

National Policy for Freshwater Management 2011

Summary of Board of Inquiry Recommendations and Minister for the Environment's Decision

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Introduction

The Government's intention to prepare a National Policy Statement for Freshwater Management (NPS) was announced in April 2006.

The Minister for the Environment (the Minister) appointed a Board of Inquiry (the Board), comprising Judge David Sheppard (Chair), Mr Kevin Prime, Dr Jon Harding and Ms Jenni Vernon, to inquire and report on the proposed NPS. The Board publicly notified the proposed NPS on 20 August 2008, received submissions, heard submitters, and forwarded its "Report and Recommendations of the Board of Inquiry into the Proposed National Policy Statement for Freshwater Management" to the Minister in January 2010. The Minister, after considering the Board's report and recommendations, made changes to the proposed NPS and recommended the resulting statement – the National Policy Statement for Freshwater Management 2011 – to the Governor-General, who approved it on 9 May 2011.

Section 52(3)(c) of the Resource Management Act 1991 (RMA) requires the Minister, as soon as practicable after a national policy statement has been approved, to provide every person who made a submission on the statement with a summary of the recommendations and a summary of the Minister's decision on the recommendations (including reasons for not adopting any recommendations). This document, prepared by the Ministry for the Environment on behalf of the Minister, provides that summary.

Summary of Board of Inquiry recommendations and Minister's decision

The Board of Inquiry's recommendations to the Minister for the Environment consisted of a comprehensive report with a recommended NPS for Freshwater Management that was markedly different from the proposed NPS for Freshwater Management in terms of the focus, structure and scope.

Key differences included:

- a significantly less complex approach, while seeking to establish progressive improvement
 of water quality via phasing out degradation and the over-allocation of freshwater resources
- requiring amendments to regional policy statements and plans so that objectives and policies for freshwater management in New Zealand are designed to give biophysical, intrinsic and other in-stream values precedence over other uses of fresh water
- directing regional councils to immediately introduce two transitional policies without going through the Schedule 1 consultation process which would create new obligations to obtain resource consent for certain activities.

The Minister has made a decision on those recommendations, and has since recommended the final NPS for Freshwater Management to the Governor-General. The Minister sought to retain the intent of most of the Board's recommended objectives and policies, and the structure of the NPS for Freshwater Management. However, some changes were made to the recommended NPS. The key reasons for the changes were:

- to align the NPS more closely with the Government's overall policy approach, including a better recognition of the need to enable people and communities to provide for their economic well-being within an environmental context
- where the policy was considered as potentially being beyond the permissible scope of a national policy statement ie, *ultra vires*. For example, some of the recommended policies were considered to amount to rules
- to improve the workability of the NPS for Freshwater Management or a particular policy in practice, eg, to remove any confusion in the use of a term or to improve the durability of the NPS
- to reflect developments in policy and/or practice in the intervening period this includes alignment with, or reference to, other national policy instruments recently approved or still under development
- to make the style and language of the NPS for Freshwater Management more consistent with other national policy instruments either already approved or still under development.

All changes have been made within the constraints of the scheme of the RMA and the principles of administrative law. The Board's recommendations and the Minister's decisions are summarised in the following tables which use the Board's recommended NPS for Freshwater Management as a starting point.

Structure and scope

objectives and policies relating to

methods and review removed.

monitoring and reporting, non-regulatory

Summary of, and key reasons for, **Board of Inquiry recommendation** Minister's decision The Board set out a different and more Retained Board's overall recommended simplified structure of the NPS for Freshwater structure but changed the order of the Management. Changes to the proposed NPS sections to: included: water quality the objectives and policies more outcome water quantity driven than process focused integrated management the objectives and policies were centred around four strong environmental national tāngata whenua roles and interests goals stated in the preamble: implementation. to improve the integration of management Title of tangata whenua section (D) amended for simplicity and to better reflect the revised to phase out over-allocation objective and policy. to phase out contamination Structural changes to be consistent with the formatting of other NPSs (eg, interpretation to protect wetlands section moved to the front and inclusion of many of the objectives and policies focus 'title' and 'commencement' sections). on the 'avoid' component of the 'avoid, Objectives and policies amended to change remedy or mitigate' requirement of the the focus from 'avoid' to 'avoid, remedy or mitigate' requirements of the RMA. NPS objectives and policies organised into The reflection of national goals in the five separate sections: objectives and policies are retained. However, tāngata whenua roles and Māori values due to the RMA definition of 'contamination' and interests including discharges that are not environmentally damaging, the meaning of integrated management contamination has been clarified in the NPS by linking it to water quality limits. The water quantity protection of wetlands has been further clarified to be the protection of 'significant water quality values' of wetlands. implementation Review provision reinstated into the preamble (and changed from the original proposed objectives and policies directed toward NPS's 10 years to five). district councils removed

