

National Policy Statement for Freshwater Management Implementation Review

Waikato

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Regional overview

Waikato is the fourth largest region in New Zealand, covering 25,000 square kilometres. It stretches from the Bombay Hills and Port Waikato in the north down to the Kaimanawa Range and Mount Ruapehu in the south, and from Mōkau on the west coast across to the Coromandel Peninsula on the east (figure 1).

Nearly 450,000 people live in the Waikato region with about three-quarters of them in urban areas.¹ Areas near Hamilton and Auckland are experiencing sustained growth while the rest of the region is stable or experiencing depopulation.

The region contains:

- New Zealand's longest river (the Waikato)
- New Zealand's largest lake (Lake Taupō)
- three internationally significant RAMSAR wetlands
- important geothermal systems
- a network of hydro-generation dams along the Waikato River
- extensive native and exotic forests
- part of Tongariro National Park.

Just over half of the region's land area is used for pastoral farming and over a quarter is native forest and vegetation, particularly in the Coromandel and in the south. Plantation forestry accounts for around 15 per cent and the remainder is horticulture, urban and other uses.

In recent years, there has been widespread media attention and political concern regarding continued forestry-to-dairy conversion and the high risk of negative environmental impacts on the porous volcanic soils or karst landscapes. There are concerns in some sectors that further dairy expansion in the upper Waikato catchment will reduce water quality and increase the cost of achieving community aspirations for fresh water. In addition, because much of the Māori land in upper Waikato catchment is currently in forestry, Māori and the rest of the community are forced to balance their desire to provide economic opportunities against their desire to improve water quality.

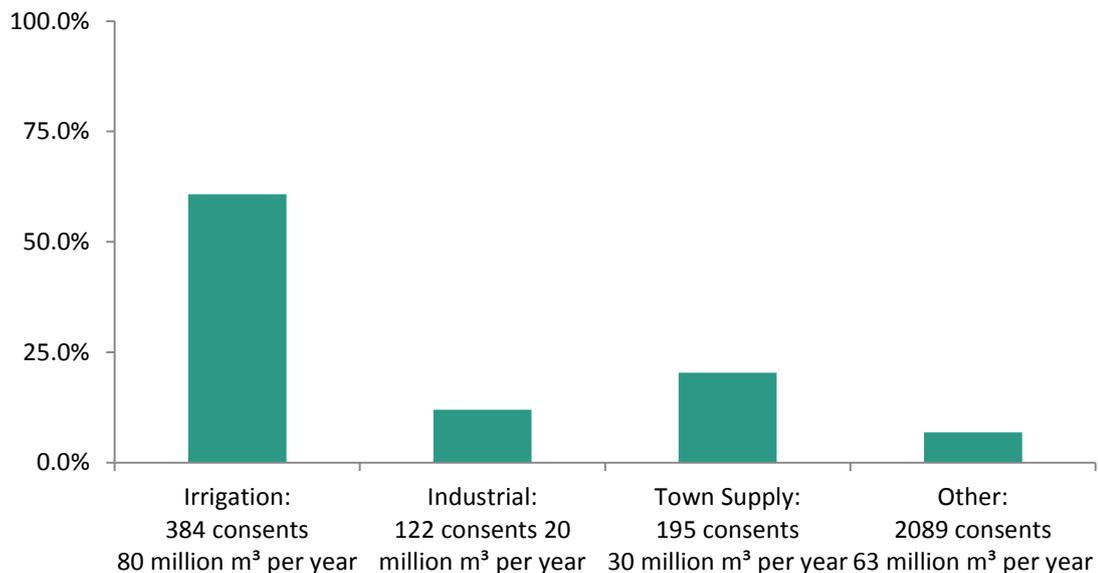
By some measures, water quality in the Waikato region has improved over recent decades. Urban and industrial wastewater treatment and their discharges to the Waikato River have improved, resulting in lower ammonia and microbial activity. Likewise, water clarity is improving in many upland areas.

¹ See Statistics New Zealand. 2017. *Subnational population estimates (RC, AU), by age and sex, at 30 June 1996, 2001, 2006–16 (2017 boundaries)*. Retrieved from <http://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7501> (14 June 2017).

However, many water quality measures are in decline, particularly in lowland rivers and areas of intensive agriculture.² Increasing loads of nitrogen and phosphorus entering rivers from intensively used farmland are expected to increase the risk of toxic algal blooms, decrease dissolved oxygen and increase weed growth. Moreover, the time required for these nutrients to flow through the system means that the full impacts of past practices have not yet been seen and nutrient levels will continue to increase for some time regardless of current and future input levels. Levels of *Escherichia coli* exceed Australian and New Zealand Guidelines for Fresh and Marine Water Quality in most water bodies. Contaminants associated with geothermal systems (eg, arsenic and boron) are close to maximum ecological guideline values where they accumulate in dams in the upper Waikato River. Groundwater is also under pressure, with nitrate levels exceeding drinking water standards in some areas. Pesticides and faecal coliform bacteria have been detected in some wells.

