



6 June 2024

MfE Listed Projects Team

C/- ListedProjects@mfe.govt.nz

RE: Query – Manuherekia Catchment Project

Further to your request for information on the above project, specifically in relation to any engagement undertaken with the Otago Regional Council, Aukaha and Ngai Tahu, and how it has informed the project, please see below for additional information.

1. Background

In terms of background information, due to the long-standing nature of this project (work commenced circa 2012), consultation with a variety of parties has been undertaken at various times throughout the project.

At the early outset of the project, the project was overseen by a governance group that comprised members from the Otago Regional Council (ORC) and Kai Tahu ki Otago (the predecessor for Aukaha), amongst other stakeholders and identified affected parties such as the Department of Conservation.

Since 2018 the Falls Dam Project has been on hold both in terms of detailed design and the advancement of consenting for the project. The reasons for the project being on hold are primarily related to the other regulatory processes that were required to proceed first in order to give clear parameters for the final project design.

This included the immediate need to complete the replacement of deemed permits¹ (which was required prior to October 2021) to ensure the ability to lawfully access water for existing irrigators, and the setting of a new minimum flow for the Manuherekia River². As at today, some 7 years since the project went on hold the last of the deemed permits have now been replaced, albeit on short term durations of six years or less, however a revised minimum flow has not been set, hence the project remains on hold until this key parameter is determined.

There has also been numerous ORC led processes in relation to setting a minimum flow between 2018 and 2024, including the establishment of a Technical Advisory Group (TAG),

¹ Deemed Permits, otherwise known as historic mining privileges were rights that authorised the abstraction and use of water for irrigation purposes throughout Otago. In 1991 with the introduction of the RMA, historic mining privileges were recognised as being Deemed Permits, giving holders the right to continue to abstract water until October 2021, at which time the deemed permits were required to be replaced by Water Permits under the RMA.

² The Manuherekia River has a current minimum flow of 820 litres per second at Ophir.

tasked with considering the science of a minimum flow, and the establishment of the Manuherekia Reference Group (MRG)³ which was a joint ORC/Ngai Tahu led group whose purpose was to discuss the values, aspirations and outcomes for the Manuherekia Catchment. The terms of reference for MRG can be found in the link included as footnote 3.

In addition, there have also been multiple rounds of consultation in relation to a proposed minimum flow, and various plan changes and regional policy statements, albeit the notification of a revised minimum flow has not yet occurred and is now on hold until the ORC notify the proposed Water and Land Plan for Otago.

2. Otago Regional Council

The Otago Regional Council were instrumental in the establishment of the Manuherekia Catchment Water Strategy Group (MCWSG), including supporting the initial pre-feasibility studies which were completed in approximately 2012.

The ORC was represented on this group by the CEO (Peter Bodeker) as well as by senior staff (Susie McKeague and Matt Hickey) and contributed to the early phases of the project, including providing specific internal expertise to inform decisions around science, and focus areas for environmental feasibility studies. Numerous meetings occurred with the ORC during the pre-feasibility and feasibility phases of the project. The discussions with the ORC during the course of the feasibility study and up until the project went on hold, informed design outcomes, including for example the need to ensure that any dam replacement project also made provision for appropriate environmental flows that would enhance environmental outcomes within the catchment.

After the completion of the feasibility phase and as the project moved towards more commercial phases (2017-2018), the role of the ORC changed to reflect the fact that any future project would require a suite of resource consents, of which the ORC would be the ultimate decision maker. Since that time in relation to the project specifically, there has been high level engagement but not specific consultation on the details of the project.

As the project has been on hold since 2018 no further specific engagement in respect to the Falls Dam Project has been undertaken, except for ongoing engagement with the ORC in relation to various other activities within the Manuherekia Catchment, namely the setting of a minimum flow, which has at times resulted in further discussion around options for storage enhancement at Falls Dam.

