

From: David Greaves <david@enspire.co.nz>
Sent: Monday, 26 March 2018 10:17 a.m.
To: Mailroom Mailbox
Cc: Ben
Subject: SUBMISSION - Long Term Plan
Attachments: T2018-030 RDRML LTP Submission 2018final.pdf

Please find attached a submission from Rangitata Diversion Race Management Limited to the Canterbury Regional Council Long Term Plan.

Can you please confirm that you have received the attached.

Cheers
David



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Rangitata Diversion Race Management Limited

Canterbury Regional Council Draft Long Term Plan 2018-2028

To: Freepost 1201
Environment Canterbury
PO Box 345
Christchurch 8140

By Email: mailroom@ecan.govt.nz

Submission on: The Canterbury Regional Council Draft Long Term Plan
2018-2028

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E-mail: ben@rdmml.co.nz

Signature:

Date: 26 March 2018

1 Introduction and Background Information

Rangitata Diversion Race Management Limited (**'RDRML'** or **'the Company'**) is a water supply company responsible for the delivery of water to its shareholders, as well as the maintenance, control and management of the Rangitata Diversion Race (**'RDR'**) and its associated structures. The RDR, which is located wholly within the Ashburton District and Canterbury Region, provides water to:

- The Mayfield Hinds Irrigation Scheme and the Valetta Irrigation Scheme (now collectively known as **'MHV Water Limited'**);
- The Ashburton Lyndhurst Irrigation Scheme;
- The Montalto Hydroelectric Power Station;
- The Highbank Hydroelectric Power Station; and
- The Ashburton District Council for stock water purposes.

The RDR is the largest race that supplies water for irrigation in New Zealand. As such, the Company has considerable assets and interest in the future planning of the Canterbury Region and the associated implications that this has on its operations.

2 Structure of Submission

RDRML generally supports the intent of the Canterbury Regional Council (**'CRC'** or the **'Council'**) Draft Long Term Plan 2018-2028 (the **'Draft LTP'**). However, the Company wishes to make the following specific submissions with respect to some aspects of the Draft LTP.

3 Submission

3.1 Additional Land Management Advisor Roles

Freshwater is identified as a key portfolio area for Council in the Draft LTP. Council proposes that the outcomes of the Canterbury Water Management Strategy (**'CWMS'**) are to be strengthened during the LTP period (next 10 years).

One of the outcomes of this approach appears to be the establishment of two new Land Management Advisor roles. RDRML understands that the new Land Management Advisors will initially work within southern and central Canterbury, with a focus on increased farmer/landowner support for implementation of the sub-regional plans. Further, the Company understands that another role is proposed to support coordination, auditor liaison and data management of the Farm Environment Plan Audit Programme.

RDRML supports the prioritising of resources to assist the community with the implementation of the sub-regional plans and the Farm Environment Plan Audit

Programme. In this regard, the Company considers that there is potential for considerable benefit to the rural community from this proposed resource in that it will bring about increased assistance with monitoring and management requirements.

The Company would like to draw the Council's attention to the fact that irrigation forms a significant proportion of farming activities in the Canterbury Region. The area available for irrigation using RDRML supplied water alone is in excess of 94,000 hectares. As a result of this, the Company feels strongly that the benefit received as a result of additional funding will only be properly realised if the appointed Land Management Advisors employed by the Council have the appropriate skill set and mandate to assist with the issues that are relevant to the Region. In this instance, RDRML believes that such skills include experience with large-scale irrigation activities, the use of OVERSEER and the Farm Portal.

3.2 Region Wide Rate - Canterbury Land Management Strategy

The Draft LTP proposes to change the current targeted rate for the CWMS to a region-wide general rate for Freshwater Management. RDRML considers that this proposal will bring about positive implications for the rural community and as a result, supports it.

As identified in the CWMS, the benefits of a co-ordinated and holistic approach to water management in the Canterbury Region are expected to provide significant community, economic and social returns. The current system of funding the implementation of the CWMS through a targeted rate does not reflect this region wide benefit. The Company therefore considers that a change to a region wide funding model will result in a more equitable outcome, whilst ensuring that the financial resources required for its implementation remain available.