Water quantity is highly allocated in the Waikato, Waipa and Piako rivers.³ Most of this water is used for irrigation (figure 2). If all current consent applications were granted, the Waikato River would surpass allocation limits. The two largest individual consumptive takes are those for urban water supply in Auckland and Hamilton, and demand is expected to increase as both cities grow.⁴ High demand over many decades has reduced lake levels and some were drained and converted to pasture in the past. In contrast, groundwater resources are not generally believed to be under pressure.

Figure 2: Water take consents by primary use in the Waikato region (excluding hydroelectric power generation)



Data source: Land, Air, Water Aotearoa

² See Land, Air, Water Aotearoa. No date. Waikato region river quality. Retrieved from www.lawa.org.nz/explore-data/Waikato-region/river-quality/ (June 2017).

³ See Waikato Regional Council. 2015. Surface water availability. Retrieved from <https://www.waikatoregion.govt.nz/assets/PageFiles/37383/data.xls> (June 2017).

⁴ See Land, Air, Water Aotearoa. No date. Waikato region water quantity. Retrieved from www.lawa.org.nz/explore-data/Waikato-region/water-quantity/ (June 2017).

Review methodology

The information and analysis contained in this report are based on evidence collected from a questionnaire completed by Waikato Regional Council (WRC), a series of interviews and panel discussions with relevant parties, planning documents and associated reports, and the Ministry for the Environment's ongoing relationships and projects across the region. The overall review team consisted of officials from the joint Ministry for the Environment and Ministry for Primary Industries Water Directorate with the assistance of two independent consultants who are both certified hearings commissioners with more than 30 years of experience in freshwater management.

The review team conducted a series of panel discussions with WRC executives and elected councillors, senior WRC staff and stakeholder representatives. The 15-person stakeholder panel included members of the Healthy Rivers – Wai Ora Collaborative Stakeholder Group (CSG) (see discussion below) and represented a range of interests including territorial authorities, environmental organisations, power generators and agricultural sectors. Additional interviews and panel discussions were held with representatives from national sector organisations. Following each meeting, attendees were given the opportunity to revise or supplement the meeting notes to ensure their views were recorded accurately.

While the review team has made efforts to confirm information where possible, much of the information included in the review is based on the accounts and perspectives of those involved and often cannot be verified independently.

It is important to note that none of the iwi and hapū representatives invited to our review hui attended. Nor did the review speak with members of the Waikato River Authority (WRA) (discussed below). We recognise this as a significant limitation of our review, particularly given the complexity of iwi and hapū relationships and the influence of Treaty of Waitangi settlement arrangements on freshwater management in the region. The following comments are based, therefore, on evidence gathered through the Ministry's ongoing conversations and relationships with representatives in the area and during periodic reviews of co-governance and co-management structures in the region rather than a systematic evidence-gathering process, and they should be read with that caveat in mind.

Stakeholder representatives did not necessarily speak with mandate as official representatives of their organisation nor are they presumed to represent all in their wider communities. They were, however, primary sources with direct experience of WRC's work.

Because of varying regional contexts, some issues are considered more or less relevant in different regions. Therefore, some topics that appear in other regional chapters but that were not raised by WRC, iwi and hapū or stakeholders in this region have been omitted from this chapter.

Regional context for freshwater management

Planning contexts before the NPS-FM

The existing Waikato Regional Plan has been in place since 1998 and is currently under a staged review. In 2006, WRC notified Variation 6 – Water Allocation, which became operative in 2012. Although initiated before the original National Policy Statement for Freshwater Management (NPS-FM), Variation 6 added provisions that meet many requirements of the NPS-FM 2011, including rules for efficient allocation, consent transfers and the reduction of over allocation. However, WRC notes that the current allocation framework has come under increasing public scrutiny and is criticised as inadequate to manage current demand.

Freshwater planning for Lake Taupō is currently managed under Variation 5 – Lake Taupō Catchment, which was proposed in 2005 and became operative in 2011. The plan change introduced a nitrogen loss limit for the catchment and established a property level nutrient loss trading scheme with a target to reduce nitrogen entering the lake by 20 per cent. The plan also requires consents for dairy and dry stock farming. An \$81.5 million fund was also created by the Ministry for the Environment, WRC and Taupō District Council to purchase and retire land, to convert dairy farms into forestry and to encourage farmers to farm more efficiently in terms of nutrient discharges, such as by reducing stock numbers.

