From:	Georgina Hamilton
To:	Mailroom Mailbox
Cc:	Wendy Smith; Fiona Stevens
Subject:	Plan Change 7 to the LWRP Submission - South Canterbury Chamber of Commerce
Date:	Friday, 13 September 2019 1:07:27 PM
Attachments:	GH-161499-1-18-1 SC Chamber of Commerce Submission PC7 13919.pdf

Dear Sir/Madam

Please find **attached** a submission by the South Canterbury Chamber of Commerce on Proposed Plan Change 7 to the Canterbury Land and Water Regional Plan.

Kind regards,

Georgina Hamilton
Partner

GRESSONDORMAN
EST 1868 & CO

Level 1, 24 The Terrace, TIMARU 7910 | PO Box 244, TIMARU 7940
PHONE: 03 687 8004 | DDI: 03 687 8065 | FAX: 03 684 4584 | EMAIL: georgina@gressons.co.nz

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

Clause 6 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:

1 South Canterbury Chamber of Commerce (**SCCC**)

Address: c/- Gresson Dorman & Co
P O Box 244
TIMARU 7940

Contact: Georgina Hamilton

Email: georgina@gressons.co.nz

Trade competition statement:

2 The SCCC 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 to the Canterbury Land and Water Regional Plan (**PC7**), specifically the Orari-Temuka-Opihi-Pareora (**OTOP**) sub-region component of PC7, comprising "Part B" (**Proposal**).

The specific provisions of PC7 that this submission relates to:

4 This submission relates to PC7B in its entirety, with a particular focus on:

4.1 The timeframes for implementation of new water and land management regimes prescribed by Tables 14(h) to (y) and 14(zc), stream depletion methodology, and Policy 14.4.20A; and

4.2 The role of the Opuha Environmental Flow Release Advisory Group (**OEFRAG**) in the future management of the surface water resources of the Lake Opuha catchment and the proposed environmental flow regime for AA and BA permits in the Opihi Freshwater Management Unit (**Opihi FMU**).

Submission

<u>Background and overview</u>

5 The SCCC is a membership-based organisation representing over 520 businesses across South Canterbury including large organisations such as Fonterra Clandeboye, through to sole traders. It is an affiliated member of the New Zealand Chambers of

Commerce Incorporated, which is a national body representing the 28+ Chambers of New Zealand, which collectively represent over 22,000 businesses.

6 The SCCC has served South Canterbury businesses for 114 years and its purpose is to achieve "Better Business Outcomes" which in turn supports the whole South Canterbury community. It is a recognised and respected business services organisation for South Canterbury and the voice of the local business community.

7 Within the context of a regional plan change such as that being promulgated by Environment Canterbury (**ECan**), the SCCC is cognisant of the diversity of its membership and, as such, the potential diversity of views on the Proposal. The SCCC respects that diversity and has encouraged its members to consider and submit individually on matters that specifically affect their business interests and aspirations.

8 The SCCC has, therefore, confined its own submission on PC7 to higher level matters, including in particular:

8.1 The adequacy of the economic assessment completed for PC7; and

8.2 The extent to which PC7 would provide for the social, economic and cultural wellbeing of the businesses and communities in the OTOP sub-region.

<u>The SCCC's overall position on PC7</u>

9 The SCCC recognises the need for PC7; it appreciates that a review of the current regional planning provisions concerning the management of water quality and quantity within the OTOP sub-region is well overdue.

10 It also recognises the significant challenges in bringing those provisions into alignment with the mandatory directives of the RMA and higher order planning instruments such as the National Policy Statement for Freshwater Management 2014 (updated 2017) (**NPSFM**), whilst also having regard to the Canterbury Water Management Strategy (**CWMS**), which seeks to maximise opportunities for the environment, economy and communities within Canterbury. The SCCC therefore wishes to acknowledge the considerable work of the OTOP Zone Committee and ECan in developing the extensive set of recommendations contained in the OTOP Zone Implementation Programme Addendum (**ZIPA**), and subsequently, PC7.