Preamble

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board recommended replacement of the proposed preamble with a statement on the national values of fresh water, the national issues about freshwater management, and national goals in respect of those issues.	Included the Board's recommended list of national values. However, deleted reference to 'hydro' to recognise that other electricity generation activities are also nationally important. Also, the bullet relating to Māori freshwater values has been amended to recognise that the cultural and traditional relationships of Māori with fresh water should be identified with iwi and hapū at a local level.
	Explicit list of national goals deleted. There is potential confusion about what a goal is compared to an objective in the NPS and the role of a goal in a statutory document. The RMA does not require goals to be expressed in an NPS and goals set out in a preamble do not have any statutory weight. The Board's goals have therefore been addressed in the NPS objectives.
	Explicit list of national issues deleted (related to over-allocation, contamination, wetlands and integrated management). However, these issues are still covered in the content of the preamble and/or objectives and policies.
	Overall, the focus of the preamble has been shifted to provide for a better balance and recognition of environmental, cultural, economic and social values.
	Reinstated parts of the preamble from the original proposed NPS (eg, reference to Treaty) to provide better clarity.
	Included reference to NZ Coastal Policy Statement 2010 to ensure an integrated approach.
	Included the Minister's intention to review the NPS in five years' time to ensure the success of the NPS over the long term.
	Redrafted the final preamble to better reflect the objectives and policies of the NPS for Freshwater Management 2011. It is drawn from the proposed NPS, submissions, the Board's recommended NPS and is in line with the RMA.

A Recommended general objective

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board proposed a general objective focused on its proposed matters of national significance, national issues and goals set out in the preamble.	Objective not included because the replacement objectives in the final NPS better reflect the other values to be recognised in decision-making under the RMA.
The objective aims to manage fresh water in a way that focuses on the intrinsic values of fresh water (which are listed), and without detracting from this, only then in a manner that provides for people and communities.	

B Tāngata whenua roles and Māori values and interests

Objective B1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended objective is: 'To ensure that tangata whenua are involved, and Maori values and interests are recognised and provided for, in the management of fresh water and associated ecosystems'.	Accepted the Board's recommendation in part (refer to Objective D1). The intent of the objective is retained, however some wording has been changed (reverted back to the original proposed wording): • involving 'iwi and hapū' rather than Board's 'tāngata whenua' and • identify 'tāngata whenua' values rather than Board's 'Māori' values.
	This explicitly reflects the special relationship that iwi and hapū have with land and freshwater resources.
	Changed the Board's wording from 'recognised and provided for' to 'identified and reflected'. 'Recognise and provide for' has a specific legal interpretation not intended by the policy.
	Reinstated the policy intent of the original proposed NPS that iwi and hapū values and interests should be reflected in freshwater planning.

Policy B1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
'By every regional council making or changing its regional policy statement to the extent needed to ensure it contains policy: a) for identifying Māori values and interests in all fresh water and freshwater ecosystems in the region and b) for involving tāngata whenua in the management and decision-making regarding fresh water and freshwater ecosystems in the region.'	Accepted the Board's recommendation in part (refer to Policy D1).
	Wording of the policy has been amended to reflect the revised objective.
	Changed the direction from regional policy statements to local authorities so that the policy takes effect immediately without the need for a regional policy statement to determine the process.
	Policy directed at local authorities to recognise that responsibilities of both regional and territorial authorities can impact on tangata whenua values and interests for fresh water.
	Deleted reference to 'all' fresh water for consistency.
	Inclusion of term 'shall take reasonable steps to' is to enable iwi and hapū and councils to establish a relationship that suits their particular context and resources.
	Reference to involving tāngata whenua in freshwater 'decision-making' generally has been removed. The lack of specificity on the level of decision-making is seen as a potential risk in interpretation. Freshwater management includes decision-making. The level of decision-making can be decided at a regional level between councils and iwi/hapū. Councils will retain the ability to use existing tools under the RMA, such as joint management agreements, as they wish. Requiring decision-making at all levels nationally would impact on the resources of both regions and iwi/hapū.
	Clarified that when identifying tangata whenua values and interests, councils should work with iwi/hapū and not identify them on behalf of iwi/hapū (refer to (b)).
	An additional component added to policy D1 (refer to (c)). This is to ensure that tangata whenua values and interests are reflected in policy and decision-making and not just identified.

