

Freshwater for a sustainable future: issues and options

A public discussion paper on the management
of New Zealand's freshwater resources



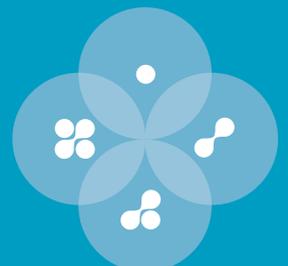
*Sustainable Development
New Zealand Programme of Action*

SOCIAL | ECONOMIC | ENVIRONMENTAL | CULTURAL

PREPARED BY:



Ministry for the
Environment
Manatū Mō Te Taiao



Freshwater for a sustainable future: issues and options

A public discussion paper on the management
of New Zealand's freshwater resources

Prepared for the Minister for the Environment
by the Water Programme of Action inter-departmental working group.

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Foreword

Until recently we have taken our abundance of freshwater in New Zealand for granted. We have assumed that there will always be enough available to meet the needs of all communities and interests. We have also assumed that different management regimes put in place over the years have sufficiently protected the quality of water in our lakes, rivers, streams, wetlands and aquifers. We know now that our current ways of managing this precious resource are not always sustainable and have not kept pace with economic, cultural, social and environmental changes.

The Government has recognised the need to become more strategic in the way we manage freshwater. As the Minister responsible for the Sustainable Development Programme of Action, I want to ensure the Government delivers a sound water management system that will provide opportunities for everyone who has an interest in freshwater.

The Water Programme of Action is one component of the Sustainable Development Programme of Action. Its aim is to find the best ways of managing the freshwater resources that are important to New Zealanders. It is about ensuring our lakes, rivers, wetlands and other freshwater resources are fairly used, protected, and where necessary, preserved – now and for future generations. Our freshwater resources should be managed and used in ways that make the greatest possible contribution to New Zealand's sustainable development.

This document outlines a set of actions which could be taken to improve our current system. Together, the actions could provide greater certainty to resource managers and communities, increased flexibility to resource users, and greater participation by communities and Māori. The document is designed to generate debate about these proposals so we end up with realistic and workable solutions.

Your views are important for helping to develop a management framework that will provide for present and future generations of New Zealanders.

A handwritten signature in blue ink that reads "Marian L. Hobbs".

Hon Marian L Hobbs
Minister for the Environment

Executive summary

Freshwater is integral to the health, wellbeing, livelihood and culture of all New Zealanders. It helps drive our economy, defines our landscape, sustains valuable ecosystems, and is used and enjoyed in countless ways.

New Zealand's freshwater resources are under pressure. We no longer have sufficient water to meet all needs, in all places and at all times. Declining water quality – largely the result of changing land uses – is an increasing concern.

Freshwater is subject to greater competition than ever before – competition between uses and between the different ways in which New Zealanders value water.

The Water Programme of Action was established by the Government in 2003 to examine these pressures, and to assess how well the current water management framework is dealing with them. It has found that:

- not all expectations and needs for freshwater are currently being met, and demands are growing
- water quality is declining in many areas and is unacceptable in some
- given the range of people's interests in water (social, economic, environmental and cultural), it is difficult under the present system to establish priorities for action.

This discussion document is the Government's response to these challenges. It presents a package of actions to address the problems currently facing the water management system. These actions cover many approaches – regulatory and market-based approaches, public education and more. They involve many parties, including central and local government, Māori, industry, interest groups and the general public.

The Government is seeking feedback on this document. Have the issues been correctly identified? Do the proposed actions adequately address them? Are there better ways of tackling the issues – either among the alternative and complementary approaches outlined here, or completely new ones?

There will also be opportunities to discuss the issues and actions identified in this document at a series of meetings to be held around the country during February 2005. Your views expressed during that process, and the submissions received in response to this document, will help guide the Government's decisions about how best to manage freshwater for New Zealand's sustainable future.

Having your say: submissions

We would like to know what you think about the issues and actions raised in this discussion document.

The closing date for submissions¹ is 18 March 2005.

To make a submission, you can:

- use the electronic submission form available on either the Ministry for the Environment's website (www.mfe.govt.nz) or the Ministry of Agriculture and Forestry's website (www.maf.govt.nz) or
- use the **guide** provided on page 5 to make a written submission.

Please make sure that you provide the following details in your submission:

- name
- address
- e-mail address (if you have one)
- organisation represented (if any)
- whether you wish to receive further updates about the Water Programme of Action.

You can e-mail your submission to:

waterprogramme@mfe.govt.nz

or send it to:

Water Programme of Action
Ministry for the Environment
PO Box 10-362
Wellington

or

Water Programme of Action
Ministry of Agriculture and Forestry
PO Box 2526
Wellington

Having your say: Meetings

Meetings will be held throughout the country in February 2005 to discuss the issues and actions identified in this document. The meetings will provide an opportunity to focus on key concerns in your submission.

For a full schedule of venues and dates, see www.mfe.govt.nz or www.maf.govt.nz, or contact the Ministry for the Environment, PO Box 10-362, Wellington or the Ministry of Agriculture and Forestry, PO Box 2526, Wellington.

What happens next?

The views and opinions expressed during the consultation process will help guide the Government's decisions about future approaches to freshwater management. Although this document puts forward a specific package of actions, it also raises other options and possibilities. There are no pre-determined outcomes. The Government is fully committed to developing sustainable ways of managing freshwater that balance the needs and interests of all communities.

A report on feedback from the consultation will be made publicly available.