11 Overall, the SCCC supports and endorses the principles underlying the OTOP ZIPA and consequently PC7, and the priorities afforded by each to the environment, community supply and stock water in accordance with the priorities prescribed by the CWMS.

12 However, the SCCC is genuinely concerned that aspects of the OTOP ZIPA, and consequently PC7, have been developed in a vacuum without critical information and assessments, which would be expected to underpin and inform the development of a regional plan change. As a result, the SCCC considers that PC7, if retained in its notified form, would:

12.1 Preclude businesses and communities of the OTOP sub-region from providing for their social, economic and cultural wellbeing; and

12.2 Consequently:

(a) Not give effect to the NPSFM, particularly Objectives A4 and B5;

(b) Be inconsistent with the Canterbury Land and Water Regional Plan (**CLWRP**), particularly Objective 3.11; and

(c) Not represent the most appropriate plan provisions for achieving the purpose of the Resource Management Act 1991 (**RMA**).

13 To the extent that PC7would have that effect, the SCCC opposes PC7.

Reasons for the SCCC's submission

14 The SCCC understands PC7 proposes various changes to the status quo, which are expected (singularly and cumulatively) to pose significant challenges for not only individual members of the communities of the OTOP sub-region and their businesses, but also the community as a whole through reductions in employment opportunities and economic growth. Those changes include (but are not limited to):

14.1 Time-staged surrendering of consented surface water and stream depleting groundwater allocations in the Temuka catchment, to phase out severe historical over-allocation;

14.2 Significant reductions in existing water reliability of:

(a) Lawfully established groundwater takes that will, as a result of PC7, be subject to the CLWRP's stream depletion methodology for the first time and accordingly be subject to surface waterbody minimum flow restrictions (which rendering some of these takes unviable); and

(b) Lawfully established surface water and stream-depleting groundwater takes throughout the OTOP sub-region as a result of proposed increases in surface waterbody minimum flows under PC7; and

14.3 Time-staged nutrient reductions beyond Good Management Practice (**GMP**) within identified "hot-spot" areas in the Fairlie Basin, Rangitata-Orton and Levels Plains.

15 The SCCC believes that a robust assessment of the costs anticipated from the implementation of PC7 is not only required for the mandatory evaluation of the proposed PC7 provisions under section 32 RMA, but also to enable those affected by the changes proposed by PC7 to fully assess and understand what those changes will mean for them and their businesses. The latter is critical, in the SCCC's view, for those affected by PC7 to be able to make informed decisions about the future of their existing (lawfully established) activities.

16 The SCCC accepts that an economics assessment has been commissioned by ECan to inform its section 32 RMA evaluation of PC7, and undertaken by Land Water People Ltd (**LWP Ltd**).[1] However, the SCCC questions what weight can be placed on that assessment (and the section 32 report for PC7 that relies on it) due to its serious shortcomings, which include (but are not limited to) the following:

[1] *Economic Assessment of the Healthy Catchments Project Proposed Zone Implementation Programme Addendum: Memorandum prepared for Environment Canterbury,* LWP Ltd (May 2019).

16.1 The assessment of regional impacts anticipated from the implementation of PC7 is based on a regional input/output model updated for the Waimakariri Zone, and adapted for the OTOP Zone, which the author acknowledges is *"not ideal"*[2];

16.2 The assessment is based on erroneous assumptions in relation to (but not limited to) irrigation rates and consequentially irrigated land areas, pasture growth, and dryland conversion if irrigation restrictions are applied;

16.3 The assessment does not assess the implications of the implementation of PC7 on all existing abstraction consents within the OTOP sub-region,[3] and is based on ECan's "consent inventory", which is known to contain various errors and omissions; and

16.4 The assessment excludes consideration of capital and management costs, which means that *"the potential for a net negative outcome with significant reductions in reliability is greater than has been shown…and even small changes can have an important impact for highly indebted landholders"*[4], however there is no explanation for this approach, despite the significance of these costs.

