Water quality allocation

Transition and making room for new users

1.0 Introduction

These are the thoughts accumulated by a number of primary sector groups being involved in many community discussions on nutrient discharge allocations. It is appropriate that transition issues are separated from allocation issues, because the most difficult part of any allocation discussion is the transition.

This paper does not in any detail consider any transfer mechanism except for the "permit" arrangement in the latter part of the paper. Transfer is probably essential in any allocation regime to a property scale to maintain flexibility of rural land and allow movement of nutrients to higher value use within limits over time. However, given the discussion on the nature of rights entitlements that is ongoing (fluid) and the relatively thin description of the pool of entitlements likely to apply within a catchment it is by no means clear that a practical transfer mechanism could operate without some changes at the national level.

2.0 Interim limits

Limit setting has important consequences for transition to a future state.

In any situation where a limit determines a catchment is overallocated interim limits will be required as targets on the way to achieve a limit. The limits of modelling approaches mean that setting limits is necessarily as much an art as a science and subject to much debate amongst interested parties. At this stage it is difficult to tell what confidence anybody has in the regional council limit setting process. This is a shame because the pull and push between environmentalists and water users has seemingly obscured a rational and measured debate on how limits ought to be set. In particular there seems to have been little work done on the risks associated with either over or underestimating the connection between any given landuse activity (property level) at a point in the catchment and the impact of that activity on a waterbody.

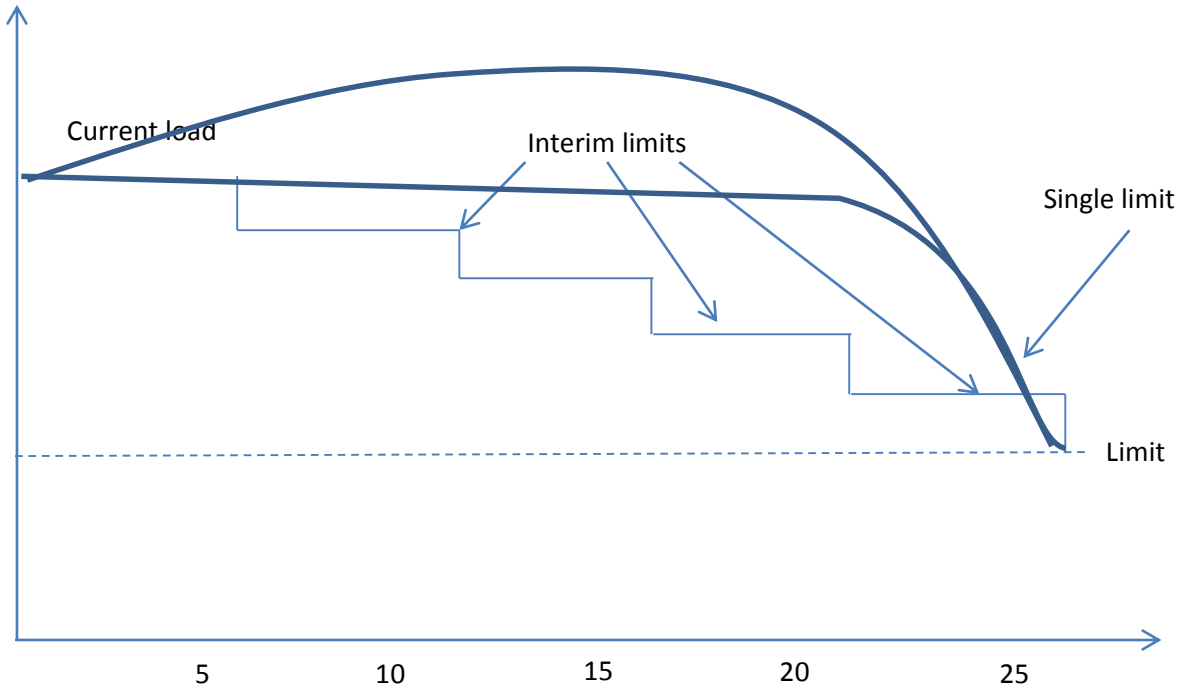
Interim limits may serve a useful purpose in that they set out an immediate requirement for a direction of travel. Interim limits also allow acknowledgement of two things, we don't have precise enough science to set limits in perpetuity and that in some cases, although nutrient losses will reduce, the effects on waterways may take some time to become evident. They are a useful acknowledgement that predicting the effects of nutrient reduction or how it will or should occur has substantial margin for error and that the further out the prediction the greater that error.

Setting a pathway for reduction, interim limits also inherently acknowledge that changes to the limits are almost certain as more knowledge is accumulated on the effects of individual properties on connected waterbodies. Interim limits also provide a mechanism by which if loads are allocated to individuals then "returned" allocation can be redistributed to those participants who are initially constrained by the allocation regime.