¹ Please note that all submissions can be released if requested under the Official Information Act 1982. If your comments are commercially sensitive, or if there is some other reason why you think they should not be disclosed, please inform us in your submission.

Having your say: submission guide

To help you make your submission, here is a guide to the key questions we would like your views on. These questions are included in the “Have Your Say” boxes throughout this document. You can answer all, or just a few, of the questions – **please indicate clearly in your submission which question and which issue or action you are commenting on.**

A. Issues for action (Section 3, pages 15-16)

1. Are the issues identified in Section 3 the main water management issues facing New Zealand? (Please comment on any of the issues.)
2. What other issues should be considered when improving the freshwater management system?

B. Better freshwater management: a way forward (Section 4, pages 17-24)

Thirteen actions to improve freshwater management are described. For each action below:

1. What do you think of the proposal identified?
2. How well does it address the issues?
3. Where applicable, what do you think about the other suggested alternative or complementary approaches?

C. Overall package of actions

1. Overall, what do you think of the package of 13 preferred actions?
2. Which are the most important or desirable actions in the package? Why?
3. Which are the least important or least desirable actions? Why?
4. Which of the other possible alternative or complementary approaches would you like implemented and why? (You may wish to propose a combination of proposed and possible actions.)
5. Do you have any further suggestions?

A way forward: 13 actions

- Action 1:** Develop national policy statements
- Action 2:** Develop national environmental standards
- Action 3:** Address nationally important values
- Action 4:** Increase central government participation in regional planning
- Action 5:** Increase central government’s support for local government
- Action 6:** Develop special mechanisms for regional councils
- Action 7:** Enhance the transfer of allocated water between users
- Action 8:** Develop market mechanisms to manage diffuse discharges
- Action 9:** Set requirements for regional freshwater plans to address key issues and challenges
- Action 10:** Enhance Māori participation
- Action 11:** Enable regional councils to allocate water to priority uses
- Action 12:** Raise awareness of freshwater problems and pressures, and promote solutions
- Action 13:** Collaboration between central and local government, scientists and key stakeholders, on pilot projects to demonstrate and test new water management initiatives.



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1. About this document

This public discussion document is based on work by the Water Programme of Action inter-departmental working groups. These groups were established to look at three areas: water allocation and use, water quality², and the identification of potential water bodies of national importance. Technical papers were produced by the working groups in July 2004, and they provide the background to this discussion document³.

Because the three areas of focus are closely connected, this discussion document treats them in an integrated way.

This document:

- outlines the different ways in which New Zealanders value and use freshwater
- describes how water allocation, water quality and water bodies of national importance are managed at present
- describes the pressures and challenges facing our water management system
- identifies eight key issues that need to be addressed in any reform of the country's water management system
- proposes a package of actions to improve the water management system and overcome the challenges it currently faces. The proposed package is not the only way forward, and other possibilities are also described.

The Government seeks your feedback on this document.

The Water Programme of Action

The Government established the Water Programme of Action in 2003 to ensure that the country's freshwater resources are managed to best support New Zealand's future sustainable development. The programme is part of the Government's wider Sustainable Development Programme of Action.

Jointly led by the Ministry for the Environment and the Ministry of Agriculture and Forestry, the Water Programme of Action has involved many government departments. It has also involved representatives of regional councils and other local authorities, a Māori Reference Group⁴ and a Stakeholder Reference Group⁵.

² Note that the programme has not focused on urban water quality issues. The primary issue addressed by the working group, and in this document, is the impact of diffuse discharges from rural land use.

³ The papers "Water Allocation and Use, The Effects of Rural Land Use on Water Quality, Potential Water Bodies of National Importance" and other technical papers on water bodies of national importance can be read on www.mfe.govt.nz or www.maf.govt.nz. See Further Reading section for details (page 26).

⁴ Members of the Māori Reference Group are: Heitia Hiba, Waaka Vervoe, Jane West, Paul Morgan and Gail Tīpa.

