



Minutes of a meeting of the Policy Committee
held in the Council Chamber at Philip Laing House,
Dunedin on Thursday 13 September, commencing at
1:00pm

Membership

Cr Gretchen Robertson (*Chairperson*)
Cr Michale Laws (*Deputy Chairperson*)
Cr Graeme Bell
Cr Doug Bornw
Cr Michael Deaker
Cr Carmen Hope
Cr Trevor Kempton
Cr Ella Lawton
Cr Sam Neill
Cr Andrew Noone
Cr Bryan Scott
Cr Stephen Woodhead

1. APOLOGIES

Cr Robertson welcomed staff, media and public presenters to the meeting of the Policy Committee.

Resolution

That the apologies for Cr Deaker be accepted.

Moved: Cr Hope
Seconded: Cr Lawton
CARRIED

2. LEAVE OF ABSENCE

No Leave of Absence advised.

3. ATTENDANCE

Sarah Gardner	<i>(Chief Executive)</i>
Nick Donnelly	<i>(Director Corporate Services)</i>
Tanya Winter	<i>(Director Policy, Planning and Resource Management)</i>
Sian Sutton	<i>(Director Stakeholder Engagement)</i>
Gavin Palmer	<i>(Director Engineering, Hazards and Science)</i>
Scott MacLean	<i>(Director Environmental Monitoring and Operations)</i>
Sally Giddens	<i>(Director People and Safety)</i>
Ian McCabe	<i>(Executive Officer)</i>
Lauren McDonald	<i>(Committee Secretary)</i>
Anita Dawe	<i>(Policy Planning Manager) - Item 10.2</i>
Lisa Hawkins	<i>(Senior Policy Analyst) - Item 10.2</i>

4. CONFIRMATION OF AGENDA

That the agenda order today will be Items 10.1 and 10.2 be handled in tandem to the Notice of Motion and accompanying paper, followed by Items 11.1 and 11.2.

Moved: Cr Robertson
Seconded: Cr Hope
CARRIED

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Resolution

Move the order today will be Items 10.1 and 10.2 handled in tandem to the Notice of Motion and accompanying paper, then items 11.1 and 11.2.

Moved: Cr Robertson
Seconded: Cr Hope
CARRIED

5. CONFLICT OF INTEREST

Cr Bell advised a conflict of interest in regard to his brother Murray Bell, who had submitted a letter of support to the Notice of Motion. He advised he is also a trustee of his brother's property on Rockside Road.

Cr Robertson responded that as it was not a hearing, there was no conflict for Cr Bell to sit aside from discussion on.

6. PUBLIC FORUM

Cr Robertson moved that due to the number of speakers to Public Forum that the Standing Orders be relaxed from the time restriction of 30 minutes.

Seconded Cr Laws
CARRIED.

Mr Niall Watson, Otago Fish and Game Council in regard to the Notice of Motion for Item 10.2 - Minimum Flow Plan Change.

Mr Watson advised he supported the recommendations for item 10.2 of the agenda. He saw the need to notify the flows for the Manuherikia, Arrow and Cardrona catchments without delay as it was in the community interests for the environment of the rivers. He felt the issue of water allocation could be addressed subsequent to the setting of the minimum flows.

Minimum flow plan change for priority catchment

Speakers:

- Ms Sally Dicey on behalf of Ms Susie McKeague, McKeague Consultancy in regard to the Minimum Flows for priority catchments.
- Mrs Anna Gillespie, Omakau Area irrigator
- Mr Hamish Stratford, Manuherikia resident
- Mr Don Malcolm, Dunstan Creek irrigator
- Mr Geoff Crutchley, Otago Water Resource Users Group

Ms Sally Dicey read out a statement on behalf of Ms Susie McKeague, McKeague Consultancy in regard to concerns for the Minimum Flows for Priority Catchments report. She acknowledged the individuals and groups in attendance at public forum due to their level of concern. Concerns included:

- Lack of context and inform of the staff papers on the minimum flow plan change.
- Felt ORC had predetermined the process without conversation (including hydrology work).
- Sought more robust science information
- Sought for a process to be done once and in alignment with the NPS.
- Felt focus on the minimum flow only for the deemed permits expiry in 2021 was not the correct approach, relevant but not impacting on the minimum flow setting.