Integrated management

Objective C1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended objective is: 'To improve integrated management of fresh water, associated ecosystems and use of land in whole catchments.'	Accepted the Board's intent of the objective (refer to Objective C1). Some wording changes made for clarity.

Policy C1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is: 'By every regional council managing fresh water and freshwater ecosystems, and controlling activities and use of land, in whole catchments, so as to avoid adverse cumulative effects anywhere in the catchment.'	Accepted the Board's recommended policy in part (refer to Policy C1). However, changed the focus on the 'avoidance of adverse cumulative effects anywhere in the catchment' to 'avoid, remedy or mitigate adverse effects including cumulative effects' which is consistent with 5(2)(c) of the RMA. Some wording changes made to be clearer.

New policy

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
	A new policy (refer to Policy C2) included to recognise the importance of integrating the planning of infrastructure with growth and development (land-use change). Infrastructure provision is an important part of providing for economic well-being as well as mitigating environmental effects. The planning for infrastructure needs to be integrated with land use and water planning and regional and urban growth.
	This is in line with the original proposed NPS.

D Water quantity

Objective D1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended objective is: 'To safeguard the life-supporting capacity, ecosystem processes and indigenous species and their associated ecosystems of fresh water from the adverse effects of taking, using, damming, or diverting of fresh water or of draining of wetlands.'	Accepted the Board's recommended Objective in part (refer to Objective B1). Amendments to make reference to sustainable management in order to better place this objective in its context under section 5 of the RMA. Protection of the significant values of wetlands incorporated into a new objective (Objective B4) where it was considered more appropriate.

Objective D2

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended objective is: 'To phase out over-allocation of fresh water.'	Intent accepted (refer to Objective B2). Minor amendments to clarify the importance of both managing existing over-allocation and avoiding future over-allocation.

New objectives

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
	Two additional objectives (refer to Objectives B3 and B4) included:
	to improve and maximise the efficient allocation and efficient use of water – included to reflect the intent of the policies on allocation
	to protect significant values of wetlands – to reflect the Board's recommended goal (however, the Board's goal 'the protection of wetlands' has been clarified as the protection of 'significant values' of wetlands).

Policy D1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is: 'By every regional council making or changing regional plans to the extent needed to ensure the plans allocate fresh water among types of activity in a manner and at rates that (having	Intent accepted (refer to Policy B2) but moved the reference to having regard to climate change to the policies related to the setting of limits (Policy A1 and B1) which will underlie the other plan provisions. Changed the Board's policy from 'allocating
regard to reasonable foreseeable impacts of climate change) enable environmental flows and levels to be fully sustained.	among types of activity' to 'allocating to activities' to ensure that councils have a choice of allocation approaches. Included reference to efficient allocation which links back to the objective.
	Reference to 'fully sustained' is deleted because there are uncertainties as to the meaning of 'fully sustained' vs 'sustained'. The revised wording keeps the intent that allocation must be within a sustainable limit.
	Reversed the order of the Board's Policy D1 and D2 to highlight that limit setting is an important first step.

Policy D2

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is: 'By every regional council making or changing regional plans to the extent needed to ensure the plans set environmental flows and levels for all bodies of fresh water in its region (except ponds and naturally ephemeral water bodies).'	Intent accepted (refer to Policy B1) but also included reference to establishing 'freshwater objectives' to clarify the process for setting environmental flows and/or levels.
	Added 'or' between environmental flows and levels to recognise that not all water bodies require both.
	Included reference to the other objectives in the final NPS to highlight that when setting water quantity limits, water quality, integrated management and iwi interests must be given effect to.
	Also included criteria that regional councils are to have regard to when setting limits:
	climate change (which is drawn from the Board's recommended policy D1) and
	the connection between water bodies (which includes connections with wetlands, surface water and groundwater).

