



SUBMISSION FORM – Proposed Plan Change 7(Water Permits) to the Regional Plan: Water for Otago

Form 5, Clause 6 of Schedule 1, Resource Management Act 1991

Office use only

Full name of submitter:

Name of organisation (if applicable): Manuherikia Irrigation Co-operative Society Limited ("MICSL")

Email: [REDACTED]

Postal Address (or alternative method of contact): [REDACTED]

Telephone: [REDACTED]

I **wish** / ~~do not wish~~ (circle preference) to be heard in support of my further submission.

If others made a similar submission, I **will** consider presenting a joint case with them at a hearing.
(Delete if you would not consider presenting a joint case)

Trade competitor's declaration (if applicable)

I ~~could~~ / could not (circle one) gain an advantage in trade competition from this submission

I am / ~~am not~~ (circle one) directly affected by an effect of the plan change that

- (a) Adversely affects the environment; and
- (b) Does not relate to trade competition or the effects of trade competition.

Signature of submitter: Allison Sutton pp Board of Directors Date: 4th May 2020

(Or person authorised to sign on behalf of person making submission.

Signature not required if you make your submission by electronic means)

Please note that all submissions are made available for public inspection.

State what your submission relates to and if you support, oppose, or want it amended:

(e.g. support rule 'x', or amend policy 'y')

This submission relates to PC7 in its entirety.

We oppose PC7 in its entirety.

State what decision you want the Otago Regional Council to make:

(e.g. amend policy 'y' to say....)

That PC7 be declined in its entirety.



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State what decision you want the Otago Regional Council to make:

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That PC7 be declined in its entirety.

Give reasons for the decision you want made:

(e.g. I want policy 'y' changed because...)

Cross Reference to the submissions being filed by Otago Water Resource Users Group (OWRUG) and Manuherikia Catchment Group (MCG)

We are firstly part of the Manuherikia catchment community, and secondly part of the wider Otago community. Hence we support and adopt the submissions on PC7 as filed by OWRUG and MCG.

PC7 is not required. Consents have been, and can continue to be, successfully processed under the current Otago Regional Council Plan: Water for Otago (RPW) with due consideration for freshwater allocation and sustainability.

Permit holders willing and able to lodge their permit replacement applications before October 2021 should not be prevented from seeking the long term consents that they need, as has already been done by a number of other permit holders in Otago.

We have been gathering information and data for some years now in preparation for drafting our application to file for replacement consents by due date. We have been mindful of the directives that have been signalled for efficiency. The lead up to drafting the application has not been a simple or inexpensive exercise. We will be ready to file on time. It is of no fault of ours that we find ourselves suddenly tossed onto another pitch under questionable circumstances.

Our Background:-

Manuherikia Irrigation Co-operative Society Limited operates what is known as the "Manuherikia Irrigation Scheme" which has a command area servicing the lower part of the Manuherikia catchment. This includes part of the Waikerikeri Terraces and Dunstan Flat area. It extends from Chatto Creek, in a south westerly direction, to the outskirts of the towns of Alexandra and Clyde.

Our scheme was purpose built by the government for irrigation. Construction started in 1917 with the water supply being conveyed from 1922. Much of the infrastructure used today is original.

We hold several Deemed and Water Permits to take and use water for the purpose of operating the scheme. The authorisations for the taking of water were historically issued under the Mining Act 1908 via The Warden's Court so are now Deemed Permits which expire on 1 October 2021. Our main permit was issued to Crown on 05.10.1914 specifically for the purpose of irrigation (to support the creation of the proposed irrigation scheme.)

Water is sourced from the Manuherikia River, Chatto Creek, Younghill Creek and Waipuna Springs. Water is conveyed through various infrastructure including tunnels, large distances of open race, viaducts, siphons, and a small number of gravity pressure pipelines.

Subsequent to taking the scheme over from the Crown in 1989/90 the Society embarked on a programme, over a number of years, to deal with deferred maintenance. This was to improve the integrity and efficiency of the scheme's infrastructure and modernise the monitoring and control of flows. The infrastructure is generally in good condition. The 2 main takes have been flow metered since 2012. One intake is somewhat isolated, deep in the Ophir Gorge. Installing a modern communication system was not straightforward. Both sites now have remote control systems for the intake gate(s.)

