

BEFORE THE INDEPENDENT HEARINGS PANEL FOR THE PROPOSED WAIKATO
DISTRICT PLAN

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF Proposed Waikato District Plan, Stage 1: Hearing 21a -
Significant Natural Areas

PRIMARY STATEMENT OF EVIDENCE BY RICHARD MATTHEWS

29 October 2020

FOR GENESIS ENERGY LIMITED SUBMITTER #924

EXECUTIVE SUMMARY

1. The submissions and further submissions made by Genesis in respect of the Significant Natural Area (“**SNA**”) provisions of the Proposed District Plan (“**PDP**”) seek to ensure that the ongoing operation, maintenance and upgrading of the nationally significant Huntly Power Station (as Regionally Significant Infrastructure and a Regionally Significant Industry) is provided for.
2. I generally agree with the Section 42A Report for Hearing 21A (“**s42A Report**”), which recommends acceptance of several Genesis submission and further submission points. My evidence addresses the points where I recommend changes to the Proposed District Plan in response to the submissions, further submissions and the s42A Report.
3. Ms Susan Chibnall, the author of the s42A report, recommends a change in approach in the identification of SNAs through the removal of the identified SNA areas on the planning maps that have not been ground truthed, and amending the definition of SNAs to include areas *“that meets one or more of the criteria in Appendix 2 Criteria for Determining Significance of Indigenous Biodiversity”*.
4. Ms Chibnall recommends that the “SNA” areas subject of the Genesis submissions be removed from the Planning Maps as they have not been ground truthed. Genesis sought that these areas be removed from the planning maps as they are not “natural” – they have been planted by Genesis. I agree with Ms Chibnall’s recommendation that they be removed from the planning maps, but I note that this would not preclude them from subsequently being identified as SNAs under the proposed definition of an SNA.
5. I do not agree with the amendment to the definition of SNAs. The changes proposed create significant uncertainty for plan users in that the classification of an area as being an “SNA” is reliant on a criterion rather than the mapping. It also does not distinguish between “natural” areas and those created by planting such as that on the Genesis Scott Farm property, nor does it include any consideration of the level of significance or value of the area.

6. In my opinion:
 - a) The amendment to the definition of an SNA as proposed by Ms Chibnall not be accepted. The effect of this would be that SNA mapping in the Proposed Plan can be relied upon to determine whether or not an area is an SNA where sufficient ground truthing has been carried out to confirm its significance;
 - b) Any area to be identified as an SNA in the District Plan should be assessed by an ecologist prior to including in the district plan.
 - c) Non-natural areas should be excluded from consideration as being an SNA.
7. There is also discussion within the s42A report regarding Genesis' submission in respect of providing for environmental compensation. Ms Chibnall conflates this effects management concept with "economic" compensation.
8. It is my opinion that environmental compensation should be recognised in the PDP in a meaningful way that enables positive environmental and biodiversity outcomes.
9. I have recommended changes to Policies 3.2.3 and 3.1.2A to identify effects management methods for SNA and non-SNA areas respectively that reflect the ecological significance of these areas. The thrust of the changes I have recommended are:
 - (a) In relation to Policy 3.2.3:
 - (i) The focus of the policy being to *protect* SNA's by *using* the effects management methods, which requires adverse effects to be avoided where practicable, remediated where practicable if they cannot be avoided, or mitigated where practicable if they cannot be avoided or remedied;
 - (ii) Where avoidance, remediation or mitigation is not practicable, offsetting can be used to protect biodiversity values;
 - (iii) Where avoidance, remediation, mitigation or offsetting is not practicable, environmental compensation (a broader concept than economic compensation) can be used.

(b) In relation to Policy 3.1.2A:

- (i) The focus of the policy should be to *maintain* indigenous biodiversity outside of SNA's by *considering* the effects management methods.
- (ii) The key difference in the policy that I am recommending in comparison to Policy 3.2.3 is that offsetting and compensation are considered at the same "tier" as each other.
- (iii) The other key change is that for Policy 3.1.2A "significant adverse effects" on the areas are to be avoided where practicable. This is in contrast to Policy 3.2.3 where I have recommended that "adverse effects" be avoided where practicable.