The major defect of a single limit set some significant amount of time in the future is that there is no incentive for land owners to act early to mitigate their losses. Economic incentives may mean that

land owners will continue to discharge at a high rate right up to the time when the limit takes effect. This effectively rules out the redistribution of allocation until that time and advantages the higher leachers to the disadvantage of those participants who are constrained by their existing allocation but discharging at a rate lower than their future allocation.

Fig 1. **Different approaches to setting limits will impact on the rate at which waterways improve and have implications for "freeing up" allocation for those entitled to increase their discharges.**



3.0 Transition from current state to an initial allocation

The successful design of an appropriate transition process will depend upon a number of pretransition steps being considered:

- Build accounting framework to set and manage within limits
    - If responsibility is allocated to the property level the accounting system needs not only to set the limits but manage and record the transition to the limit over time in a way that takes into account the actions undertaken at the property level to respond to a limit, and the changes in land use activities that are authorised.
- Benchmark existing performance
    - In order to understand what an individual business must do to meet a limit they must know where they are starting from.
- Develop regulatory / industry assurance framework
    - If there is to be assurance that good management practice is being implemented there must be a system of recording and checking actions that have been done, and assessing the affect f thos actions on the allocation of responsibility to achieve the limit.
- Establish Farm Plans and GMP

    - The property level implementation requires fit for purpose farm plans and undertaking these is a significant exercise.
- Underpinnning economic evidence
    - Economic information must be established and reviewed to ensure the outcomes being sought are achieved.
- Develop limits and interim limits
    - Set out the transition pathway with intermediate objectives and review periods to incorporate new science.
- Set policy
    - Design what will be encouraged and/or discouraged in terms of land use activity.
- Clawback framework
    - Negotiate the nature of reallocation from current permissions and authorisations
    - Describe the transition from current state to future state of allocation.
- Transfer system
    - Consider how flexibility of land use is to be encouraged within a limit and whether transfer is required. If transfer is considered necessary determine how it would be implemented.
- Set timeframes
    - Check the timeframes that have been set to ensure all outcomes are achievable.
- Implement farm plans and GMP
    - Designing and producing farm plans is just the first step in establishing and implementing good practice.

Significantly over-allocated catchments/maximum levels of discharge/ rates of reduction

The NPS-FM (and the Waikato Treaty legislation) requires phase out of overallocated contaminants or water use. Without entering that debate, in fully or overallocated catchments the allocation of discharge rights is a zero sum or less than zero sum game, that is, continued allowance of enterprises to discharge at a rate higher than their allocated rate impacts on those who are currently discharging at a rate lower than their allocation would permit. Those enterprises that are discharging at a significantly higher rate than their allocation would permit have a proportionately higher impact. Furthermore in overallocated catchments, if the environment is to have priority, some progress will need to be made before there is any “payback” to those who are discharging at a rate below their proposed allocation. The priority order for the distribution of released allocation is an issue dealt with later in this paper.

So, in some cases, a small number of very high emitters potentially have an impact on a larger group of lower emitters. To avoid or at least mitigate this situation maximum discharge rates, to be achieved within a short period are proposed along with a variable rate of reduction whereby those emitters that are currently discharging significantly more than their proposed allocation must reduce their discharges at a faster rate than those who are nearer their allocation.

There have been two positions held on the rate of reduction during catchment discussions in which this author has been involved. One position is that a flat % rate of reduction should be applied, the rationale for this being that, at a flat % rate those that are discharging at a higher rate have to make larger reductions in absolute terms. The other position is that a flat % reduction effectively treats

everybody the same and does not prioritise reductions from extreme emitters. The argument is also made that it is easier to make reductions from a very high level of discharge than at lower levels and so the higher rates should be prioritised for reduction because the cost of mitigation is lower and because of the disproportionate impact on the opportunities for lower emitters. Finally, the point is made that extremely high discharge activities cannot be supported on any grounds and so immediate reduction to "reasonable" levels (i.e. a maximum rate of discharge) is necessary.