Water management for the Waikato and Waipa river catchments is guided primarily by Te Ture Whaimana o Te Awa o Waikato – the Vision and Strategy for the Waikato River (Vision and Strategy). The WRA, an independent statutory body formed as part of Treaty of Waitangi settlements with the five iwi from the Waikato and Waipa rivers,⁵ is charged with setting the direction for the restoration and protection of the Waikato River and promoting integrated management of the river catchment as outlined in the Vision and Strategy. The Vision and Strategy is given statutory weight by Treaty settlement legislation whereby it is deemed part of the Waikato Regional Policy Statement and has priority over the NPS-FM where the documents conflict. Notably, the Vision and Strategy sets ambitious goals for the river to be swimmable and mahinga kai (food) to be safe to collect along its entire length. The WRA is also the sole trustee of the Waikato River Clean-up Trust, a \$220 million contestable fund for river restoration and protection projects.

Waikato River management is also complicated by demand from neighbouring Auckland. Auckland Council's Watercare Services has made an application to take further water from the Waikato River for the Auckland municipal water supply to meet future demand. Although approving the take would likely put the river above the planned level of allocation, the Regional Plan gives priority to drinking water. However, this application is in a queue of other applications that must be processed first.

Freshwater management for the Hauraki and Coromandel areas will be influenced by the Sea Change – Tai Timu Tai Pari process, a collaborative effort between Waikato Council, Auckland Council, the Hauraki Gulf Forum, mana whenua, Department of Conservation and Ministry for Primary Industries. In December 2016, the project partners released a marine spatial plan that

⁵ The five iwi are: Waikato–Tainui, Te Arawa River, Ngāti Raukawa, Ngāti Tūwharetoa, Ngāti Maniapoto.

extends to freshwater and land management as important drivers of coastal water health. This plan is non-statutory, but WRC has indicated it will respond to the recommendations following review of the regional and coastal plans.

Iwi and hapū context

Treaty settlements and co-governance agreements

WRC has signed relationship agreements with all but one iwi with rohe (territories) in the region.

As noted above, the Waikato and Waipa catchments are under a co-governance and co-management framework with the five river iwi and guided by the legally binding Vision and Strategy. Overall governance is provided by the WRA, comprising one representative from each of the five river iwi and five Crown representatives appointed by the Minister for the Environment. One Crown appointee was nominated by WRC and another by the territorial authorities. The five river iwi also have representation on the Healthy Rivers – Wai Ora Committee, a joint committee responsible for reviewing and approving plan change recommendations from the collaborative stakeholder group before endorsing them to Council.

The Hauraki Collective, which represents 12 iwi in the Hauraki area,⁶ is currently finalising negotiations with the Crown across a number of catchments. As of May 2017, a deed of settlement has been initialled that will establish an independent statutory body comprising equal iwi and local government representation for the Waihou, Piako and Coromandel catchments. Raukawa, Ngāti Hinerangi and Ngāti Hauā will also have representation in these arrangements. Similar to the WRA, the body would likely develop a strategic document that would need to be recognised and provided for by Resource Management Act 1991 planning documents within the catchments, where relevant. The Hauraki Collective is also in negotiation for arrangements in the Mangatangi, Mangatāwhiri and Whangamarino catchments (part of the north-eastern Waikato River catchment), which has complicated Plan Change 1 (see discussion below).

The Lake Taupō catchment is managed by the Lake Taupō Protection Project joint committee, which comprises equal local government and iwi representation. Ngāti Tūwharetoa has also recently initialled a deed of settlement that will establish a joint committee with equal iwi and local government representation, which will produce a strategy document that Resource Management Act 1991 planning documents will have to recognise and provide for where relevant.

It is anticipated the West Coast harbours (Aotea, Kāwhia and Raglan) will have Treaty of Waitangi settlement arrangements over them that are likely to have implications for freshwater management.

⁶ The 12 iwi are: Ngāi Tai ki Tāmaki, Ngāti Hako, Ngāti Hei, Ngāti Maru, Ngāti Pāoa, Ngāti Porou ki Hauraki, Ngāti Pūkenga, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaunga and Te Patukirikiri.

Approach to implementing the NPS-FM

Progressive implementation programme

WRC notified a staged programme to fully implement the NPS-FM by 2025 through a series of plan changes and a regional plan review (figure 3). The ongoing regional plan review is intended to identify any NPS-FM requirements not addressed in the catchment plan changes. The Council anticipates that these may include Policy C2 regarding integrated management of the effects from use and development, encouraging coordination and sequencing of growth, land use and development and infrastructure. The Council is currently addressing implementation with regard to water quality for the Waikato and Waipa rivers through the Healthy Rivers – Wai Ora collaborative process and Plan Change 1.

