *environmental outcomes*, including managing conflicts between *land uses*.

Statement

The ability to access and use *natural and physical resources*, including for *infrastructure, primary production, mineral and aggregate extraction, tourism and industrial activities*, is essential for the social, cultural and economic well-being of the region. Access to, and the ability to use, *natural and physical resources* can be impacted by regulatory changes, incompatible *land uses*, *natural hazards* and *climate change*. Equally, the use and development of the region’s *natural and physical resources* can have adverse *effects* on the *environment* which need to be appropriately managed.

Context

The well-being of Otago’s communities relies on ~~activities’~~ the ability to access and use the region’s *natural and physical resources*. The quality of these resources and the ability to access them in ~~quantities~~ has a direct bearing on the well-being of people and communities in the region.

Failing to plan and provide for activities that ~~deliver significant contributions~~ contribute to the regional economy can lead to adverse socioeconomic consequences. Conversely, failure of activities to sustainably manage their impact on *natural and physical resources* can also lead to poor socioeconomic outcomes.

Appropriate access to and use of *natural and physical resources* needs a planning framework that recognises and provides for the essential operational, locational and functional requirements of activities while managing the adverse effects of these activities. ~~Reverse sensitivity effects can lead to constraints on established uses, and the use and development of *land* can physically restrict access to *natural and physical resources*~~. The ongoing pressures of *climate change* (addressed elsewhere in the Issues section) will have an ongoing *effect* on the operation of activities.

Impact snapshot

Environmental

It is appropriate to recognise and provide for activities in a strategic way, avoid ad hoc decision making and ~~minimise unanticipated adverse *environmental outcomes* (including conflicts between incompatible *land uses*)~~.

The use of *natural and physical resources* can have adverse *effects* on the *environment*, which need to be appropriately managed to avoid, remedy or mitigate the adverse *effects*. Loss or degradation of resources can diminish their intrinsic values. Some of Otago’s resources are nationally or regionally important for their natural values and economic potential and so warrant careful management.

~~Ongoing access to and use of *natural and physical resources* occurs within *limits*, and it is recognised that the *natural environment* can benefit as activities change how they interact with, access and use natural resources. Activities that use *natural and physical resources* can achieve positive *environmental outcomes*, for example riparian planting, habitat restoration and enhancement, public access, and *pest control* activities. This can be as mitigation or compensation for the *effects* of activities or as contributions from economically sustainable activities in the region.~~

Economic

~~Economic~~ Activities that rely on *natural and physical resources* generate direct and indirect economic benefits; therefore, their ability to operate, or to improve their operational efficiency, affects the economy of the region.

The ability to access and use *natural and physical resources* may impact the ability of activities to optimise the use of investments and assets and realise their potential economic value.

~~Economic~~ Activities that rely on *natural and physical resources* also rely on clear regulatory settings to inform investment decision-making about the use and development of *natural and physical resources*.

Social and cultural

The ability for activities to access and use *natural and physical resources* provides for the social and cultural well-being of people and communities including by supporting employment, liveability, recreation, resilience, food security and investment into communities.

Inappropriately located *subdivision*, use and development can increase the potential for harm to human health arising from incompatible activities locating in close proximity to each other.