3.3 Environmental Regulatory Framework Review

RDRML understands that the Draft LTP proposes a reduction in costs associated with the 'Resource Management Act Water Framework' activity, by \$259,000 per annum from 2018-19, for three years. This is due, primarily, to Council not advancing the scheduled sub-regional water management plan changes, such as the Ashburton River/Hakatere Catchment Plan that was intended to be progressed during this period. The Draft LTP identifies that the use of consent reviews (as an alternative to, or to complement plan change proposals in local catchment areas) have been considered by the Council. Further, the Draft LTP notes that the Ashburton River/Hakatere Catchment is the most suitable candidate for consent reviews in the short term and this will be investigated as part of the LTP implementation programme. The Draft LTP does not provide any further detail on the implications of such a change in process.

RDRML and its shareholders have considerable assets within the Ashburton/Hakatere Catchment, including a water take from the South Ashburton

River and a number of properties that are governed by the existing landuse consent for farming and irrigation. As a result of this, RDRML has a particular interest in the proposed work programme and wants to identify, through this submission, its desire to work with Council on establishing the best mechanisms to implement a practical and effective consent review process. Therefore, RDRML provides general support to the proposal and again reiterates its desire to work alongside Council in its implementation.

3.4 Development of a River Action Plan

The Draft LTP identifies that a key focus of Council's functions will be to maintain and enhance the natural character of braided rivers, as described in the CWMS. RDRML understands that year one of this work stream will be focused on developing an action plan on a single river, with on-the-ground actions commencing in 2019/20. River Action Plans for additional rivers will be prepared from year three onwards, once the model is established.

The Company notes that there is no information in the Draft LTP regarding the scope of the action plan or the rivers likely to be targeted. As a result, it is difficult to understand the implications of this workstream on RDRML, which leads to uncertainty. As identified previously, the Company holds considerable assets within the Canterbury Region and a number of these are associated with rivers, such as the Rangitata, South Ashburton and Rakaia rivers. As such, the Company considers that it has a greater than average interest in the development of the River Action Plan template and process generally.

While RDRML generally supports the development of River Action Plans, given the Company's assets within the Canterbury Region RDRML wants to actively engage with the Council on the development of the initial River Action Plan and those associated with its assets. RDRML looks forward to working with the Council on this matter.

3.5 Rating Implications

The Draft LTP identifies a number of changes to the structure of regional funding and the implementation of the identified work streams. RDRML notes that overall, the Council propose an average increase in rates funding of 4.5% for the first year. Through an analysis of its own assets and rateable properties, the Company has calculated that its share of the rates take is expected to rise by an estimated 7.62% for the first year. There are significant increases to some aspects of the charges as a result of the changes in rating structure, although it is noted that the large increases in areas such as the Regional General Rate are offset by the removal of the targeted CWMS rate.

Having reviewed a breakdown of the proposed rates, the Company questions if the appropriate balance has been reached with regard to the allocation of funding. For example, a number of the RDRML properties contain relatively low land value and

high capital values. As a result of this, on the face of it, RDRML believes that it is paying a higher proportion of rates than is reflected in its regional footprint. It is also acknowledged that all of its shareholders are also paying rates with regard to their properties and assets. For the sake of clarification, RDRML does not oppose paying its share, for the good of the region, but considers it appropriate for Council to consider if the method of funding is entirely correct and evenly balanced.

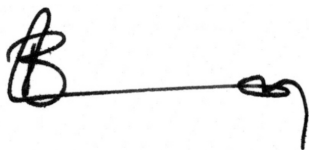
4 CONCLUSION

As outlined above, RDRML is generally supportive of the direction the Council has provided within the Draft LTP. There are, however, a number of matters that the Company want to highlight to the Council, specifically:

- Ensuring that the additional resourcing for Land Management Advisors is targeted to ensure that people with the appropriate skillset are employed, in order to maximize the benefit to the community;
- There is general support for the change to a region wide rate for the implementation of the CWMS;
- There is a need for further guidance on the implications of changes to the regulatory framework review (the move away from plan changes and focus instead on consent reviews). RDRML has signaled it would like to work with Council on formulating an appropriate procedure and mandate for such reviews;
- The limited information around the proposed development of a River Action Plan leads to a degree of uncertainty on the implications to the Company and community. As a result, the Company has again expressed a desire to work alongside the Council on the development and scoping of the River Action Plan process; and
- The Company questions if the appropriate balance has been reached with regard to the allocation of funding within the Draft LTP. RDRML seeks that the Council consider if the method of funding proposed is correct and evenly balanced, particularly with regard to infrastructure providers that generally contain limited land areas but high capital values.

RDRML **does** wish to be heard in support of this submission.

Should you have any queries regarding this submission please do not hesitate to contact the undersigned.



Ben Curry
Chief Executive Officer