Table 1: Waikato Regional Council progressive implementation programme (abridged)

Implementation mechanism	Timeline
Proposed Regional Policy Statement 2012 (PRPS)	Operative as of May 2016
Variation 5 to the Waikato Regional Plan (WRP)	Operative July 2011
Variation 6 to the WRP	Operative April 2012
WRP Change 1 Waikato River and Waipa River catchments	Proposed Plan Change 1 notified 2016
WRP Change: Waihou-Piako and Coromandel catchments	Proposed Plan Change scheduled for notification in 2018.
WRP Change: West Coast catchments	Proposed Plan Change scheduled for notification in 2020.

Data source: [Waikato Regional Council](#)

Priorities

WRC prioritised the Waikato and Waipa river catchments in response to Treaty of Waitangi obligations and the Vision and Strategy. Beyond the statutory obligation, however, the catchment was considered the logical priority because of the Waikato River's size and national significance. The Hauraki and Coromandel areas, including the Waihou and Piako rivers, will be addressed once Treaty settlements are finalised. The Mōkau, Marokopa and other western catchments will be addressed last.

National context

The Council expressed concern that policy changes at the national level could overturn community decisions. If changes to the NPS-FM imposed new requirements that made community decisions obsolete, WRC feels that it would undermine buy-in from iwi and stakeholders and compromise the collaborative process used in the Waikato catchments.

WRC believes that central government may be overly reactive in enacting repeated changes to the NPS-FM and other national direction. It does not believe councils are being given enough time to enact plan changes, implement the new rules and allow impacts to be seen.

Achieving the objectives of the NPS-FM

Values and objectives

Values and objectives for the Waikato and Waipa catchments were established by the Vision and Strategy. The Healthy Rivers – Wai Ora CSG then interpreted the Vision and Strategy into more specific goals and timelines for change, which were recommended to the Healthy Rivers – Wai Ora Committee, endorsed by WRC and included in Plan Change 1. Values and objectives for other catchments will be addressed in turn through processes that may be similar to the Healthy Rivers – Wai Ora collaborative process but will likely be reduced in scale.

The CSG and Council felt it necessary to balance public expectations for rapid water quality improvements against the feasibility of achieving those outcomes while managing social and economic impacts on the community. The CSG recognised that progress would be limited by the number of contractors available to create farm environment plans or make physical changes to properties. In addition, technical advice indicated it would not be possible to achieve the objectives in the Vision and Strategy given current technologies and land use. Therefore, the CSG recommended a staged 80-year timeframe for meeting objectives.

Limit setting and allocation

As noted above, the regional water quantity provisions included in the current Waikato Regional Plan through Variation 6 meet many of the requirements of the NPS-FM. The Council intends to review these allocation limits and rules in 2022 and to address any inconsistencies created by revisions to the NPS-FM. WRC has expressed dissatisfaction with the current ‘first come, first served’ system of water quantity allocation. It would prefer to have greater discretion so as to prioritise and incentivise efficient uses.

Rules and limits related to water quality are being introduced in the Waikato and Waipa catchments via Plan Change 1. Following recommendations from an independent technical leadership group (TLG), the CSG chose not to allocate numeric contaminant loss limits at the property level because current models (eg, OVERSEER®) were not considered adequate to do so equitably at this time. The CSG and WRC were also concerned that the models were unable to account for the range of mitigations that property owners could employ and, therefore, would constrain good management.

Instead, OVERSEER® modelling will be used in Plan Change 1 to establish baseline contaminant loss reference points for each property to ensure that losses do not increase, to prioritise those farms with the greatest impacts for targeted interventions with earlier deadlines for implementing changes, and to support future allocation planning. The CSG recommended this approach rather than blanket reductions at a fixed percentage to avoid rewarding historically poor performers or placing greater burdens on those farms that already had lower discharges. As a result, changes will affect certain sectors more than others. This approach is expected to deliver a 10 per cent reduction in contaminants over 10 years, with further plan changes required to achieve the overall long-term goals.

Water quality limit setting and allocation for other catchments will be established in time. WRC hopes that models will be developed sufficiently to allow for more specific property-level limits in the future.

Outcomes

WRC describes regulation as only a part of its programme and points to its extensive non-regulatory interventions and support for land owners. WRC would have preferred to have greater flexibility in plans and more options for non-regulatory incentives rather than mandating specific actions to allow property owners and organisations to try alternative innovative approaches towards achieving the same outcomes. However, it does not believe that the public and certain stakeholders would trust WRC to maintain high standards over the long term.