INTRODUCTION

10. My name is Richard John Matthews. I hold the qualifications of Master of Science (Hons) degree specialising in Chemistry and have been working on resource consent applications (and their former descriptions under legislation prior to the commencement of the Resource Management Act 1991) since 1979 and advising on Regional and District Plan provisions since 1991.
11. I am a partner with Mitchell Daysh Limited, a specialist environmental consulting practice with offices in Auckland, Hamilton, Napier, and Dunedin. Mitchell Daysh Limited was formed on 1 October 2016, as a result of merger between Mitchell Partnerships Limited and Environmental Management Services.
12. I prepared evidence for the Proposed Waikato District Plan, Stage 1: Hearing 1, Chapter 1 Introduction, Hearing 2, Plan Structure and All of Plan hearings, Hearing 7 Industrial and Heavy Industrial Zone, Hearing 8A Hazardous Substances, Hearing 18 Rural Zone and Hearing 22 Infrastructure and Energy. My experience is set out in that evidence.
13. I have been providing planning advice to Genesis Energy Limited (“**Genesis**”) with respect to Huntly Power Station (“**HPS**”) activities since 1999 and am familiar with the power station operations, the resource consents applicable to the site and the Operative Regional and District Plan provisions relevant to the site.

Code of Conduct

14. While not directly applicable to this hearing, I confirm that I have read the “Code of Conduct for Expert Witnesses” contained in the Environment Court Consolidated Practice Note 2014. I agree to comply with this Code of Conduct. In particular, unless I state otherwise, this evidence is within my sphere of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

Scope of Evidence

15. My evidence discusses the Genesis Submissions (submitter ID 924) and Further Submissions (submitter ID 1345) on the PDP with respect to the matters addressed in the s42A Report (prepared by Ms Susan Chibnall) for Hearing 21A.

Genesis Energy Limited Background and Submissions

16. Section 2 of the Genesis submission and my Hearing 1 and 2 evidence sets out the background to Genesis' interests in the Waikato District.
17. Genesis owns and operates the HPS which is located on Heavy Industrial Zone land bordering Rural Zoned land. Activities related to the power station operation, such as coal receipt and ash management activities, are located on Rural Zone land. All of these assets are forms of infrastructure and fit within the ambit of the Waikato Regional Policy Statement definition of "Regionally Significant Industry" and "Regionally Significant Infrastructure".
18. The submissions made by Genesis in respect of the SNA provisions in the PDP seek to ensure that the ongoing operation, maintenance and upgrading of the nationally significant HPS (as Regionally Significant Infrastructure and a Regionally Significant Industry) is provided for.
19. I have read the s42A Reports relevant to Hearing 21A. I do not propose to repeat the matters addressed in those reports other than to highlight particular points and focus on the aspects addressed in the Genesis submissions and further submissions.

ANALYSIS OF GENESIS' SUBMISSIONS

Significant Natural Area Definition and Planning Maps

20. Genesis, through its submission (submission points 924.6 and 924.7), sought the deletion of the Significant Natural Area ("SNA") mapping from the Genesis owned "Scott Farm" on Te Ohaaki Road and the HPS interface area with the Waikato River. I understand that the mapped area on Scott Farm is riparian planting undertaken by Genesis as required by its Regional Council resource consents and is therefore not "natural".
21. Ms Chibnall recommends that to be an SNA, areas must be ground truthed before being identified on the planning maps, and on that basis has recommended that the SNA annotation be deleted from the planning maps as they are related to the Genesis properties (Section 33.5 of the s42A Report). I agree with this approach in that as the areas concerned have not been ground truthed, they should be deleted from the planning maps. However, that approach does not address the issue that these areas are not "natural" and does not address the matter identified

in the Genesis submission.

