Dear Sir or Madam

HORIZONS REGIONAL COUNCIL RESPONSE: PROPOSED NATIONAL DIRECTION FOR ESSENTIAL FRESHWATER

Thank you for the opportunity to provide feedback on the consultation document containing Government’s proposed action plan for freshwater. Horizons Regional Council (Horizons) is the regional authority for the Manawatū-Whanganui Region. This submission should read together with the Local Government New Zealand submission which is supported by Horizons.

Horizons believes that our region is a great place to live, work and play. Our responsibilities include managing the region's natural resources, flood control, monitoring air and water quality, pest control, leading regional land transport planning, and coordinating our region's response to natural disasters.

In our role as a Regional Council, we have made steady progress in addressing the adverse effects of land and urban development on our region’s freshwater bodies. To summarise our submission, the Council is looking for the Government to:

- Promulgate a coordinated and integrated package that delivers clear policy direction, and minimises the need to reinterpret national policy at a regional level;
- provide a range of tools and appropriate flexibility so that Councils can engage with iwi and communities on the most appropriate activities and interventions in catchments;
- ensure both regulatory and non-regulatory approaches can be used in our region;
- enable an appropriate transition package, including support of science and collaboration between central and local government, and recognition of early adopters of good environmental practice;

in order to deliver freshwater improvement in the short-term, while providing an enduring pathway for continued environmental progress.

Over the last 15 years, we have worked in partnership with central government, landowners, and territorial authorities, to invest millions in successfully reducing hill-country erosion. Our support for riparian planting and fencing has been well recognised by our community, and has had good uptake across the region, with recent years being fully subscribed.
As a Council we have also worked hard on water quality improvement initiatives reducing the impact of point source discharges such as wastewater, and better managing water allocation. Also, through the Horizons One Plan\(^1\), we have taken in integrated approach to environmental improvement, including being the first regional council to take specific action to regulate diffuse nutrient losses from intensive farming. While progress has been made across the region, this has been balanced with affordability and pace of change for our community – particularly where initiatives and improvements are multi-million dollar investments by land owners.

The Essential Freshwater proposals have the opportunity to come together as a comprehensive and integrated package, and to enable us to hold the line on water quality across New Zealand. Horizons strongly supports the overall purpose of the freshwater proposals and understands the issues it seeks to address. However, making this happen in practical terms is a challenge, and we are not confident that the current proposals will achieve the outcomes the Government is seeking for freshwater improvement. The Council also regards that the proposed timeframes as ambitious when considering the Government’s interest in creating meaningful, enduring change for New Zealand communities.

We welcome the initiative of clear and stable policy direction to enable government, sectors, industries and communities to make their contribution to freshwater improvement. We also appreciate that improving our water quality is not one single issue, and therefore requires an integrated and coordinated approach. We note there is further policy development to come, and the proposals also need to be considered alongside the recently released Resource Management Amendment Bill.

The Council considers that it has been on the freshwater improvement journey for many years, and is already delivering interventions on many of the issues the Government has identified. However, as the decline in water quality has occurred over generations, it is not a quick fix, and will require consistent and concerted effort. The Council has a ten year (plus) plan in place to work with our communities to continue to improve our catchments, and has both regulatory and non-regulatory responses already in place to address the most pressing freshwater issues.

We look forward to the package being able to offer regional councils further tools and flexibility. This will ensure Councils can work locally on a catchment-by-catchment basis, and utilise both regulatory and non-regulatory options, supported by simplified legislative and regulatory pathways to help New Zealand achieve greater progress on improving (and maintaining) freshwater quality. At this stage the package appears to offer new tools but to reduce the flexibility needed to work with different catchments and communities.

We are hopeful that the finalised set of proposals carefully considers the pace of transition – allowing sufficient time for iwi and community engagement, along with consideration of the social and economic factors associated with significant change processes. We would also like to see the package account for the positive steps taken by early adopters who are already contributing environmental gains to our region, and provide certainty; enabling some land and asset owners to overcome their hesitancy to invest in improved environmental outcomes.

\(^1\) The Manawatū-Whanganui combined regional policy statement and regional plan
Horizons recognises that there will be substantial cost associated with taking action to address water quality, but that there would also be costs if nationally we do not act. However, the balance of regulatory and non-regulatory effectiveness needs to be considered in terms of where effort and resourcing is best spent.

Horizons has supported consistent environmental improvement in our region, and a lot of this has been delivered due to long term non-regulatory programmes (such as the Sustainable Land Use Initiative) run in partnership with our community. Our success in delivering a range of effective non-regulatory programmes that provide real, tangible on-the-ground improvement would be diminished if this package advanced as proposed, as our resources would be diverted from water improvement activities to policy and regulatory development.

There is also the unavoidable fact that across the country costs will not be evenly shared. For example, in the Horizons region we have 8% of New Zealand’s land area, and 4% of New Zealand’s population. In our region our primary producers have an important role in domestic food production, supporting the Government’s aims to have fresh, healthy, accessible and affordable food. For example, the Horizons region contributes an estimated 22% of fresh vegetables to New Zealand’s supply. The financial impost of these proposed changes will be felt significantly by our rural stakeholders and our small rural community clusters. Horizons urges government to fully understand the social, economic cultural and environmental consequences of its proposed package before it proceeds further.

As a key environmental regulator, Horizons takes strong interest in Government’s proposed policy response, and the requirements for our Council and the regional sector as a whole in implementing these proposals. We are also keen to understand if the Ministry for the Environment has sufficient capability, capacity and available in-depth expertise to ensure successful implementation of the Essential Freshwater package. Our commentary on each of the sections of the proposals is attached as an appendix.

Horizons also note that there are several impacts on iwi that have not been well explored in the package, including the implications of the proposals on treaty arrangements. Further, there does not appear to be consideration of the impacts on iwi for their aspirations of further land development. For example, we understand that in our region there is a significant proportion of land locked land that, if made accessible, could be brought into production (rural and urban uses). Therefore the components of this package could act unintentionally to further limit iwi development of their lands, which has been limited through no fault of their own.

Transition package

The Council understands and appreciates the Government’s driving need to see tangible improvement in freshwater quality. However, like issues such as climate change, turning the ship around will take both time and persistence. We believe there is value in the Government in considering a transition package that builds in the following factors:

- Recognition of early adopters of good environmental practice, and that these gains are already in place for the benefit of NZ inc;
- Flexible tools that allow Councils to move swiftly with the minimum of bureaucracy and litigious debate (even if these are time limited, or opportunity constrained);
• Establishment of national consistency, prioritisation of effort and joined up processes for water science, so that the technical platform is quickly established with focused effort;
• Coordination of effort and pooling of expertise, including working in partnership with the regional sector on matters of information collection and management, policy development, and related consenting elements (for example, compliance & enforceability);
• Ensure that decision making retains an appropriate element of community and key sector involvement even with an elevated pace;
• Workforce building, training and upskilling to ensure that talent is developed to lead, manage and ensure results are produced across the key elements of the freshwater improvement package.

The Council would be happy to discuss further with the Ministry what elements of a transition package may contain.

From our current understanding of the proposed package, the direct new cost to the Horizons Regional Council to be borne by our ratepayers would be significant in the next 1-5 years. It will include significant additional policy, planning, regulatory and science spend. There is more work to be done once the package is finalised to understand this better. By way of information a $400,000 cost is equivalent to a 1% increase in Horizons rates. We note that prioritising the package to deal with the most significant issues first will mean the best return on ratepayers’ investment.

Thank you for providing the opportunity for the Council to set out its feedback on the Essential Freshwater proposals.

Yours sincerely

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CHAIR