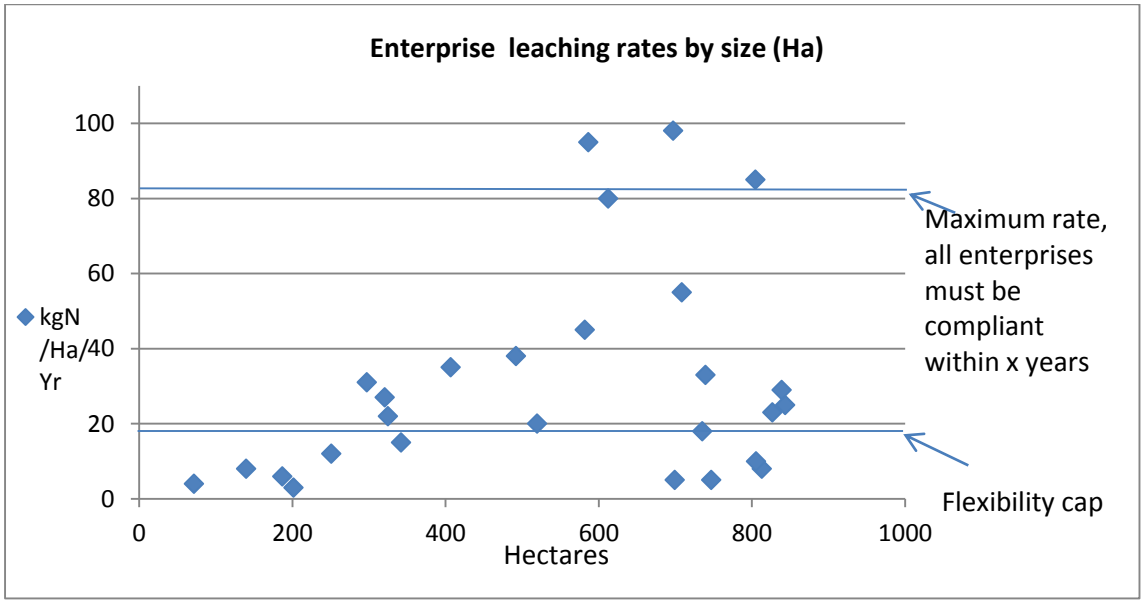
Flexibility caps

One feature of catchment discussions, and decisions, has been the notion of a flexibility cap. In brief, a flexibility cap is a permitted level of discharge, available to all. The principle behind this approach is that lower dischargers should not be disadvantaged by the setting of limits because their activities are sustainable and not contributing to the over-allocation issue. It is sometimes argued that all dischargers are contributing to the problem but this ignores the fact that catchments have a certain ability to assimilate nutrient loss and it is only when discharges become too high that the "problem" occurs. There is a level (assimilable level) at or below which, if all participants were discharging, there would not be a problem needing to be addressed.

In practice flexibility caps are set below the assimilable level because while they are a means of providing flexibility to low leachers, they need to be initially lower to compensate for the higher leaching activities which have not yet begun to be reduced.

While this approach goes some way to protecting lower leachers, it is somewhat inefficient in that Regional Councils, in their rule setting and accounting, must assume that all lower leachers are leaching up to the flexibility cap even though this is very unlikely to be the case. A more efficient approach, in that it would more fully utilise allocation, would be to estimate a level of utilisation of the flexibility cap, which may then be adjusted according to progress in reaching the catchment limit.

Figure 2. **An example of a maximum limit and a flexibility cap. Note these data are entirely made up and are for illustrative purposes only.**



What is a new user?

Inherent in the assumption that allocation needs to be provided for new users is that allocation is based in some way on existing use. This need not be the case. In fact it is a deficiency of a grandparented allocation regime that special provisions need to be made for new entrants. This assumes that allocation of responsibility is applied to individuals or sectors. Approaches that allocate similar allowances to similar land over time based on the environmental risk of land do not need new entrant provisions because there is no relationship to any particular land use activity at any particular time. The implication within a grandparented allocation regime is that current use should have some priority over future use and that current users have rights over allocation that cannot be withdrawn in favour of other participants without special provisions being included in the rules regime.

Depending on the specific rules for inclusion within the nutrient allocation framework each piece of land could have a nutrient allocation. The notion of a "new user" is perhaps best described as a new (higher nutrient loss) use and may apply to a situation where water becomes available where it was previously a limiting factor, or the land is suited to a higher value use but does not have sufficient nutrient discharge allocation.

The question is, who decides that there is merit in the "new use" and where does the new allocation come from?

It is only a fully grandparented scheme that gives rise to these questions, because it is only unused land or land currently used for low leaching activities that would reasonably have a legitimate claim to increased allocation. As for who should decide the legitimacy of the claim for more allocation, presumably this would need to be set out in policy. Within the policy framework it cannot be assumed that a first come first served (FCFS) system will not operate for allocation of contaminants. A FCFS system will tend to favour those already participating who will no doubt make pre-emptive claims to nutrient allocation in order to mop up any entitlement as it becomes available from headroom. This all assumes that allocation would be liberated. It is likely that this will be the case only in a catchment where headroom has been developed through an increase in the limit due to new information, otherwise, if headroom is created through a reduction in nutrient loss then the paper allocations will still exist and allocation might be transferred but not returned to the pool.