Stakeholder views

There was a similar sense among many stakeholders that too much emphasis was being placed on setting rules and meeting the requirements of the National Objectives Framework and not enough on actually achieving better water quality. Discussion in the CSG reportedly focused narrowly on in-stream concentration numbers rather than the objectives those targets are intended to achieve or the values they are intended to protect.

Representatives from territorial authorities expressed particular concern about the cost of infrastructure changes from increasing environmental standards. They believe these would have significant costs but minimal environmental benefits.

Progress in major catchments

LAKE TAUPŌ CATCHMENT

Although Variation 5 for the Lake Taupō catchment was written before the NPS-FM, the water quality provisions it contains fulfil many of the requirements. The Council will conduct a regional plan review to identify and address any remaining requirements of the NPS-FM by 2025.

WAIKATO AND WAIPA RIVER CATCHMENTS

Plan Change 1 to address the catchments for the Waikato and Waipa rivers was developed through the Healthy Rivers – Wai Ora process and notified by WRC in October 2016. Although partially withdrawn pending consultation with Hauraki iwi, hearings for both parts together are planned for late 2017.

The plan change represents the first stage of an 80-year programme and is intended to deliver a 10 per cent reduction in four main contaminants (nitrogen, phosphorous, *E. coli* and sediment) over the next 10 years. Information gathered during this first stage will inform further plan changes.

WAIHOU, PIAKO AND COROMANDEL CATCHMENTS

Planning for the Hauraki and Coromandel catchments, including the Waihou and Piako catchments, will progress once Treaty of Waitangi settlements are completed. The Council expects that a joint statutory body, made up of equal iwi and local authority representation, may be created to co-manage the catchments. WRC is already working with the Hauraki Gulf Forum.

WEST COAST CATCHMENTS

Planning for the West Coast catchments will start after the Waikato and Waipa and Hauraki and Coromandel plan changes have been completed.

Community engagement

Engagement strategy

Recent engagement has focused on Plan Change 1. WRC has been satisfied with the Healthy Rivers – Wai Ora process and sees some lessons as being transferable, but it will likely not replicate it exactly when developing plans in other areas. The Council says it intends to tailor its approach to consider the needs of each area and the substantial costs of collaborative approaches.

In March 2016, WRC launched its 'Let's talk water!' strategic discussion document, which sought feedback on cultural, commercial and community expectations and requirements over the next 30 to 50 years across the region. The Council is using the feedback gathered to prepare a regional engagement strategy. Additional community consultation was undertaken as part of its long-term plan review.

Collaborative stakeholder group for the Waikato and Waipa catchments

In an extensive four-year process, a 24-member CSG, comprising representatives from iwi, sectors and the community, developed recommendations from which WRC then notified as Plan Change 1 for the Waikato and Waipa catchments.⁷ WRC held a workshop where the community and stakeholders helped design the process and determine the group's size and representation. Iwi and sectors nominated representatives to the CSG while community representatives were chosen by WRC. Selections were intended to provide representativeness demographically, geographically and across different aspects of wellbeing (social, cultural, economic and environmental). Members were also selected based on their skill sets, community connections and influence, and willingness to engage openly. The Council itself was not represented on the group but procured an independent chair and facilitator.

WRC also formed the TLG of independent specialists to advise the CSG on social, economic, scientific and cultural issues and the implications of different proposed land use scenarios. Independence was considered necessary so that the CSG could trust the evidence and advice the TLG provided, but it created challenges because scientists on staff were initially excluded, including some who are leading experts in their subject areas.

Although demanding and time consuming, WRC believes that the collaborative Healthy Rivers – Wai Ora process will be a good investment if iwi and stakeholders own the outcomes. WRC reports that CSG members took leadership in the process and built their relationships to the point where members could speak on behalf of other sectors. Establishing this level of trust took considerable time, but WRC hopes that it will make ongoing work and implementation of the resulting plan change easier.

⁷ The CSG was originally 25 members, but the representative from the sheep and beef sector withdrew because the sector did not support the group's recommendations.

Wider community

In addition to developing the plan, the CSG served as the primary avenue for connecting with the wider community. Although the group could not represent all interests, WRC actively resourced and encouraged CSG members to engage with the sectors and communities they were intended to represent. Group members held local community meetings across the catchment as well as some aimed at specific sector groups. Information about the project and invitations to participate at events or online were provided via regular communications through project newsletters, WRC publications and website, local and regional newspapers, social media and via CSG members to their respective sectors. Two online surveys were conducted to solicit further feedback.

