



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

Office use only

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

Full name of submitter: Phada Industries Ltd [Pete & Donna Morrison]

Name of organisation (if applicable):

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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: *Christina Bright*

Date: 4 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')

Phada Industries Ltd opposes the whole of PC7.

State what decision you want the Otago Regional Council to make:
(e.g. amend policy 'y' to say....)

Reject PC7 entirely or:

Amend PC7 to introduce a much simpler rule that enables current permits to be effectively exercised as they are currently issued until the new Land and Water Plan is operative.

Those permit holders willing and able to lodge their replacement applications before October 2021 should not be prevented from seeking the long-term consents that they need, as many have done already.

Give reasons for the decision you want made:

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

1. Phada Industries Limited hold four permits that authorise the abstraction of water for irrigation and stock drinking water from tributaries of Lauder Creek. The authorisations (RM11.383.08.V1, RM11.383.08.V1, RM18.030.01, and RM18.030.02) for the taking of water were historically issued as mining rights so were once deemed permits. Of these authorisations three of four have been renewed as water permits so that RM11.383.08.V1 and RM11.383.08.V1 have a consent expiry of 14 March 2042 and RM18.030.01 has an expiry of 1 May 2040. RM18.030.02 is the remaining permit to be renewed and has an expiry of 1 October 2021.
2. Phada Industries own and run a 460ha property located near Lauder, in Otago that operates as a fattening/finishing block with some dairy support block. Water is used for irrigation and stock drinking water. Water is sourced from the Lauder Creek and some of its tributaries along with storage dams. These dams are consented and are not deemed permits. RM.11383.08.V1 and RM11.383.09.V1 authorise the take and use of the ephemeral and augmented water from the associated dams. RM18.030.01 and RM18.030.02 is conveyed via open race to a small holding pond, and then pumped to either of the larger storage dams or irrigators. The predominant land use is pasture. The infrastructure is all in good condition and all takes are metered.
3. Significant investment has been made in the last decade to upgrade the water take infrastructure, pipe networks, races, dams, and water use efficiency with conversion from less efficient flood irrigation methods to spray and pivots. Considerable investment has been made in consenting the storage dams that are on the property and investigating further opportunities for storage. In doing so, Phada Industries have made substantial improvement to water use efficiency on the property.
4. Achieving this greater water use efficiency requires significant and long-term capital investment. This has only been feasible on the back of securing long term replacement consents.
5. Phada Industries have acted in good faith and completed three of their four renewals some time ago and have been preparing for their final renewal for some years as part of a broader Lauder sub-catchment wide renewal approach.
6. Lauder Creek has been and is continually being studied for freshwater fish and habitat values. Phada Industries water takes are long established and their continuance will not result in any adverse effect on instream aquatic values as the applicants are continuing to work with the catchment and adhere to any catchment wide minimum flows and or residual flows. To this end Phada Industries replacement permit is already subject to a residual flow, which if PC7 is adopted will mean that other uses within the sub-catchment are unlikely to be subject to this same requirement upon renewal, which is not only inequitable, but will diminish the sub-catchment working together to ensure flow benefits.
7. Subsequently significant investment has already been made in consultancy, planning and infrastructure by Phada Industries.
8. There is no need for PC7. The existing Regional Plan Water (RPW) is proving effective at retiring paper water in catchments where that is an issue, and as was the case with the replacement of the permits held by Phada. It is not an issue in all catchments, especially in the Clutha. The issues with the current RPW that have been identified in the s32 report are not overcome by PC7. Everything identified in PC7 can still be achieved under the existing RPW framework. More detail on this can be found in submissions made by others, including the submission by Otago Water Resource Users Group (OWRUG) and Phada Industries fully supports the OWRUG submission on Plan Change 7.
9. Great progress has already been made by many permit holders in improving their water use efficiency and environmental performance. Implementing PC7 will stop any progress to improve water use efficiency in its tracks as short duration permits will not enable investment in the required infrastructure or efficiency upgrades.
10. Schedule10A.4 is fundamentally flawed and completely misunderstands irrigation. Seasons and crops do not have average years. Supply and demand are highly variable. Calculating actual usage should be just that – actual usage. Phada Industries have been undertaking development on the property converting flood

irrigation to spray and pivot, or carrying out works to the storage dams, that means at times they have not used all the water under their consent in the 2012-17 years when conversions were occurring.

