

17 June 2013

For: Gary Rooney/Gerard Richardson

Rangitata Water Limited
C/- P O Box 2159
TIMARU 7940

Dear Gary/Gerard

Proposed Canterbury Land and Water Regional Plan

1. As you know, Rangitata Water Limited (**RWL**) has submitted in relation to the proposed Canterbury Land and Water Regional Plan (**pLWRP**). RWL is scheduled to be heard on 18 June. We outline below the key issues for consideration by the panel that you may wish to raise during your presentation.
2. The Rangitata South Irrigation Scheme will play a critical role in the future economic and social wellbeing of the local community. It is therefore important from RWL's perspective that the regulatory regime provides sufficient certainty about the ability to exercise water permits. Your ability to use consented water without unnecessary regulatory constraints will be a key step to encouraging the multiple and efficient use of the water resource, which will in turn facilitate further investment in irrigation and associated land uses in the Canterbury region.
3. RWL has submitted in support of MainPower New Zealand Limited (submission number 164) with particular focus on Policy 4.68, seeking that the proposed policy be deleted. We understand that other submitters, such as Meridian Energy, have also raised concerns with Policy 4.68. We have reviewed the section 42A Report (recommendation R4.68, pages 242-243) and do not consider that the amendments proposed by the reporting officers sufficiently address the issues raised by RWL and others.
4. Policy 4.68 is intended to relate to the efficiency of water use. However, in its current form, the proposed policy will effectively preclude the ability to grant additional or "back-up" water permits regardless of the circumstances. This is neither efficient nor effective. It does not enable the full potential associated with the sharing of allocated water to be realised. The proposed policy appears to limit the potential for multiple uses of water. It is entirely appropriate to provide for the spatial and temporal sharing of water when the allocated resource is not being utilised. Sharing of water between users can increase efficiency in the user of the water resource. Additional or back-up water permits can readily be granted without adverse environmental effect. As a related issue, the temporary or permanent transfer of all or part of a water permit should also be recognised as having benefits in terms of enhanced efficiency where such activities are already consented.
5. In our opinion, Policy 4.68 is not required in order to implement the key objectives contained in the Canterbury Regional Policy Statement (RPS) and NPS Freshwater. If anything, it runs counter to those objectives that seek to maximise efficient allocation of water (for example, Objective B3 of the NPS). Nor do we consider that the deletion of Policy 4.68 will create a



policy vacuum, as there is clear intent within the remainder of the surrounding policy framework of the pLWRP to address any residual concerns that Council reporting officers may have about over-allocated catchments.

6. Objective 3.15 of the pLWRP seeks to enable a regional network of water storage and distribution facilities that provides for sustainable, efficient and multiple use of water. Providing for greater sharing of water in circumstances (such as between RWL and RDRML) will clearly better achieve the efficient and effective use of water in Canterbury. Our understanding is that Policy 4.68 is not intended to prevent this type of reciprocal arrangement, where year-round consents are held by both parties and there is provision for water-sharing when one or other of the operators are not operating. That is certainly a view shared by the Council officers who are responsible for processing the RWL/RDRML consenting arrangement. However, Policy 4.68 in its current form remains unclear. Given the uncertainty around how this policy might ultimately be applied in practice, it would be helpful if this were clarified by Council officers present at the pLWRP hearing. That being said, our advice remains that the preferred outcome is for Policy 4.68 to be deleted in its entirety.
7. We trust that this advice is of assistance.

Yours faithfully
Anderson Lloyd



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