

26 April 2016

Ministry for the Environment  
PO Box 10362  
**WELLINGTON 6143**

## Next steps for fresh water

Fresh water is a significant natural and economic asset and Contact Energy (**Contact**) supports the Government's long term vision for fresh water.

While in principle we support many of the proposals contained in the *Next steps for fresh water Consultation Document* (**Consultation Document**) there are some aspects where we seek more clarity. For example, while we support the move to Freshwater Management Units (**FMUs**) the issue of what happens where a FMU fails to meet its attributes is not addressed and requires consideration.

One area where we believe more explicit direction is required is in relation to the exceptions framework. As proposed in the Consultation Document exceptions will need to be applied for on a case-by-case basis where infrastructure prohibits bottom lines being met. This is different to the Government's prior position that waterways affected by large infrastructure are identified and included in Appendix 3 of the National Policy Statement (**NPS**) Framework ahead of time. Given that over 50 per cent of New Zealand's electricity is generated from water, hydro-electricity is pivotal to the renewable profile of the country's electricity generation and the Government achieving its goal of 90% renewable electricity generation by 2025. We think that the Government should either include a list of significant infrastructure in Appendix 3 of the NPS Framework, taking into account the benefits to NZ Inc. or, direct Councils to take into account Government Policy Statements and targets e.g. the Government's renewable energy target, when considering whether to seek an exception.

As a generator of hydro-electricity on the Clutha and geothermal electricity in the central North Island we believe it is essential that Contact is involved in any discussions on the development of new attributes, specifically sediment and temperature.

Finally, in our view one of the biggest challenges for New Zealand is water allocation, yet the document is largely silent on when work on water allocation will be carried out and over what time frame. Given the importance of the Government's water allocation work it would be useful for the Government to set out a timetable for this. We also think MfE's proposals around water transfer must be considered in conjunction with the Government's work on water allocation as addressing these issues separately could create perverse outcomes.

Should you have any questions on matters raised in this submission please do not hesitate to contact me.

Yours sincerely



Louise Griffin

**Head of Regulatory Affairs and Government Relations**



## Contact Energy Response to Questions

<b>Fresh water and our environment</b>	
1. Do you agree that overall water quality should be maintained or improved within a freshwater management unit rather than within a region? Why or why not?	<p>Yes, however as it stands it is ambiguous as to how overall water quality will be measured and how offsets will be applied under the proposal to “maintain or improve” within a Freshwater Management Unit (FMU).</p> <p>Likewise the paper does not address the issue of what happens where a FMU fails to meet its attributes.</p>
2. How should the attributes be applied, or the values protected, in giving effect to the requirement to maintain or improve overall water quality? Please explain.	No comment.
3. What is an appropriate way to include measures of macroinvertebrates in the National Policy Statement for Freshwater Management? What alternative measures could be used for monitoring ecosystem health?	<p>Biotic indices such as the Macroinvertebrate Community Index (<b>MCI</b>) provide a useful measure of the overall quality of stony or soft bottomed streams.</p> <p>It is appropriate that MCI scores are included into the National Policy Statement Framework as an indicator of the ecosystem health of rivers. That said, MCI scores may need to be carefully interpreted in the context of the stream that they represent and/or by persons with appropriate expertise.</p> <p>While other Indexes could be utilised, MCI provides a conservative and robust methodology.</p>

<p>4. What information should be required in a request to include significant infrastructure in Appendix 3 of the National Policy Statement for Freshwater Management, and why would this information be important?</p>	<p>Acknowledging that exceptions should be just that, the exception not the rule, the bar for exceptions has been set exceptionally high. The tests proposed and information listed are more extensive than would be required to obtain resource consent for an activity.</p> <p>As set out in our cover letter we think that for clarity the Government should either include a list of significant infrastructure in Appendix 3 of the NPS Framework (as in many cases the infrastructure will benefit New Zealand rather than a specific region) or, direct Councils to take into account Government Policy Statements, and targets e.g. the Government's renewable energy target, when considering whether to seek an exception.</p>
<p>5. Do you agree with applying lake attributes and national bottom lines to intermittently closing or opening lakes or lagoons? Why or why not?</p>	<p>No comment.</p>
<p>6. What information should be required in a request to list a water body in Appendix 4 of the National Policy Statement for Freshwater Management, and why would this information be important?</p>	<p>No comment.</p>
<p>7. Do you agree with the proposed requirements and deadlines for excluding livestock from water bodies? Why or why not?</p>	<p>No comment.</p>
<p><b>Economic use of fresh water</b></p>	
<p>8. Should standards for efficient water use be developed? Should standards for good management practices for diffuse nitrogen discharges be developed? Who should be involved in their development? When should they be applied to consents (e.g., on consent expiry and/or on limit setting and/or permanent transfer)?</p>	<p>No comment.</p>

<p>9. Do you support easier transfer of consents? Do you think the changes outlined in Proposal 2.4 would better enable transfers? What other changes would better enable transfers?</p>	<p>In principle Contact supports making the transfer of consents easier (either permanently or temporarily), particularly where mutual agreement between the parties has been arranged. However, more detail is required as to how consent transfers will work in practice. Likewise this proposal needs to be considered in light of any future work on water allocation.</p> <p>With regard to enabling water user groups and nutrient user groups to provide for low cost transfers we do not think dilution should be considered to be the solution.</p>
<p>10. How should the Government help councils and communities address over-allocation for water quality and water quantity? Should it provide guidance, rules or something else (please specify)?</p>	<p>No comment.</p>
<p>11. Should councils have greater flexibility in how they meet the costs of improving freshwater management? For example, by recovering costs from water users and those who discharge to water? Please provide examples</p>	<p>Contact agrees that Councils should be able to recover costs in a targeted fashion from those who discharge pollutants into water (polluter pays).</p>
<p><b>Iwi rights and interests in freshwater</b></p>	
<p>12. How can the Government help councils and communities to better interpret and apply Te Mana o te Wai in their region?</p>	<p>No comment.</p>
<p>13. Should councils be required to identify and record iwi/hapū relationships with freshwater bodies, and how should they do it?</p>	<p>No comment.</p>

<p>14. What would support councils and iwi/hapū to engage about their values for freshwater bodies?</p>	<p>No comment.</p>
<p>15. What are your views on the proposal for a new rohe-based agreement between iwi and councils for natural resource management? What type of support would be helpful for councils and iwi to implement these to enable better iwi/hapū engagement in natural resource planning and decision-making?</p>	<p>No comment.</p>
<p>16. What are your views of the proposed amendments to water conservation orders? Outline any issues you see with the process and protection afforded by water conservation orders.</p>	<p>No comment.</p>
<p>17. If you are involved with a marae or live in a papakāinga, does it have access to clean, safe drinking water? What would improve access to clean, safe drinking water for your marae or papakāinga?</p>	<p>No comment.</p>
<p><b>Freshwater funding</b></p>	
<p>18. Do you agree with the proposed criteria for the Freshwater Improvement Fund? Why or why not?</p>	<p>Contact supports the Freshwater Improvement Fund being broadened to include initiatives beyond purchasing land for retirement.</p> <p>However as proposed:</p> <ul style="list-style-type: none"> <li>• the minimum Government funding contribution of \$250,000 will exclude small but potentially important projects;</li> <li>• the 50/50 co-funding model may have the effect of excluding some worthwhile projects.</li> </ul>

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	<p>We think these lines should be reconsidered and more focus put on whether the request for funding will improve water quality and deliver clear environmental benefits.</p> <p>We also think the fund should not be able to be used for activities already required by Councils and/or Government.</p>
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