# Meeting Notes: Ruamāhanga Whaitua Committee

## Deliberations Phase 3 - Workshop 26

## August 1 2016 1:30pm – 6:00pm

## Featherston Community Centre

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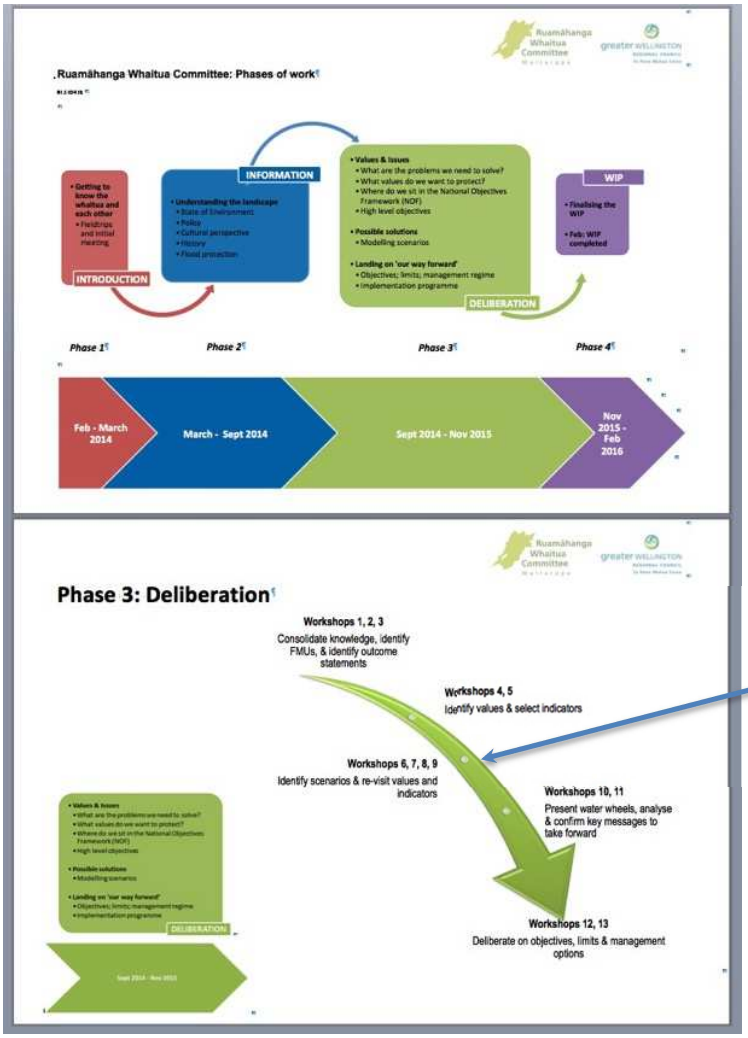

**Summary** This report summarises notes from a workshop of the Ruamāhanga Whaitua Committee held August 1 2016 at the Featherston Community Centre.

**Contents** These notes contain the following:



# A Workshop Attendees

**Workshop Attendees** Mike Ashby, Aidan Bichan, David Holmes, Colin Olds, Esther Dijkstra, Ra Smith, Mike Birch, Vanessa Tipoki, Andy Duncan, Chris Laidlaw.

Richard Storey.

**Apologies:** Peter Gawith, Philip Palmer, Rebecca Fox, Russell Kawana.

# B Workshop Purpose

**Workshop Purpose** The workshop purposes were:

- To confirm the water allocation limit scenarios to test
- To identify the water allocation policy options RWC would like to see further developed
- To confirming natural character attributes & thresholds for the BBN for ecological modelling
- To confirm the outputs RWC desires from the Ecological Modelling Framework.

The first three purposes were achieved. The last purpose relating to the Bayesian Belief Network (ecological model) and the need to confirm with

the Committee the proposed type / form of the information it is to provide, was not achieved.

**Workshop Agenda**

The agenda is below.

| TIME | Task | Who |
|---|---|---|
| **1:30** | **Welcome, Introductions, Karakia, Housekeeping, Purposes, Agenda** | **Esther, Ra, Michelle** |
| 1:40 | Water Allocation – Confirmation of Scenarios to Test | Mike T |
| 2:00 | Water Allocation Policy at Consent Expiry / Renewal / Application:<br>• Understanding the options: | Murray |
| 2:15 | Water Allocation Policy at Consent Expiry / Renewal / Application:<br>• Selecting which policy option(s) to keep in play:<br>1. Grandparenting<br>2. Market Mechanisms<br>3. Balloting, priority allocation system<br>4. User groups | Michelle, All |
| **3:25** | **Afternoon Tea** | |
| 3:45 | Allocation Policy Options – the decisions | All |
| 4:00 | Ecological Modelling Framework – Defining the Inputs for Modelling the Natural Character Node<br>• Confirming natural character attributes & thresholds | Richard Storey |
| 5:15 | BBN for ecological modelling<br>• Confirming the desire outputs | Richard Storey |
| **6:00** | **Karakia and close** | |

## C Follow Up Actions to Previous Meetings

**Follow Up Actions**

Committee to have a brief period at the end of the workshop to discuss the recent meeting with the territorial authorities asset managers to get information about the wastewater treatment plants.

# D Water Allocation – Confirmation of Scenarios to Test

**Overview**

Mike Thompson reported back on the water allocation scenarios developed out of the previous workshop.

Confirming the options for testing alt

Participants then checked and discussed these in light of their purpose – to be able to provide a wide range of information between different allocation scenario extremes. Further modifications were made at this point, and the scenarios below were confirmed.

**Decisions on Water Allocation Flow Scenarios**

Model the high minimum flow scenario, baseline and minimum flows for ecological, cultural and recreation from the table.