Policy D3 and D5

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policies are: Policy D3: 'By every regional council phasing out existing over-allocation.'	Intent of both policies accepted (to an extent) however combined into one policy (refer to Policy B6).
Policy D5: 'By every regional council, wherever permissible, reviewing water permits and consents to ensure the exercise of them safeguards intrinsic national values of fresh water: a) in over-allocated catchments and	Amendments recognise that the review of water permits and consents is not the only method for phasing out over-allocation and that other methods may be more effective in practice. They also clarify that regional plans must identify methods to phase out over-allocation.
b) in over-allocated water bodies andc) in times of low flow or level.'	Reference to intrinsic values deleted to better reflect the overall balance of the final NPS.
	The recommended list of when water permits and consents should be reviewed has been simplified by referring to the levels set to give effect to Policy B1.

Policy D4 and D6

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policies are: Policy D4: 'By every regional council avoiding any decision and any other action that results in future overallocation.' Policy D6: 'By every regional council managing demand for fresh water so that the aggregate of all amounts of fresh water in a water body that are authorised to taken, used, dammed or diverted does not over-allocate the water in a water body.'	Intent of both policies accepted however combined into one policy (refer to policy B5). Minor wording changes for clarity. The words 'will likely result' in future overallocation have been added to ensure that decisions take a precautionary approach when full allocation is approaching.

Policy D7 and D8

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policies are: Policy D7: 'By every regional council managing use of fresh water so as to	Intent of both policies accepted to an extent however combined into one policy (refer to Policy B4).
avoid wastage.' Policy D8: 'By regional councils imposing conditions of water permits requiring adoption of the best practicable option to achieve the conservation of water.'	The RMA expressly provides for best practicable option (BPO) to apply to discharges of contaminants but not the conservation of water. The BPO requirement has been deleted from this policy as it may not be appropriate to impose it in all cases.
	The revised policy provides councils with discretion as to how to encourage efficient use of fresh water which recognises that each region deals with different pressures and demands.
	Some wording changes for clarity.

Policy D9

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is: 'By every regional council making or changing regional plans to the extent needed to ensure the plans state criteria by which applications for approval of transfer of water permits are to be decided, including: a) the extent to which the transfer would result in enhanced quality of fresh water b) the extent to which the transfer would maintain quantities of fresh water in natural water bodies	
c) the extent to which the transfer would enhance the conservation of water.'	

Policy D10

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board recommended the introduction of a	Accepted in part (refer to Policy B7).
transitional measure in the form of a provision to be immediately inserted into regional plans (without using Schedule 1). The provision classifies certain activities (which involve the taking, use, damming and diverting of water	Amended to remove the obligation to obtain consent because NPSs are not able to insert rules directly into regional plans (only objectives and policies).
or draining of wetlands) as discretionary activities and imposes an obligation to obtain consent, and specifies the criteria under which an application should be considered.	Retained the criteria as recommended by the Board but deleted 'fully' from 1(b). There are uncertainties on the meaning of 'fully avoid' compared to avoid.
	Included wording 'more than minor' to narrow the scope to those activities that may generate adverse effects which warrant consideration.
	Some wording changes for clarity.
	Included a statement for clarity on when the policy will apply.
	Reversed the order and made amendments to the wording for clarity.

E Water quality

Objective E1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended objective is:	Accepted in part (refer to Objective A2).
'To protect the quality of outstanding fresh water, to enhance the quality of all fresh water contaminated as a result of human activities, and to maintain the	Retains the Board's intent to protect outstanding freshwater bodies, and added the protection of significant values of wetlands (to reflect the intent of the Board's goal).
quality of all other fresh water.'	The RMA definition of contamination includes discharges that are not environmentally damaging. Because of this the Board's objective on enhancing the quality of all fresh water contaminated as a result of human activities has been clarified to relate to where freshwater objectives and/or limits are not being met (ie, is over-allocated).
	The Board's objective on maintaining the quality of all other fresh water everywhere has been clarified to occur within a boundary of a single decision-maker (region). The amendment allows for some flexibility within a region. It is also more consistent with the Government's overall policy direction announced in June 2009 under the New Start for Fresh Water programme.
	Order of Objectives E1 and E2 swapped for consistency with water quantity objectives.

Objective E2

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended objective is: 'To safeguard the life-supporting	Accepted the Board's recommended objective in part (see Objective A1).
capacity, ecosystem processes and indigenous species and associated ecosystems of fresh water from adverse effects of the use and	Amendments to make reference to sustainable management in order to better place this objective in its context under section 5 of the RMA.
development of land, and of discharges to contaminants.'	Order of Objectives E1 and E2 swapped for consistency with water quantity objectives.

