



# Submission

Manuherekia River Scenarios  
Otago Regional Council

Due: 18 June 2021

Connecting People & Advancing Business  
[www.otagochamber.co.nz](http://www.otagochamber.co.nz)

## INTRODUCTION

1. The Chamber welcomes the opportunity to provide a submission on the proposed Manuherekiā River scenarios for the freshwater management in the catchment. Our feedback is focused at a high level on the options, given the role and nature of our membership organisation.
2. We provide constructive comments on the scenarios presented in the paper. These are based on our observations and expectations from our member base.

## ABOUT THE CHAMBER

3. The Chamber is a membership-based service organisation that has been the home and voice of business in the Otago<sup>1</sup> region since 1861. It offers business and business people a range of services and advocacy. We are dedicated to promoting and actively encouraging business growth and opportunity throughout the Otago region.
4. Comprised of over 950 members, the Chamber actively provides information, advocacy and support for business, connecting members through networking events and functions, and developing capability and skills through our training workshops and programmes, including the not-for-profit sector.
5. We also advocate and offer a voice for business concerns and submit on behalf of members on local and national government policy. Representation occurs on behalf of a broad cross-section of business demographics including size, location and industry type, with the full range from small businesses through to large employers and stakeholders in the region.

## FEEDBACK

6. We are pleased to make a submission on behalf of our members based in the Central Otago district. The Chamber aims to have a thriving Otago community, if the economy is doing well the whole community benefits. The economy needs to be sustainable in both the environmental and economic sense. A robust economy in the Central Otago rural community and service based towns is equally essential for the vitality, health and wellbeing of the residents. With this in mind, we strive to provide positive feedback on the proposed options where possible.

### Policy setting

7. With the drivers for implementing freshwater management changes coming from central government, regional councils are required to develop their

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<sup>1</sup> Otago Chamber of Commerce excludes the chamber organisations in the Queenstown Lakes District – Queenstown Chamber of Commerce and Ignite Wanaka.

individual Land and Water Regional Plans. The Chamber is aware the National Policy Statement for Freshwater Management - Te Mana o te Wai 2020 requires regional councils to set allocation limits and minimum water levels/flows for all freshwater management units and ensure efficient water use. The Chamber notes the priorities in the consultation document for achieving environmental outcomes are:

- First - health and well-being of water bodies and freshwater ecosystems.
- Second - health needs of people (drinking water).
- Third - ability of people and communities to provide for their social, economic, and cultural well-being, now and into the future.

8. As these reforms are underway, it is of concern to our business community that the current issues with the Manuherehia River health has not been adequately communicated ie. what is the problem? why is the status quo not working? We recognise that damming and irrigation displace water and alter natural processes within aquatic ecosystems. With the Falls Dam, however, having been in place for nearly 100 years, it is difficult to know what a natural flow is, and what it looks like. The remainder of water comes from the tributaries downstream.
9. The proposed flow scenario options for freshwater management in the Manuherehia catchment is a major issue for the district, with both potentially economic and social repercussions. Currently, the financial benefit to the Central Otago district is a GDP contribution from irrigated farming of \$17.6 million during an average rainfall year and amounts to approximately 180 direct jobs, and a further 125 downstream jobs, in the district<sup>2</sup>. On the other hand, it is worrying the Otago Regional Council's estimates on the jobs losses appear to be under-stated, with 1-2 job losses modelled under the 5 scenarios.
10. If the council's long-term aim is to increase the flow to a higher level, a transition plan setting out how to achieve that is critical. The proposed water management reforms would see transformational change, having implications for balancing the needs of different water users (rural, business, recreation, conservation and local rūnanga) and any future land use changes. How local businesses sustain, adapt and grow with such uncertainty is stressful for the Central Otago business community. In the long term, having a thriving river and thriving economy (with significant benefits for future generations) might well be possible, but how to get there is not clear at all.
11. The Chamber is also aware of a number of other water related change projects underway, and the sequencing of these need to be considered alongside each other, and not in isolation. Businesses are directly, and indirectly, affected by changes to future water permits plan changes (currently before the Environment Court) and any potential farm land use changes.

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<sup>2</sup> Benje Patterson report, Economic impacts of minimum flows in the Manuherehia Catchment (29 March 2021) prepared for the Central Otago District Council.

12. The Chamber is concerned with the unintended consequences of government policy decisions being made in rural and smaller communities, both at a central and local government level. The proposed water management reforms will have impacts for existing businesses in the wider district and region. These water management changes come alongside the impending future transformational change across the New Zealand economy with the Climate Change Commission's recommendations including the potential changes for agriculture, transport, energy and forestry to meet the target of net zero emissions.
13. How businesses, and their communities, adjust and make the necessary changes requires significant leadership and investment. Where is this happening? What is required? Who is responsible? How will it be funded? When will it happen?