Stakeholder views

Sector representatives we consulted were generally positive towards WRC itself and its engagement efforts. The Council was praised for learning from collaborative efforts in other regions when planning its approach and was described as quite willing to work with the sectors in conducting research and developing good management practices. However, some sectors had concerns about the decisions made through the Healthy Rivers – Wai Ora process. One representative, from the sheep and beef sector, did not support the final CSG recommendations.

Although WRC made an effort to ensure diverse membership on the CSG and care was taken to capture and communicate all views accurately, some CSG members felt that environmental perspectives were under-represented. Concerns were also expressed about the disparities between volunteer local community representatives and professional representatives from national sector groups. Local representatives were seen as having a more authentic voice to

▶▶ You could be spending days and days on this and be heavily invested in it, and you come to a workshop you've got an hour and a half to summarise it and then say 'trust me'. ◀◀

CSG member

speak for the community but generally lacked the time, resources, skills and experience to represent those views and argue their case effectively. Some were concerned that, even after years of discussion, the challenges in their sectors were still not understood or appreciated by others in the group.

Those involved in the process report mixed feedback about the inclusiveness of the project. While the group made efforts to connect with communities, most stakeholders we spoke with were sceptical that the wider public was actively

engaged or represented, particularly in rural communities. When the public was engaged, multiple CSG members commented on the difficulty of communicating complex ideas and discussions back to the community clearly, particularly given great differences in knowledge and understanding among their audiences. Some sector representatives feared that their sector would not support the compromises that had been made because they had not been present to see the negotiations process.

CSG members also reported concerns that certain advocacy group representatives were not participating in good faith. They were described as obstructing discussion without willingness to negotiate or compromise, and some feared that these groups would return to their original positions during the Schedule 1 hearings process.

Engaging with iwi and hapū

Iwi involvement in Waikato freshwater management is often cited as ground breaking, but it is not without difficulties. As discussed above, the Waikato and Waipa catchments are managed through a statutory co-governance arrangement with the five river iwi that sets a higher standard for iwi involvement than the NPS-FM. Separate co-management mechanisms, including joint management arrangements with local authorities, support the river iwi in participating in the management of fresh water within their rohe. Each of the river iwi receives \$1 million per year from the Crown to enable their participation in these arrangements. Iwi management plans are also in place for each.

Legislation requires that these co-governance and co-management arrangements be reviewed by the Crown and river iwi within six months of the WRA report and subsequently every five years. The first of these was undertaken in early 2017.

The Council reports strong debates, both internally and externally, over how iwi should be represented in the CSG given their existing role in the WRA. It was felt that reserving seats for individual iwi would be redundant but having fewer seats would mean iwi were unequally represented. Ultimately, three Māori interest seats were nominated collectively from among the five river iwi.

Hauraki iwi were not included in either the co-governance arrangement or the CSG but have claimed their rohe extends to parts of the catchments. Following challenges from the Hauraki iwi over the lack of inclusion, WRC partially withdrew its notified plan to exclude the disputed area so as to allow for a consultation period.

The Council expects that similar arrangements will be made for the Hauraki, Coromandel and the West Coast catchments. Joint management agreements have been signed with most iwi, but WRC is waiting for Treaty of Waitangi settlements to be completed so as to accommodate any requirements that may result. The Council also feels that waiting for settlements will help ensure iwi have the resources to participate more effectively in co-governance and co-management.

Decision-making

Council decision-making on plan contents

WRC's approach in the Waikato and Waipa catchments has been to devolve responsibility for the development of the plan change to the CSG and, although the structure of collaboration may be different, it expects to continue this overall strategy in other areas. WRC reports a strong commitment to uphold CSG decisions and believes the success of the project depends on doing so. The Council acknowledges that it took its staff time to cede responsibility for plan development to the CSG, but group members owned the process in the end and took over from staff in presenting at public meetings. WRC notified the plan change as developed by the CSG.

Schedule 1 processes

WRC expressed concerns over the likely time and costs of the Schedule 1 process and legal appeals. It hopes that the collaborative process has reduced the number and scope of issues that will be challenged in courts; however, it believed that collaboration could not eliminate appeals and legal challenges entirely. The Council is also concerned that, if the final plan following the Schedule 1 hearings differs too greatly from the CSG recommendations, stakeholders will feel disempowered and be unwilling to support implementation or participate in the future engagement.

