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То:	Mailroom Mailbox
Subject:	ECAN PC7 Submission
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Attachments:	PC7 submission for James Fraser.docx

SUBMISSION ON PROPOSED PLAN CHANGE 7 TO THE CANTERBURY LAND AND WATER REGIONAL PLAN

Clause 5 First Schedule, Resource Management Act 1991

TO: Proposed Plan Change 7 to the Canterbury Land and Water Regional Plan

Environment Canterbury PO Box 345 Christchurch 8140

By email: mailroom@ecan.govt.nz

Name of submitter:

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Trade competition statement:

2 I could not gain an advantage in trade competition through this submission.

Proposal this submission relates to is:

3 This submission is on proposed Plan Change 7 (PC7) to the Canterbury Land and Water Regional Plan (PC7).

Wish to be Heard:

- 4 I wish to be heard in support of this submission.
- 5 I would be prepared to consider presenting a joint case with others making similar submissions at the hearing.

James Fraser

Date: 13 September 2019

Submission

Background

Our family has a deep cultural and ancestral connection to the river system. My ancestors are buried at the confluence of the Opuha and Opihi rivers, and overlooking the Tengawai river.

Our family has lived in Totara Valley for nearly eighty years. We have swum in the river, we've caught trout and eels regularly over the years. I remember as a child going with my parents to friends at Mill Road, Pleasant Point, and playing in the remaining pools of a dry river between Saleyards Bridge and Temuka in the 1960's. Later in the seventies we had a canoe made at High School that we took to the river but at times it was too low or dry at Raincliff to use it. The river has undoubtedly run dry as has the Tengawai before there was an increase in irrigation.

We irrigate a 120-300ha portion of our 700ha property via OWL.

We operate one of New Zealand's premier angus cattle studs selling bulls across New Zealand and exporting semen and embryos around the world. It is a specialist business that requires marketing our animals in the best condition. Stud breeding is not for the feint hearted. It's a competitive business in a limited market.

We also operate a cattle trading, sheep breeding and cropping businesses on the property.

I have two principle concerns:

Firstly reduction in the reliability of irrigation and the Opuha Dams operational efficiency, due to changes in the mainstem flow regime under PC7, would have a significant effect on our business. Reduced irrigation would mean a greater area of summer crop would be grown to partially mitigate feed shortages for the stud but also a reduction in numbers would be necessary. It is difficult to quantify the cost to the stud but when each bull is worth \$10,000 a small reduction in numbers can easily have an annual \$50,000 cost.

The cattle trading business would be severely impacted because of lack of feed. Currently we buy in summer when other dry land farmers run out of feed and thus prices are cheaper. It is easy to see a \$100/head increased cost when buying in autumn, which over 550 head, is significant. Of course the OWL water charges will continue even though water reliability is affected, it is not like a non hydrolicly connected artesian well where a cut in supply means no running costs.

And we have leased 90ha of our property to grow potatoes and carrots. Reliability of water is critical to such a high cost crop. It is likely no one would want to grow again. This crop has a \$1,500/ha margin over alternative land uses, ie \$135,000 loss as a direct result of reduced reliability. This is part of an 8-10 year land use rotation but is a significant kick to the business when it occurs.

Secondly I am concerned with the impact of nutrient limits on many farmers who have not participated in this and past submissions to regulatory changes. This is the greatest geographic area of the region and by fixing their Overseer losses at low levels for their sheep and beef operations PC7 restricts their family's ability to adopt more profitable farming systems, while other currently intensified systems continue and which are more environmentally damaging. There may be orchard or viticulture opportunities that go begging that have low nutrient losses but which are still higher than their current sheep and beef operations.

I would like to see consideration given to a flat minimum of say 20 units of N loss across all land uses in order that efficient dairy and existing sheep and beef operations have similar opportunities for their families in future. High nutrient loss operations will have to transition down over an achievable timeframe.

Such a system may involve a tradable market in N units to achieve an overall catchment nutrient loss quota.