17 In the SCCC's view, these shortcomings are likely to significantly underestimate the assessed costs anticipated from the implementation of PC7. Accordingly, the SCCC considers that further robust economic analysis is required to inform future decisions on submissions on PC7 and otherwise enable individuals and businesses within the OTOP sub-region to understand how PC7 would affect them.

18 Assuming the changes proposed by PC7 are justifiable from a statutory planning perspective, the SCCC considers that the timeframes for those changes to take effect may need to be increased to enable those affected to adjust their existing activities to comply with PC7, or consider and implement alternatives.

19 In addition, the SCCC is concerned PC7 does not fully recognise that the water supplied by the Opuha Dam for abstractive uses in the Opihi FMU is a significant enabler of economic activity in the OTOP sub-region. It is therefore essential, in the SCCC's view, that the environmental flow/augmentation regime included in PC7 for AA and BA permits in the Opihi FMU is sufficiently flexibility to enable the pro-active management of the surface water resources of the Lake Opuha catchment for the greatest benefit for those who rely on augmented water to operate their businesses, and the environment. The SCCC understands that the provisions of PC7 fall short in this regard, particularly in terms of the regime's ability to adjust appropriately to changing climatic conditions within the Lake Opuha catchment. Accordingly, the SCCC considers refinements to the related PC7 provisions are required.

20 In the SCCC's view, the success of the augmentation regime is also contingent on OEFRAG continuing to have a role in the management of the surface water resources of the Lake Opuha catchment. The SCCC believes that a group of well-informed local people with vested interests in the responsible management of the resource is best placed to inform such decisions into the future, and as such, the role of OEFRAG should be expressly provided for in PC7.

[2] LWP Ltd Report, page 6 (footnote 4).

[3] LWP Ltd Report, page 7 (section 2.2).

[4] LWP Ltd Report, page 11 (section 2.3.2).

21 The SCCC is concerned that in the absence of refinements, PC7's environmental flow/augmentation regime for the mainstem of the Opihi river is at risk of compromising the economic wellbeing of the OTOP Zone.

Decisions sought by the SCCC:

22 The SCCC seeks that ECan commission a full assessment of the anticipated costs of the implementation of PC7, which addresses the serious shortcomings of the LWP Ltd assessment, as identified in this submission.

23 Assuming the PC7 provisions relating to the matters set out in paragraph 14 are justifiable from a statutory planning perspective, the SCCC seeks the following decisions from Environment Canterbury:

23.1 that PC7 be amended to provide further time for affected consent holders to adjust to the:

(a) increases in minimum flow beyond current and/or new partial restriction regimes proposed in Tables 14(h) to (y) under PC7; and

(b) changes to the status of groundwater take consents as a consequence of the application of CLWRP stream depletion methodology;

23.2 that PC7 retains the ability (via proposed Policy 14.4.20A) for applications to be made to extend the timeframes for implementing nutrient reductions beyond GMP proposed under Table 14(zc) of PC7.

24 In relation to the environmental flow/augmentation regime for the mainstem of the Opihi river, the SCCC seeks that changes be made to the related PC7 provisions to:

24.1 Ensure the regime is sufficiently flexible to enable the pro-active management of the surface water resources of the Lake Opuha catchment, particularly in response to changing climatic conditions; and

24.2 Expressly provide OEFRAG with an ongoing role in the management of the surface water resources in the Lake Opuha catchment.

25 In addition to the foregoing decisions requested, the SCCC also requests:

25.1 alternative amendments to the provisions of PC7 to address the substance of the concerns raised in this submission; and

25.2 all consequential amendments required to address the concerns raised in this submission and ensure a coherent planning document.

Wish to be Heard:

26 The SCCC wishes to be heard in support of this submission.

27 The SCCC would be prepared to consider presenting a joint case with others making similar submissions at the hearing.

South Canterbury Chamber of Commerce

By its Solicitors and authorised Agents

Gresson Dorman & Co: Georgina Hamilton

Date: 13 September 2019