



08-B-0583

18 June 2008

Minister for the Environment

Freshwater management in Canterbury

Purpose

1. Sir Kerry Burke, Chairman of Environment Canterbury, and Brian Jenkins, CEO of Environment Canterbury, have requested a meeting with you to discuss approaches for managing fresh water resources in Canterbury, and in particular, catchments that are fully allocated.
2. This briefing provides background information for this meeting.

Background

Canterbury Region

3. The Canterbury region is of fundamental importance to the New Zealand economy. The region has an estimated 2.65 million hectares of land in agricultural and horticultural production (as at June 2006), representing over 23% of New Zealand's farm area.
4. New Zealand's east coast is relatively dry, and Canterbury is dependant on irrigation for increasing agricultural productivity. Canterbury has 58% of all water allocated for consumptive use in New Zealand, and 70% of the nation's irrigated land. Groundwater abstraction supplies 53% of Canterbury consents; surface water 46%; and 1% is from storage.
5. Ongoing land use change, primarily in the form of irrigation development for agriculture, continues to increase demand for water abstraction in the region. There is significant opportunity for future agricultural development in Canterbury – provided there is sufficient water available.
6. While Canterbury has sufficient water resources in total, the issue is providing reliable supply during the mid to late summer, particular when the region experiences prolonged dry periods. In addition, certain aquifer zones are already fully allocated, or nearing allocation limits.

Canterbury Strategic Water Study

7. The Canterbury Strategic Water Study (2002) was undertaken to provide fundamental information of the long term requirement for water, the capacity of the region to meet those requirements, the water resources

that would come under greatest stress, and the reliability of water supplied for abstractive uses.

8. Some of the key conclusions and findings of the study include:
 - Future abstraction rates are likely to double, with 89% of the demand being for irrigation.
 - The potentially irrigable area in Canterbury has been estimated at around 1 million hectares (at present approximately 440,000 hectares are irrigated). If the additional area were to be added, this would require a significant increase in peak weekly water allocation.
 - Greatest pressure on water resources currently occurs in the smaller foothill rivers.
 - Results indicate that while groundwater is significantly over allocated in many zones, consumptive use is actually considerably less than allocation.
 - Water storage will be required to meet water supply demands in the long term.
9. A significant constraint to effective water management, identified in the study, is the lack of abstraction limits, with many rivers protected by minimum flows only, and groundwater by minimum water levels.

Resource Management

10. The availability, quality, planning for, management and use of water in the Canterbury region are a continued source of concern. There is also increasing conflict over the allocation of water for abstraction and for maintenance or improvement of in-stream values.
11. Environment Canterbury notified the first chapters of its proposed Natural Resources Regional Plan (NRRP) in June 2002. The NRRP is the proposed regional plan to address sustainable management of natural resources in the Canterbury region.
12. Chapters 4 and 5 of the NRRP, which address water quality and quantity respectively, were notified through Variation 1 to the proposed NRRP on 3 July 2004. Hearings on Variation 1 began in September 2006 and will continue through into late 2008; with decisions expected in mid 2009. There are a number of other variations to the proposed NRRP which relate to water management issues. Once the proposed NRRP is operative (following the resolution of any appeals) it will provide direction for addressing water management issues in the region.
13. Until the proposed Natural Resources Regional Plan is made operative, there will continue to be a lack of a firm regional planning regime in place in Canterbury, and an absence of strategic regional management for the development of Canterbury's water resources.

Water Management Strategy for Canterbury

14. On 27 May 2008 Environment Canterbury announced a public engagement programme to prepare a strategy for water management in the Canterbury region to identify future directions for the region's water management.
15. The strategy will involve two stages of public consultation. The first stage focuses on the uses and benefits of water, and the second will concern specific projects and activities. Stakeholder discussions will begin in June 2008, with public consultation starting in August.
16. This is in its very early stages, but once completed the strategy will be considered for inclusion in the Regional Policy Statement, the NRRP, and the Long Term Council Community Plan.