PLAN CHANGE 7 - REASONS FOR SUBMISSION AND DECISIONS SOUGHT BY JAMES FRASER

The specific provisions of PC7 that my submission relates to are:		My submission is that:		I/we seek the following decisions from Environment Canterbury (ECan)
Section & Page Number	Sub-section/ Point	Oppose/ support (in part or full)	Reasons	
Transfer of Permits (page 134)	14.4.13	Oppose	There is no definition of over-allocation. To environmental extremists every river is over- allocated. Over Allocation must be defined and exclude the Opuha Dam impact in order to appreciate the significant positive contribution farmers have made to the Opuha/Opihi river system. Farmers have made the river sustainable, they have offered Timaru urban and business property owners an alternative source of reliable water, they have increased commercial business opportunities in South Canterbury and they have increased employment in their own businesses. The issue is not so much how much water is in the river but what it has produced in some cases. There are cases where Opuha Water Ltd (OWL) shareholders hold unutilised water shares in OWL and may wish to lease/sell/transfer them to increase the water efficiency of their businesses. Conversely there may be times when shareholders wish to increase the amount of water by leasing/purchasing of water. I acknowledge that such a transaction also depends on the irrigator complying with nutrient loss etc conditions. If the Opuha/Opihi River, including the Opuha Dam water, is deemed to be over-allocated, then shareholders risk a tax/surrender of up to 75% of the lease/transfer of rights. This is a double taxation on farmers who have already built the dam, increased minimum flows and now possibly face individual taxation/forfeiture of water rights. If there is an over-allocation and a requirement to lift minimum flows through reduced irrigation then non-OWL irrigators would carry all that burden. The dam is a bonus for the river, not a slush fund to cover other abstractors.	Amend Policy 14.4.13 to include specific reference to the surface water catchments and are over allocated.
Transfer of Permits (page 147)	14.5.12	Oppose	I understand that the OTOP ZIPA provided an exclusion from the requirement to surrender allocation on transfer of consent affiliated to OWL (i.e. AA, BA and KIL Permits). This exemption has not flowed through into PC7 and needs to be.	Amend Rule 14.5.12 to expressly provide an exclusion from the requirement to surrender allocation on transfer of consent affiliated to OWL (i.e. AA, BA and KIL Permits).

Submission Points for Opihi mainstem flow regime (and dam operation)

The specific provisions of PC7 that my submission relates to are:		My submission is that:		I/we seek the following decisions from Environment Canterbury (ECan)
Section & Page Number	Sub-section/ Point	Oppose/ support (in part or full)	Reasons	
14.4 Policies				
Opihi Freshwater Management Unit: Surface Water Flows (pages 140- 141)	14.4.35	Oppose in part	As an OWL shareholder, I/we support the intent of Policy 14.4.35, to maintain connectivity and flow variability in the augmented Opuha and Opihi rivers. This aligns with the way OWL has been operating the Opuha dam, and the ethos of the OEFRAG approach to managing the Opihi River over the years, including in particular, during the severe water short years of 2014, 2015 and 2016. I/we support clause (b) which specifies that the flows at Saleyards bridge should be measured on a 24-hour average with instantaneous variance of not greater than 500l/s below the minimum flow. From an operational point of view this is a practical and efficient approach.	Adopt the decisions sought in the AMWG's submission on PC7 relating to artificial freshes.
			Management Working Group (AMWG) have been working to develop an artificial fresh regime to most efficiently manage periphyton and achieve improved environmental outcomes. I/we support the AMWG's proposals and submission in this regard.	
	14.4.37 and 14.4.38	Oppose in part	 I/we support the approach adopted by PC7 of enabling the implementation of an alternative management regime for the Opihi River mainstem, which takes into account the available water within the Lake Opuha catchment, through a discharge consent held by the Opuha Dam operator. I/we are, however, very concerned about the implications of clause (b) of Policy 14.4.37 and Policy 14.4.38 for the efficient and effective management of the Opihi River. The requirements of clause (b) that an adaptive management regime (i.e. Level 1 or Level 2 flow regime) could only be entered at the start of a calendar month and must remain in place for the whole month fails to recognise that climatic conditions and water demand can change significantly over a month. These requirements would lead to delayed intervention, which in turn is more likely to lead to a fully drained Lake and associated loss of minimum flow control. For example, if the Level 1 regime thresholds are crossed a day after the first day of the month, Policy 14.4.37(b) would result in a month's delay in moving into a Level 2 regime - a month's delay is considerable. I/we also believe there is no valid reason to delay exiting a regime until the start of the next calendar month if conditions indicate that abstractions and minimum flows are likely to be able to be met for the upcoming months. This delay could be up to a month, would provide no appreciable benefit but would cause unnecessary stress to the Opuha and Opihi river systems and abstractors. 	 Adopt the decisions sought in the AMWG's submission on PC7 relating to Policies 14.4.37 and 14.4.38 to provide for the following: The ability to enter into an adaptive management regime on any day if the requisite thresholds are met; If an adaptive management regime is entered, the adaptive management regime must apply for a minimum of 14 days; and The ability to enter into a Level 2 Regime only if a Level 1 Regime has been in place for at least 14 days; The adaptive management regime "exit" thresholds are the equivalent of the Level 1 and Level 2 Lake level entry thresholds.