As for where the allocation comes from, there can only be two sources. First, is from other participants, either through surrender or transfer and second, from headroom created in the catchment(through catchment based or instream mitigations?) .

If transfer is permitted, then in effect there will be no headroom made available for general use and new participants will be required to purchase allocation from current "owners".

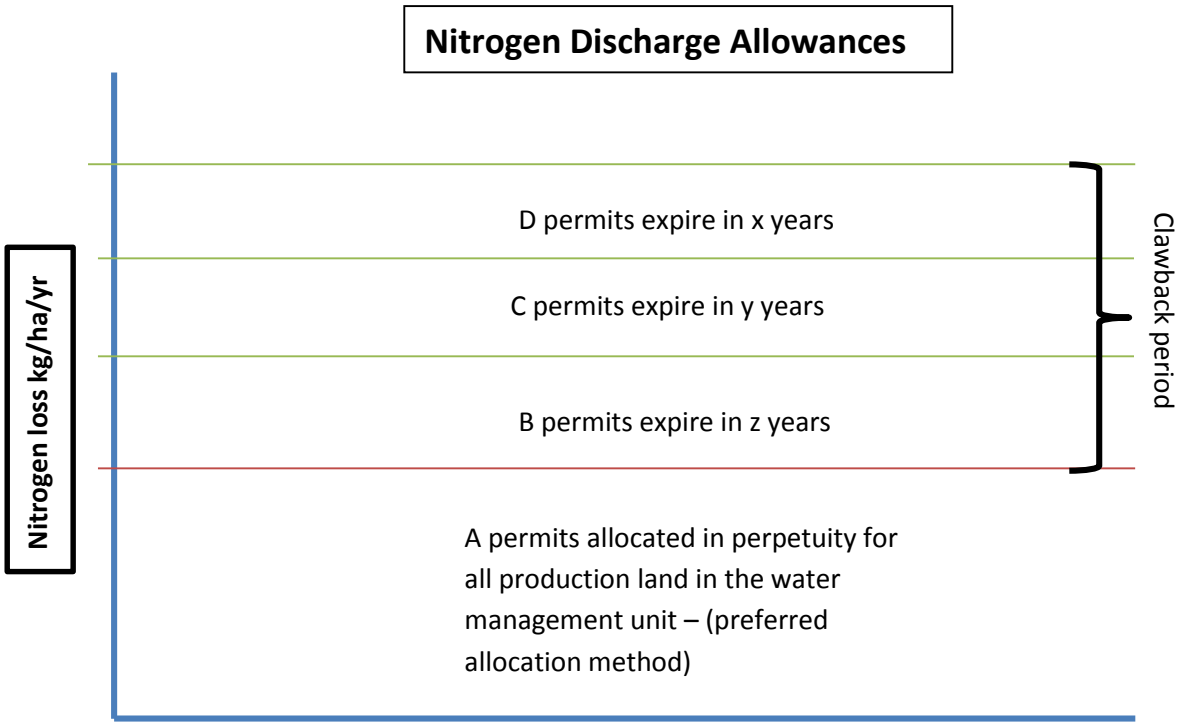
A regime that applies an allocation over all land (on a per Ha basis) and in some equitable fashion has less need for provisions for new entrants. For example, if a natural capital approach were taken whereby permitted nutrient losses are determined by the capacity of the land to absorb and not discharge contaminants (rather than based on the current use), then undeveloped land (whether this be due to family circumstances, access to capital, settlement issues) which still has the capacity

to be productive would have an allocation that permitted future development without a new use/entrant process.

A transition framework

The approach to limit setting is dealt with above. If a single limit is set for the future, without any other requirements, then the likely outcome is that participants will reduce their nutrient discharges just in time to meet the limit. If, however, a staged approach is taken to setting limits then this could be managed as shown below:

Fig. 3 **Progressive expiration of nutrient discharge permits approaching a limit.**



Under this regime, there is a staged reduction in nutrient losses over time, providing participants some flexibility in how they might reduce discharges, but also providing some certainty of outcome for the community. As permits expire the resultant reduction in nutrient loss can either be credited to the environment or to participants whose losses are being restricted during the clawback period.

Likewise a permits system can be applied to individual allocations, with those participants that are above their allocations progressively surrendering permits while those who have been constrained by the flexibility cap receive the surrendered allocation to bring them up to their paper allocations.