Also model the following:

Model lower minimum flow 50% / 70% - With a range of allocations
**Action** = Mike to explain what the outputs will be on the basis of current information and bring it back.
**Question:** Are there options for 'swimmability' from this perspective?
**Action:** Mean annual low flow/life supply capacity – do the explanation of this next time

**Output RWC members would like from modelling:**

- how reliability of supply changes including under a 'bad' season, e.g. both very wet, and very dry situations.
- estimated changes in ecological habitat e.g. fish (based on physical space).

**Note:** Chris Laidlaw conveyed that GWRC Flood Protection Team is actively exploring whether we can restore holes for swimming.

Decision not to model natural flow as it wouldn't be a useful comparison. The baseline in a legal sense is sustaining ecological life supporting capacity.

# E Water Allocation Policy at Consent Expiry / Renewal / Application

**Overview**

Murray McLea gave an overview of the different types of policy options available to the committee for water allocation.

Allocation concepts - 4th presentation - to

RWC members then workshopped each type, discussing the equity dimensions, looking at the pros and cons for the Ruamahanga situation, and determining whether to put the option aside, or keep it on the table for further exploration and discussion.

Four areas of water allocation policy options were considered:

1. Grandparenting
2. Balloting, priority allocation system
3. Market Mechanisms
4. User Groups.

The notes from these discussions are set out below:

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**Grandparenting**

**Equity Issues**

- Legal implication of investment costs of infrastructure
- **Someone else can't get in – they are the losers**

**Pro's & Cons of Grandparenting**

*Pros*

None were identified.

*Cons*

- Allows inefficiency of water use to continue
- And this continues to deny others from access to water
- No incentive to be innovative?
  (One different view on this - disagree – think that threat of losing it [water] **has** driven efficiency. Others commenting on this said no, it is profits and costs that have driven water use efficiency efforts in recent years. However someone else mentioned that consents issued in the last 2-3 years have required efficiency improvements.)
- Allows higher value potential uses to be missed out
- Doesn't promote sustainable management per section 5 of the Resource Management Act.
- Has reduced reliability for other uses because inefficient uses have been able to continue

**Continue to Grandparent?**

**Yes:**

- On a clawback basis – on a phasing out basis – a range of options for this raised, e.g. phase out over time; phase out using some sort of efficiency test; phase out on sale?
- Recognising efficient use – allocate to this person
- Recognise existing investment

**No:**

- Grandparenting should cease. How?
- Water shouldn't just be granted based on historical use
- Why – Because if we prioritise ss104 of the Resource Management Act over equity we are producing "corporate beneficiaries"
- Water should be allocated according to priorities and then ballot/or market.
- Phase out grandparenting based on life span of existing infrastructure and reasonable and efficient use criteria (some agreed with idea of a phase but not this method)

**Summary**

- No consensus on whether to continue to grandparent or not.

**Areas agreed:**

- Grandparenting is very good for those that have already invested.
- It is not good for those who can't get in.
- No supporting principle for continuing it was identified in the discussions.
- Rules should apply across the Whaitua irrespective of allocation level – can't grandparent in one FMU and not another.
- Grandparenting can <u>improve</u> efficiency but this does not address the importance of <u>equity</u> and <u>contestability</u>
- Doesn't incentivise innovation
- Shuts out others and reduces reliability by tying up available allocation
- Recognise existing investment in process of phasing out grand parenting. Time based? Efficiency test? At time of sale?

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**Balloting, priority allocation system**

**Balloting / Priority**

**Group 1**
**Equity Issues**
Unfair to just ballot

a) Winners = lucky ones
   Losers = unlucky ones

**Priority systems – a number of different options**

- Return on investment
- Good management practice
- ** **Efficient use**
- Land use capability
- Seasonal priorities

**Keep on table or not?**

- **Keep** but prioritise first then ballot

**Pro:** prioritisation can be used as a method to achieve other objectives (e.g. water quality)

**Group 2**

- No efficient use criteria – e.g. domestic use
- Ditch the ballot – won't promote sustainable management, - not open or transparent – possible negative – taking away people's choices
- **Priority system** – you can respond to changing markets etc., other drivers

**Group 3**

- Agree with other groups but more work needed to flesh out priority systems

**Summary**

**Areas agreed:**

- A consensus to ditch the ballot or partial ballot.

**Reasons:**

- No incentive for efficient use
- Does not reflect existing investment
- Doesn't promote sustainable management

**Areas agreed:**

- Agreed a priority system was more desirable:
  - efficient use
  - flexibility
  - respond to changing drivers
  - coordinated planning for region

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**Market Mechanisms**

**Market Mechanisms**

**Equity:**

- Put value on water and create immediate incentive for efficiency (a-c)

**Auction**

- Consents go back to Council

**Pros**

- More equitable – everyone gets a go
- Enable conditions around efficient use
- "Reasonable use" test
- $ Utilised to sustainably manage the catchment (targeted) as per Resource Management Act
- Surrender water not used for refund

**Cons**

- Risk to those who have invested in infrastructure (stranded assets) and all that goes with it
- Wealthy win – not fair.

**Tender**

- Consents go back to Council
- More equitable – everyone gets a go
- Enable conditions around efficient use
- "Reasonable use" test
- Revenue back to Council ensure resource sustainably managed
- Surrender portion water not used for refund
- Closed tender is potentially fairer than Auction – can consider non-price attributes.

**Cons**

- Risk as above, but less risk than auction

**Transfer**

Pros

- Peer to peer
- Reasonable Use test
- Onsite storage water and release
- Incentivises by selling off extras

**Tender and Auction Cons**

- All water can end in a small group's hands
- Driving down or reducing profits
- Can drive down value of land (as water consent costs increase, value decreases)

**Consensus Decision:**

- Keep all three options in, in order to explore further at this stage.