#### Consultation scope

14. The Chamber has concerns about the public consultation process and tools used by the Otago Regional Council:
  - a. How accessible is the consultation document and process for the business community and wider public? We are aware this is a complex issue. There is a lot of information to process and understand, the majority of which is largely technical.
  - b. Businesses are key stakeholders in the Central Otago district, and we are aware there has been limited business representation on the reference group (and not wider business community consultation) having input in the development and assessment of implications of the scenarios presented. The focus has largely been on the technical issues.
  - c. Why is the online public submission template so limited in the questions asked (when there are questions on p3, 16, 19 and 36 of the consultation document), particularly given the technical nature of the issues at stake? It is not clear enough to assist people in making decisions. On the other hand, the technical information has been dumbed down to such an extent there is information missing. The minimum flow scenarios presented, for example, are only for the Campground section of the river (the lower 1/3-1/4). This fact is not clear. The river health in the upper sections of the river is good and this is not well articulated in the consultation document.

With the narrow focus being on this section of the river, there are views from members that it's creating stress for businesses. The council is not looking at initiatives and solutions for the whole river, including the upper river and tributaries.

- d. Why is the status quo not provided as a scenario option in the survey question? While the National Policy Statement for Freshwater

requires regional councils to put the health of the river as the first priority to improve or maintain. There are many in the business community who feel it should be included as a scenario for consideration.

15. It is pleasing to see “sustaining the well-being and economic viability of the region” is acknowledged as a key challenge (p11). Although, concerning that it is listed as the last key challenge for future management. The Manuherekia River and associated catchment is the life blood for individuals, families, businesses, communities and towns directly and indirectly in Central Otago, and also the wider Otago region, and even nationally. With water in the district been allocated under historic mining privileges, the neighbouring settlements and towns that service the rural community, have built up to what is a vibrant Central Otago region.
16. Whilst our membership is largely ‘town’ or ‘urban’ based businesses, it cannot be underestimated the impact of any significant change in water flows may have on the current economic viability of the service towns and settlements in the Central Otago district, and wider region.

#### Economic Technical Report

17. The Chamber notes the council has invested in a number of technical reports to support the development of the public consultation document.
18. The McDonald and Yang report (April 2021) assesses the economy-wide impacts of the proposed policy options for the Manuherekia catchment. It is a robust report using a clear methodology to assess the implications. As is often the nature of modelling exercises, assumptions are made. The Chamber is concerned the economic impacts have been significantly understated, such as:
  - a. Only 1-2 job losses estimated due to the increased flow scenarios.
  - b. No impact on horticultural and viticulture businesses been considered.
  - c. There was no 1,200 l/s option assessed, which an option is presented in the public consultation document.
  - d. The absence of any modelling of potential future land use changes (while it is noted in the report as recommended further work). Access to specialist scientific and technology information and funding for existing businesses to make improvements and make any significant changes would need to be made available.

#### Further information required

19. The Chamber would like more information shared on the following issues:
  - a. If there is an increase in the minimum flow:
    - i. Will government invest to support those adversely affected by this decision to ensure economic outcomes are met, while balancing ecological outcomes?

- ii. How can businesses access funding, science and technology needed to make any necessary changes to support any changes?
- b. How can decisions be made with no modelling of future land use changes being undertaken? With potential transformational change on the table, this information is critical.

## CONCLUSION

- 20. Thank you again for the opportunity to submit. The Chamber would welcome the opportunity to discuss this submission with the council.
- 21. The Chamber aims to have a thriving economy, sustainable environment and connected community. We recognise that a thriving river and thriving economy could bring multiple benefits to the region long term. How to get there, is the fundamental issue. Appropriate water management would secure water dependencies to ensure the long-term supply of resources that underpin the economy and profitability of business.
- 22. As a transitional way forward, we suggest allowing a really good collaborative approach, a clear road map and an opportunity to combine funds (that should be made available). We need to have environmentalists, business, councils and rural community working together to find solutions that will enable an increase in water flow, whilst providing effective alternatives to support the farming community. The solutions need to be affordable, sustainable and effective.
- 23. This submission is submitted on the basis that it provides feedback and the opportunity to further engage with the council on this important complex issue. We are committed to working with the council to have both a sustainable environment and economy in the Otago region.

Yours sincerely,

Nicky Aldridge-Masters  
Acting Chief Executive  
Otago Chamber of Commerce