22. Ms Chibnall has recommended the following amendments to the definition of SNA (Ms Chibnall's recommended insertion underlined) to deal with areas that may be significant but where mapping / ground truthing has not occurred:

Significant Natural Area - Means an area of significant indigenous biodiversity that is identified as a Significant Natural Area on the planning maps or that meets one or more of the criteria in Appendix 2 Criteria for Determining Significance of Indigenous Biodiversity

23. The changes proposed create significant uncertainty for plan users in that the classification of an area as being an "SNA" is reliant on a criterion rather than the mapping. It also does not distinguish between "natural" areas and those created by planting such as that on Scott Farm, nor does it include any consideration of the level of significance or value of the area.

24. Having to only meet one out of the 11 listed in the criteria is a low bar that could render a significant number of areas as being identified as an SNA. For example, criterion 3 is:

It is vegetation or habitat that is currently habitat for indigenous species or associations of indigenous species that are:

- classed as threatened or at risk, or
- endemic to the Waikato region, or
- at the limit of their natural range.

25. This criterion is broad and means that if any species within an area of vegetation is classified as threatened or at risk, then the area is automatically an SNA. There is no ability to account for the quality of that habitat or whether that vegetation was purposely planted or is "natural". While the criteria have been adopted from the Waikato Regional Policy Statement ("**Waikato RPS**"), in my opinion the District Plan (being the primary tool for management of terrestrial biodiversity) needs to go further than simply adopting the criteria and should include direction as to how those criteria will be applied in practice within the District.

26. The most appropriate way to protect SNA's in my opinion is to identify and map the areas, then ensure that those mapped areas are "significant" and then once that is complete, to clearly show the identified areas on the planning maps.

27. The additional costs and uncertainty to private landowners as a result of the amendment to the definition which could make any area qualify as a SNA, and the efficiency of this change, cannot be justified in a section 32 context in my opinion.
28. While I consider that the plan should be clear in which areas are SNAs through appropriate ground truthing and mapping, if the approach recommended by Ms Chibnall is to be embedded within the plan, then the criteria for determining ecological significance (and whether or not an area is an SNA) needs to be clear and directive. The current criteria are not appropriate for all plan users to determine whether the SNA rules apply or whether they do not without undertaking an ecological assessment of every area (irrespective of whether it contains “natural” values). They also need to exclude artificially created areas of indigenous vegetation that would otherwise meet the criteria.
29. However, notwithstanding the above, it is my opinion that:
- a) The amendment to the definition of Significant Natural Area as proposed by Ms Chibnall not be accepted. The effect of this would be that SNA mapping in the Proposed Plan can be relied upon to determine whether or not an area is an SNA where sufficient ground truthing has been carried out to confirm its significance;
 - b) Any area to be identified as an SNA in the District Plan should be assessed by an ecologist prior to including in the district plan.
 - c) Non-natural areas should be excluded from consideration as being an SNA.

Policy 3.2.3 and Policy 3.1.2 A – Effects Hierarchy and Environmental Compensation

30. Genesis sought modifications to the notified version of Policy 3.2.3(a)(iv), to ensure that environmental compensation is a mechanism that can be utilised in the “management hierarchy”.
31. Rather than focussing on a “management hierarchy” that prioritises one method over another in all situations, I consider that it would be preferable to refer to an “effects management” regime where the effects of an activity can be appropriately considered taking into account the nature of the area potentially affected. For example, if it is a natural area with high biodiversity values that should be protected, or is it an area with some biodiversity values where with appropriate management of the effects, the biodiversity values can be enhanced. The

management strategy adopted should reflect the outcome that is sought.