- Community want 1 plan change and 1 consent replacement process. Believed ORC complicating it with multi plan changes. Felt it was a flawed approach.
- Felt there was a critical link between allocation and minimum flows.

In summary, sought a collaborative approach with ORC and that any Plan Change needed to be in accordance with the NPS and on a Freshwater Management Unit, catchment by catchment basis. The desire is to work together with Council, rather than against each other.

Mrs Anna Gillespie, Omakau Area irrigator, Secretary of Lauder Water Management group (17 farmer members, formed in July 2017 to collectively worked together to apply for consent management).

She sought acknowledgement by councillors of the major investment made by landowners in modern infrastructure for the efficient use of water. She advised her concern that ORC was making an uninformed decision, without the science information required.

Mr Hamish Stratford, Manuherikia Valley resident.

Read a statement on his view of community as 'common union' - working together for greater good. He advised that water and farming sustained the communities. Investment on latest technology for efficient application of water and nutrients on farm were being made. He sought surety of water supply for the future. He felt ORC has had some pre-determination on the minimum flow setting. He spoke on social, health and mental well-being impacts on the community. Major concern for bank loan assuery for loans on a short-term consents process.

Cr Laws left the meeting at 01:48 pm.

Mr Don Malcolm, Dunstan Creek irrigator and fourth generation farmer.

Read out a statement in regard to Dunstan Creek. He felt that 80% of Dunstan Creek was unaffected by water extraction (with no environmental danger) and that the proposed Minimum flow for Dunstan Creek would mean irrigators will be unable to irrigate for 50% of the season, and that Dunstan Creek would provide half of the minimum flow set for the camping ground. He stated that Dunstan Creek irrigators have extensive farms and had invested heavily in new sprayers and effective irrigation, the costs of which were very high. He believe planners had made a biased opinion. He asked that as ORC were the architects of the water plan, that they slow down and 'get it right'.

Mr Geoff Crutchley, Manuherikia Irrigation Company, Chair of Upper Taieri Water Management Group, Chair of Kyeburn Catchment Co.

He advised that the Minimum Flows had massive implications for the community and environment. He commented that ORC must remain impartial and needed to respect facts of history and science, rather than resource or compliance records. The community expected ORC to be a resource of information to improve issues. He saw major mistakes in the suggestion of allocation of 3.2 cumecs in Manuherikia, which stemmed from poor process by the ORC. He advised he felt over-allocation was misunderstand by governance and staff especially in regard to surface water. He commented that over-allocation was a problem for farmers to manage, that it had no effect on the environment and the communities

Cr Robertson thanked the attendees and speakers to the public forum, she recognised it was a busy time and the experience of those in the room and appreciate their time and information shared.

Public Forum concluded at 2:05 pm.

7. PRESENTATIONS

No presentations were held.

8. CONFIRMATION OF MINUTES

Resolution

That the minutes of the meeting held on 1 August 2018 be received and confirmed as a true and accurate record.

Moved: Cr Hope
Seconded: Cr Noone
CARRIED

9. ACTIONS

Actions to be completed from 13 June meeting:

- Air Quality Strategy - That a paper on implementation be brought to the Policy Committee in the next 2-3 months
- Draft Biodiversity Strategy - Feedback. That a paper on implementation be brought to the Policy Committee in the next 2-3 months. (Implementation plan to be provided to the October meeting round)

Actions to be completed from the 1 August meeting:

- Minimum Flow Plan Change Update. That the CEO engage an appropriately qualified facilitator to help consultation associated with Priority Catchments Minimum Flows and Residual Flow Plan Change. (Mrs Gardner advised this action was in process, with a facilitator to be appointed.

Action closed from 1 August meeting:

- Minimum Flow Plan Change Update - A report to provide a summary of the progress made on the Priority Catchments Minimum Flow Plan Change in recent weeks including an update on community sessions and expert input. Item 10.2 of the agenda.

10. MATTERS FOR COUNCIL DECISION

10.1. Minimum Flow Plan Change Update

The report provided a summary of the progress made on the Priority Catchments Minimum Flow Plan Change in recent weeks, including an update on community sessions and expert input.

Staff in attendance: Lisa Hawkins, Senior Policy Analyst and Anita Dawe, Policy Planning Manager

Resolution

That Council:

- 1) **Receive** this report.
- 2) **Note** this report.

