

**Submission on Proposed Water Permits Plan Change (Plan Change 7)  
to the Regional Plan: Water for Otago**

*(Form 5, Clause 6 of the First Schedule, Resource Management Act 1991 – Submission on Publicly Notified  
Proposal for Policy Statement or Plan)*

To: Otago Regional Council  
policy@orc.govt.nz

Name of submitter: **Terraces Irrigation Limited ("TIL")**

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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:  ..... Date:  .....

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

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

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

Terraces Irrigation Limited opposes the whole of PC7, as detailed in the following pages.

**State what decision you want the Otago Regional Council to Make:**

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

1. Reject PC7 entirely; or,
2. Amend PC7 to ensure that those who need to vary or change existing permits can do so without consideration under PC7, including the matter of consent duration.
3. Those permit holders taking surface water (and connected groundwater) from the Clutha/Mata-Au River should not be included as the Clutha/Mata-Au is not fully allocated.
4. 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...)*

The reasons for the decisions sought by TIL are set out below.

1. Terraces Irrigation Limited currently hold permits to abstract groundwater/connected surface water via permit RM13.362.01. Some of the shareholders of TIL also have allocation in a surface water permit held by Ardgour Pipeline Limited, 2009.205.V3. Both permits authorise the taking of water from the Clutha/Mata-Au River. Water from both sources is used for irrigation, communal domestic, stock water, firefighting, frost fighting, dairy shed supply and industrial use.
2. The TIL share in the permit held by Ardgour Pipeline Limited, is to be transferred to the TIL point of take as this will enable utilising through existing infrastructure. As such, in 2019 TIL began preparing an application to essentially transfer their share of 2009.205.V3 to a location where it could be utilised. This transfer is yet to be authorised; however, lodgement of the application is imminent, albeit has been delayed since the notification of PC7 because of the uncertainty around how the ORC will process this application under PC7. TIL are of the view that its application falls outside of PC7 and should not be subject to the matters of control set out within PC7.

3. TIL's permit has a consent duration granted based on 35-years. Hence, RM13.362.01 expires 1 December 2048. The granting of a long-term consent has enabled the upgrade of on-farm infrastructure across the TIL irrigation command area to efficient spray, as well as providing confidence to invest in irrigation storage dams.
4. This long-term secure water supply is also enabling on-farm diversification opportunities, such as the opportunity to enhance productivity within existing pastoral farm units, provision of reliable stock drinking water, and in some cases the addition of horticultural land use, which traditionally has been limited in the Tarras area due to lack of reliable water.
5. Achieving greater water use efficiency requires significant and long-term capital investment, and this is something which should be recognised for all current and future applicants who are either preparing new or replacement applications.
6. The Clutha/Mata-Au River has been extensively studied for freshwater fish and habitat values and is heavily augmented by the dam schemes that operate upstream of the TIL point of take.
7. The TIL permit was granted for a long term on the back of robust scientific information which identified that the effects of the abstraction would be no more than minor. All applications, including those for new applications or replacement applications for deemed permits, should be afforded the same opportunity to be assessed based on their respective merits and overall effects on the environment, and ability to avoid, remedy or mitigate adverse effects. PC7 simply does not provide the framework for this to occur.
8. Of primary concern to Terrace Irrigation Limited with regards to PC7 is the lack of clarity on how PC7 is intended to apply to applications for new water takes.
9. Objective 10A.1.1 sets out that it is a framework to manage new water permits (our emphasis), and the replacement of deemed permits and water permits to take and use surface water (including groundwater considered as surface water).
10. However, policies 10A.2.1, 10A.2.2, and 10A.2.3 and Rules 10A.3.1.1 and 10A.3.2.1 all only refer to activities which are to replace deemed permits or water permits where such permits expire prior to 31 December 2025, which would infer that the policies and rules are only intended to apply to all replacement applications (be they deemed permits or other water permits), and not to new applications to take water.