Issues faced by Environment Canterbury

17. Environment Canterbury has set ground water allocation limits for all aquifer zones in the region, and current consented allocations in many zones are reaching or approaching those limits, which has led to the following issues in the consenting process:
 - There have been substantial increases in consent application numbers, with applicants wanting to claim their place in the consent queue; due to the "first-in, first-served" basis of allocation.
 - An increasing percentage of applications have been notified because their potential effects on zones at or near full allocation will be more than minor.
 - Planning officers are recommending that hearing committees decline consent applications for water abstraction in zones where abstraction volumes already exceed groundwater limits.
 - Applicants are often submitting inadequate information in the rush to secure a place in the queue, resulting in increasing numbers of further information requests and legal debate about the place in the queue for competing applicants.
 - For consents issued prior to the notification of the Proposed Natural Resources Regional Plan, conditions need to be introduced for the management of cumulative effects in fully allocated zones.
18. These changes have resulted in increased workloads, and despite attempts to increase staff numbers, timeframes are not always met. Applicants are increasingly irritated by the added time and money resulting from delays. However, it is necessary to spend the time properly investigating the effects of each consent application, and especially so for those in areas that are already at or nearing full allocation.
19. Environment Canterbury has publically acknowledged these difficulties around processing resource consents through a press release on 1 April

2008 – “Pressure on water and staff can cause consenting delays”, attached as Appendix 1.

Central Plains Water Enhancement Scheme

20. It is not only ground water allocation that is an issue in the region. A current example of some of the issues faced by Environment Canterbury regarding the region's freshwater resources is the Central Plains Water Enhancement Scheme. The Scheme is a proposal to irrigate 60,000 hectares of land between the Waimakariri and Rakaia Rivers inland from Christchurch. The proposal involves extracting water at 40 cubic metres per second from the Waimakariri and Rakaia Rivers. If built it would become the second largest irrigation scheme in New Zealand.
21. The types of effects associated with the proposal are matters Environment Canterbury frequently addresses, however it is at a far greater scale, and they have used external technical experts to review the Assessment of Environmental Effects.
22. Whilst the Rakaia River is subject to a Water Conservation Order, and there is a regional water plan for the Waimakariri River providing some guidance, the proposed NRRP which sets relevant water quality objectives and which will provide a regional framework for water management, is not yet operative.
23. In addition, there are two other water extraction proposals for the same rivers which have sought priority for water ahead of the Central Plains applications. Recently, the High Court decided that Synlait's application to take 16 cumecs from the Rakaia River had priority over the Trust's application for 40 cumecs from that river. The Court of Appeal reversed a previous decision of the High Court and held that the Trust's application to take water from the Waimakariri River had priority over Ngai Tahu's application. Thus, there is conflict over water allocation, and applicants' 'place in the queue'.

National Level Guidance

24. Sir Kerry Burke notes that although the proposed National Policy Statement for Freshwater Management is forthcoming and will provide guidance on some issues, he believes it does not address water allocation. He wishes to discuss approaches for managing “at risk” catchments that are fully allocated in the Canterbury region.
25. Environment Canterbury believes that regulations made under a National Environmental Standard may be a useful tool in the period prior to the proposed NRRP becoming operative. You have already noted in your responding letter that it is not appropriate for Central Government to draft national environmental standards as a tool to deal with regionally-specific issues.

Recommendations

We recommend you:

Note the content of this briefing:



Sue Powell
General Manager, Local Government Group
Ministry for the Environment

Date:

Hon Trevor Mallard
Minister for the Environment

Minister's Comments

Administration

	Action Sought	Deadline
Minister for the Environment	Note the contents of this briefing providing background information for your meeting with Sir Kerry Burke and Brian Jenkins of Environment Canterbury on 24 June 2008.	24 June 2008

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* Suggested first contact

Appendix 1: Environment Canterbury Media Release

Pressure on water and staff can cause consenting delays

Tuesday, 1 April 2008

Environment Canterbury says that resource consent processing delays can be expected given the pressure the water resource is under in Canterbury combined with high employment country-wide.

"Not only is the number of consents we are receiving increasing, assessing the effects of what is proposed is also becoming more complex with more intensification of farming practices and water in Canterbury at its sustainable limits," said ECan chief executive Dr Bryan Jenkins.

He was responding to a recent media report on delays related to a North Canterbury dairy farmer seeking to expand from 1900 to 2,200 cows. In order to provide the cows with pasture, the farmer needed resource consents for wells to increase irrigation on his South Eyre Rd property, 20 kms from Kaiapoi.