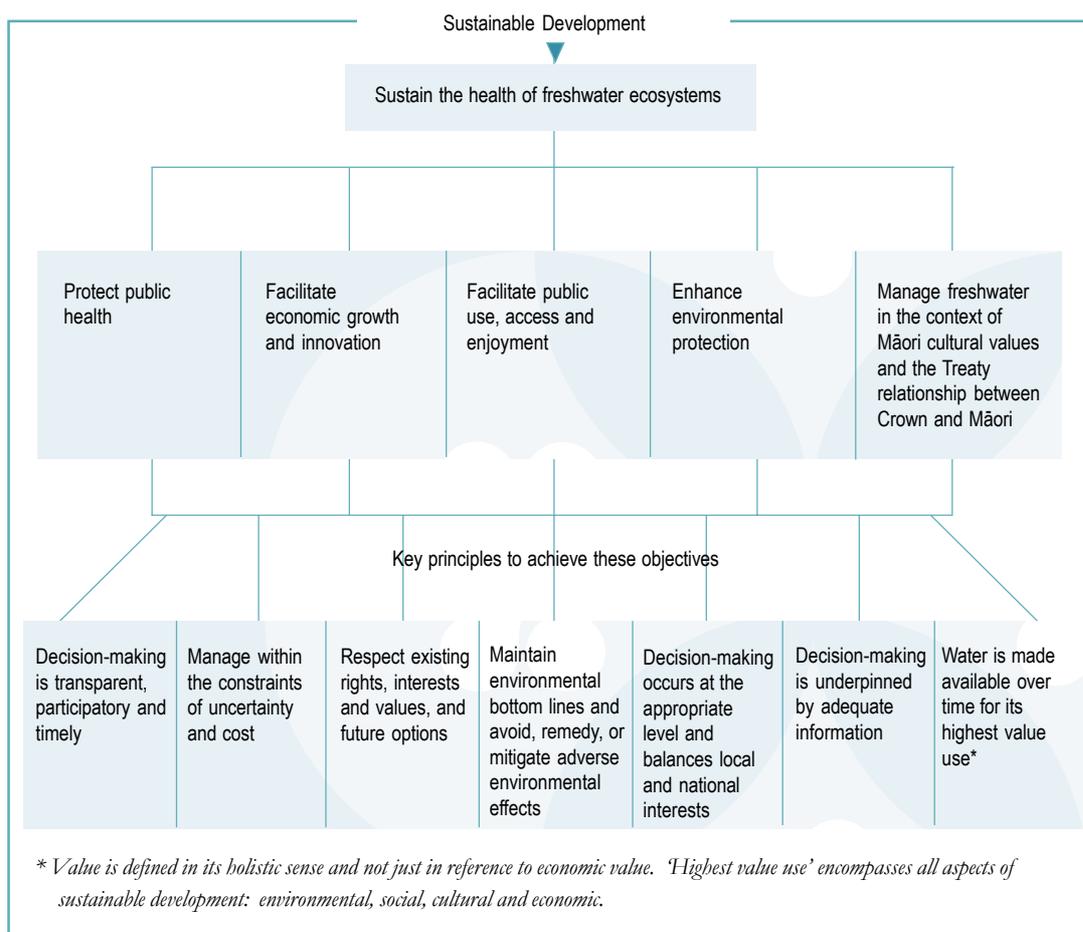
⁵ Interests represented in the Stakeholder Reference Group include recreation, agriculture, horticulture, environmental groups, irrigation, hydro-electricity generation, industry, business, forestry and hydrological and limnological societies.

The programme's vision, objectives and underlying principles are:

VISION: Freshwater is managed wisely to provide for the present and future social, cultural, environmental and economic wellbeing of New Zealand

CHALLENGES

- Not all expectations and needs for freshwater are currently being met and demands are growing
- Water quality is declining in many areas and is unacceptable in some catchments
- Given the range of people's interests in water it is difficult to establish priorities for action



Water management and the Resource Management Act review

As the Water Programme of Action has progressed, the Government has also been conducting a review of the Resource Management Act 1991 (the RMA).

Following this review, a package of measures designed to improve the working of the RMA was announced in September 2004. A key theme was a greater role for central government in supporting local decision-making. The Select Committee process will provide opportunities for the public to comment on the proposals arising from the RMA review.

Because the RMA sets the framework for water management, many of these measures have important implications for any changes to the present water management system. They include:

- ***Better expression of the national interest***

The Government proposes making greater use of national policy statements and national environmental standards. These would allow the national interest in water to be defined and expressed, and would help achieve greater consistency between local authorities.

- ***Improved local policy and plan making***

The role of regional policy statements would be strengthened as a result of the proposals. District and regional plans would be required to 'give effect to' regional policy statements (rather than being 'not inconsistent' with them, as at present).

- ***Better natural resource allocation***

It is proposed that the RMA explicitly recognises the allocation of natural resources as being a role and responsibility of regional councils. The Minister for the

Environment could also require councils to develop plans to address specific natural resource issues.

The proposals would allow regional plans to specify that discharge permits can be transferred in a similar manner to water or coastal permits, and that both discharge and water permits can be transferred to other users temporarily. Another proposal is that regional councils would be required to recognise existing investment when making decisions about whether to renew expired resource consents.

- ***Better implementation of the RMA***

The Government, through the Ministry for the Environment, wants to take a stronger leadership role to help local government improve its RMA practices. Measures could include providing targeted assistance to councils needing support, offering guidance on iwi engagement and capacity-building, and a more co-ordinated approach to monitoring the performance of local councils and dealing with complaints.

- ***More certainty about iwi consultation and iwi resource planning***

The review identified the need to give more meaningful recognition to Māori interests and values in plans. There would be clearer requirements about when, how and which iwi should be consulted by regional councils during the development of regional policies and plans, and what form that consultation should take. It is proposed that iwi would play a greater role in the development of policies, plans and rules that affect them.

Some of the proposed measures would require legislative amendments, and a Bill is scheduled for introduction to Parliament in the near future. More information about the RMA review is available on www.mfe.govt.nz/issues/resource/improving/index.html.



2. The current freshwater management system: meeting demands?



Since the time of New Zealand's earliest human settlement, freshwater has been intrinsically connected to our health, wellbeing, livelihood and culture.

2.1 Freshwater: many values, many uses

Since the time of New Zealand's earliest human settlement, freshwater has been intrinsically connected to our health, wellbeing, livelihood and culture. The country's lakes and rivers have nurtured plants and animals; sustained all kinds of human activity; influenced patterns of settlement; supported economic growth; and helped shape our national identity.

New Zealanders value freshwater in many ways. We enjoy the qualities that lakes and rivers bring to our unique environment. We appreciate their place in our history and culture.

Water has many uses critical to our economic and social wellbeing. These include:

- agriculture and horticulture
- hydro-electricity
- industrial use
- domestic use

- ecology
- recreation
- tourism
- conservation
- cultural and historic heritage
- tribal identity.