In terms of how this may have informed the project, the irrigators have been seeking clarity around a minimum flow for the river so that it can inform detailed design. Any proposed minimum flow will have a significant influence on the size of the proposed dam, its economics, as well as its ability to provide for potential environmental enhancement, including provision for an appropriate flow regime that balances all of the values of the catchment.

³ <https://www.orc.govt.nz/plans-policies-reports/regional-plans-and-policies/regional-plan-water/freshwater-management-units/cluthamata-au/manuherekia-rohe/manuherekia-reference-group>

3. Aukaha

In the early days of the MCWSG, Francie Driver of Alexandra was appointed as the local iwi representative on the strategy group. Whilst Francie was not in attendance at all meetings, she was on the mailing list, and received all correspondence that was address to the members of the MCWSG.

On at least one occasion a meeting was held with Aukaha in their Dunedin Office to discuss the feasibility studies, and to talk through what a Cultural Impact Assessment might entail for the project. A site visit to Falls Dam was also held with KTKO representatives at the time.

In 2014, Kai Tahu ki Otago were asked to provide a scope of works to undertake a cultural impact assessment (CIA) of the proposal to raise Falls Dam. A CIA was not however completed as part of feasibility studies but was earmarked to be undertaken once a final concept design was completed, but as noted above, the project has been on hold since 2018, and a CIA has not as yet been undertaken.

There has been no further specific consultation with Aukaha on the Falls Dam Project since the project went on hold, however I note that there have been ongoing discussions on several occasions with Aukaha more generally in terms of the replacement of deemed permits, and minimum flows, and the Falls Dam Project is not a new project of which Aukaha have limited or no knowledge.

In terms of how earlier consultation shaped the project, this has occurred in a number of ways, including creating understanding of the relevant values and issues of importance to iwi within the catchment, including values associated with hydrological flows, and native flora and fauna. This knowledge has been shared via participation within the MCWSG, but also through the other subsequent processes, including MRG and TAG.

Upon the decision to submit an application for the Fast Track Approvals Bill, the working group made the decision to inform Aukaha (in writing) of the intention to apply for consideration for inclusion in the Fast Track Schedule, noting that if successful and the project were to be taken off hold, that we anticipated undertaking further engagement with iwi to help inform updated project design. A copy of the most recent correspondence to Aukaha is attached.

4. Ngai Tahu

No formal consultation has been undertaken with Ngai Tahu directly in relation to the project, with any correspondence or consultation in the early days of the project directly focused on local runaka.

It is important to understand that unlike other regions, Central Otago does not have a local marae, therefore wide engagement with the three runaka who are mana whenua for the Manuherekia Rohe is appropriate. In 2014 the three local runaka, (Otakou, Moeraki and Puketeraki) were written to advising them that a feasibility study was being undertaken and inviting them to participate in the MCWSG. As noted above, Francie Driver was a formal member of the MCWSG, and in a more general sense Ngai Tahu were also a partner with the ORC on the Manuherekia Reference Group, where Falls Dam and catchment storage were part of general discussions.

Upon the decision to submit an application for the Fast Track Approvals Bill, the working group also decided to inform local runaka (via Tim Cadogan phone call 1 May 2024) of the intention to apply for inclusion in the Fast Track Schedule noting that if successful and the project were to be taken off hold, that we anticipated undertaking further engagement with iwi to help inform project design.

5. Summary

Given the long term duration of this project, all stakeholders are aware of its existence, despite recent engagement having been limited due to the project having been on hold.

Without inclusion within the fast-track process, the project will remain on hold until such time as a new minimum flow is set for the catchment, and irrigators can therefore proceed with a detailed design based on set hydrological flows. Without this certainty of flows, it is difficult to design a dam that provides for both environmental and economic outcomes, as well as providing for specific design approaches that account for the concerns of stakeholders.