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**User Groups**

**User Groups - Sub-group 1 (Esther, Aidan)**

**Equity**

- It's a club – you are either in or out
- Who's in control of the club?
- Structure of the club will help determine equity

**Pros**

- More flexible
- Community, user control
- Spread water in low availability
- Respond quickly to changes in river levels and need (compared to Council)
- More responsive to best (GMP) practice on an annual basis
    - potential for this to happen
    - respond faster to new practice
- Can drive efficiency (particularly when a catchment is over-allocated)

**Cons**

- Adds another layer to the system
    - Deal with Council and 'club'? Depends on how you administer it
- Open to abuse – 'social hierarchy'
- If under allocated no incentive towards efficiency
- A user group of one industry wouldn't work. Usually geographic.

**Decision**

Keep this option? Yes!

Other methods reduce the need for Council rules. Community management.

**Note:** Transfers could be a method of 'new water'. Allows this to happen in a much easier way – user groups.

**Group 2 Vanessa, Andy, Mike B**

**User Groups**

- What scale should they be set up at?
- User groups could invest in more infrastructure.

**Equity**

- No issues if it is inclusive – need mechanism to ensure this. Maybe someone external to oversee? Or a complete refresh on expiry?
- Could start with market. User group administers the transfers.
- Cost by flat fee or user amount.
- Cost of user group is met by users 'user pays' - more equitable

**Pros**

- Establish better transfers (between different users)
- More efficient use
- Creates flexibility not available in current system
- Adapts quickly to changes
- Regulation without the regulator
- Administration by Regional Council - could there be an arbitrator?

- Incorporated societies are useful structures
- Could be self-policed (but open to abuse)
- Vary the rules depending on the sensitivity of catchment

**Cons**
- Can be an exclusive 'club'
- Potential for abuse – 'old boys network'
- Reflection of worst of human behaviour
- People with the water are the decision makers – could they be delegated to some degree? How much bureaucracy do you introduce? – two steps. Council are still the enforcers. Where delegated to user group it doesn't work
- Cultural, ecological values – Council required to look after these. What is the user group responsibility here? By the consent.

**Decision**
- Keep on table?
- Yes!

**Group 3 Ra, Colin**

**Equity**
- Shouldn't be an exclusive club
- Be inclusive – transparent process

**Pros**
- Should be a collaborative process – everyone can agree to cuts
- Flexible – GMP and best management practice by the community, not stakeholders. People in the sub-catchment decide for the sub-catchment
- Foster adaptability – greater adapability in Natural Resources Plan (NRP) and local council plans. They each drive improvements in each other. Be more proactive.

**Cons**
- Pits neighbour against neighbour
- There is a network of 'old boys' – this could come into the user group
- One person could dominate/ambush the agenda
- Wider groups could be subverted

**Decision**
- Keep on table? Yes! If users are willing.
- How would you select user group? All are in!
- Flexibility & adaptability.

**Group 4 David, Mike A**

**Equity**
- Have to be part of the user group to have water

**Pros**

- Dealing with other people who also have a stake in the game
- Reaching agreement by collaboration
- Flexibility. Good at sharing. Respond fast to changes in catchment
- Works well where shared investment e.g. dam
- More flexibility for people to join than grandparenting

**Cons**

- Does it aid efficiency? Depends how it is set up
- Social hierarchy. Potential for dodgy dealing
- Could respond unfairly where there are restrictions. Could lead to legal challenge
- Depends on how group is structured as to how easy it is for new groups to join

**Decision**

- Keep on table?
- Yes!

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## F Ecological Modelling Framework – Defining the Inputs for modelling the Natural Character Mode

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**Overview**

Richard Storey presented a proposed list of attributes to be modelled for the purposes of providing information on natural character.

Natural character index presentation by

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**RWC Discussion and Decision on Ecological Model Natural Character node**

The following decisions were reached in respect of the table of attributes presented:

- Include macrophyte cover (Note: this is not periphyton which grows in different habitats)
- Encroaching vegetation
- Fluctuation of flow – need to identify an attribute for this (the flow that something like controls on flow might affect e.g. a dam)
- Mechanical modification – includes central channel
- Include riparian vegetation type*
- Include primary senses (blind person test)
- Yes to including structures – in the rivers e.g. weirs.
- Happy with structural/mechanical.
- Could come up with an index of braidedness by comparing photos of the past and now.

- What produces smell? What attributes could be used to describe smell e.g. rotting periphyton. Richard to investigate further.

*** Riparian vegetation type**

- Diversity of height – the greater the height = the greater the natural character score
- Diversity of type
  - Exotic vs native (the more native, the higher the score)
- Pest weeds = low natural character score
  - Note: Landcare Research – check their biodiversity index's with respect to natural character

**In regards the suggested states of attributes:**

- OK.
- Look at two categories for deposited sediment.

**Which system for assessing the combination of attributes?** A weighting or a minimum operator system?

- Would like to try all three systems, and see if there is any difference:
  1. Weightings all the same
  2. If average, even weightings or unequal weightings? 1:10 in relation to each other, where 1 = not important and 10 = very important
  3. "Minimum operator" where if **any** are really low, then it ruins everything.