Moved: Cr Woodhead

Seconded: Cr Noone

CARRIED

10.2. Minimum Flows for priority catchment - scope and process and overview of Regional Plan Water Review

Notice of Motion from Cr Laws taken in conjunction with the paper. Staff in attendance from the Policy, Planning and Resource Management Directorate.

The report outlined the Council process undertaken for setting of minimum flows for the Manuherikia, Cardrona and Arrow Catchments. The report also advised the plan change process resulting in the three catchments combining into one plan change, the Priority Catchments Minimum Flow Plan Change (Plan Change). The report clarified the process and scope of the Priority Catchments Minimum Flow Plan Change and its context in the broader Water Plan Review and its compliance with the National Policy Statement for Freshwater Management (NPSFWM).

Ms Winter, Director Policy, Planning and Resource Management spoke to the key objectives of the plan change and challenges being faced:

- The Manuherikia, Cardrona and Arrow catchments have a large number of Deemed Permits expiring in 2021
- The Regional Plan: Water became operative in 2004 and is overdue for review
- Draft Implementation Plan required to be prepared by December 2018 to demonstrate effect to the National Policy Statement (NPS)
- Requirement to be compliant to the NPSFWM by 2025.
- Responsiveness to Central Government focus on freshwater and proposed new National Policy Statement on ecological flows.

Mrs Hawkins, Senior Policy Analyst advised that the report sought to address the scope of the plan change, introduce the Water Plan review, and that the purpose of the plan change was to provide consistency and certainty for deemed permits and resource consents. She advised the plan change was not giving effect to the National

Policy Statement but was taking a staged approach for implementation, ahead of the 2025 deadline. She confirmed that the objectives included ecological, social and cultural elements. Mrs Dawe, Planning Manager outlined what the Water Plan Review would encompass, such as review of the existing provisions in the plan, grouping of alike water bodies and setting classification for these water bodies and the setting of objectives and targets.

A question was raised in regard to deemed permits expiring before the plan change became operational. Mrs Dawe advised under the Resource Management Act that Council was required to give legal affect to the Plan Change from the date of notification and it would be used for replacement of deemed permits. She confirmed that staff would consider both the operative and notified plan change.

Cr Scott moved and Cr Woodhead seconded the report recommendations.

- a) *That Council approves the scope of the Minimum Flows Plan Change for Priority Catchments, with a focus (on an interim basis recognising recommendation 3 below) relating to accommodating the transition from deemed permits to resource consents until Council gives full effect to the NPSFM. The scope is set out below:*
- *Sets minimum flows for the catchments of Arrow, Cardrona and Manuherikia to provide consistency for the transition from Deemed Permits to RMA consents and make associated consequential changes to the plan.*
 - *Updates residual flow policies within the Regional Plan Water.*
 - *Incorporates the Lower Cardrona into the plan change.*
 - *Ensures all necessary technical and specialist work is completed prior to notification.*
- b) *That the plan is notified by June 2019.*
- c) *That planning for a review of the Regional Plan Water continues and a work program is prepared for Council approval, including the Progressive Implementation Plan for National Policy Statement for Freshwater Management compliance by 31st December 2018.*

Cr Woodhead provided clarification of the allocation limits within the Water Plan schedules and the provisions in place for conversion from deemed permits to consents. He acknowledged as Chairman the significant change, with difficult transitions being faced, due to the reality of deemed permits expiring in 2021.

He offered his apology for the inference in the report that the community had not managed the Manuherikia River appropriately re the voluntary minimum flow at the camping ground, quoted as "often not achieved there". He stated this was not accurate and he apologised for the interference. He clarified that there was no intention in the process to review the allocation limit for the Manuherikia in the short to medium term. He concluded that it was critical for the deemed permits to be processed on time as the Minister for the Environment had advised there would be no time extension, and that Council had the obligation to have minimum flow in place to safe guard the ecological system.

Concern was expressed by councillors, including;

- staff not fully understanding water allocation management in the Manuherikia catchment
- economic consequences to the region
- time pressure now in place due to deemed permit expiry in 2021.
- the need for better consultation/collaboration with the affected communities (to get on the "same page")
- environmental/ecological threats not fully explained by staff
- need to understand the impact of current water use

The meeting adjourned at 3:24 pm and recommenced at 3:30 pm.