For Māori, water is also a taonga with life-giving properties that must be protected for future generations, and a spiritual connection between the past, present and future.

In addition to their traditional interests in water, Māori – as landowners, farmers, business people, tourism operators and recreational users – have wide-ranging commercial interests in water management.

Māori values are consistent with the principles of sustainability. For example, it is very important to Māori that natural resources are safeguarded and managed to protect options for future generations.

2.2 Roles and relationships

The right to use water in New Zealand is vested in the Crown, which delegates management responsibility to regional councils through the RMA. City and district councils are also involved in water management, particularly drinking water, stormwater and sewage.

Role of regional councils

Under the RMA, regional councils are responsible for making decisions on the allocation and use of water within their boundaries. Councils have responsibilities to include Māori and the community in planning and decision-making.

Councils also determine social, economic, environmental and cultural outcomes relating to water quality for their communities – including through the long term council community plans that councils are required to develop under the Local Government Act 2002. Plans prepared by city and district councils must not be inconsistent with regional plans.

Role of central government

Central government can become involved with water management by using tools provided for in the RMA. These include national policy statements, national environmental standards (which may set water quality standards), water conservation orders, and government submissions on councils' plans. The Ministry for the Environment is responsible for administering the RMA, and other government departments are also involved in water management.

2.3 Tools for water management

Regional policy statements and plans

To guide their water allocation decisions, councils develop regional policy statements and regional plans. These may specify key environmental guidelines, and state how water will be allocated to users. Some plans also specify minimum flows and the amount of water that can be taken from certain water bodies.

Councils may also use their regional plans to set quality standards for water bodies, and to manage water quality and land use activities that may affect water quality. The RMA requires that councils expressly approve discharges of contaminants⁶, (such as animal excrement and fertiliser) into water or onto land where they can enter waterways. They must also expressly authorise discharges of sediment that may get into water bodies. Councils do this through rules in their regional plans, or by attaching conditions to resource consents.

Resource consents

Unless authorised by rules in a regional plan, anyone wishing to take or use freshwater must apply for a resource consent. Discharges to land that can reach water, or direct discharges into water, also require a resource consent unless authorised in a regional plan or in regulations. Many councils are still developing approaches to manage diffuse discharges⁷ on to land. For example, diffuse discharges may be managed under discharge permits or land use consents.

Resource consent applications are assessed against the relevant council's regional plans and policy statements. In considering applications, councils are chiefly concerned that proposed uses do not adversely affect the environment or other water permit holders.

A water permit is a resource consent that gives applicants the right to take, use, dam and/or, divert water subject to availability. Permits are issued on a 'first come, first served' basis to applicants who can demonstrate they have a reasonable need for water, and can meet the environmental sustainability requirements of the RMA.

⁶ *The Resource Management Act's definition of 'contaminant' covers any substance (including a gas, odorous compounds, liquid, solid or micro-organism), energy or heat that when discharged into water, or onto land, or into air, changes the physical, chemical, or biological condition of that water, land or air.*

⁷ *A diffuse discharge is any general discharge or seepage, either over or under ground, of water borne material, which is not from any readily identifiable point (also known as non-point source discharge).*

Councils are not able to compare competing applications against each other.

Permits do not guarantee that water is available, nor do they give ownership over the water resource (unless it is within a pipe, tank or cistern). Permits can last anywhere between one and 35 years. Although there are no guarantees that a permit will be renewed when it expires, to date this has usually been the practice.

Water permits apply to the particular consent holder at the site specified. They can be transferred to new owners or occupiers of the site on application to the regional council. They can also be transferred to other sites within the same catchment where the regional plan allows for it, or when a regional council grants a specific application to transfer.

In practice, few permit transfers to other sites occur, and few plans provide for this. However, as some water bodies become fully allocated, there is a growing demand to transfer consents.

If a particular water body is already fully allocated (or over-allocated), councils deal with applications for further allocations in different ways. Some councils have waiting lists for users seeking allocations. Some use rationing schemes during droughts to free up water for higher priority uses.

Water conservation orders

Under the RMA, water conservation orders are made by the Governor-General, on the recommendation of the Minister for the Environment, to permanently protect the outstanding 'amenity or intrinsic values' of individual water bodies. They allow for other compatible water uses, but give priority to environmental considerations. Water conservation orders cannot affect existing resource consents.

Anyone may apply for a water conservation order, which is considered through a hearing and appeal process before a special tribunal (and, if necessary, an appeal to the Environment Court). The process can take many years due to the need to reconcile conflicting interests. Water conservation orders take precedence over regional plans.

Community consultation and partnership

Councils are required to undertake community consultation when preparing their regional policy statements, regional plans and long term council community plans.

The need for consultation with Māori on water management issues is specifically addressed in the RMA, which describes 'the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga' as a matter of national importance.

Occasionally, specific water issues are tackled through partnerships between central and/or regional government and other parties, including Māori. For example, a number of national, local and community organisations – including the Tuwharetoa Māori Trust Board, Taupo District Council, local landowners, central government and Environment Waikato – are working together to ensure the long term protection of Lake Taupo's water quality and its regenerative capacity.

Research and information

Information about water quality and allocation is collected by both regional councils and central government. Both fund research into water issues.

Gathering information to support water allocation and management decisions is difficult. Because freshwater ecosystems are dynamic, scientific knowledge about water bodies and potential uses is constantly developing. Some councils take an adaptive approach, developing 'interim' plans and modifying them as more information becomes available. Others delay preparing plans until more certain information is available.