			I/we understand that the AMWG have been working to develop an adaptive management regime that is based on being able to enter the regime on any day if the requisite thresholds are met. I/we also understand the group have been considering an 'exit' strategy – i.e. when an alternative management regime can be lifted. I/we consider these essential amendments in order to ensure the storage in the Lake Opuha is able to be managed in order to achieve connectivity and variability, and completely support the AMWG in their proposal.	
14.5 Rules		•		
Augmentatio n of the main stem of the Opuha and Opihi Rivers (page 155)	14.5.29	Oppose in part	I/we wish to highlight the crucial role OEFRAG has historically had in the management of flow releases from the Opuha Dam. The OEFRAG model has been hugely successful in ensuring the effective management of stored water in Lake Opuha during water short periods for the benefit of the Opuha and Opihi river systems and abstractors. This is largely due to the breadth of local knowledge, experience and technical expertise held by its members. I/we strongly believe that OEFRAG should continue to have an advisory role under PC7 on the implementation of an adaptive management regime. I/we understand that the AMWG are proposing that this advisory role be detailed within an operational management plan that would be submitted by OWL in its application for a discharge consent. This seems a logical and practical way of providing certainty to OEFRAG membership, and the wider community, that consultation will occur before any Level 1 or Level 2 regime is implemented.	Adopt the decisions sought in the AMWG's submission on PC7 relating to Policy 14.5.29, to require that an operational management be required as part of a resource consent application that includes details of the matters for consideration and a consultation process with OEFRAG to assist in the decision of if and when the Level 1 and Level 2 regimes should be entered into or exited.
14.6 Allocation	and Water Quan	tity Limits		
14.6.2 Environment al Flow and Allocation Regimes	Table 14(v): Minimum Flow Restrictions in the Opihi Freshwater Management Unit for AA and BA Permits (2025)	Oppose in part	 Adaptive management regime I/we strongly support the inclusion of an adaptive management regime for Opuha and Opihi rivers in PC7 which proposes a tiered approach to environmental flows that would apply according on Lake Opuha levels, snow pack and inflows to Lake Opuha, based on the concepts developed by the AMWG prior to the notification of PC7. I/we are, however, concerned that the proposed adaptive management regime has simply been copied and pasted from an application for a plan change back in 2008, that was drafted by OEFRAG. While I/we appreciate that this '2008 application' would have reflected best knowledge at the time, 11 years on our knowledge and experience has greatly improved, especially in light of the dry period of 2014-16. I we understand that the '2008 application' was trialled by OEFRAG in 2014/15, but it was ineffective because: The lake level threshold for moving into a Level 1 Regime or Level 2 Regime equates to 50% full, which is too low to make any meaningful impact on Lake storage (i.e. it is too little to late). The reductions in minimum flows through the Level 1 and Level 2 Regimes 	Delete the partial restriction in Table 14(v) and adopt the decisions sought in the AMWG's submission on PC7 relating to the partial restrictions for AA and BA permits at Saleyards Bridge, which provide for variable monthly restrictions, as detailed in Table 14(v(iii)) of the AMWG's submission.
			 would not be enough to make meaningful water savings, for subsequent use for the benefit of the downstream environment and abstractors. The ability to make water savings under a Level 1 Regime between April and August is severely constrained. In this regard it is noted that in 2015, WSD were in place for much of the winter in order to reduce the minimum flows 	

prescribed by the ORRP and improve the likelihood of a full Lake at the start of the 2015/16 season, to meet the needs of the downstream environment and abstractors.
I/we very much doubt that PC7's adaptive management regime would enable the flexibility required for proactive management of available storage in the Lake Opuha catchment. I/we anticipate that we will just have to resort back to relying on Water Shortage Directions into the future.
I/we understand that the AMWG have identified a set of revisions to PC7 that it believes will achieve the outcomes sought by PC7, which include:
 (a) Amendments to the "full availability" flows proposed in Table 14(v), which Provide more water for the river environment during the summer months (by moving water from the shoulder periods to Jan/Feb); and Ensure sufficient flows for salmon migration (Mar/Apr) and whitebait migration (particularly Oct) (i.e. flows will be maintained at SYB during these critical periods at greater than 6 cumecs, which prior research has indicated is the flow required to maintain the mouth of the Opihi river open).
(b) Amendments to the "Level 1 Restriction" flows proposed in Table 14(v), which also provide more water for the river environment during the summer than PC7 and otherwise respond to changing climatic conditions in the catchment; and
(c) Amendments to the "Level 2 Restriction" flows proposed in Table 14(v), to align with PC7's proposed 2022 Opihi mainstem environmental flow requirements for AN permits of 2.6 cumecs at Stage Highway 1 (Table 14(u) and historical IFIM habitat modelling).
I/we support these proposed revisions.
Partial Restrictions The approach taken to restrictions under PC7 represents a significant change from the present planning and consenting framework under the ORRP. I/we accept that the ORRP regime's 50% restriction when Lake Opuha reached RL375m was too late to make any measurable benefit (i.e. in terms of water savings). However, the approach under PC7 of linking a "Level 1 Restriction" to a flat 50% restriction and a "Level 2 Restriction" to a flat 75% restriction, will have significant consequences for the irrigators. This is too harsh and fails to recognise the benefits of the Opuha Dam which irrigators own and have funded.
Alternatively, I/we believe that the restriction regime should recognise the criticalities between river demand and irrigation for different times of the year (i.e. variable monthly restrictions). It should also provide for exemption for AA and BA permit holders in the