32. Ms Chibnall states, in paragraphs 187 – 188, that her understanding is that environmental compensation would “allow for a financial payment” (referred to by Ms Chibnall as “economic compensation”) to compensate for the loss of biodiversity.
33. While I agree with that in part (it would allow in some circumstances for a monetary payment), environmental compensation encompasses a far broader range of options for compensating for the loss of biodiversity. For example, offsetting requires strict adherence to biodiversity accounting (usually at an individual species level) to achieve no net loss, whereas environmental compensation may enable protection and enhancement (e.g. through fencing, pest control) of areas that would otherwise be at risk of biodiversity loss but may not absolutely achieve a no net loss outcome. Not including environmental compensation may, for example, preclude working in partnership with the Waikato River Authority on projects for enhancing the health and well-being of the Waikato River (required under the Vision and Strategy for the Waikato River).
34. I also note that environmental compensation (not economic compensation) is expressly contemplated in a number of higher order planning documents.
35. Policy 6.6 of the Waikato RPS requires the building environment be managed in a manner to ensure that particular regard is given to:
 - a) that the effectiveness and efficiency of existing and planned regionally significant infrastructure (including the HPS and associated ancillary activities / infrastructure) is protected;
 - b) the benefits that can be gained from the development and use of regionally significant infrastructure and energy resources, recognising and providing for the particular benefits of renewable electricity generation, electricity transmission, and municipal water supply; and
 - c) the locational and technical practicalities associated with renewable electricity generation and the technical and operational requirements of the electricity transmission network.
36. Implementation Method 6.6.1 (to implement Policy 6.6) then requires that:

Regional and district plans shall include provisions that give effect to Policy 6.6, and in particular, that management of the built environment:

....

(e) provides for renewable energy by having particular regard to:

...

v) any residual environmental effects of renewable electricity generation activities which cannot be avoided, remedied or mitigated can be offset or compensated to benefit the affected community or the region; and

...

37. In the context of renewable electricity generation, the ability to compensate for adverse effects is explicitly contemplated. It is my opinion that the ability to compensate for effects, should equally apply to other activities as well as renewable electricity generation. My opinion in this regard is reinforced by Section 104(1)(ab) of the RMA which contemplates the inclusion of compensation as part of a project that requires resource consent (my emphasis in bold):

104 Consideration of applications

(1) When considering an application for a resource consent and any submissions received, the consent authority must, subject to Part 2, have regard to–

(a) any actual and potential effects on the environment of allowing the activity; and

(ab) any measure proposed or agreed to by the applicant for the purpose of ensuring positive effects on the environment to offset or compensate for any adverse effects on the environment that will or may result from allowing the activity; and

(b) any relevant provisions of

(i) a national environmental standard:

(ii) other regulations:

(iii) a national policy statement:

(iv) a New Zealand coastal policy statement:

(v) a regional policy statement or proposed regional policy statement:

(vi) a plan or proposed plan; and

(c) any other matter the consent authority considers relevant and reasonably necessary to determine the application.

38. The Proposed National Policy Statement for Indigenous Biodiversity (which is not yet operative as discussed by Ms Chibnall) includes a definition of “environmental

compensation”. Appendix 4 of the proposed policy statement sets out the principles for environmental compensation, which clearly demonstrate that compensation is more than just a financial transaction.

39. Similarly, the National Policy Statement for Renewable Electricity Generation explicitly contemplates environmental compensation being utilised in the case of renewable electricity generation activities (with offsetting and environmental compensation given the same priority):

POLICY C2

When considering any residual environmental effects of renewable electricity generation activities that cannot be avoided, remedied or mitigated, decision-makers shall have regard to offsetting measures or environmental compensation including measures or compensation which benefit the local environment and community affected.

40. The National Policy Statement for Freshwater Management 2020 provides an “effects management hierarchy” for natural inland wetlands and rivers, which also contemplates compensation, and an associated definition of aquatic compensation. These are not limited to economic compensation.
41. Finally, the document titled “Guidance on Good Practice Biodiversity Offsetting in New Zealand” (August 2014) discusses compensation in the limits to offsetting section detailing:

Sometimes a biodiversity offset will not be appropriate or possible due to the important biodiversity values present at the site and an unacceptably high risk of permanent and irreplaceable loss of those values if an offset is not successful. In such cases, where no net loss cannot be confidently predicted or demonstrated, a biodiversity offset will not be an appropriate mechanism to address a project’s adverse effects.

