

Proposed Plan Change 63: Waimea Water Management Transition Evaluation Report

24 September 2016

1 Introduction

This report evaluates Proposed Change 63 to the Tasman Resource Management Plan (TRMP). Before a proposed plan change (the proposal) is publicly notified, the Council is required under Section 32 of the Resource Management Act to evaluate:

- whether the objectives of the proposal are the most appropriate way of achieving the purpose of the Act;
- whether the provisions in the proposal are the most appropriate way to achieve the objectives;
- identifying reasonably practicable options for achieving the objectives; and
- identifying and assessing the efficiency and effectiveness of the proposal's achieving its objectives, including the benefits and costs of the effects of implementing the proposal, including opportunities for provision or reduction in economic growth and employment.

2 Issues and Objective of the Change

At present there is a limited period of time under the TRMP for water permit renewals to account for whether there is to be a Waimea Community Dam (the Dam) or not. This matters after 1 November 2016, as, if there is to be a fundable dam proposal, the ability to become financial contributors to the Dam as affiliated permit-holders, requires that water supply agreements (WSAs) with the Dam operator-to-be, be available. If there are no such agreements by that date, then renewals of permits must apply quite stringent rationing restrictions under the default no-dam management regime. The TRMP has further dates for checking on progress with the Dam: 1 November 2017 (as to construction progress); and 1 November 2020 (as to commencement of Dam operation). At these dates there is an ability to commence such stringent restrictions as defaults if there is no progress.

The limited time is significant as there is a current process of all the various interests in the Dam taking steps to reach an agreement for funding the Dam. It is quite inefficient if there are regulatory impositions ahead on water permits, where they might have to be subsequently amended following a funding agreement on the Dam.

The purpose of TRMP Change 63 is to enable a further period of time to apply to each of the three dates in the water management policies and rules of the TRMP that control the water allocation transitional periods, linked with the fate of the Waimea Community Dam. This enables the result of either a funded Dam or no Dam to be arrived within that additional time, before permit renewals are decided accordingly. A further purpose is to synchronise the durations of all the Waimea water management area permits on renewal so that the future common expiry date (CED) is set at the same year. The reason for this is greater efficiency of the far future renewal process, and consistency with the TRMP's policy position of entrenching CEDs for this efficiency reason.

The purpose of this change with its process efficiency rationale, is entirely appropriate, within the context of the operative TRMP water allocation planning framework for the Waimea catchment. It serves to enable the provision of allocation management requirements to achieve the objectives in the TRMP for the water bodies of the Waimea Plains under either a Dam or no Dam. This allocation planning framework has already been established by two previous sets of changes, Changes 45 – 48, operative since September 2015; and Changes 54 – 56, able to be treated as operative, and approved by Council on 9 June 2016 to become operative on the date of notification of Proposed Change 63.

Section 32 also requires those existing TRMP objectives to be evaluated by extension. These are assessed as appropriate in that they are providing for a reduction in over-allocation to better meet the freshwater objectives given in the TRMP for all the Waimea water management zones for both quantity and quality.

3 Options Assessment

The provisions of Proposed Change 63 are the amendments to policies and rules that implement or give effect to the purpose of the proposed change. The possible options for the proposed provisions are varying but internally consistent time extensions of all three timestamps governing transitions to different water allocation restrictions, viz:

- with Dam and so affiliated or not affiliated; or no Dam (currently 1 November 2016)
- Dam construction progress (currently 1 November 2017)
- Dam operational commencement (currently 1 November 2020).

Consistent extension of all is needed as under the current TRMP, to allow the time needed following concluding a funding model and WSAs for affiliated permits, for the tendering, construction and operational start of the Dam.

Three reasonably practicable options are identified and are assessed for their efficiency and effectiveness. The assessment identifies the benefits and costs of the effects anticipated from implementing the provisions for each option, and the risks surrounding each.

The assessment of options is set out in the following table:

Options	Costs	Benefits	Risk	Effectiveness/ Efficiency
Status quo: No change 63	No additional	No additional	Highest risk of amending process to granted permits if a Dam outcome changes after 1 November 2016	Status quo does not effectively respond to the timing risk for arriving at a Dam or no-Dam outcome for renewing water permits and so the purpose of Change 63
Option 1: Consistent extension of the 3 timestamps for less than a year (say six months)	Standing cost of plan change process	Allows more time for Dam outcome to be determined Reduced risk of cost of amending process for granted water permits if Dam outcome changes	Higher risk of amending process to granted permits if a Dam outcome changes after the six months Risk of poor and inefficient responsiveness during a potential drought of a longer extension to enable full drought season responsiveness Drought response as extension of status quo (discretionary water shortage directions) may result in damage to the value of the Waimea River in the event of a drought for a further period of the with-Dam or no-Dam drought management restrictions applying sooner	Is able to be effective through adaptive consent renewal decisions Is less efficient than option 2 as a lesser period of extension is used.

