

Horizons Regional Council: Proposed One Plan

Statement of Evidence by
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on behalf of Fonterra

2nd July 2008



POP and good regulatory practice

- ▶ The s32 Report analysis leading up to the Proposed One Plan falls well short of fulfilling adequately a number of the principles of good regulatory practice:
 - Efficiency – do benefits exceed costs and is option lowest cost;
 - Effectiveness – will it achieve policy outcomes sought;
 - Transparency – decision making basis public;
 - Clarity – understandable and unambiguous; and
 - Equity – like treated alike, burdens not disproportionate.

Consequences of inadequacies

- ▶ The inadequacies of the s32 Report analysis have led to failures to identify inefficiencies in proposed rules and policies, including:
 - Not clear that the regulatory approach to leaching proposed in Rule 13-1 is more efficient and will lead to better outcomes compared to a collaborative approach with farmers;
 - Inappropriate preference for water takes for hydro-electric power generation when such takes may not correspond to the most efficient use of water resources; and
 - Inclusion of water quality standards without showing they are achievable at reasonable expense.

Further consequences

- ▶ The inadequacy of the cost-benefit s32 analysis may also undermine the public acceptability of the Proposed One Plan with the following consequences:
 - Increase the likelihood of appeals against decisions under the One Plan;
 - Lower voluntary compliance and raise enforcement costs;
 - Lower the credibility and standing of the Horizons Regional Council as the community leader on recognising and addressing environmental issues; and
 - Lead to on-going requests for changes and revisions of the One Plan.

A way forward?

- ▶ In my opinion, the best option is to:
 - proceed as currently planned for some issues, specifically those that are unlikely to be contentious, but
 - go back and re-evaluate the approach to the more contentious issues to conform to the standards of good regulatory practice
- ▶ Water quality and water quantity are the major issues of concern to many farmers and the industries processing their products

