

Before Independent Commissioners Appointed by the Canterbury Regional Council and Selwyn District Council

In the matter of The Resource Management Act 1991

And

In the matter of Applications by **Fulton Hogan Limited** for all resource consents necessary to establish, operate, maintain and close an aggregate quarry (**Roydon Quarry**) between Curraghs, Dawsons, Maddisons and Jones Roads, Templeton

**REBUTTAL EVIDENCE OF MICHAEL CAMPBELL COPELAND ON
BEHALF OF FULTON HOGAN LIMITED**

ECONOMIC EFFECTS

DATED: 21 OCTOBER 2019

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Introduction

1. My name is Michael Campbell Copeland and I am an economic consultant.
2. I have previously provided a written brief of evidence in relation to the Roydon Quarry Proposal. That evidence is dated 23 September 2019. I confirm my qualifications and experience as set out in paragraphs 4-6 of that evidence.
3. I also confirm I have read and agree to comply with those parts of the Environment Court Practice Note that bear on my role as an expert witness, in accordance with paragraph 7 of my earlier evidence.

Scope

4. In my rebuttal evidence I address the evidence of the following witnesses:
 - (a) Mr Robert Officer (Allied Concrete Limited) – economic benefits of the proposed new Roydon Quarry (the Proposal);
 - (b) Mr Wayne Scott (Aggregate and Quarry Association of New Zealand) – general economic benefits of aggregate production and use, factors affecting aggregate demand and supply and the economic benefits of aggregate self-sufficiency; and
 - (c) Mr Martin Flanagan – employment benefits from the Proposal, the future demand for aggregate and the significance of aggregate transport cost savings.

Mr Robert Officer

5. In his evidence Mr Officer identifies a number of economic benefits relating to the Proposal including:
 - (a) The Proposal will not directly supply aggregate for concrete manufacture but by providing aggregates for other uses it will prolong the life of other quarries providing aggregate for concrete manufacture (e.g. Miner's Road Quarry), thereby reducing aggregate supply costs and CO₂ emissions (paragraphs 6-16); and
 - (b) If aggregate for concrete manufacturing in future must be sourced an additional 15 kilometres from points of demand in metropolitan Christchurch, costs of supply would increase by \$4.5 million per annum

and lead to an additional 215 tonnes per annum in CO₂ emissions (paragraphs 17-22).

6. I agree that these are economic benefits from the Proposal.

Mr Wayne Scott

7. Mr Scott's evidence:
- (a) Identifies a number of general economic benefits from the production and use of aggregates including the direct and downstream employment effects (paragraphs 8-9) and that aggregate is a necessary component in infrastructure construction and maintenance (paragraphs 10-11);
 - (b) Notes that aggregate demand is driven by population growth and infrastructure development and maintenance and will grow as Christchurch and Selwyn grow (paragraph 13);
 - (c) Lists the reasons why throughout New Zealand there has been a diminishing availability of consented aggregate supply relative to demand (paragraph 15); and
 - (d) States that Greater Christchurch's self-sufficiency in aggregate supply is an economic advantage given the cost of transport is such a significant proportion of the final supplied cost (paragraph 16).
8. In relation to sub-paragraphs 7 (a), (b) and (d), Mr Scott's evidence is consistent with my original evidence, and I agree with Mr Scott's reasons for the diminishing supply of consented aggregate supply nationwide (sub-paragraph 7 (c)).

Mr Martin Flanagan

9. On page 1 of his evidence, Mr Flanagan says that the employment benefits of the Proposal have been overstated. I agree with Mr Flanagan that the Proposal will not lead to additional employment in quarrying, and paragraph 23.6 of my evidence in chief discusses the retention of employment in this part of Greater Christchurch. I do not, therefore, agree the benefits are overstated.
10. Also on page 1 of his evidence, Mr Flanagan argues that with the majority of the earthquake related work completed and with the northern and southern

motorways nearing completion, there is likely to be an ongoing net reduction in quarry related work. It is my understanding, on the basis of the aggregate demand modelling work that has been undertaken by Mr Chilton and Mr English, that the “business as usual” case will still require ongoing increases in aggregate supply over the longer term in line with expected population growth for Greater Christchurch.

11. On pages 1 and 2 of his evidence Mr Flanagan argues that in the context of total Canterbury GDP and population the increases in annual aggregate costs from more distant sources of supply are small when averaged over the whole region. The same could be said about most, if not all, development projects seeking resource consents under the Resource Management Act. However, increases in aggregate supply costs and prices will not be averaged equally across all residents of the region. They will fall disproportionately on aggregate consumers. There are also additional road transport externality costs associated with more distant sources of aggregate supply that need to be taken into account – see paragraph 23.2 of my evidence in chief and paragraph 54 of Mr Andrew Metherell’s evidence in chief.

Conclusion

12. On the basis of my review of submitters’ evidence my conclusion that the new quarry is consistent with community economic wellbeing and the efficient use and development of resources remains unchanged.

Michael Copeland
21 October 2019