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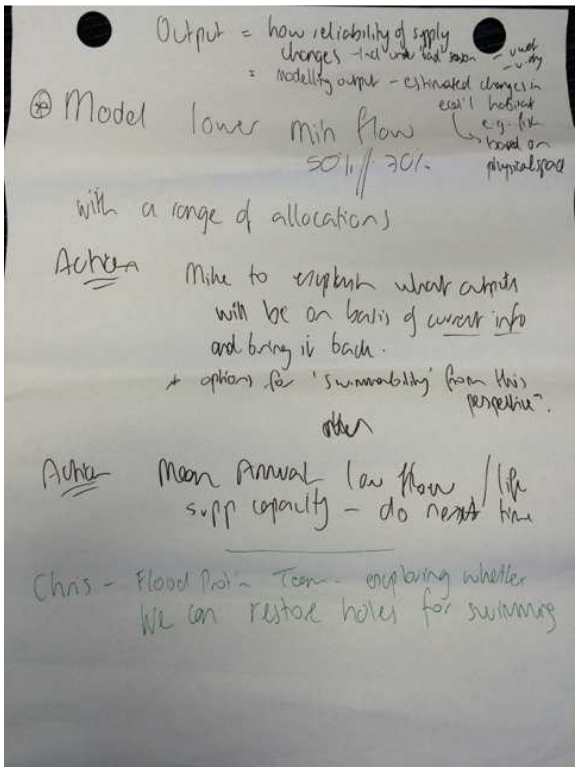
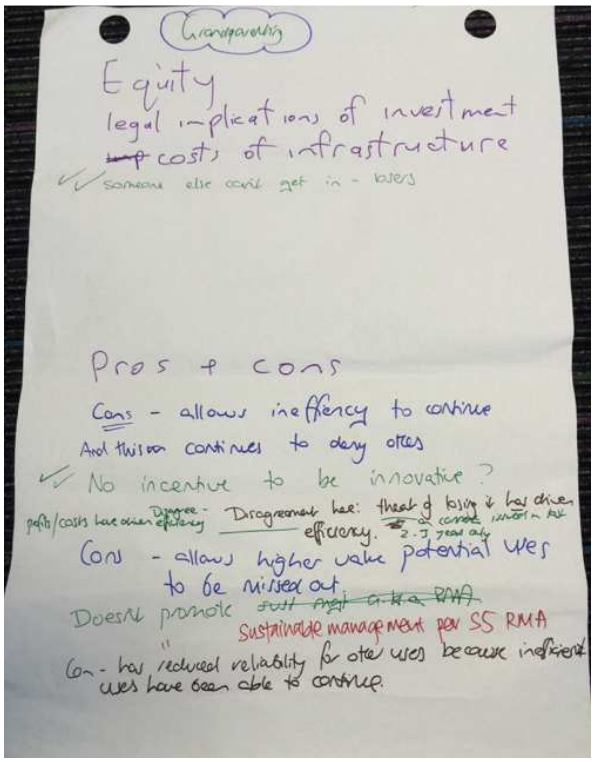
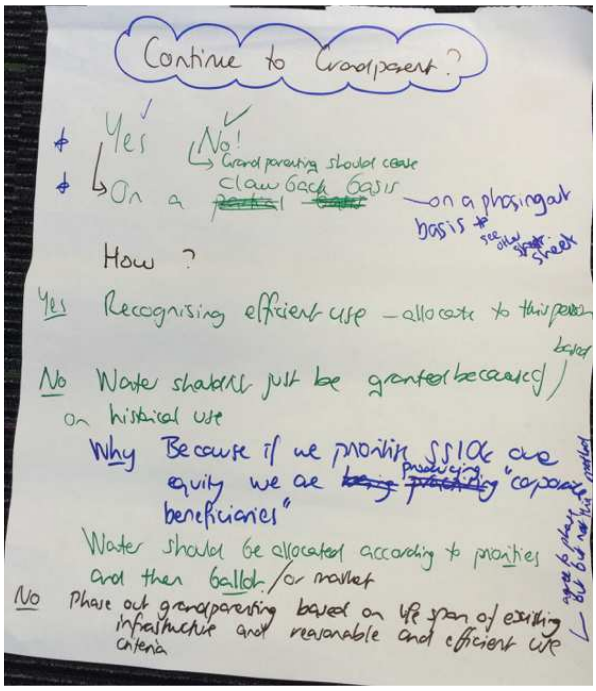
# Appendix – Photos of Flipcharts