See Fig. 4 below

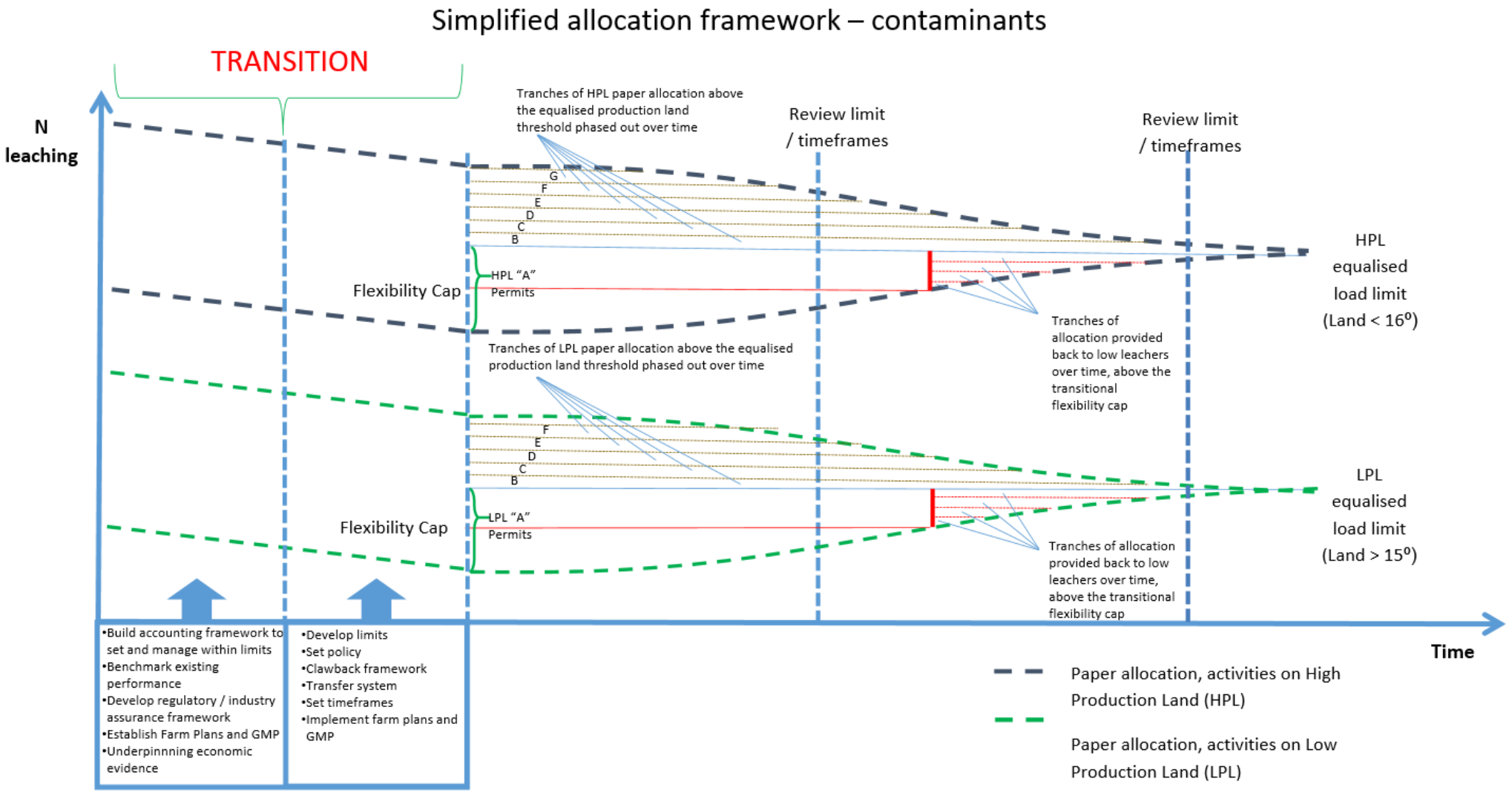


Figure 4. **Progressive transition to an allocation of similar amounts of nutrients to similar land**

In this illustration it has been decided that there will be two allocations, one for higher producing land (flat, fertile, etc.) and one for lower producing land (steep, poor spoils etc.). Current state losses are distributed around these two levels. For each of the allocations those who are above their allocation must surrender permits over time. For some part of the transition period lower leachers are constrained by the flexibility cap, however once an agreed proportion of nutrient discharges have been reduced (perhaps at the point the limit is reached) then the returned allocation can be credited to those who are constrained by the flexibility cap until they reach their full entitlement. Over time everybody is at their full entitlement. As new science/information comes to hand limits may be changed in which case either allocation is freed up or constraints are applied.

How might this thinking contribute to CSG?

This paper sets out some of the issues associated with transition from overallocated catchments to fully allocated and from one allocation system to another. It also sets out the requirements for a policy framework to enable transition to a property based allowance while still allowing for flexibility of land use activities over time.

It is a framework that would be unusable without an agreed transfer mechanism an a suitable accounting framework for managing land use activities over time.