Options	Costs	Benefits	Risk	Effectiveness/ Efficiency
<p>Option 2: Consistent extension of the three datestamps for a year</p>	<p>Standing cost of plan change process</p>	<p>Allows more time for Dam outcome to be determined than option 1</p>	<p>Lower risk than option 1 of amending process to granted permits if a Dam outcome changes after the extra year</p> <p>Lesser risk of poor and inefficient responsiveness during a potential drought than option 1 as a full year enables full drought season responsiveness</p> <p>Drought response as extension of status quo (discretionary water shortage directions) may result in damage to the natural and cultural value of the Waimea River in the event of a drought, as a longer period than option 1 period (for the with-Dam or no-Dam drought management restrictions applying sooner to reduce this risk)</p>	<p>Is able to be effective through adaptive consent renewal decisions</p> <p>Is more efficient than option 1 as a longer period of extension is used.</p> <p>Effectiveness less than option 3 in comparing greater likelihood of achieving management objectives for the catchment, even in the context of marginally extended environmental risk of drought damage to river.</p> <p>Effectiveness greater than option 1 in balancing reduced process risks from Dam outcome delay, and environmental risks of greater delay in Dam outcome.</p>
<p>Option 3: Consistent extension of the three datestamps for more than a year (say 2 or more)</p>	<p>Standing cost of plan change process</p>	<p>Allows more time for Dam outcome to be determined than options 1 or 2 so that this might more likely lead to a with Dam outcome</p> <p>Lesser risk of poor and inefficient responsiveness during a potential drought than option 1 as enables full drought season responsiveness over several seasons</p>	<p>Lower risk than options 1 or 2 of amending process to granted permits if a Dam outcome changes after the extra year</p> <p>Highest risk of drought response as extension of status quo (discretionary water shortage directions) resulting in damage to the natural and cultural value of the Waimea River in the event of a drought, as a longer period than options 1 and 2 periods (for the with-Dam or no-Dam drought management restrictions applying sooner to reduce this risk)</p> <p>Risk of contest and so delay and cost, following from concern over this above risk</p>	<p>Is able to be effective through adaptive consent renewal decisions, with more opportunity for water allocation objectives for the catchment area to be achieved</p> <p>Is most effective of all options in addressing the different risks arising from lesser delay and greater delay in establishing whether there will be a Dam</p> <p>Is more efficient than options 1 or 2 in addressing some of the risks as a longer period of extension is used.</p> <p>The effectiveness of this option may be limited as environmental risk present for longer and so greater challenge risk</p>

4 Conclusion

The option for the provisions preferred as being the most appropriate to achieve the purpose of the Change is Option 3 (extend datestamps consistently and for two years). This is for the reasons of:

- Providing sufficient practicable time to enable Dam funding to be concluded and agreements to financially contribute being available for affiliated permits, compared with other options;
- Limiting further cost in permit renewal decisions to reduce the risk of having to amend permits where a different Dam outcome might result, compared with other options; and set against
- Limiting the time where the community is exposed to relative environmental risk from drought incidence and a management response operating under a quite discretionary status quo regime compared with the Dam or no-Dam regimes.

Appendix: Section 32 Resource Management Act 1991 text extract

- (1) *An evaluation report required under this Act must -*
- (a) *examine the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of this Act; and*
 - (b) *whether the provisions are the most appropriate way to achieve the objectives by -*
 - (i) *identifying reasonably practicable options for achieving the objectives*
 - (ii) *assessing the efficiency and effectiveness of the provisions in achieving the objectives*
 - (iii) *summarising reasons for deciding on the provisions; and*
- (2) *An assessment under Subsection 1(b)(i) must –*
- (a) *identify and assess the benefits and costs of the environmental, economic and cultural effects that are anticipated from implementing the provisions, including the opportunities for –*
 - (i) *economic growth that are to be provided or reduced; and*
 - (ii) *employment that are anticipated to be provided or reduced; and*
 - (b) *if practicable, quantify the benefits and costs referred to above; and*
 - (c) *assess the risks of acting or not acting if there is insufficient information about the subject matter of the provisions.*