The applicant would then have a choice of:

- Redesigning the project to avoid impacts on high-value biodiversity that cannot be offset (in order to still achieve a biodiversity offset); or
- **Proceeding with the development proposal and offering a package of measures to compensate for residual adverse effects that cannot be avoided, remedied or mitigated (but would not be a biodiversity offset).**

In the latter case, there would be a risk that should be acknowledged that valuable biodiversity may be lost as a result. Nevertheless, the project may still meet statutory tests if the relevant legislation or planning documents do not require no net loss to be demonstrated.

42. The guidance document defines “environmental compensation” in the context of a package of measures to compensate for residual adverse effects that cannot be avoided, remedied or mitigated (but would not be a biodiversity offset).
43. The benefits of environmental compensation can be significant in my opinion and should not be classified as a simple financial or economic contribution. In the context of indigenous biodiversity management, offsetting benefits have not been thoroughly tested across New Zealand, particularly given that measurable offsets are difficult to utilise, and achieve, in practice. It would be remiss, in my opinion, for the effects management regime in the PDP to be limited to only offsetting and “economic” compensation, as environmental compensation has a proven positive track record, and has contributed to significant improvements to indigenous biodiversity in general. Genesis can cite numerous examples where environmental compensation measures, such as the Whio (Blue Duck) mitigation project (for the Tongariro Power Scheme) and Project River Recovery (in respect of the Waitaki Power Scheme), have had (and continue to have) significant positive environmental, ecological and biodiversity outcomes.
44. A financial commitment is one way in which environmental compensation can play out, and in my opinion, it would be erroneous to say or imply that financial compensation in some way devalues biodiversity.
45. In my experience, the more realistic way in which environmental compensation is implemented is by way of a negotiated package of work for environmental and biodiversity protection and enhancement to be undertaken, which may total to an overall financial package. This is the same way in which an offsetting measure would be agreed upon. The key difference between compensation and offsetting, in my experience, is that to be an offset the “calculation” to achieve an absolute “no net loss of biodiversity” must be achieved whereas for environmental compensation, the key measure is to achieve sustainable environmental and biodiversity enhancements.
46. In summary, to qualify as an offset, a rigid calculation process must be followed. Environmental compensation provides for flexibility in terms of how the compensation will be achieved, enabling the development activity to occur, while still also resulting in positive environmental outcome.

47. I also note that the new definition recommended by Ms Chibnall relates to “environmental compensation” rather than “economic compensation”. I agree that the definition should refer to environmental rather than economic compensation.

48. In that regard it is my opinion that while Ms Chibnall’s proposed new clause (v) in Policy 3.2.3 is useful, it should be amended as follows (my insertions in red underline and deletions in red ~~strikethrough~~):

- (v) if offsetting of ~~any~~ significant residual adverse effects ~~in accordance with Policy 3.2.4~~ is not feasible practicable then ~~economic-environmental~~ compensation may be considered;

49. I also consider that the other clauses of Policy 3.2.3 should be amended to be more in line with the provisions relating to the effects management regime that I refer to earlier in my evidence. In that regard, I recommend the following amendments to the policy (my insertions in red underline and deletions in red ~~strikethrough~~):

3.2.3 Policy – Management of Effects Within Identified Significant Natural Areas hierarchy

- (a) ~~Recognise and p~~Protect indigenous biodiversity within Significant Natural Areas by using the following methods hierarchy by:
 - (i) avoiding ~~the~~ adverse effects ~~of vegetation clearance and the disturbance of habitats to the extent practicable~~;
 - (ii) remedying any adverse effects that cannot be avoided to the extent practicable; then
 - (iii) mitigating any adverse effects that cannot be remedied to the extent practicable; and
 - (iv) ~~after remediation or mitigation has been undertaken, offset any significant residual adverse effects in accordance with Policy 3.2.4; where significant residual adverse effects cannot be avoided, remedied or mitigated, offsetting in accordance with the framework in Appendix 6 is provided where practicable; and~~
 - (v) if offsetting of ~~any~~ significant residual adverse effects ~~in accordance with Policy 3.2.4~~ is not feasible practicable then ~~economic-environmental~~ compensation may be considered;