The predominant land use supplied by the scheme is pasture, but also includes some large (and small) scale horticulture and viticulture operations. The orchards and vineyards are located closer to Alexandra and Clyde (ie: where there are favourable soil and climate conditions.) While pasture is dominant by area, that is not necessarily the case by shareholder numbers. We have a significant number of small block holders whose activities are more diverse than the standard pastoral irrigation scheme (eg: small scale production of nuts, flowers, vegetables, olive oil, an equestrian centre, garden wedding venue etc.) all of which make for a diverse local community.

Water is used for the purposes of irrigation, frost-fighting, fruit cooling and stock water supply.

Currently the scheme has 385 individual shareholders (all of whom are transacting shareholders.)

Consent duration no more than 6 years:

Policy 10A.2.3 and Rule 10A.3.1.1 (i)

Short term permits ie: 6 years, will have the effect of stifling any further consideration of, and investment in efficiency gains by way of new or upgraded infrastructure within the scheme and on-farm.

Short term permits do not support the risks involved in the need to borrow large sums of money over long terms for capital works.

In recent years, in preparation for 2021 and beyond there has been some significant progress and investment made by both the scheme and some shareholders as we transition towards more efficient use of water. This progress includes the installation of automated scheme intake gate control systems (expensive) and some conversion from flood systems with delivery via open races to gravity pressure spray pipeline systems. This type of pipeline conversion for scheme delivery of water can only occur where the height/fall and other factors eg; project affordability and the agreement to the granting of easements across properties makes the option possible. It takes organisation, collective community will and investment to bring these projects from concept to fruition.

On-farm, on-orchard or on-vineyard there has been some significant investment in infrastructure to enable either more efficient irrigation practice or a diversification in land use eg: development of larger scale orchard and vineyard operations. These operations and their financiers need surety of supply over the long term. The community needs these types of businesses to assist the local economy and support the general fabric of local society.

There is to be no increase in the area under irrigation/The total land area under irrigation may not exceed that irrigated in the 2017-2018 irrigation season

Policy 10A.2.1 (b) and Rule 10A.3.1.1 (iii)

Capping total irrigated area to one specific snapshot in time (2017-2018) appears to be an attempt to put primary production into a time warp. What is the logic or rationale behind this concept and rule?

Restricting the total land area under irrigation to “not exceed that irrigated in the 2017-2018 irrigation season” ignores the fact that practices on the land relating to primary production do not remain constant. Constant change occurs for a number of reasons and could include, rotation and spelling, crop or tree variety change, expansion to fund changes to more efficient infrastructure installation, better use of historical allocations held under Water Supply Agreement contracts, a change of a property owner’s circumstances or a change of ownership, therefore changes to the direction or type of operations being undertaken.

Farming or horticulture is undertaken by people; life does not “stand still.” There will be a number of pro-active shareholders who have been carrying out a programme of upgrades and making gains in efficiency during the 2018-2019 and 2019-2020 years. Meantime there are others who have been waiting for permit replacement and clarity about surety of supply (including any new minimum flows) before undertaking such initiatives. Why would anyone want to penalise their initiatives and their longer term plans in heeding the call for future sustainability?

Our shareholders have a standard Water Supply Agreement signed with our Society. The quota volumes we deliver are historical using a formula carried forward directly from the Ministry of Works administration era pre 1989. The various schemes’ formulas pre 1989 were based on what was considered to be a fair allocation to irrigate 1 hectare of pasture having regard to the general location, climate and soil types in the scheme command area. In our case these volumes are then transferred to rosters which schedule the volume of supply on a once only fortnightly or three weekly rotational basis, throughout the season. Hence if an irrigator can become more efficient on-farm with their application methods, or the crop type they are producing requires a lesser volume of water (ie; grapes,) then they can bring a greater area under production using the same volume held under their WSA contract. It is to be noted that due to the extremely historical nature of the allocations held under WSA many landowners have a greater area of land than water allocation. Therefore they have had some flexibility in being able to consider how they can afford to finance the necessary level of investment required for the transitions that are being directed by national policy.

We often hear the assertion that any rural development involving irrigation revolves around dairy operations. In our scheme’s case this is not a valid assertion.

During the last two years some previously unproductive thyme and rabbit infested Central Otago land has been planted out in cherry trees. The expectation of the landowners is, that when the trees reach maturity, they will have established a cherry orchard producing a premium product to be supplied to the export market. Does this mean that under PC7 Rule 10A.3.1.1 (iii) a Scheme application, with such recent orchard development within its confines, would be shunted from being processed as a Controlled Activity to a Non-complying activity (and the ramifications of that?) Yet the effects of the take are no different and the effects of the use might be minimal.