Stakeholder views

While the notified plan change was what the CSG developed, stakeholders had some apprehension over the process of decision-making within the group. CSG members report feeling overwhelmed by the volume and complexity of information they needed to process. Some members felt that they often did not have enough time for careful consideration before being asked to make decisions. As a result, they felt that they were unable to give meaningful feedback to WRC, and Council proposals were accepted without sufficient consideration. Furthermore, although the Vision and Strategy was already established and out of scope for the CSG, some members were reportedly distracted by arguing over its merits rather than the means of enacting its directions. CSG members on the review panel attributed the tension to the fact that the CSG had not been involved in setting the Vision and Strategy.

Now that more public engagement has occurred on the implementation of the Vision and Strategy, it is hoped there will be greater awareness and participation by the wider public in any future reviews of the Vision and Strategy undertaken by the WRA.

Capacity and capability for freshwater planning

Council capacity and capability

Although WRC is relatively well resourced, compared with other councils, the Healthy Rivers – Wai Ora project has strained WRC's capacity. The Council estimates that the collaborative process was as much as twice the cost of traditional consultative processes. Given this, WRC is hesitant to repeat the process to the same extent in the future.

Council staff have been exhausted by the intensive workload sustained over a number of years and staff turnover has been high. The Council has struggled, therefore, with maintaining institutional knowledge and feels it would be difficult to repeat the process in a new area immediately. The Council notes that, although it has leading scientists on staff, the insistence on using independent experts in the TLG meant that these experts were not able to contribute to their full ability until trust had been built between WRC and CSG. WRC also reported difficulty hiring and retaining expert staff when all regions were undergoing similar processes at the same time. In its experience, people with the required expertise are in high demand as consultants and not always willing to commit to such long-term projects or to staff positions in a council.

Iwi capacity and capability

The Council and stakeholder representatives report a significant disparity in capacity and capability between some iwi representatives and other members of co-governance and co-management groups. In the Waikato and Waipa catchments, particularly in the early stages of discussion when the river iwi had only recently completed Treaty of Waitangi settlements and begun to develop their personnel, iwi representatives on the co-governance committee and CSG were often overwhelmed by the volume and technical complexity of reports and discussions. A relatively small pool of iwi representatives has been expected to manage a variety of different resource issues for their iwi, placing strains on their time and forcing them to divide their attention. This limited their ability to participate fully and effectively in decisions. Over time, however, iwi have been able to build their capability and capacity through support from WRC and from settlements, which provide each iwi with \$1 million per year for 30 years to participate in the co-governance and co-management framework for the Waikato and Waipa rivers (noting that the work of the CSG is not specifically covered by this capacity funding). The Council cites this issue as one of the reasons for prioritising the Waikato and Waipa catchments over other catchments where settlements have yet to be finalised.

Stakeholder capacity and capability

Capacity and capability have been serious limitations for stakeholder participation, particularly among CSG members and particularly among unpaid local representatives and those from iwi. CSG members have participated in around 60 days of meetings over four years and spent considerably more time in preparation; however, they have continued to show a high level of commitment throughout.

Neither WRC nor the CSG members anticipated the degree of commitment required. Although initially told to expect two or three days of work every six weeks, one local representative reported spending an average of two or three days per week during the final months of the process and additional time on consulting within his sector. He described being forced to rely on friends and neighbours to maintain his farm while he was working on the collaborative group. Other farmers had been forced to hire help to compensate for their lost work hours. Although typically better resourced than volunteer members, professional sector representatives also report capacity limitations because they were often involved in multiple collaborative groups at the same time. One professional representative estimated that she spent 80 per cent of her time on the group. The Council paid representatives a small honorarium but this was not felt to compensate for the time and costs required of group members.

Although the disparities in capability lessened over time as CSG members gained experience, gaps in knowledge, experience and skill meant that some members felt their voices carried less weight than others. Although some panel members believed that the process could have been faster, many reported that it took significant time to understand how policy planning works, the collaborative process, the problems involved and what was required of them. According to one panel member, the first year was largely about this learning process.

Information

Information to support community engagement

In retrospect, WRC believes it should have waited to gather more evidence before convening the CSG, and it has begun research as groundwork for later planning in the Hauraki and Coromandel areas. At the same time, however, WRC stressed the need to accept that evidence or modelling could never be complete while making decisions.

Monitoring

Monitoring and science for the region are well developed, compared with most other regions. WRC operates 115 monitoring sites; however, many of these were originally designed for flood monitoring and may not be ideal for current purposes. The Council has been expanding the number of indicators it monitors, including the macroinvertebrate community index (MCI) and fish counts, in addition to those measures listed in appendix 2 of the NPS-FM. Monitoring in lakes is somewhat less developed. Because it would be prohibitively expensive to monitor all lakes, WRC must choose which lakes to consider representative. It is concerned, however, that selective sampling may not reflect an accurate picture over time and could bias decisions about where discharges are directed. This issue remains an unresolved challenge.