"It is the role of consenting authorities to protect existing water-users as well as the health of groundwater and nearby river water. At times, this can extend applications beyond statutory timeframes," Dr Jenkins said.

"ECan acknowledges that there is pressure on the number of experienced resource consents staff available to process consents. But regardless of this, the need to uphold environmental bottom lines remains and is even more essential in a resource-stretched environment," Dr Jenkins said. ECan had been proactive in recruiting consents staff from overseas with 16 of 55 consents staff currently from outside New Zealand. External consultants are also used but their availability is limited by the same factors creating pressure for ECan, he said.

"Farmers who are aware of the need for their operations to be sustainably managed provide us with thorough and complete applications, which minimise processing times. ECan will not make consent decisions until it thoroughly understands how the applicant will manage the activity, the receiving environment, and the risks to the environment and other parties. Under the Resource Management Act, the onus is on the applicant to provide that information."

In the Kaiapoi dairy expansion case, the Eyre River groundwater zone where it is located is graded as "yellow" which indicates that current allocations account for 80-100% of the groundwater zone limit. This means that any application for large amounts of water for irrigation had to prove it would have no or minimal effect on existing users' access to water. The effects of dairy farming and nitrates leaching from effluent into nearby groundwater also needed to be taken into account. The area around Kaiapoi and downstream of the farm in question has many lifestyle blocks which relied on groundwater wells for drinking water.

Dr Jenkins said the North Canterbury application had been incomplete in a number of areas and where statutory timeframes had been increased from 20 to 40 days, the applicant had been made aware of this.

Applicants needed to build these sorts of timeframes into their long term business planning and be prepared to be turned down if the application was in a zone where the available water was limited or if they could not prove their water use would not adversely affect the environment or existing water users, he said. Even when consents are granted, conditions had to be incorporated which protected the environment and existing users.

With regard to dairy effluent consents, ECan is being proactive in:

- providing consent application packs ("When the cows come home") to assist new applicants in producing a good application first time
- publicising the need to apply for dairy shed consents early to help manage the processing workload
- offering one-to-one sessions to go through an application prior to it being lodged, and
- revising the dairy application form to streamline the process.

Timeline/details of Kaiapoi application, referred to in Press March 29, 2008, as provided by ECan consents staff:

Arjen Schouten (Peter Schouten appeared in the newspaper article) has a number of consent applications in process at ECan - to install multiple bores (ie wells), to use groundwater for irrigation from those wells, for effluent storage and for effluent discharge.

The two groundwater applications were received on February 12, 2008, however they were not complete so were returned to Mr Schouten. The amended and completed applications were received and formally receipted on February 22.

The bore application was granted last week. This is relevant to the water take and use consents as until the bore consent was granted and the exact location and depth determined it is difficult to properly assess the effects of the proposed water takes. These are in process, and are well advanced and the main concern is whether the water use will affect other consented water takes in the immediate area.

Mr Schouten was advised at acknowledgement of his application, that ECan would be doubling the normal time frame of 20 working days to 40 working days given the heavy workload. ECan is now at day 26 of that process and assuming that there are no problems in assessing the application further given the information supplied by Mr Schouten's technical consultants, they should be decided within the 40-day time frame.

The two effluent applications were received in October 2006.

The environment in question is a sensitive one; given it is adjacent to the Eyre River, and on land with a potential flooding risk. The effluent applications did not properly or accurately address the environmental effects of the proposed effluent and storage discharges. A formal request for more information was sent to Mr Schouten's consultant in January 2007. After considerable prompting from ECan, seven months later the consultants provided more details, but insufficient flooding risk information. This has still not been provided, and the applicant is in disagreement that flooding is a risk that the Council should take into consideration.

Environment Canterbury has offered considerable advice and assistance from a senior resource planner to assist Mr Schouten mitigate the flooding risks. However, the effluent consent application remains stalled with the ball in Mr Schouten's court.

For Peter Schouten to suggest in the newspaper report that ECan has been the sole source of delays to his proposed dairy expansion is incorrect.

For more information: Dr Bryan Jenkins, ECan Chief Executive 0274 974 973.