Or do we need to advise the horticulturalist that "Sorry, you don't comply with PC7, so your property, or part of that property will need to dry off. We won't be able to supply you in the future. What a shame you didn't invest those millions back in 2017-2018."

Meanwhile, shareholders who use water inefficiently, but over the same area are unlikely to be scrutinized effectively under PC7. This does not make sense.

There is to be a reduction in the volume of water allocated / Volume of water to be taken will have limits to be calculated as per the methodology in Schedule 10A.4, as recorded during the 5 year period July 2012 – June 2017

Policy 10A.2.1 (e) and Rule 10A.3.1.1 (vi) and Methodology Schedule 10A.4

Policy 10A.2.1 (e) There is no doubt that throughout Otago the replacement consent process will result in a reduction of the volume (on paper) of water allocated. This will be achievable because of the historical nature of the current consents, their stated values vs reality and practice.

Then comes Rule 10A.3.1.1 (vi) There seems to be a flaw with the methodology of averaging in order to determine the various volume limits.

In applying the Rule and Method for calculating volumes, the concept of ratcheting volumes down step by step (and therefore reducing allocations) by averaging the various periods (daily, monthly, yearly) over a specified period of 5 years, there is either:

- a failure to understand the effect of the method, or
- a deliberate punishment dealt out to irrigators for variables outside of their control.

There is no allowance for climate variation over a number of seasons, or within the subsets of those seasons. In our experience irrigation seasons are more notable for their variability than their regularity.

Averaging data not only punishes efficient irrigators but penalises all irrigators by averaging those times firstly when it is wet (and demand is lower) and again when it is dry and flows are lower (ie: when supply is reduced due to our catchment agreement rationing the supply or, for some not having access to a supply.)

Also, within the methodology there is no allowance made for when our recording or communication systems have failed, giving no reading or a false reading. Failure is not uncommon for a number of reasons, including simple equipment failure thru to random events like lightning strike. It can take some time for the equipment to be repaired (importing of parts, technician availability etc.) For a real picture raw data needs to be able to be adjusted to reflect what was actually happening, in terms of abstraction, during the period of equipment failure.

The concept of a simple and cost effective process

Our understanding is that the directive from Prof Skelton and Minister Parker was that any process to be proposed by ORC was to be both simple and cost effective (presumably to all parties involved.)

Our analysis of the provisions contained within PC7 will not result in a simple and cost effective process for permit holders who have yet to replace their expiring consents. It appears the amount of data required to be submitted will be significant. In addition, due to timing, we need to continue with finalising the applications that we were planning to file under the RPW. Then, if PC7 proceeds we will be back preparing another significant application for replacement permits in say 6 years time. Frankly it would be best for all if we could do this once and do it properly.

Simple and cost effective, this PC7 process is not.

Section 32 Report

We refer to the OWRUG submission.

PC7 is going to place some permit holders in a holding pattern for at least 6 years, probably longer. Permit holders and those aligned with primary industry have been at pains to point out the likely ramifications for their local economies due to short term permits.

Short term permits are not bankable. This seems to fall on deaf ears.

PC7 does not protect the environment. It falls short on all fronts.

Surely then the unfortunate economic situation evolving from the holding pattern of Covid-19 Level 4 Lockdown will give policy decision makers an understanding of the economic chaos that falls out of holding patterns.

The Section 32 Report seems to have glossed over any assessment of economic and social impacts, and these are even more relevant now.

Please attach any additional information.

SUBMISSIONS MUST BE RECEIVED BY 5.00 PM ON Friday 17 April 2020

Post to Otago Regional Council
Private Bag 1954
Dunedin 9054

Email to policy@orc.govt.nz

Deliver to Otago Regional Council offices at:

- 70 Stafford Street, Dunedin
- William Fraser Building, Dunorling Street, Alexandra
- Terrace Junction, 1092 Frankton Road, Queenstown

Online at www.orc.govt.nz

Please note:

Please note that your submission (or part of your submission) may be struck out if the authority is satisfied that at least 1 of the following applies to the submission (or part of the submission):

- it is frivolous or vexatious:
- it discloses no reasonable or relevant case:
- it would be an abuse of the hearing process to allow the submission (or the part) to be taken further:
- it contains offensive language:
- it is supported only by material that purports to be independent expert evidence but has been prepared by a person who is not independent or who does not have sufficient specialised knowledge or skill to give expert advice on the matter.