Education and awareness

Both local government and central government undertake education and community awareness activities, especially relating to efficient water use and water quality issues. Best practice guidelines may be developed for particular water users, such as farmers or industry. Voluntary agreements – such as the Dairying and Clean Streams Accord – may be initiated as a way of changing behaviour and achieving better water quality outcomes.

2.4 Limitations of the present system

Demand for water for important economic and social activities is increasing.

Significant growth in agricultural productivity is being supported by irrigation. The area of irrigated land has roughly doubled every ten years since the 1960s, and irrigation now accounts for nearly 80 percent of all water allocated in New Zealand. The feasibility of a number of irrigation schemes is currently being investigated, and the Ministry of Agriculture and Forestry estimates it is technically and economically feasible to irrigate a further 200,000 hectares nationwide⁸.

There is also demand for water in energy generation, as the dwindling availability of gas raises renewed interest in hydro-electricity generation to help meet energy needs and renewable energy targets.

Greater demands like these are placing many pressures on New Zealand's freshwater resources:

- growing competition for water
- changing land uses (including subdivision), more intensive agriculture and the difficulties of managing diffuse discharges are adversely affecting water quality
- conflicts between the values associated with particular water bodies, and between the ways people want to use them
- some water bodies are becoming degraded before their values are recognised and secured.

Dealing with pressures of this kind requires a water management framework that is flexible, fair, supportive of efficient water use, and able to make sound choices between competing needs and values. Improving the quality of some water bodies can be costly.

The present management system poses the following challenges:

- not all expectations and needs for freshwater are currently being met, and demands are growing
- water quality is declining in many areas and is unacceptable in some
- given the range of people's interests in water (social economic, environmental and cultural) it is difficult under the present system to establish priorities for action.

⁸ This would add about \$330 million to the Gross Domestic Product, at the farmgate.



3. Issues for action



In considering how the present water management system could be improved, eight key issues need to be addressed.

Issue 1: National and regional strategic planning for water management could be improved

To date, central government has not determined the national interest in freshwater and no national outcomes for water quality have been set.

Regional councils make their allocation decisions when developing regional plans, or when a person applies for a resource consent. Decisions are made largely in response to adverse effects on the environment, including effects on other users. There is increasing recognition of the need to plan for sustainable development.

Issue 2: Nationally important values need to be better addressed

Individual water bodies may have nationally important values that are under threat. However, nationally important values have not yet been identified. National issues are addressed as they arise, rather than as part of a strategic or prioritised approach across the country.

Issue 3: Setting environmental bottom lines and allocation limits is costly and contentious

Setting such limits requires good scientific information about discharge patterns, the consequences of different land uses, water use patterns, the comparative value of different water uses, and the needs of particular water bodies' ecosystems.

Good scientific information is expensive to gather and its accuracy is often disputed. Measurement techniques are costly and sometimes unreliable. There can be a substantial time delay (perhaps 50-60 years) before the effects of land use change are reflected in water quality.

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

In a situation of increasing competition for water, the current system may not allow allocated water to be used in the most valued or efficient way. Technically, water can be reallocated once a permit expires and water permits can be transferred. But while person-to-person transfers occur frequently (largely as the result of the sale of property), transfers of water from site to site seldom occur.

Issue 5: Tension between investment certainty and planning flexibility

It is difficult to strike the right balance between providing existing water users with certainty about their ongoing rights, and retaining enough flexibility to manage environmental risks and respond to emerging water demands. While tension is perhaps inevitable, a solution may be to change the way in which permits define water users' rights – for example, rights that are seasonally-bound, or linked to a certain volume of water.

Issue 6: Māori participation in water management could be improved

Effective Māori engagement with water management issues has not been widespread. Reasons include the limited capacity and resources of both councils and iwi, and the need to clarify processes for effectively including Māori in water planning decisions.

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

There is strong evidence that in some catchments, diffuse discharges of contaminants are not being effectively managed. Economic drivers are increasing the intensification of agriculture, leading to higher concentrations of contaminants. Water bodies have to cope with increasing levels of micro-organisms, sediment, and nutrients from fertilisers and animal excrement.

Diffuse discharges present a considerable challenge to water managers and landowners. This is because they are hard to identify and measure, and there are often long time lags before their impacts are seen in water quality.

Issue 8: Development of water infrastructure is not keeping pace with demand

Communities often find it difficult to develop infrastructure for irrigation, municipal and industrial supply of water. For example, there are likely to be some sites where development of storage infrastructure is appropriate, but there has been no strategic approach to identify those sites.

The actions outlined in the remainder of this document have been designed to address these eight fundamental issues.

Have Your Say on the Issues

(Please see page 5 for how to make a submission.)

Do you agree that these are the main water management issues facing New Zealand?

What other issues should be considered when improving the water management system?



4. Better freshwater management: a way forward



The Water Programme of Action has identified possible ways to address the problems and pressures now facing the water management system. They cover a full spectrum of approaches – from regulatory and market-based approaches, to public education, to building the skills and knowledge of those involved in water management.

From these many possibilities, a specific package of actions has been put together for consultation. It is considered that this package delivers the greatest overall benefits compared with alternative packages. Some of the actions it contains build on proposals made as a result of the RMA review. Some of the actions would require amendments to the RMA.

Underpinning the proposed actions is the belief that local government should retain responsibility for water management and decision-making, with greater support and direction from central government.

While this package of actions is clearly indicated in the following discussion, a number of other possibilities are also presented. Public feedback is sought not only on the preferred actions but also on the alternatives – and others that may not be identified here.