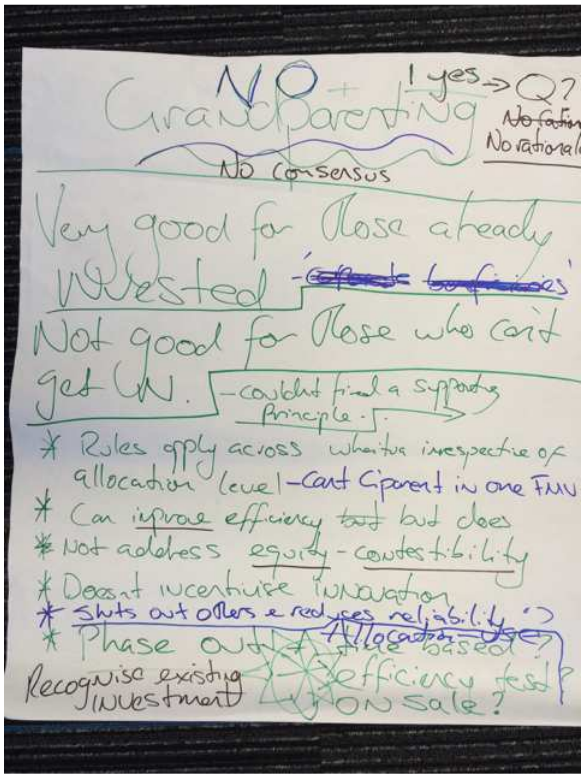
D Water Allocation Scenarios to Model



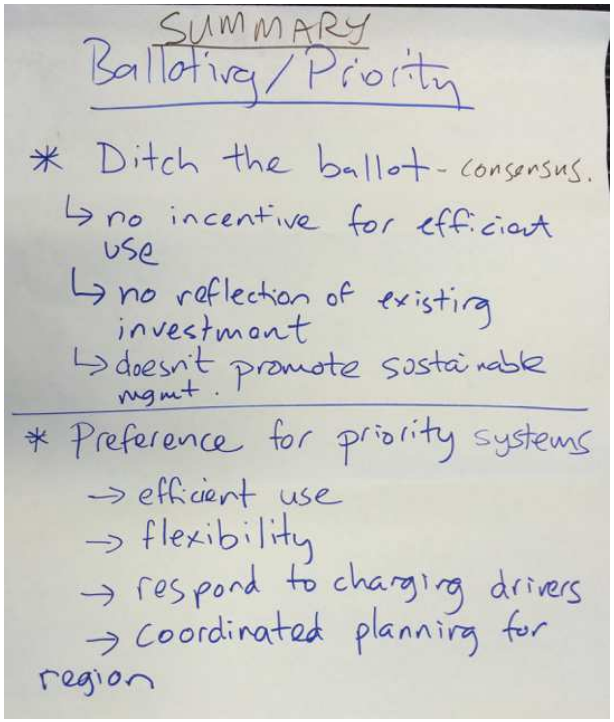
E Water Allocation Policy Options – Grandparenting – 1

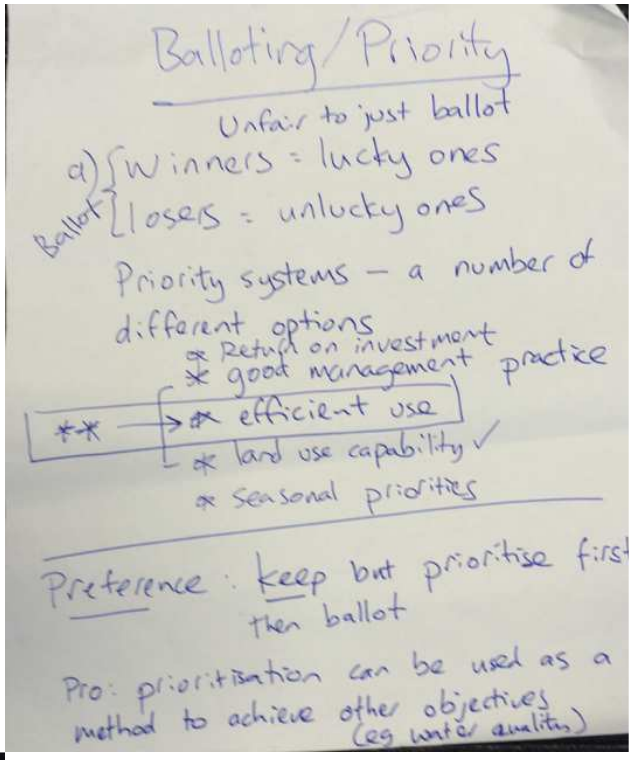


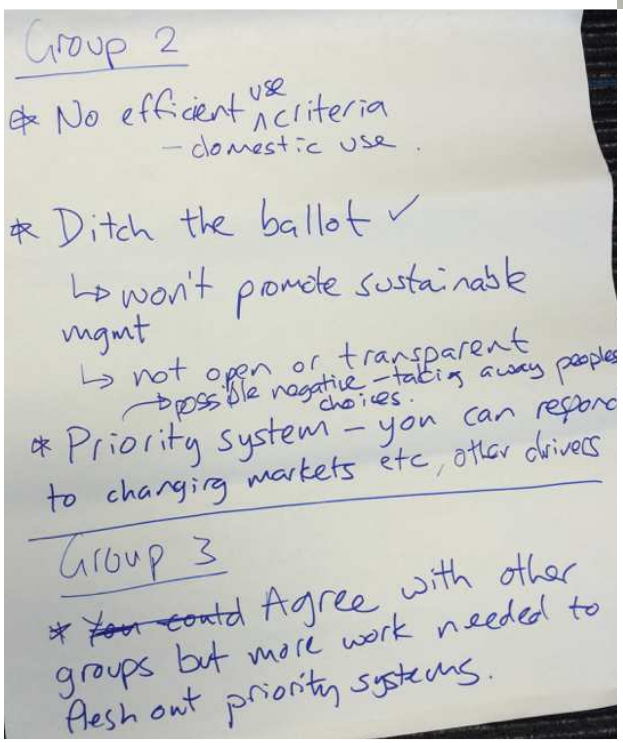
E Water Allocation Policy Options – Grandparenting - 2



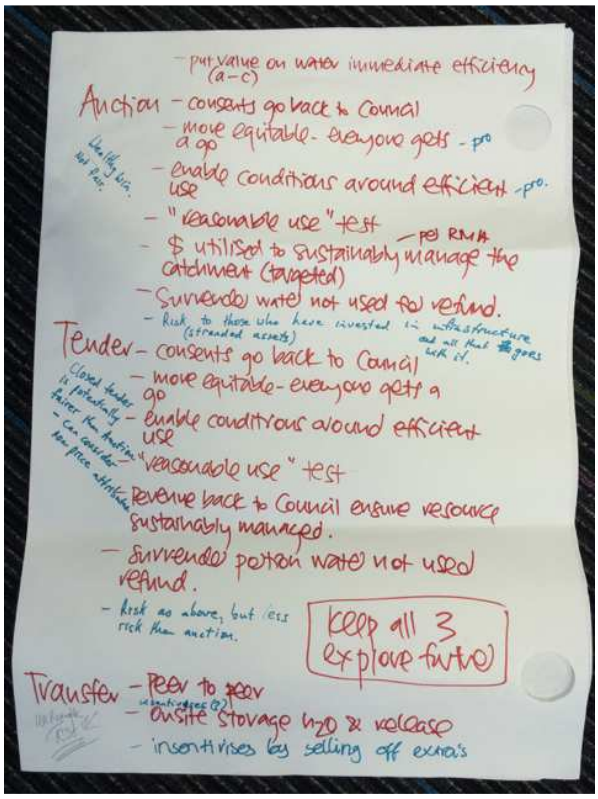
E Water Allocation Policy Options – Grandparenting – 3