50. While the proposed Policy 3.2.3 includes a new clause providing for environmental compensation, Policy 3.1.2A as recommended in the s42 Report does not provide for environmental compensation in the same manner. In my opinion, Policy 3.1.2A

should be more consistent with Policy 3.2.3 (but with nuanced changes recognising the difference in ecological significance between identified SNA and non-SNA areas), as follows (my insertions in red underline and deletions in red ~~strikethrough~~):

3.1.2A Policy – Management ~~hierarchy of Effects Outside Identified Significant Natural Areas~~
Areas

- (a) ~~Recognise and protect~~ Maintain indigenous biodiversity outside Significant Natural Areas ~~by using~~ considering the following ~~hierarchy by~~:
- (i) avoiding ~~the~~ significant adverse effects on non-significant indigenous vegetation and non-significant habitats of indigenous fauna of vegetation clearance and the disturbance of habitats in the first instance where practicable;
 - (ii) remedying any adverse effects that cannot be avoided where practicable; then-
 - (iii) mitigating any adverse effects that cannot be remedied where practicable; and
 - (iv) ~~after remediation or mitigation has been undertaken, offset any significant residual adverse effects in accordance with Policy 3.1.2;~~ where significant residual adverse effects cannot be avoided, remedied or mitigated, offsetting in accordance with the framework in Appendix 6 or environmental compensation may be considered.

51. I also note that this wording is consistent with Implementation Method 11.1.3 of the Waikato RPS.
52. The changes I have recommended to Policy 3.1.2A recognise that the requirement outside of SNAs should be to maintain indigenous biodiversity (rather than the protect requirement for SNAs). I also consider that for non-significant areas environmental compensation and offsetting should sit alongside each other. This is distinct from Policy 3.2.3 where I have recommended that main objective is to protect existing biodiversity.
53. A further differentiation between my recommended Policy 3.2.3 (SNA's) and Policy 3.1.2A (non-SNA) is that the effects management methods must be used for SNAs and "considered" for non-SNA areas.
54. Further, I do not consider that the new policy 3.1.2B proposed by Ms Chibnall relating solely to biodiversity offsetting for non-SNA areas is necessary given that

it is contemplated in Policy 3.1.2A. As I suggest above, the adherence to the principles in Appendix 6 are specifically referred to in Policy 3.1.2A as one of the mechanisms that can be used to manage effects on biodiversity values. I consider that Policy 3.1.2B is not necessary and can be deleted.

SECTION 32AA

55. Section 32AA of the RMA, requires that:

Requirements for undertaking and publishing further evaluations

- (1) A further evaluation required under this Act—
 - (a) is required only for any changes that have been made to, or are proposed for, the proposal since the evaluation report for the proposal was completed (the changes); and
 - (b) must be undertaken in accordance with section 32(1) to (4); and
 - (c) must, despite paragraph (b) and section 32(1)(c), be undertaken at a level of detail that corresponds to the scale and significance of the changes; and
 - (d) must—
 - (i) be published in an evaluation report that is made available for public inspection at the same time as the approved proposal (in the case of a national policy statement or a New Zealand coastal policy statement or a national planning standard), or the decision on the proposal, is notified; or
 - (ii) be referred to in the decision-making record in sufficient detail to demonstrate that the further evaluation was undertaken in accordance with this section.
- (2) To avoid doubt, an evaluation report does not have to be prepared if a further evaluation is undertaken in accordance with subsection (1)(d)(ii).
- (3) In this section, proposal means a proposed statement, national planning standard, plan, or change for which a further evaluation must be undertaken under this Act.

56. In my opinion, the amendments I have proposed are more effective and efficient than those in the section 42A Report because they will achieve similar

environmental outcomes, but do so in a manner that does not impact the ongoing operation and maintenance of the HPS and gives effect to the direction of the RPS.

CONCLUSION

57. In my opinion:

- a) The amendment to the definition of Significant Natural Area as proposed by Ms Chibnall not be accepted. The effect of this would be that SNA mapping in the Proposed Plan can be relied upon to determine whether or not an area is an SNA where sufficient ground truthing has been carried out to confirm its significance;
- b) Any area to be identified as an SNA in the District Plan should be assessed by an ecologist prior to including in the district plan.
- c) Non-natural areas should be excluded from consideration as being an SNA.