In the following discussion, each preferred action is briefly described and the issues it addresses are identified. Then a range of other approaches is presented. Some are alternatives to the proposed action: others are complementary. Some have already been initiated, and could be further enhanced.

Action 1: Develop national policy statements

Central government could develop national policy statements that would:

- specify national priorities for freshwater
- stipulate requirements for regional plans – for example, to determine the amount of water that can be allocated, and set allocation limits
- require regional councils to set catchment-based targets for water quality.

Issues addressed:

Issue 1: National and regional strategic planning for water management could be improved

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Alternative or complementary approaches:

- Provide non-statutory guidelines – for example, clarify the respective mandates, roles and responsibilities of central government, regional councils and territorial authorities in managing the impacts of diffuse discharges from rural land on water quality.
- Model planning provisions could be developed to improve management of the impacts of land use on water quality (these could be added to the Quality Planning website, www.qualityplanning.org.nz).

Have Your Say on Action 1

What do you think of the proposal to develop national policy statements?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approaches suggested?

Action 2: Develop national environmental standards

Central government could develop standards that would specify either methods or procedures for:

- setting environmental bottom lines (ie, minimum standards for acceptable water quality) and allocation limits
- addressing the management of diffuse discharges.

Issues addressed:

Issue 3: Setting environmental bottom lines and allocation limits is costly and contentious

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Alternative or complementary approach:

- Nationally consistent numeric standards could be set for water quality (for example, for recreation).

Have Your Say on Action 2

What do you think of the proposal to develop national environmental standards?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approach suggested?

Action 3: Address nationally important values

Address nationally important values by:

- identifying water bodies with nationally important values (for example, ecological, energy generation or recreational values) and making this information widely available⁹
- prioritising for action those water bodies with nationally important values that are under threat.

These steps may require new tools to be developed and changes to the RMA – for example, an examination of the current water conservation order provisions.

Issues addressed:

Issue 1: National and regional strategic planning for water management could be improved

Issue 2: Nationally important values need to be better addressed

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Alternative or complementary approaches:

- A schedule could be attached to the RMA, specifying individual water bodies and their nationally important values.
- National monitoring and reporting of water bodies with nationally important values could be required. Aspects of tourism, historic heritage, industrial uses, population growth, recreational use, energy generation and land use practices could be measured as part of this monitoring programme.
- National environmental standards could be developed setting particular environmental standards and management processes for water bodies that are nationally important.

Have Your Say on Action 3

What do you think of the proposal to better address nationally important values?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approaches suggested?

Action 4: Increase central government participation in regional planning

Possible ways for central government to participate include:

- providing information and guidance
- lodging submissions, either on a departmental basis or using the whole of government approach proposed in the RMA review.

Issue addressed:

Issue 1: National and regional strategic planning for water management could be improved

Alternative or complementary approach:

- Central government could be responsible for approving regional plans (as it currently does with regional coastal plans).

Have Your Say on Action 4

What do you think of the proposal to increase central government participation in regional planning?

How well do you think the proposed action addresses the issue identified?

Any comments on the other possible approach suggested?

⁹ Preliminary work has developed possible ways of identifying water bodies with nationally important values, see Further Reading for background reports on Potential Water Bodies of National Importance.

Action 5: Increase central government's support for local government

Central government could help build councils' capacity, and disseminate good practice in the following areas:

- strategic planning for water
- setting environmental bottom lines and allocation limits
- engaging effectively with Māori, as proposed in the RMA review
- how to progressively constrain (clawback) existing allocations and transfer of water permits
- efficient water use.

Issues addressed:

Issue 1: National and regional strategic planning for water management could be improved

Issue 3: Setting environmental bottom lines and allocation limits is costly and contentious

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

Issue 6: Māori participation in water management could be improved

Alternative or complementary approaches:

- Central government could support a mobile team of specialist planning advisors, to support regional councils.
- Central government could subsidise poorly resourced councils directly.
- Central government could help disseminate best practice for assessing water resources and monitoring impacts.

Have Your Say on Action 5

What do you think of the proposal to increase central government's support for local government?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approaches suggested?

Action 6: Develop special mechanisms for regional councils

One of the proposals arising from the RMA review is to confirm explicitly that the allocation of natural resources is the role of regional councils.

Regional councils may need additional tools to enable them to deal more effectively with situations where water is over-allocated or quality is declining. One option is to give councils powers to progressively constrain (clawback) existing consents to take water or to discharge contaminants. This is likely to involve changes to the RMA.

Issues addressed:

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

Issue 5: Tension between investment certainty and planning flexibility

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Alternative or complementary approaches:

- Water permits could be modified. For example:
 - consents could be granted for instream uses above environmental allocation limits (for example, for a commercial rafting operation)
 - the maximum duration of consents could be lengthened or shortened
 - permit conditions could be changed so they are linked to a percentage of flow
 - the ability for consent conditions to be reviewed could be restricted.
- Water use measuring systems could be made compulsory.
- Water monitoring could be charged for on a volumetric basis.
- A water efficiency diagnostic service could be made available to councils.
- Councils could be required to set seasonal volumes when granting resource consents.

- Central government and councils' work with industry groups to develop efficiency standards or codes of practice could be enhanced.
- Financial assistance could be made available for water users to shift to more efficient technology.
- Permit holders could be required to pay a resource rental (a pre-determined sum per unit of water) to the Crown or to councils to encourage efficient use of water, or to provide for re-investment in water management.
- Permit holders could be required to return annually a given fraction of their access to water, so that it can be allocated by the community.