E Water Allocation Policy Options – Balloting, Priority Allocation System


- put value on water immediate efficiency (a-c)
Auction - consents go back to Council
- more equitable - everyone gets a go - pro
- enable conditions around efficient use - pro.
- "reasonable use" test
- $ utilised to sustainably manage the catchment (targeted) - pro RMA
- Surrender water not used for refund.
- Risk to those who have invested in infrastructure (stranded assets) and all that goes with it.
Tender - consents go back to Council
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keep all 3 explore further
Transfer - Peer to Peer
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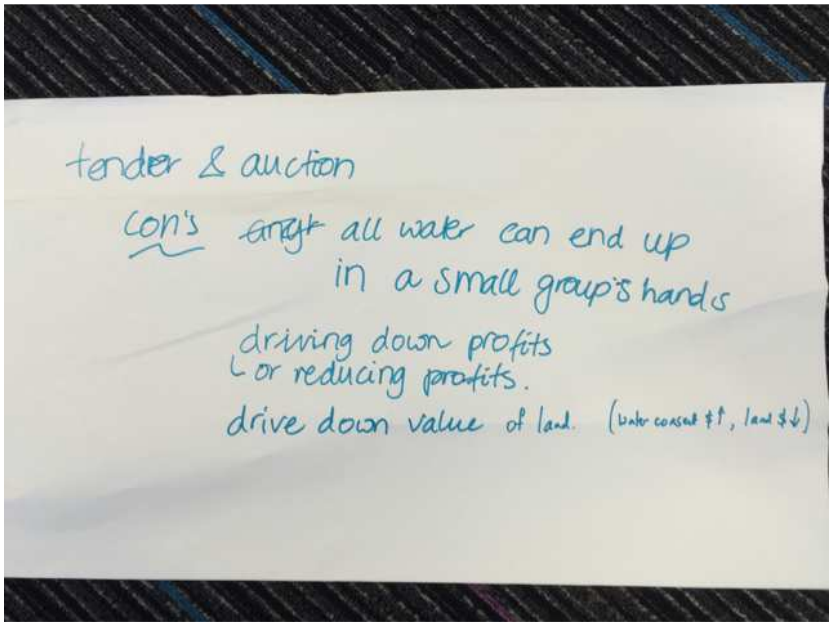
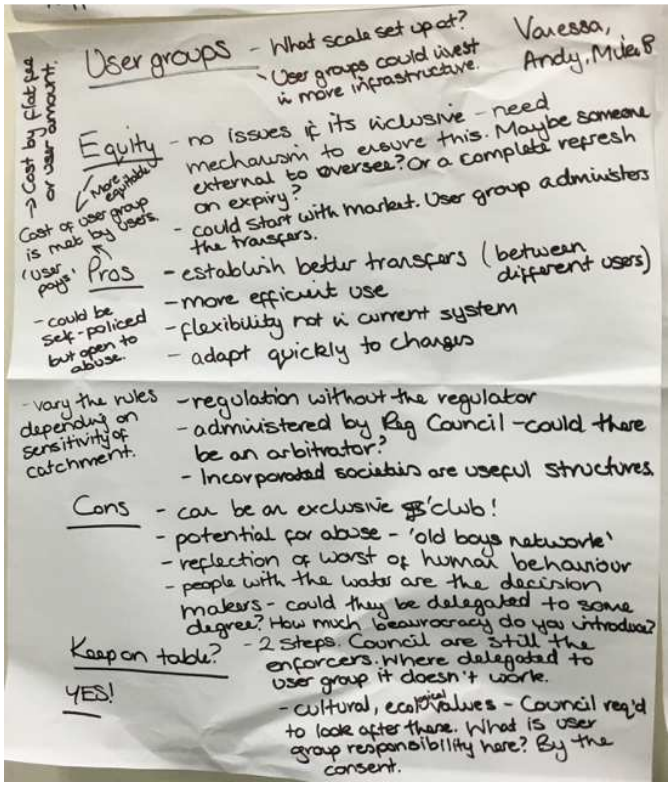

tender & auction
con's
all water can end up in a small group's hands
driving down profits
or reducing profits.
drive down value of land. (water consent ↑, land ↓)



User groups - What scale set up at? Vanessa, Andy, Mike P
- User groups could invest in more infrastructure.

Equity - no issues if its inclusive - need mechanism to ensure this. Maybe someone external to oversee? Or a complete refresh on expiry?
- could start with market. User group administers the transfers.
→ Cost by flat fee or user amount.
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More equitable

Pros
- establish better transfers (between different users)
- more efficient use
- flexibility not in current system
- adapt quickly to changes
- could be self-policed but open to abuse.

- vary the rules depending on sensitivity of catchment.
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- administered by Reg Council - could there be an arbitrator?
- Incorporated societies are useful structures

Cons
- can be an exclusive 'club'!
- potential for abuse - 'old boys network'
- reflection of worst of human behaviour
- people with the water are the decision makers - could they be delegated to some degree? How much beauracracy do you introduce?