Policy E1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is: 'By every regional council making or changing regional plans to the extent needed to ensure the plans:	Accepted in part (refer to Policy A1) but included reference to establishing 'freshwater objectives' to clarify the process for setting quality limits.
 a) set freshwater quality standards for all bodies of fresh water in their regions and b) by rule, prescribe attainment of those standards (except in respect of contaminants that do not result from human land use or activity).' 	The terminology has been changed from 'standards' to 'limits' to reflect changes in practice. The term 'standard' has been used a number of ways in the past, and includes what is described in this policy as freshwater objectives and limits.
	Included reference to other objectives in the NPS to highlight that when setting water quality limits, water quantity, integrated management and iwi interests are given effect to.
	Also included criteria that regional councils are to have regard to when setting limits: climate change and the connection between water bodies (which includes wetlands and the connection between surface water and groundwater).
	This inclusion ensures a consistent approach to giving effect to Policy A1 and B1.
	The wording of the Board's recommended (b) has been simplified for clarity and broadened to allow for other methods (in addition to rules) which may be more appropriate in some circumstances.

Policy E2

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is: 'By every regional council avoiding any	The intent of this policy is now contained in A3 (a).
decision and any other action that results in future contamination of fresh water.'	For clarity, the contamination is defined to occur when a freshwater objective (as required in Policy A1) is not being met.
	A2 is a new policy requiring councils to specify targets and implement methods to improve the water quality in situations where it is overallocated (in a water quality sense) or 'contaminated'. It gives effect to Objective A2(c).

Policy E3

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is: 'By regional councils imposing	Board's recommended policy accepted in part (Policy A3).
conditions of discharge permits requiring adoption of best practicable options to protect against	For clarity, contamination is linked to limits and targets (specified in Policy A1 and A2).
contamination of fresh water'.	The Board's intent to impose the adoption of best of practicable options is retained, however has been amended to more clearly achieve consistency with the RMA, which expressly provides for the circumstances in which a best practicable option requirement may be imposed.

Policy E4

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board recommended the introduction of a transitional measure in the form of a provision to be immediately inserted into regional plans (without using Schedule 1). It imposes an obligation to obtain resource consent for any change or increase in intensity of any land use or activity that may result in contaminants entering fresh water. It specifies the criteria under which the consent should be considered.	Accepted in part (see Policy A4).
	Amended to remove the obligation to obtain consent because NPSs are not able to insert rules directly into regional plans.
	Reversed the order and made amendments to the wording for clarity.
	Amended the criteria (a) to narrow to the broad intent of 'avoid contamination of, and any other adverse effect on fresh water' to refer to 'the life-supporting capacity of fresh water and on any ecosystems associated with fresh water' to better reflect Objective A1.
	Retained criteria (b) but narrowed the broad intent by including 'more than minor'. This is to ensure the policy does not impose significant compliance and opportunity costs where an adverse effect may only be minor.
	Also deleted 'fully avoid' because there are uncertainties on the meaning of 'fully avoid' compared to avoid.
	Wording changes for clarity.
	Included a statement on when the policy will apply.

F Progressive implementation programme

Policy F1

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board's recommended policy is:1. This policy applies to the implementation by a regional council of a policy of this national policy statement.	Accepted in full (see Policy E1).
2. Every regional council is to implement the policy as promptly as is reasonable in the circumstances, and so it is fully completed by no later than 31 December 2030.	
3. Where a regional council is satisfied that it is impracticable for it complete implementation of a policy fully by 31 December 2014, the council may implement it by a programme of defined time-limited stages by which it is to be fully implemented by 31 December 2030.	
4. Any programme of time-limited stages is to be formally adopted by the council within 18 months of the date of gazetting of this national policy statement, and publicly notified.	
5. Where a regional council has adopted a programme of staged implementation, it is to publicly report, in every year, on the extent to which the programme has been implemented.	

Meaning of terms

Board of Inquiry recommendation	Summary of, and key reasons for, Minister's decision
The Board recommended definitions for: Act environmental flows and levels fresh water freshwater quality standard over-allocation.	The definitions have been revised to better reflect the redrafted objectives and policies.
	Definitions of 'Act' and 'fresh water' were deleted as the RMA definitions automatically apply to the NPS.
	'Freshwater quality standard' deleted because it is no longer referred to in the NPS.
	Definitions for 'limit', 'target' and 'freshwater objective' have been included to help with the interpretation of the revised objectives and policies. These definitions replace the need to define 'standard'.