Have Your Say on Action 6

What do you think of the proposal to develop special mechanisms for regional councils?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approaches suggested?

Action 7: Enhance the transfer of allocated water between users

In a time of greater demand for water and variable supply, the transfer of water between users (existing and new) becomes more desirable. Approaches that could be introduced to make it easier to transfer water include:

- the development of a pilot registry system to record water transfers, which councils could choose to use
- more central government facilitation and encouragement for local councils to consider water transfers.

The following related initiatives have already been proposed under the RMA review:

- a mechanism for taking into account existing investment when considering applications to renew consents
- enabling regional plans to provide for temporary transfer of consents
- criteria for determining when an application to renew a consent should be considered before a competing application.

Issues addressed:

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

Issue 5: Tension between investment certainty and planning flexibility

Alternative or complementary approach:

As for Action 6.

Have Your Say on Action 7

What do you think of the proposal to enhance the transfer of water between users?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approaches suggested (under Action 6)?

Action 8: Develop market mechanisms to manage diffuse discharges

Market mechanisms could be developed to encourage land users to find the lowest cost ways of reducing discharges of particular contaminants or offsetting the effects of discharges on water quality.

Approaches that could be developed include:

- mechanisms to trade permits to discharge particular contaminants within a catchment, with a cap on total discharges. The RMA review provides a framework for this by introducing the ability to transfer discharge permits between users
- the development of a pilot registry system to record permit transfers, which councils could choose to use
- establishing catchment based pilot projects to evaluate use of market mechanisms.

Issue addressed:

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Have Your Say on Action 8

What do you think of the proposal to develop market mechanisms to manage diffuse discharges?

How well do you think the proposed action addresses the issue identified?

Action 9: Set requirements for regional freshwater plans to address key issues and challenges

Central government could require regional councils to prepare regional plans in areas where water resources are under pressure. The implementation of such plans could also be linked to achieving community outcomes in the long term council community plans that councils have to prepare under the Local Government Act. Key issues may include:

- water allocation and quality
- addressing the national interest in water
- exploring the development of infrastructure.

In combination with Action 11, this would allow councils to take a more strategic approach to water allocation and quality management. Plans could consider approaches to address local and regional issues – including partnership arrangements with central government, local government, industry, iwi and landowners.

This action builds on proposals in the RMA review.

Issues addressed:

Issue 1: National and regional strategic planning for water management could be improved

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Issue 8: Development of water infrastructure is not keeping pace with demand

Alternative or complementary approaches:

- Central government could be responsible for approving regional plans (as it currently does with regional coastal plans).
- Model planning provisions could be developed to improve management of the impacts of land use on water quality (these could be added to the Quality Planning website www.qualityplanning.org.nz).

Have Your Say on Action 9

What do you think of the proposal to set requirements for regional freshwater plans?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approaches suggested?

Action 10: Enhance Māori participation

Enhance Māori participation by:

- clarifying the involvement of Māori in planning at both national and regional levels, as proposed in the RMA review
- providing central government guidance for better engagement between Māori and local government, consistent with the RMA review.

Issues addressed:

Issue 1: National and regional strategic planning for water management could be improved

Issue 6: Māori participation in water management could be improved

Have Your Say on Action 10

What do you think of the proposal to enhance Māori participation?

How well do you think the proposed action addresses the issues identified?

Action 11: Enable regional councils to allocate water to priority uses

More strategic allocation of water could be achieved by allowing councils to:

- compare applications for resource consents against each other and against community priorities
- identify local priority uses for water, and develop criteria to guide allocation decisions within the comparative framework. For example, minimum efficiency levels for abstracting water from catchments could be specified
- use 'market tools' (such as auctions or tenders) as a means of strategically allocating water, as part of a wider comparative assessment of resource applications.

Issues addressed:

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

Issue 5: Tension between investment certainty and planning flexibility

Alternative or complementary approach:

- Permit holders could be required to annually return a given fraction of their access to water, so that it can be allocated by the community.

Have Your Say on Action 11

What do you think of the proposal to allow councils to allocate water to priority uses?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approach suggested?

Action 12: Raise awareness of freshwater problems and pressures, and promote solutions

Central government, in collaboration with key stakeholders, could develop communication and education programmes which raise public awareness of the issues and promote local action. These may lead to the formation of voluntary agreements that encourage water users to change their behaviour and lead to better water quality outcomes.

Issues addressed:

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Alternative or complementary approach:

- Central government could provide resources enabling co-ordinated education programmes to be developed by Landcare Trust, Māori, regional councils and others.

Have Your Say on Action 12

What do you think of the proposal to develop water communication and education programmes?

How well do you think the proposed action addresses the issues identified?

Any comments on the other possible approach suggested?

Action 13: Collaboration between central and local government, scientists and key stakeholders, on pilot projects to demonstrate and test new water management initiatives

Projects could involve research and technology aimed at developing innovative ways to assess and mitigate the impacts of land use on water quality, and to evaluate the effectiveness of management techniques. Particular encouragement could be given to multi-disciplinary scientific programmes that take an integrated approach to water management issues, from on-farm to catchment level.

Similar collaborative pilot projects are currently underway on Lake Taupo, Lakes Rotorua and Rotoiti, and in relation to the Waitaki Catchment.