Keep on table?
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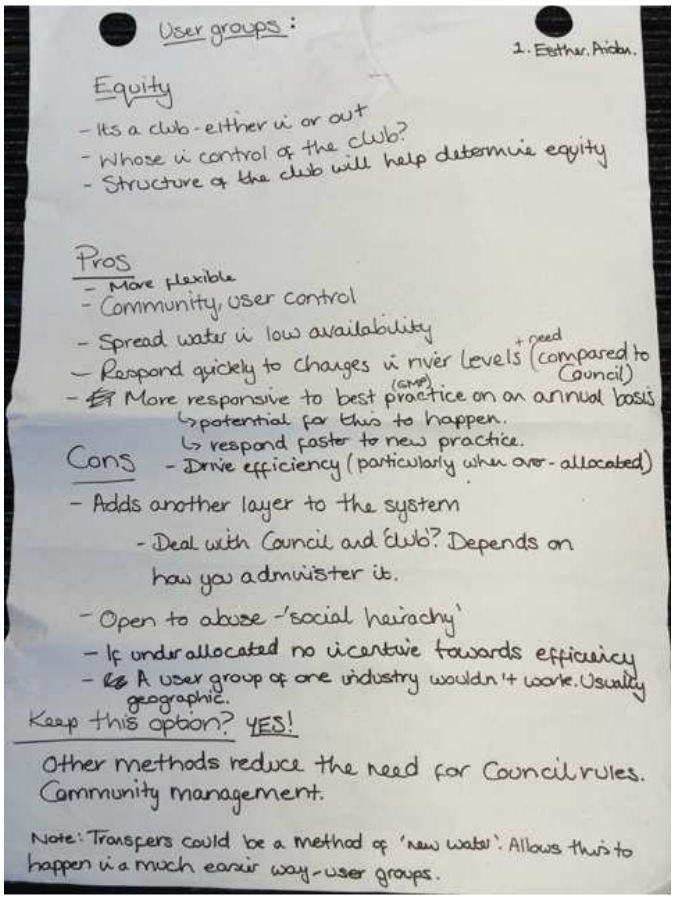

User groups: 1. Esther, Aidan.

Equity
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- Whose in control of the club?
- Structure of the club will help determine equity

Pros
- More flexible
- Community, user control
- Spread water in low availability
- Respond quickly to changes in river levels (+ need compared to Council)
- More responsive to best (same) practice on an annual basis
  ↳ potential for this to happen.
  ↳ respond faster to new practice.

Cons
- Drive efficiency (particularly when over-allocated)
- Adds another layer to the system
  - Deal with Council and 'club'? Depends on how you administer it.
- Open to abuse - 'social hierachy'
- If under allocated no incentive towards efficiency
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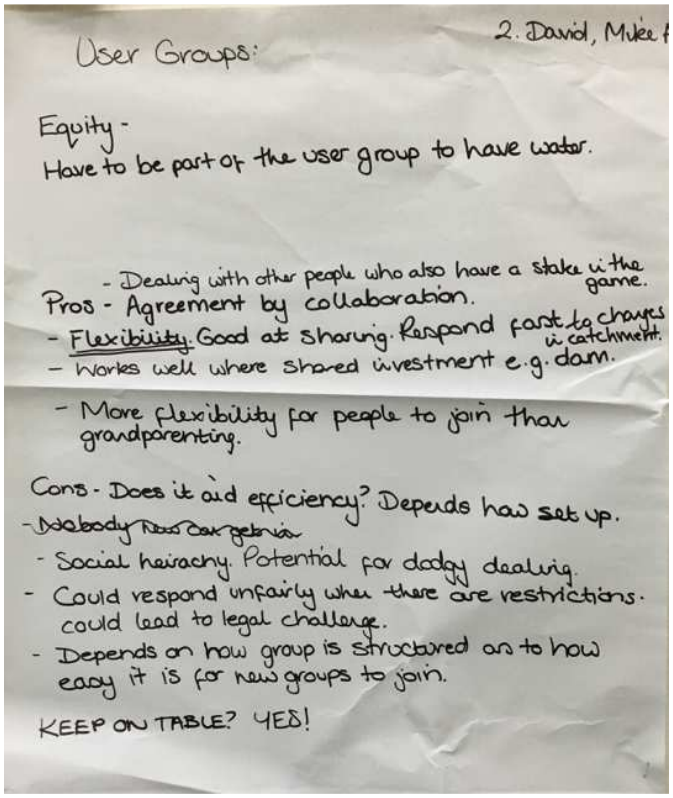
Keep this option? YES!

Other methods reduce the need for Council rules. Community management.

Note: Transfers could be a method of 'new water'. Allows this to happen in a much easier way - user groups.



User Groups: 2. David, Mike

Equity -
Have to be part of the user group to have water.

Pros - Agreement by collaboration. - Dealing with other people who also have a stake in the game.
- Flexibility. Good at sharing. Respond fast to changes in catchment.
- Works well where shared investment e.g. dam.
- More flexibility for people to join than grandparenting.

Cons - Does it aid efficiency? Depends how set up.
- ~~Nobody has car get in~~
- Social heirachy. Potential for dodgy dealing.
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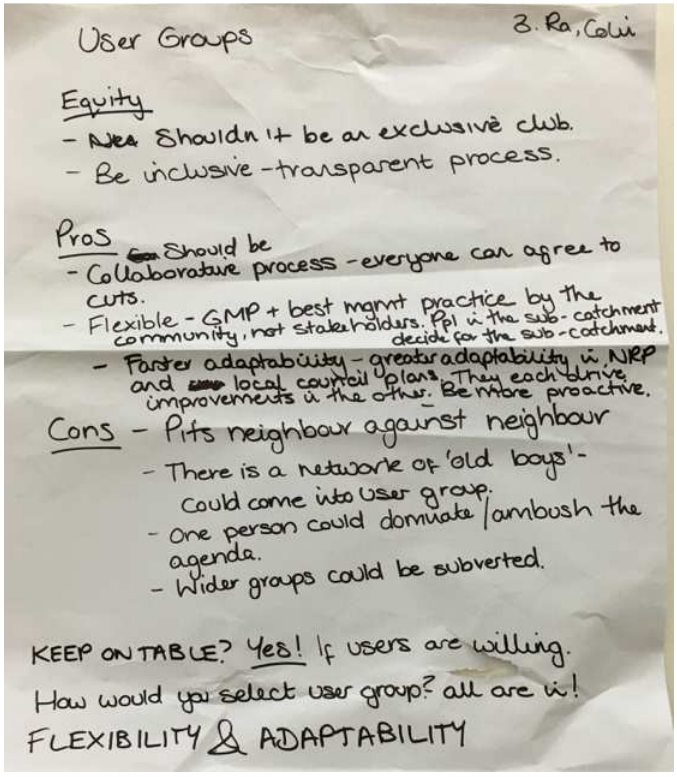
- Depends on how group is structured as to how easy it is for new groups to join.

