

## **Re-allocating water (water available on expiry of resource consents)**

Allocating water to date has relied on first-in-first-serve, the starting point under the RMA. It works until the resource is fully allocated. In the Ruamahanga River catchment, surface water and groundwater directly linked to surface water are fully allocated and first-in-first-serve is no longer effective. Using common expiry dates in sub-catchments is now the practice for re-consenting. This practice will enable alternative methods to be used when water is re-allocated.

At a workshop on 1 August 2016 the Committee considered the pros and cons of various options for re-allocating water that included: First-in-first-serve, grandparenting, priority allocation systems, ballot, market mechanisms, user groups and water transfers.

Grandparenting is a method used when water is re-allocated to existing users. It is not equitable because new users do not have the opportunity to get water in a fully allocated catchment. However, the Committee will need to bear in mind the RMA requires the value of investments already made to be considered when resource consents are renewed, effectively requiring a large element of grandparenting. An efficiency test should be considered.

Another method for re-allocating water is identifying priorities for water use or setting aside amounts of water for particular water uses. The proposed Plan does this to some extent e.g. by giving priority to community water supply. The opportunity is available for other priorities to be identified that water should be set aside for.

Some allocation options already discussed don't need to be considered further. At the Committee's earlier workshop balloting was considered 'risky' and using a ballot to allocate water may be inconsistent with the RMA requirement to consider existing investment. The option of market mechanisms for allocating water is not feasible at this stage. Central government are looking at market approaches but no direction is available yet. Market mechanisms are not used by other Councils in NZ. To pursue them would need more time than is available, particularly as there may be legal barriers.

The options of transferring the taking and use of water from one place to another and promoting User Groups as a way of assisting allocation can be considered by the Committee at a subsequent meeting in the present series addressing water allocation.

It is likely that when current water permits expire and are renewed, the amount of water being applied for will in some cases exceed the limits for FMU's and sub-catchment units. In such cases the Committee will need to decide how water will be clawed back. Claw back options include:

- provide for transition over time by setting interim limits as well as targets
- cut back everybody (e.g. 'equal pain', 'proportional cuts')
- require use to be more efficient
- give up a proportion of water on transfer from one user to another
- give up water voluntarily.

### **Questions**

**How are new water users provided for in a fully allocated management unit?**

**What water uses will be given priority when water is re-allocated?**

**How will water be clawed back when allocation limits are exceeded?**