11. Phada Industries have completed three of our four renewals under the RWP and have been granted 25-year consent terms on all consents renewed to date, subject to standard review conditions. These consent terms have provided Phada Industries with the surety needed to make the efficiency upgrades, and to undertake significant capital development. For the remaining permit to be granted on a 6-year consent term is unfair considering the successful outcomes thus far achieved under the RWP.
12. Policy 10A.2.1(b) *that there is no increase in the area under irrigation* is of significant concern to Phada Industries. This will incur significant financial cost for a number of irrigators who have plans at various stages of advancement to expand and diversify their farming activities, typically through efficiency upgrades as opposed to increased allocation.
13. Policy 10A.2.2 *limit new resource consents for the take and use of water to no more than six years* will have severe impacts on the economic and social wellbeing of our community. Investment to improve irrigation efficiency, which often has positive environmental flow-on effects, as well as economic flow on effects is generally not bankable with such a short surety of water supply. The proposed Policy would also mean we will have to incur significant additional expense when applying to renew our consent in six years' time. The ORC has failed to assess the full economic effects of Proposed Plan Change 7, and wrongfully concludes that there will be no social costs as a result. The negative economic and social costs of this plan change are significant at a time when every effort needs to be made to support activities that will help our community overcome the impacts of COVID 19.
14. In addition, the strict requirements of the proposed controlled activity rule mean that Phada Industries along with most other permit holders who have yet to lodge their replacement application, will end up having to follow the non-complying activity pathway, thereby defeating the purpose of PC7 to get most permit holders to replace their consents under a simple, roll-over type process. The threshold for a non-complying activity is much harder to overcome given the wording of the proposed policies and will require substantial investment in consultants and science work to demonstrate the effects are less than minor for such a short-term consent.
15. There is no explanation as to why PC7 limits the irrigation area to the 2017-2018 season, nor is there any evidence indicating what this is intended to achieve or why the 2017-2018 year would achieve this more than another year. By placing this limit in PC7, permit holders cannot increase efficiency by, for example, moving from flood irrigation to spray irrigation over a larger area. There is no apparent benefit achieved by this rule.
16. In the experience of Phada Industries, the conversion to efficient spray irrigation from flood irrigation in fact has a corresponding benefit in terms of water quality, however efficiency upgrades will be non-existent as a result of PC7.
17. PC7 does not enable a "short term relatively low-cost consent" as identified by the Council.
18. The best approach to managing future changes to the RPW are not via an interim plan change, but through the use of Section 128(1)(b) RMA. Any new limits that may be introduced under the future Land and Water Regional Plan can be brought in through a review or consents. This would address one of the key issues that PC7 is trying to address, and is a tool which is already available to the ORC in the case of those deemed permits which have already been renewed, including three of the four held by Phada Industries.
19. A short-term consenting framework is not preferred because:
 - a. The existing RPW already provides for good environmental outcomes and the efficient replacement of deemed permits, as evidenced by the replacement of Phada Industries deemed permits a number of years ago.
 - b. It will discourage investment in efficient infrastructure.
 - c. It will discourage permit holders from working with other stakeholder and irrigators to achieve environmental benefits (e.g. proposing residual flows for the individual waterbodies)
20. There has been a complete failure to assess the costs and benefits of PC7 compared with alternatives (including doing nothing), PC7 also fails to provide for better environmental outcomes. Therefore PC7 should be rejected entirely.