Resolution

- a) *That Council approves the scope of the Minimum Flows Plan Change for Priority Catchments, with a focus (on an interim basis recognising recommendation 3 below) relating to accommodating the transition from deemed permits to resource consents until Council gives full effect to the NPSFM. The scope is set out below:*
- *Sets minimum flows for the catchments of Arrow, Cardrona and Manuherikia to provide consistency for the transition from Deemed Permits to RMA consents and make associated consequential changes to the plan.*
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 - *Incorporates the Lower Cardrona into the plan change.*
 - *Ensures all necessary technical and specialist work is completed prior to notification.*
- b) *That the plan is notified by June 2019.*
- c) *That planning for a review of the Regional Plan Water continues and a work program is prepared for Council approval, including the Progressive Implementation Plan for National Policy Statement for Freshwater Management compliance by 31st December 2018.*

Moved: Cr Scott
Seconded: Cr Woodhead

A division was called:

Vote

For: Cr Brown, Cr Kempton, Cr Robertson, Cr Scott, Cr Woodhead
Against: Cr Bell, Cr Hope, Cr Laws, Cr Lawton, Cr Neill, Cr Noone
Abstained: nil

The Motion was lost (Vote 6 against/5 in favour)

Cr Laws moved the recommendations from the Notice of Motion, that:

“ For the purposes of ensuring both constructive policy-making and good faith communications with those most likely to be adversely affected by any proposed plan change relating to imposing minimum flows upon the Arrow, Cardrona and Manuherikia catchments;

1. That any proposed minimum flow change follow the full process outlined in the National Policy Statement on Freshwater Management. This to include identifying appropriate Freshwater Management Unit’s (FMU’s), catchment management objectives, environmental flows and allocation limits;

2. That water allocation limits for the above catchments also be included in any proposed plan change;

3. That the historical Schedule 2A primary allocation limit of 3,200 litres/second for the Manuherikia catchment be disregarded as a policy goal, and the allocation for that catchment be considered only after all the required scientific, hydrology, economic, social and environmental reports are collated.”

Resolution

“For the purposes of ensuring both constructive policy-making and good faith communications with those most likely to be adversely affected by any proposed plan change relating to imposing minimum flows upon the Arrow, Cardrona and Manuherikia catchments;

1. That any proposed minimum flow change follow the full process outlined in the National Policy Statement on Freshwater Management. This to include identifying appropriate Freshwater Management Unit’s (FMU’s), catchment management objectives, environmental flows and allocation limits;

2. That water allocation limits for the above catchments also be included in any proposed plan change;

Moved: Cr Laws

Seconded: Cr Bell

CARRIED

A division was called:

Vote

For: Cr Bell, Cr Hope, Cr Laws, Cr Lawton, Cr Neill, Cr Noone

Against: Cr Brown, Cr Kempton, Cr Robertson, Cr Scott, Cr Woodhead

Motion 3. was retracted by Cr Laws

3. That the historical Schedule 2A primary allocation limit of 3,200 litres/second for the Manuherikia catchment be disregarded as a policy goal, and the allocation for that catchment be considered only after all the required scientific, hydrology, economic, social and environmental reports are collated.”

11. MATTERS FOR NOTING

11.1. Director's Report on Progress

Cr Noone left the meeting at 04:04 pm.

Cr Hope left the meeting at 04:04 pm.

The report detailed the national and ORC policies, strategies and plans; water plans and reviews with the reporting period to 17 August 2018.

Cr Laws left the meeting at 04:11 pm and returned at 04:13 pm.

Cr Bell left the meeting at 04:15 pm.

Resolution

a) *That this report be noted.*

Moved: Cr Woodhead

Seconded: Cr Brown

CARRIED

11.2. Report on Land and Water Forum advice May 2018

The report provided a summary of the Land and Water Forum (LAWF) report, and proposed a number of staff recommendations that if adopted by Central Government, would have a range of implications for the work programme of the Otago Regional Council.

Mrs Dawe advised the key message from the LAWF report was identifying risk catchments, based on the State of the Environment data, and completing an action plan for what can be done better and faster by councils and central government.

Cr Laws left the meeting at 04:25 pm.

Resolution

1) *This report be received and noted.*

Moved: Cr Woodhead

Seconded: Cr Brown

CARRIED

12. NOTICES OF MOTION

The Notice of Motion was addressed with agenda item 10.2 - Minimum Flows for priority catchment - scope and process and overview of Regional Plan Water Review.

13. CLOSURE

The meeting was declared closed at 04:30 pm.



Chairperson