Issues addressed:

Issue 4: Water is over-allocated in some catchments, is not consistently allocated to its highest value use over time, and can be wasted

Issue 6: Māori participation in water management could be improved

Issue 7: A lack of effective action in the management of diffuse discharges of contaminants on water quality, in some catchments

Have Your Say on Action 13

What do you think of the proposal for central/local government and stakeholders to collaborate on pilot projects?

How well do you think the proposed action addresses the issues identified?

Have Your Say on the Overall Package

Overall, what do you think of the package of 13 preferred actions?

Which ones do you consider are most important/desirable to carry out, and why?

Which ones do you consider are least important/desirable, and why?

Which of the other possible alternative or complementary approaches (those that are not part of the preferred package) would you like to be implemented and why? You may wish to propose a combination of proposed and possible actions that could be implemented.

Do you have any further suggestions?



5. Next steps



New Zealand's freshwater resources are under pressure. We no longer have sufficient water to meet all needs, in all places and at all times. Declining water quality – largely the result of changing land uses – is an increasing concern.

Freshwater is subject to greater competition than ever before – competition between uses and between the different ways in which New Zealanders value water.

At such a time, we need an effective water management system that is able to make good choices between competing demands, encourage efficient water use, maintain water quality, and ensure water is used in ways that have most value to the community.

The Water Programme of Action is about finding the best ways to manage the freshwater resources that are important to New Zealand. It is about ensuring our rivers, lakes, wetlands and other freshwater resources are fairly used, protected and preserved – now and for future generations. Our freshwater resources should be managed and used in ways that make the greatest possible contribution to New Zealand's sustainable development.

To help achieve the best possible results, the Government wants to hear the views of all New Zealanders. There are no pre-determined outcomes: public input can shape the development of Government policy, and help guide future changes to water management.

So please, have your say. Make a submission, or discuss the issues in person. Remember:

- a series of consultation meetings will be held in February 2005 throughout New Zealand
- written submissions on this document should be made by 18 March 2005
- a report on feedback from public consultation will be made publicly available.

A full schedule of venues and dates for meetings is available on-line at www.mfe.govt.nz or www.maf.govt.nz. You can also receive this information by writing to the Ministry for the Environment, PO Box 10-362, Wellington, or the Ministry of Agriculture and Forestry, PO Box 2526, Wellington.

Further reading on the Water Programme of Action

Water Programme of Action: Technical Working Papers

Water Programme of Action: Water Allocation and Use. Technical Working Paper, Wellington, June 2004.

Water Programme of Action: The Effects of Rural Land Use on Water Quality. Technical Working Paper, Wellington, July 2004.

Water Programme of Action: Potential Water Bodies of National Importance. Technical Working Paper, Wellington, July 2004.

Background reports on potential water bodies of national importance

Chadderton L, Brown D, Stephens T. 2004: *Identifying Freshwater Ecosystems and Sites with Nationally Important Biodiversity Values: Methodology, Criteria and Candidate List of Rivers of National Importance.* Department of Conservation, Science and Research Unit. Wellington.

East Harbour Management Services Ltd. 2002: *Availabilities and Costs of Renewable Sources of Energy for Generating Electricity and Heat.* Prepared for the Ministry of Economic Development by East Harbour Management Services Ltd.

East Harbour Management Services. 2004: *Waters of National Importance: Identification of Potential Hydroelectric Resources.* Ministry of Economic Development. Wellington.

Fink-Jensen K, Johnson M, Simpson-Edwards M. 2004: *Freshwater Recreational Users: Internet Survey of Freshwater Use in New Zealand.* Prepared for the Ministry for the Environment by BRC Marketing and Social Research. Wellington.

Fink-Jensen K, Johnson M, Simpson-Edwards M. 2004: *Survey of Freshwater Use in New Zealand.* Prepared for the Ministry for the Environment by BRC Marketing and Social Research. Wellington.

Ford S, Butcher G, Edmonds K, Braggins A. 2001: *Economic Efficiency of Water Allocation.* Ministry of Agriculture and Forestry Technical Paper 2001/7, 44p.

Kelly M, Greig K. 2004: *New Zealand Water Bodies: Cultural Heritage Assessment: Criteria and Methodology.* Ministry of Culture and Heritage.

Ministry of Agriculture and Forestry. 2004: *Potential Waters of National Importance for Irrigation.* Ministry of Agriculture and Forestry Policy Unit. Christchurch.

Ministry of Economic Development 2004: *Summary of Existing and Potential Geothermal Resource for Electricity Generation.* Wellington.

Ministry for the Environment. 2004: *Water Bodies of National Importance. Potential Water Bodies of National Importance for Recreation.* Wellington.

Ministry of Tourism. 2004: *Potential Water Bodies of National Importance for Tourism Values.* Wellington.

Richmond C. 2004: *Summary of Water Body-Dependent Geodiversity and Geothermal Features of National Importance (from NZ Geopreservation Inventory).* Department of Conservation. Wellington.

Te Puni Kokiri. 2004: *Māori Cultural Values and the National Importance of Water Bodies.* Wellington.

White P.A., Sharp B.M.H., Reeves R.R. 2004: *New Zealand Water Bodies of National Importance for Domestic Use and Industrial Use.* Prepared for the Ministry of Economic Development by the Institute of Geological and Nuclear Sciences. Wellington.

These documents are available on-line at www.mfe.govt.nz or www.maf.govt.nz. Printed copies can be obtained from the Ministry for the Environment, PO Box 10-362, Wellington, or from the Ministry of Agriculture and Forestry, PO Box 2526, Wellington.

Your Notes



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