		North Opuha, South Opuha, Upper Opihi and Te Ana Wai Rivers which have lower reliability as a result of tributary-specific environmental flow regimes.	
		I/we are also very concerned about the implications of the proposed partial restrictions being a daily 24 hour volumetric restrictions. This fails to recognise the operational constraints of the irrigation infrastructure of consent holders. It would also lead to gross inefficiencies in terms of water released from the Dam if, for example, a 50% restriction was in place and shareholders could only irrigate 12 out of the 24 hours. From our experience in the dry period of 2014-16, a restriction regime based on a fortnightly volumetric restriction led to a 'smoother' operation of the dam and greater water efficiency. I/we are sure that OWL and irrigators could provide the necessary real time information to ECan to provide them comfort from a compliance point of view.	
Table 14(w): Minimum Flow Restrictions in		I/we oppose the minimum flows under "Level 1 Restriction" and "Level 2 Restriction" in Table 14(w) for the reasons addressed above in relation to Table 14(v).	Delete Table 14(w) in its entirety
the Opihi Freshwater Management Unit for AA and BA Permits (2030)		I/we also fundamentally oppose the provision in Table 14(w) for increases in the "full availability" environmental flows beyond those proposed in Table 14(v), which would take effect from 2030. I/we understand that these increases in "full availability" environmental flows in Table 14(w) are intended to reflect the flow gains in the tributaries (Upper Opihi and Te Ana Wai) from increased minimum flows in 2030. I/we would argue, however, that this is not hydrologically correct, it has no underlying scientific rationale and does not appear to have been informed by any detailed analysis. As I/we understand it, the proposed "full availability" environmental flows for 2030 have a number of significant issues:	
		 It fails to recognise that the relationship between flows in the tributaries (Upper Opihi and Te Ana Wai rivers) and saleyards bridge is much more complex than the 1:1 ratio assumed in Table 14(w). It would result in approximately 5.2 million cubic metres (on average per year) of additional water released from Opuha Dam to meet this increased minimum flow, as the AMWG's analysis indicates additional water from the Upper Opihi and Te Ana Wai would only be flowing 1% of the time. The release of this extra water would reduce the availability of stored water volume in Lake Opuha for environmental and irrigation releases by approximately 8% per year on average, which may increase the frequency of water shortages into the future. the approach raises issues of equity as PC7 does not include a similar increase in the environmental flows for AN Permits. 	
		I/we also understand, from ecological work that the AMWG advisers have undertaken, that for the physical habitat of most native fish species, juvenile brown trout and salmonid spawning, increasing the minimum flows is actually detrimental.	
Table 14(x): Alternative Management	Oppose in part	I/we have concerns about the thresholds proposed in Table (x) and how they may be implemented in the future. As an example, the Lake Level trigger for a level 1 regime is at 50% full. Our experience of 2014/15 is that this is fundamentally flawed and does not	Delete Table $14(x)$ and adopt the decisions sought in the AMWG's submission on PC7 relating to the alternative management regime

Regime Triggers	provide for early enough intervention. Overall, I/we believe that the thresholds in PC7 are too conservative to enable the proactive management of flows in the Opihi River.	triggers, which presents a revised set of thresholds for lake level, snow storage and lake inflows.
	I/we understand the AMWG have agreed on an alternative set of thresholds for Lake level, snow storage and lake inflows and I/we support these.	

Other submission points relevant to shareholders

The specific provisions of PC7 that my submission relates to are:		My submission is that:		I/we seek the following decisions from Environment Canterbury (ECan)
Section & Page	Sub-section/	Oppose/	Reasons	
Number	Point	support		
		(in part or		
		iuii)		
14.4 Policies				
Tangata Whenua (page 130 – 132)	14.4.2 -14.4.5	Oppose	I/we feel that there needs to be greater clarity/explanation around the term 'culturally significant sites' used in PC7 Policy 14.4.2.If sites are not specifically identified it becomes difficult for us, as landowners, to understand how we can avoid or minimise effects of our activities.	Amend Policy 14.4.2 to clarify the intended meaning of "culturally significant sites".