For reference, the Fourth Report of the Land and Water Forum provides some guidance on issues associated with allocation of nutrients. It is provided below for reference:

Setting discharge caps and allocating discharge allowances

(Excerpt from 4th Report LWF (pp 40-47)

170. When a limit is set, responsibility for meeting that limit is assigned and all sources of contaminants need to be accounted for in order to assess whether or not the limit is being met. A decision is needed about which sources of contaminants will be actively managed to ensure the total load is within the limit and a management regime must be designed that ensures the limit will be met (within agreed timeframes in over-allocated catchments) while maximising the economic benefits of water and land use activities.

171. Water quantity has a well-developed history of direct regulation, consents are required for most types of use, and metering required for all large users. In contrast, the shift towards the direct regulation of quality is still in process. While the majority of point source discharges are now subject to resource consents, it is relatively common for activities that result in diffuse discharges to be managed through land use controls under section 9 of the RMA rather than as discharges under section 15.

172. Modelling developments now enable diffuse discharges of nitrogen and phosphorus from productive land to be modelled and accounted for at the property or entity level (as discharges from the root zone). The allocation of diffuse sources of nutrients to properties and/or entities (individually or as groups) is now becoming possible so long as the precursor steps to establish property-scale and catchment-scale accounting have been taken. Once these precursor steps have been taken it will be possible to move towards nutrient discharge allocation regimes which cover diffuse and point sources and enable discharges to be transferred. In the long term, this is likely to be the best management approach as it provides:

- clarity on the relationship between land uses and water quality outcomes
- clear accountability for achieving water quality outcomes
- certainty to users about their entitlement
- flexibility to users in how they manage their activities within their entitlement and incentives to develop innovative approaches
- for diffuse and point source discharges to be managed in the same way
- for discharges to be transferred within a catchment to where they are most valued and/or have a lower environmental impact.

173. These approaches are starting to be used in plans but we are learning as we go and most of the experience with allocation of diffuse source discharges sits within New Zealand. No approach has yet emerged as an exemplar, and where allocative approaches are being used the focus has been more on addressing over-allocation than on enabling economic efficiency gains over time.

174. The focus is currently on discharge allocation approaches for nitrogen and this should continue. Although OVERSEER can be used to account for and allocate phosphorus discharges at the property level, there are some additional complications in comparison with nitrogen. For phosphorus, there needs to be sufficient accuracy and granularity in the spatial data entered into OVERSEER to ensure accurate accounting of phosphorus entering the waterway. There are considerable challenges to be overcome before it would be practicable to allocate sediment discharges on a property level. There are other contaminants such as *E. coli* for which it may never be practical to allocate below the sub-catchment scale.

175. We do not yet suggest discharge allocation approaches that cover diffuse sources from productive land should be put in place everywhere now, particularly because it is undesirable to

continue to design and debate discharge allocation regimes on a catchment-by-catchment basis. There will be some matters that need to reflect catchment circumstances but, as for water quantity, there will be many regime characteristics that should be approached in nationally consistent way.

176. Catchments that are already using or are in the process of developing a management regime that incorporates discharge allocation approaches for diffuse sources of nutrients should not stop as such approaches provide a critical mechanism for bringing the contaminant load down to limits by enabling the use of sinking caps that individuals or specified groups are responsible for meeting. It is important that these regimes take into account limitations in knowledge and that there is transparency about how and when the regime will respond as knowledge improves.

177. Regardless of whether a catchment is immediately moving to a property/entity-scale discharge allocation approach for a particular contaminant, there must be catchment- or sub-catchment-scale limits (which may be expressed as maximum total contaminant loads) in place which constrain both point and non-point source discharges.

Recommendation 23: For the total contaminant load, the plan must make it clear and the accounting framework must reflect:

a. the proportion and sources of that load which will not be explicitly managed (for example parts of the Conservation estate that aren't in productive use)
b. the proportion and sources of that load which is being allocated for use and will be explicitly managed.

Recommendation 24: Over time, and providing the precursor steps to allocation have been met, councils should adopt management approaches which allocate diffuse source discharges to individual entities or groups.

Maximising economic benefits and enabling access

179. Allowing discharge allowances to be transferred to where they are most valued (on a temporary basis and/or for the duration of the allowance) can reduce the cost of reductions to meet a limit and provide for productivity gains. Where discharge allowance transfer occurs within a market, flexibility and price signals will incentivise innovation and efficiency in discharge-producing activities (by enabling the right holder to realise a benefit from reducing their discharges).