11. This contradiction creates uncertainty for water users who have current permits with reasonable durations beyond the noted 31 December 2025 expiry threshold, and who are seeking new consents to take new water, especially where water is available and not considered fully allocated, such as the Clutha Catchment, and the mainstem Clutha/Mata-au River.
12. I note here that the transfer proposed does not propose any change to allocation, rather it is only to take the same water from a different location. However, the current way in which PC7 is written and the contradictions noted above between objectives, rules, and policies makes it unclear how such applications will be processed.
13. Significant investment has already been made in consultancy, planning and infrastructure by Terraces Irrigation Limited to ensure access to water for their current irrigation. In this case, the restriction of consent term to 6 years for new water takes and the above uncertainty around PC7 will mean Terraces Irrigation Limited are forced to put any further investments on hold, until this position can be clarified.
14. There is limited analysis within the Section 32 report prepared by the ORC in the economic and social costs associated with the implantation of PC7.
15. TIL does not believe that there is any need for PC7. The existing Regional Plan Water (RPW) is proving effective at retiring paper water in catchments where that is an issue. Including the Lindis Catchment, which the Terraces Irrigation Scheme adjoins.
16. The issues with the current RPW that have been identified in the s32 report are not in fact overcome by PC7. Everything identified in PC7 can still be achieved under the existing RPW framework. As the current permits demonstrate, the RWP can provide successful planning solutions and better environmental outcomes for irrigation and water abstraction, particularly in the Clutha/Mata-Au River where over allocation is not an issue, but also in catchments such as the Lindis, which was recently granted resource consent by the Environment Court for a term of 35 years (although we understand this remains under appeal).
17. Terrace Irrigation Limited consider Schedule 10A.4 to be an incorrect way of determining allocation, and Terraces Irrigation would be concerned if it was adopted as a method for determining allocation into the future. Seasons and crops do not have average years.
18. The strict requirements of the proposed controlled activity rule mean that Terrace Irrigation Limited along with most other permit holders who have yet to lodge applications for new water will end up having to follow the non-complying activity pathway.

19. This highlights the shortcomings of PC7. Firstly, in the case of TIL, it is impossible to determine whether PC7 would apply to its application for transfer that is about to be filed because of the contradictory nature of the plan change. Secondly, in the event that it did in fact apply to TIL's application, it would require an activity, for which there is no more than a minor effect (transfer point of take but no change in allocation) to have to progress down a non-complying activity route, on the basis that they would not be reducing allocation (because it is not warranted, and the catchment is not overallocated) and the area of irrigation is increasing, albeit remains within the existing Terraces Irrigation Command Area.
20. The concerns set out above are based on our current interpretation of PC7 that without greater clarity implies the TIL proposal to transfer a portion of their water to another, more efficient location upstream, may be considered a new water permit under PC7, despite the effects of the change being indiscernible.
21. The non-complying activity pathway defeats the purpose of PC7 to provide simple, and non-complex planning solutions. Notwithstanding this there has also been a complete failure to assess the costs and benefits of PC7 compared with alternatives (including doing nothing).
22. 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.
23. By placing this limit in PC7, permit holders including TIL shareholders may be restricted from undertaking on farm diversification projects like the implementation of horticultural or other land use activities, both of which may have the benefit of reducing impacts on water quality, and which do not result in greater allocation of water. There is no obvious benefit achieved by this rule.
24. The expectations of the policies, conditions of the rules and matters of control in the rules in PC7 do not enable a "short term relatively low-cost consent" as identified by the Council.
25. TIL are concerned that the cost of the proposed resource consent processes could become untenable. Depending on the outcome of the proposed transfer and whether or not such an application is intended to be captured by PC7 (or simply continue to fall under the RPW), TIL may be required to go through the process twice (once now and again in 6 years) in quick succession.

26. This would also create significant inequity in terms of the duration remaining on their existing irrigation permit, to have a transferred portion of an existing permit only able to be granted for a maximum term of 6 years.
27. The existing RPW framework should be retained until such time as the ORC are ready to notify a new Water and Land Plan to avoid ongoing cost and uncertainty to water users. To this end all recent resource consents, including the TIL permit have provision for review under section 128 (1) (b) RMA. This mechanism will allow any subsequent changes to be made to permits to reflect changes brought in under a water and land plan, without incurring the burden of significant economic and social cost that arises out of an interim planning approach as set out in PC7.
28. TIL is of the firmly held view that PC7 is not required, will not result in greater outcomes for irrigators or the environment, and should therefore be rejected in its entirety.

Simon Mailing & Pete Jolly - Directors  
Terraces Irrigation Limited  
4 May 2020