Stakeholder views

The stakeholders we spoke with commended WRC's efforts at monitoring and science and appreciated the advice from the TLG. They report that having the independent TLG was comforting but that they were generally trusting of Council scientists as well. Sector representatives with experience across multiple regions considered Waikato exceptional in its science and modelling, which they credit with allowing a better collaborative process. However, some commented that biophysical considerations were neglected relative to the extensive economic modelling.

While they acknowledge that science caused some delays, the stakeholders also reported that they needed time to understand and process the information. They believe it was important the CSG had the ability to drive the direction of research and ask difficult questions, which they feel helped to challenge assumptions and push research in ways that WRC may not have considered.

Plan implementation

Implementation strategy

At the time of writing, the Waikato and Waipa catchment plan variation (Plan Change 1) had only recently been notified and entered the implementation stage. Plan changes addressing NPS-FM requirements have not yet been prepared for other areas. Over the staged 80-year implementation strategy, WRC expects that improvements will become progressively more difficult and costly to achieve. Later stages are likely to require technologies that are not yet available. However, WRC observes that failing to address ongoing degradation would impose greater costs in terms of lost value and opportunities for freshwater resources.

At the time of our discussions with WRC, it had indicated the desire to work with the CSG on implementing the plan changes. It hoped to use the good will and trust developed during the process to support implementation. A draft implementation plan has been developed by staff and we understand that they intend to include the CSG in producing the final plan as Schedule 1 processes progress.

Impacts of implementation

Implementation is expected to bring considerable costs for many property owners and negative impacts on the regional economy overall. WRC models estimate a 4 per cent per year reduction in overall profits across the catchment in the short term, although the impacts will vary considerably across and within different sectors.

Most farms in the catchment will be required to prepare farm environment plans, which WRC estimates will each cost around \$4,000. While many sectors support property owners with accredited schemes to develop these farm environment plans, not all sectors have such schemes established. Property owners without access to an industry-supported scheme will have to apply for consents under controlled activity rules, resulting in higher implementation costs. The Council is considering how to manage these impacts as it develops its implementation programme.

» How far, how fast do we go without crippling the region? «

Waikato Regional Council
staff member

Stakeholder views

Although the rules were developed and supported by the CSG, a number of stakeholders have fears about the ability of their sectors to make the required changes and the effects these will have on the community and economy.

Agricultural industry representatives noted that the costs will largely be borne by farmers, who often have little ability to pass expenses on to consumers. With the exception of specialty organic producers, dairy prices, for example, are generally set without regard for whether farms are following good environmental management practices or not.

Territorial authority representatives report they will have difficulty funding the infrastructure upgrades and plan changes necessary to comply with the regional plan. These costs will inevitably be passed on to ratepayers.

Overall, stakeholders emphasised the need for the changes to show clear improvements so that those who bear the costs of change feel that their efforts are worthwhile. They also note that businesses must remain profitable in order to afford the changes they are asked to make. Stakeholders spoke positively, however, about WRC's support for industry self-management and partnerships. They believe that WRC is right to take a pragmatic staged approach to implementation and praise WRC's preference for incentives over regulation.

Conclusions and recommendations

The following are the views of government officials about NPS-FM implementation in the region.

- WRC appears well placed to complete implementation of the NPS-FM by 2025. Moreover, it has addressed what are arguably the most challenging and nationally important catchments first.
- WRC made significant progress towards improving regional water quantity management with Variation 6, notified well before the NPS-FM 2011. Similarly, WRC and the Lake Taupō Protection Project partners deserve credit for freshwater management that anticipated many of the requirements of the NPS-FM. Although the plan will require additional changes to fully implement the NPS-FM, these early changes have accomplished significant progress.
- The Council has made an exemplary effort towards engaging effectively with iwi, sectors and the wider community through the Healthy Rivers – Wai Ora project. The stakeholders we spoke with have generally been positive towards WRC and describe a trusting relationship. Although the Healthy Rivers – Wai Ora process has not been without problems, these are not for lack of effort or investment by WRC. For future planning, however, WRC will need to identify ways to reduce the capacity burden on all those involved, including themselves.
- We encourage all those involved to respect the consensus recommendations achieved in the Healthy Rivers – Wai Ora collaborative process during the Schedule 1 hearings phase. The recommendations made by the CSG represent years of difficult negotiation and debate. It would be unfortunate if this effort was undermined through litigation.
- The overarching vision provided by the Vision and Strategy document and the co-governance and co-management structures with the river iwi have been a strength of the process.
- The Council needs to work more closely with Auckland Council, particularly given their shared resources and the pressures of urban growth.