180. Much of what we have said in this and previous reports to enable more transfer of water takes is also true for enabling transfer of discharges (for example, the benefit of standardising consent specifications, separating discharge allocations from site conditions in consents, and transitioning all existing discharge consents and permitted activities in the catchment to the new standardised discharge consent format). There are however additional considerations for discharges that add complexity, including:

a. the spatial variability in assimilative capacity associated with discharges at a granular level – which is necessary if we are to design a regime that minimises transaction costs while providing certainty that the transfer of an allowance will not breach a limit
b. uncertainty arising from reliance on modelled estimates of discharges – which will affect the 'quality of title' associated with an authorisation, and means there will be some level of reliance on administrative systems for defining and allocating discharge allowances for diffuse sources.

181. Alternative approaches to enabling some movement of discharges can be put in place in the interim, or as an alternative long-term approach. Building on the collaborative planning approach we have recommended for setting and managing within limits, supporting the formation of user groups and enabling them to manage discharges within a group cap or allowance (e.g. via a group consent) is likely to be key.

182. An additional consideration for communities that affects economic efficiency is whether to set caps on maximum discharges from land in the plan or authorise some or all diffuse discharges through consents (which cumulatively add up to no more than the limit). Although the use of caps may reduce or remove the need for consents, it can put constraints on the flexibility of land and water use. This is because the accounting system will need to assume that all land and water users are making full use of the cap even though some may actually be below, and the difference may not be available to other users.

Recommendation 26: To facilitate the future adoption of transferable discharge allowance approaches central government should:

a. Provide model plan provisions, which enable the easy transfer - in full or in part - of a discharge authorisation for the length of an authorisation or for a temporary duration.

i. These model provisions must be developed collaboratively with local government, iwi, sector groups and NGOs, and should provide a template for enabling and managing the transfer of authorisations between or within zones.

ii. New consents should be constructed in accordance with this model format.

iii. Consent holders should be able to request their consents be reconfigured to make them consistent with these model formats, consistent with the approach suggested in recommendation 46c.

b. Specify nationally consistent requirements for discharge allowance registries, and support the development of a common transfer platform.

c. Work with early starter councils, iwi, sector groups, NGOs and communities who are considering implementing a transfer regime for discharge allowances to:

i. provide guidance and support

ii. identify exemplar approaches and/or further opportunities for national guidance, direction or other support.

Recommendation 27: Where transferable discharge allowances have not been, or will not be, introduced councils should:

a. support the use of group approaches to discharge management that enable group members to manage discharges amongst themselves (e.g. enabling discharge caps to be averaged across multiple properties or issuing group consents).

b. specify in their plans how and when the allocable load will be reduced down to the target or limit in over-allocated catchments.

c. specify mechanisms in their plans for enabling access for new uses/users in the future.

Deciding who gets what – allocation during the transition

183. We have described the advantages of allocating nutrients to individual enterprises or to groups once limits have been set, and allowing them to be transferred between users. How to allocate nutrient allowances during the transition to the new approach is, however, a difficult question.

184. That is because the allocation of nutrients will often take place when reductions in emissions are required to meet the limits set for the catchment, and does not take place in a vacuum. Some higher-emitting land and water users have already committed themselves, often over a number of years, to activities and investments to which they and their communities attach great value. Some lower-emitting users have - just as long - held land whose potential they have nurtured, and they are unwilling to forgo the opportunity to develop it further. Those who have had land taken from them feel they have been unjustly excluded from participating in the productive economy and seek the opportunity to do so. Others again are concerned about where intensive land uses are located. These groups often overlap. The introduction of water quality limits through the 2011 NPS-FM, and through its amendment in 2014, requires change, however, and the way in which nutrients are allocated over the transition to an allocation regime will have important repercussions for all.

185. This transition takes place against an increasing knowledge of soils and hydrology which is changing our appreciation of where different farm systems and activities are most practical. Technological advances and investment in infrastructure may make it possible to carry out high-emitting activities on more vulnerable soils, but there may equally be significant longer term productivity - and environmental - benefits from changing land uses or rearranging them within a catchment to match productive and assimilative capacity better. A regulatory system which allows discharge permits to be transferred, and allows adjustment to take place over time, is therefore desirable, whatever approach we take to the allocation of discharge permits over the transition. It can allow landholders and others to respond to the wide range of different circumstances which affect their businesses - changes to markets, changes to cost structures, changes to climate, and improvements in science and technology, including better understanding about land and hydrology.

186. Allocation during transition is however where the base for future changes is set, and it seems to us that even if these difficult questions cannot be resolved in full at the national level, and we do not believe that they can be, there is great advantage in reaching a national understanding both about the nature of the issues and how they can be approached. Although that will not avoid the need for final decisions to be made in catchments, it will facilitate them. Not all of the issues will have to be traversed in every place every time. That is why, although we have not been able to agree a formal recommendation on this topic, we have set out here the way we approach this issue, and recorded both the elements on which we think there is (at least conditional) agreement, as well as those which will need to be worked out locally.