58. I consider that Policy 3.1.2 should be amended to provide for the management of effects within identified Significant Natural Areas and to enable offsetting and environmental compensation to be used as tools to protect indigenous biodiversity within those areas.

59. I also consider that Policy 3.1.2A should be more consistent with Policy 3.2.3, but with nuanced changes recognising the difference in ecological significance between identified SNA and non-SNA areas and to reflect the methods for management of effects on biodiversity outside identified Significant Natural Areas targeted at maintaining or enhancing existing values.

Richard Matthews

29 October 2020

Appendix One: Summary of Proposed Changes

Changes Recommended (R Matthews Hearing 21A Evidence, 29 October 2020)

1. Definition of “Significant Natural Area”:

Amend the definition as follows (changes from the s42A report recommendation in red strikethrough):

Significant Natural Area - Means an area of significant indigenous biodiversity that is identified as a Significant Natural Area on the planning maps ~~or that meets one or more of the criteria in Appendix 2 Criteria for Determining Significance of Indigenous Biodiversity.~~

2. 3.2.3 Policy– Effects Management Within SNAs

Amend the policy as follows (changes from the s42A report recommendation in red strikethrough and red underline):

3.2.3 Policy – Management ~~of Effects Within Identified Significant Natural Areas-hierarchy~~

- (a) ~~Recognise and p~~protect indigenous biodiversity within Significant Natural Areas ~~by~~ using the following ~~methodshierarchy by~~:
- (i) avoiding ~~the~~ adverse effects ~~of vegetation clearance and the disturbance of habitats to the extent practicable~~;
 - (ii) remedying ~~any~~ adverse effects that cannot be avoided ~~to the extent practicable~~; then
 - (iii) mitigating ~~any~~ adverse that cannot be remedied ~~to the extent practicable~~; and
 - (iv) ~~after remediation or mitigation has been undertaken, offset any significant residual adverse effects in accordance with Policy 3.2.4; where significant residual adverse effects cannot be avoided, remedied or mitigated, offsetting in accordance with the framework in Appendix 6 is provided where practicable; and~~
 - (v) if offsetting of ~~any~~ significant residual adverse effects ~~in accordance with Policy 3.2.4~~ is not feasible then ~~economic-environmental~~ compensation may be considered.

3. 3.2.3 Policy – Effects Management Outside SNAs

Amend the policy as follows (changes from the s42A report recommendation in red strikethrough and red underline):

3.1.2 A Policy – Management ~~hierarchyof Effects Outside Identified Significant Natural Areas~~

- (a) ~~Recognise and protect~~ Maintain indigenous biodiversity outside Significant Natural Areas ~~by using considering~~ the following ~~hierarchy by~~:
- (i) avoiding ~~the~~ significant adverse effects ~~on non-significant indigenous vegetation and non-significant habitats of indigenous fauna of vegetation clearance and the disturbance of habitats in the first instance where~~

practicable;

- (ii) remedying any adverse effects that cannot be avoided where practicable;
~~then-~~
- (iii) mitigating any adverse that cannot be remedied where practicable; and
- (iv) ~~after remediation or mitigation has been undertaken, offset any significant residual adverse effects in accordance with Policy 3.1.2; where significant residual adverse effects cannot be avoided, remedied or mitigated, offsetting in accordance with the framework in Appendix 6 or environmental compensation may be considered.~~

4. Policy 3.2.1 B Policies – Biodiversity Offsetting

Delete the policy (changes from the s42A report recommendation in red strikethrough):

- ~~(a) — Allow for a biodiversity offset to be offered by a resource consent applicant where an activity will result in significant residual adverse effects to indigenous vegetation or habitat outside a Significant Natural Area, where~~
 - ~~(i) — the biodiversity offset is consistent with the framework detailed in Appendix 6 Biodiversity Offsetting;~~
 - ~~(ii) — alternative habitat supporting similar ecological aspects is enabled or enhanced.~~