



Ministry for the
Environment
Manatū Mō Te Taiao

Environmental stewardship for a prosperous New Zealand

Briefing for incoming Minister for the Environment
November 2008



Seen by Hon Dr Nick Smith

Date _____

Information in scope

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Freshwater quality decline and freshwater allocation and demand

Fresh water is fundamental to the present and future environmental, cultural, social and economic well-being of New Zealand – and these values can easily come into conflict. Our ecosystems, primary producers, community health and cultural values depend on water. Abundant fresh water – if not always when and where we want it – gives New Zealand a competitive advantage in primary production, energy generation and tourism. But having abundant, relatively good quality water by international standards may not be enough for New Zealand's long-term prosperity and quality of life.

Freshwater quality is declining, particularly in rural lowland rivers and streams and groundwater. Nutrient enrichment has increased in some water bodies in catchments where there is intensive land use; for example, one-third of New Zealand lakes have high nutrient levels and poor water quality. Because of the time lags in hydrological systems, water quality in some catchments will get worse before it gets better, even if action is already being taken.

In some regions of New Zealand water catchments have been over-allocated or are close to being fully allocated. A lack of mechanisms for re-allocating water and prompting efficient use (including lack of appropriate urban and rural demand management) means that water is not necessarily going to its highest value uses and this will constrain economic growth.

New Zealand is at grave risk of further environmental damage and squandering the natural advantages of our water resources. Several factors amplify the risks:

- There is not yet a wide public understanding of how critical water issues are for New Zealand's long-term well-being.
- Restoring water quality is expensive and takes a long time (as demonstrated by work on Lake Taupo and Rotorua lakes and the Waikato River).
- Changes in land use, particularly from forestry or dry stock farming to dairying, are being made before there are effective plans to address additional impacts on water.
- There is increasing international scrutiny of New Zealand's environmental performance. Our trade may be affected if overseas consumers react to real or perceived issues about poor water quality, waste, or over-allocation.
- Climate change will increase the frequency and intensity of droughts and floods.
- In some parts of New Zealand, we have captured or allocated the readily accessible water. Further economic development will require re-allocation to higher value uses and/or more water storage and distribution systems to deal with variability in when and where water is available.
- Relevant science research capacity has declined by 35–40 percent over the past decade, and it is difficult for central and local government to get access to science that will support good decision making on water issues.

Inertia by some local authorities in developing water management plans and tackling non-compliance with consents has accentuated problems. In the case of Environment Canterbury, we are concerned that a series of successful challenges to its approach to water allocation create a risk of system failure and loss of authority as the resource manager for the region. Some of the inertia, however, arises from lack of direction from central government. National policy development has been hampered by delays in dealing with Māori rights and interests in water. In general, community resistance to anything seen as moving towards 'privatisation' of water has created a disincentive to trialling new approaches to allocation.

We consider that further action on both quality and allocation issues is vital to make better use of water in ways that increase growth without compromising environmental outcomes. Such action could build on existing work programmes by putting more focus on central government leadership, support for local government and interventions tailored to local issues, and development of new models for allocation and re-allocation of water.

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6. Issues that need consideration by the end of 2008

Issues for the Minister for the Environment to make decisions on:

- Central government involvement in water management issues in Canterbury