187. Our approach has several important elements. The first is the notion of the threshold, which needs to be set for each catchment or sub-catchment, and is the level of emissions at or below which reductions beyond catchment good management practice do not have to be made. Those below the threshold will be able to increase or transfer their emissions within established timeframes until they reach it.

188. The second is the notion that all emitters receive at the outset an initial allowance based on the amounts that they have emitted each year over an agreed baseline period, but modified to the numeric level required by the good management practice set out in the catchment plan. This

serves as the base from which emitters above the threshold (see above) will make any further reductions required over time to bring the catchment within limits.

189. The third is transfer, which can help to minimise the disruption caused by reductions in emissions, and will help users to reallocate nutrients over time to their highest value use and in response to other changes.

190. What we have not tied down is exactly how, or at what level, the threshold we have referred to above should be set, and the extent to which allocations, or a portion of an individual's allocation, should be tied to and remain with the land. These are issues which we expect will need to be worked out in catchments with affected communities and iwi. We hope that this discussion will make those processes easier.

191. We set out the points which we have resolved and those that we have not more schematically below. We have discussed at length the question of how discharge allowances or caps should be distributed to rural land/users when transitioning to an allocative regime. We have not been able to reach full agreement on a general approach but there are a large number of elements on which we do agree, and we have decided to set them out along with those which we haven't been able to resolve.

We all agree the following points:

- Decisions on how discharge caps will be set and/or how allowances distributed should be taken at the outset of the regime. The way in which this is done will have to take account of catchment circumstances. It should be reviewed at regular intervals.
- All rural land which could be used for productive purposes should get an allocation for catchment accounting purposes reflecting the discharge from natural cover. The purpose of this allocation is to account for emissions that would occur if no productive activity were occurring on this land.

- Existing users should receive an initial transitional allocation based on their current level of discharges over a period agreed through a collaborative planning process.
    - This amount would be set based on the assumption that they are operating at the level of catchment specific GMP decided in the catchment plan.
    - Land and water users discharging above an agreed threshold would reduce their discharges over time to achieve the limit for the catchment as specified in the catchment plan.
    - Land and water users discharging below an agreed threshold would not be obliged to make reductions other than the implementation of GMP discussed above, and could increase their discharges up to the agreed threshold.
    - These adjustments would be scheduled in a plan, and the higher dischargers would make the larger contribution.
    - To prevent an intensification of emissions prior to transition in order to secure a higher initial emissions allowance, persons who intensify land or water use in a manner that increases abstractions and/or contaminant loads should do so at their own risk - until such time as councils have clear rules in place in their plans to ensure that diffuse discharges do not exceed specified limits or will achieve reductions required to meet targets.

We have not been able to resolve the following issues:

- How should the threshold below which discharge rates do not have to be reduced be set? Some of us believe that this threshold should be set at the catchment average for “like” land. Others consider it should be negotiated catchment by catchment.
- All are prepared to take factors beyond current levels of discharges on individual properties into account. Some of us however would give a higher weighting to land characteristics, including its natural production capacity and/or vulnerability to leaching.
- Some of us consider that at least a proportion of allocations to discharge above natural cover should also be attached to the land. This would have implications for transfer - allocations attached to the land could not be permanently transferred. (Some believe that longer term transfers, perhaps through a lease, could still encourage these shifts)

Whether and to what extent allocations are attached to the land would have implications for how provision is made to resolve the rights and interests of iwi. The differences between us are not absolute. Those who place a relatively higher premium on minimising economic impacts to existing businesses and communities and the protection of current investment prefer allocation approaches that recognise this. Those who place a relatively higher weighting on allocation approaches that promote the flexible use of all rural production land, encourage specific uses to be located on land with the most appropriate natural productive and assimilative capacity prefer different approaches. Both groups cite long-term economic welfare in favour of their approaches.

Translating existing authorisations into a transferable discharge allowance regime

192. When a catchment is moving to a transferable discharge allowance regime existing authorisations will need to transition to new standardised consent formats – this includes point and non-point source discharges, some of which may have previously been authorised in the plan rather than through consent. At this point there should be a test to ensure that existing users are operating at the agreed level of good management practice for their land or water use activity. This process will ensure that poor practice is not carried through into the new allocation regime.

193. Where there is a need to reduce total discharges in order to meet community-agreed water quality outcomes, the new consents will generally be subject to planned reductions over time. Within a catchment some users may not be required to reduce beyond GMP expectations if it has been agreed that others in the catchment will undertake the reductions required to meet the catchment limit.

Recommendation 28: When shifting to a transferable discharge allowances regime all existing authorised discharges should be translated into a new consent format. The process of translating any authorised discharge into a new format should evaluate the discharge against relevant and agreed measures of good management practice.