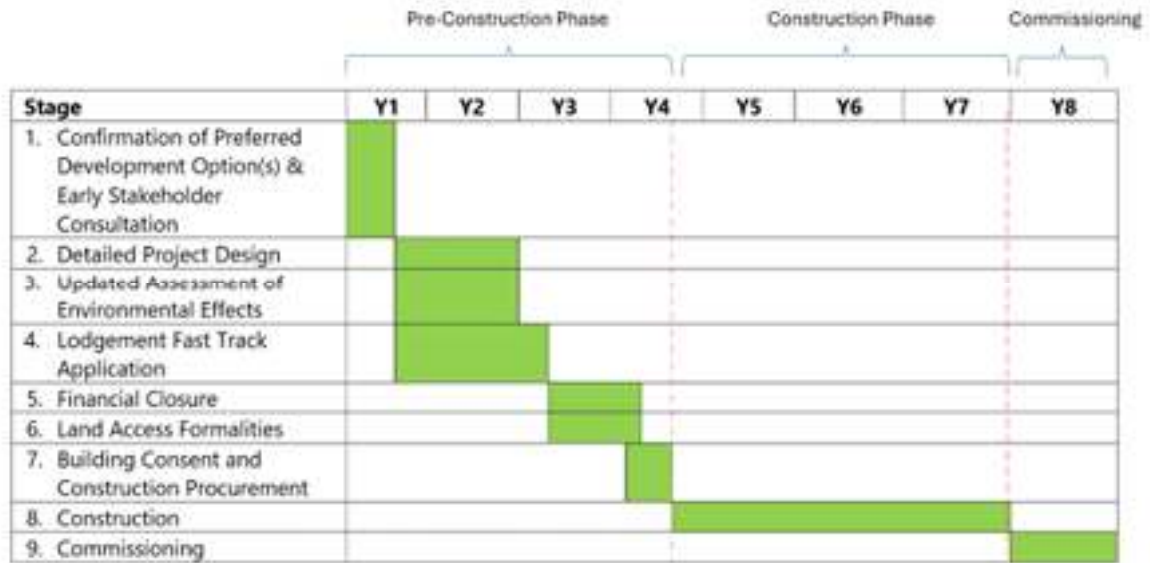
Should the project be included in Schedule 2, one of the first steps as part of confirming detailed design will be to re-engage with affected parties, including the ORC and Iwi, as well as other identified interested and affected stakeholders.

As noted, under Clause 16 of the Fast-track Approvals Bills, applicants must undertake engagement with specific groups before lodging a referral application and include a record of engagement and statement explaining how it has informed the project.

The Manuharekia Catchment Project will be engaging further prior to lodging a referral application.

As the Manuharekia Catchment Project has been on hold since 2018, work will be required to revisit detailed design, including discussions with the ORC and Iwi, specifically in relation to minimum flows, and environmental outcomes sought for the catchment, so that where possible these considerations can be incorporated into the updated detailed design for the dam project. The purpose of which is to provide good catchment wide outcomes.

Substantial work has already gone into the project over the course of the last 12 years. With clarity of a pathway to progress through consenting the project (via inclusion in the Fast Track process), then confirmation of preferred development options and early stakeholder engagement are expected to be completed within 6 months, and detailed project design within 12 months, as show in the high-level project milestone and timeline diagram below. This work is necessary prior to being able to lodge a referral application.



The material available to support the consultation undertaken to date is limited in its ability to reflect the true nature of the discussions that have occurred since at least 2012, however if required further information can be accessed from archived files, noting there was insufficient time to retrieve this in the timeframe provided to respond to this request for additional information.

If you have any further questions or queries in relation to the Manuherekia Catchment Project, please do not hesitate to contact me.

Nga mihi,

Kate Scott
Consultant – Manuherekia Catchment Group

Encl:

Copy of letter to Aukaha May 2024

Copy of letter to ORC May 2024

Cc: Clare Hadley – General Manager Manuherekia Catchment Group

s 9(2)(a)