KEEP ON TABLE? YES!



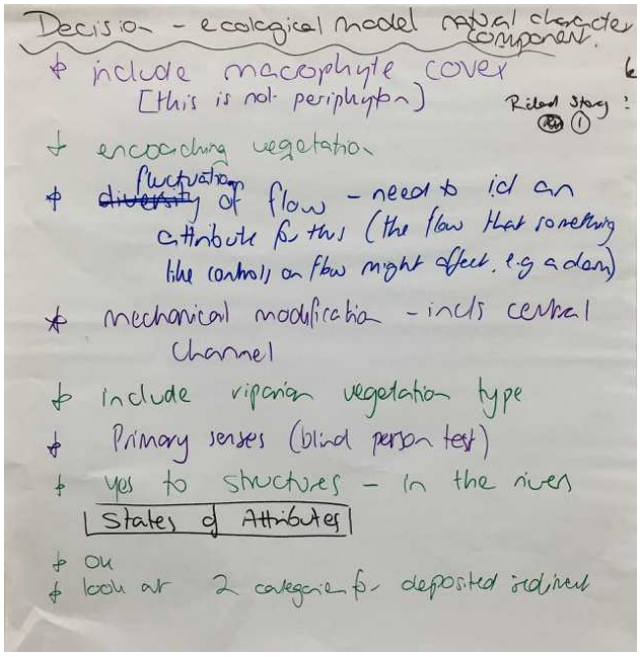
User Groups 3. Ra, Colin

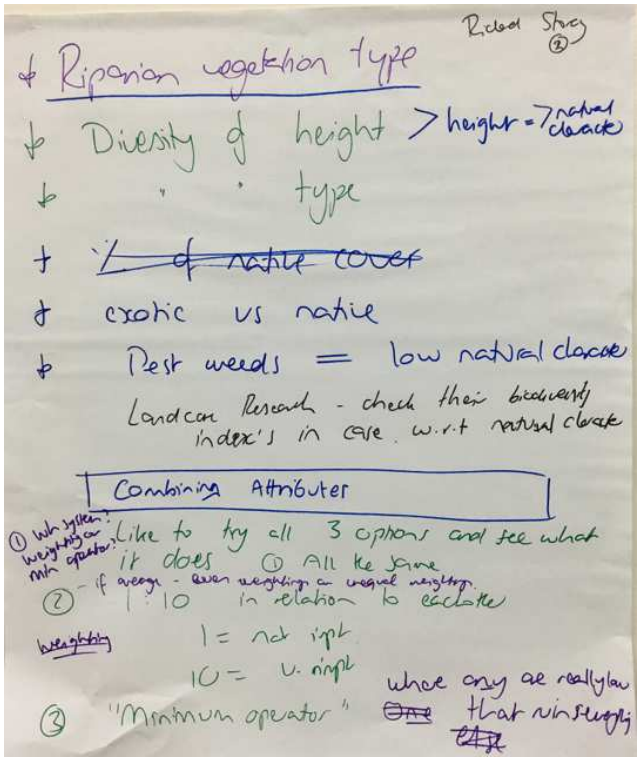
Equity
- ~~Nea~~ Shouldn't be an exclusive club.
- Be inclusive - transparent process.

Pros
- ~~Can~~ Should be Collaborative process - everyone can agree to cuts.
- Flexible - GMP + best mgmt practice by the community, not stakeholders. Ppl in the sub-catchment decide for the sub-catchment.
- Faster adaptability - greater adaptability in NRP and ~~can~~ local council plans. They each drive improvements in the other. Be more proactive.

Cons - Pits neighbour against neighbour
- There is a network of 'old boys' - could come into user group.
- One person could dominate / ambush the agenda.
- Wider groups could be subverted.

KEEP ON TABLE? Yes! If users are willing.
How would you select user group? all are in!
FLEXIBILITY & ADAPTABILITY


Decision - ecological model natural character component
include macrophyte cover
[This is not periphyton]
Riparian Study 1
encroaching vegetation
fluctuation
diversity of flow - need to id an attribute for this (the flow that something like controls on flow might affect. e.g a dam)
mechanical modification - incls central channel
include riparian vegetation type
Primary senses (blind person test)
yes to structures - in the river
States of Attributes
ou
look at 2 categories for deposited sediment


Riparian Study 2
Riparian vegetation type
Diversity of height > height = natural character
" " type
% of native cover
exotic vs native
Pest weeds = low natural character
Landcare Research - check their biodiversity index's in care. w.r.t natural character
Combining Attributes
① Which system? weighting or min operator? Like to try all 3 options and see what it does ① All the same
② - if average - even weightings or unequal weightings
1 : 10 in relation to ecological weighting
1 = not impt
10 = v. impt
③ "Minimum operator" where only one really low that win strongly

ENDS