Ministry for the Environment
Manatū Mō Te Taiao

Ministry for Primary Industries
Manatū Ahu Matua

National Policy Statement for Freshwater Management Implementation Review

Marlborough – Waiharakeke

New Zealand Government

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Manatū Mō Te Taiao

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Regional overview

The Marlborough District covers an area of around 10,500 square kilometres in the upper reaches of the South Island from the Marlborough Sounds down to the lower Awatere Valley. The region is divided into two geographically and climatically distinct areas by the Wairau Fault and the Wairau River.

Northwest of the Wairau Fault is hill country around the Richmond and Bryant ranges and the Marlborough Sounds with their glacial mountain valleys with short, steep rivers and streams. The hill country is largely covered in native and exotic forests while the valleys are mostly dairy farms and other agriculture. The climate is very wet, receiving an average of 2600 millimetres of rain per year.

To the southeast of the Wairau Fault lies a mixture of valleys, mountain ranges and complicated fault systems. Receiving only 600 millimetres of rainfall per year on average, the southeastern parts of the region are among the driest nationwide.[1] This area includes the Wairau Plains and Wairau Valley, with Marlborough's famous viticulture industry as well as the Blenheim urban area. Over the past few decades, the growing viticulture industry has taken over from sheep and beef farming and horticulture to be the dominant land use in the plains area.

The two main rivers in the region are the Wairau and Awatere (figure 1). Both flow along faults and down from headwaters in the western mountains to the Cook Strait at Cloudy Bay, west of Blenheim. The Wairau River has its headwaters in the Spenser Mountains and drains a catchment that accounts for nearly a third of the Marlborough District. Beneath the catchment lies the Wairau Aquifer, which is the largest in the district and the primary source for most irrigation, stock water and municipal supply. To the south, the Awatere River has its headwaters in the mountains west of the Inland Kaikōura Range and runs roughly parallel to the Wairau River. Further north lies the Pelorus River, the region's third largest.

In terms of water quality, most rivers in Marlborough are in the A or B band for most attributes in appendix 2 of the National Policy Statement for Freshwater Management (NPS-FM), including both the Wairau and Awatere.[2] However, because most have significant issues with one or two attributes, overall water quality is considered marginal or fair in most monitored river sites.[3] This generally due to high levels of nitrogen and sediment associated with diffuse discharges from farming run-off and urban stormwater. In addition, much of the groundwater system is unconfined, meaning that it is vulnerable to contaminates leaching through the soil. In turn, this increases nitrogen levels in spring-fed streams. The many steep slopes in the hill country areas create issues with suspended sediment and turbidity. Only one urban wastewater treatment plant discharges to fresh water.

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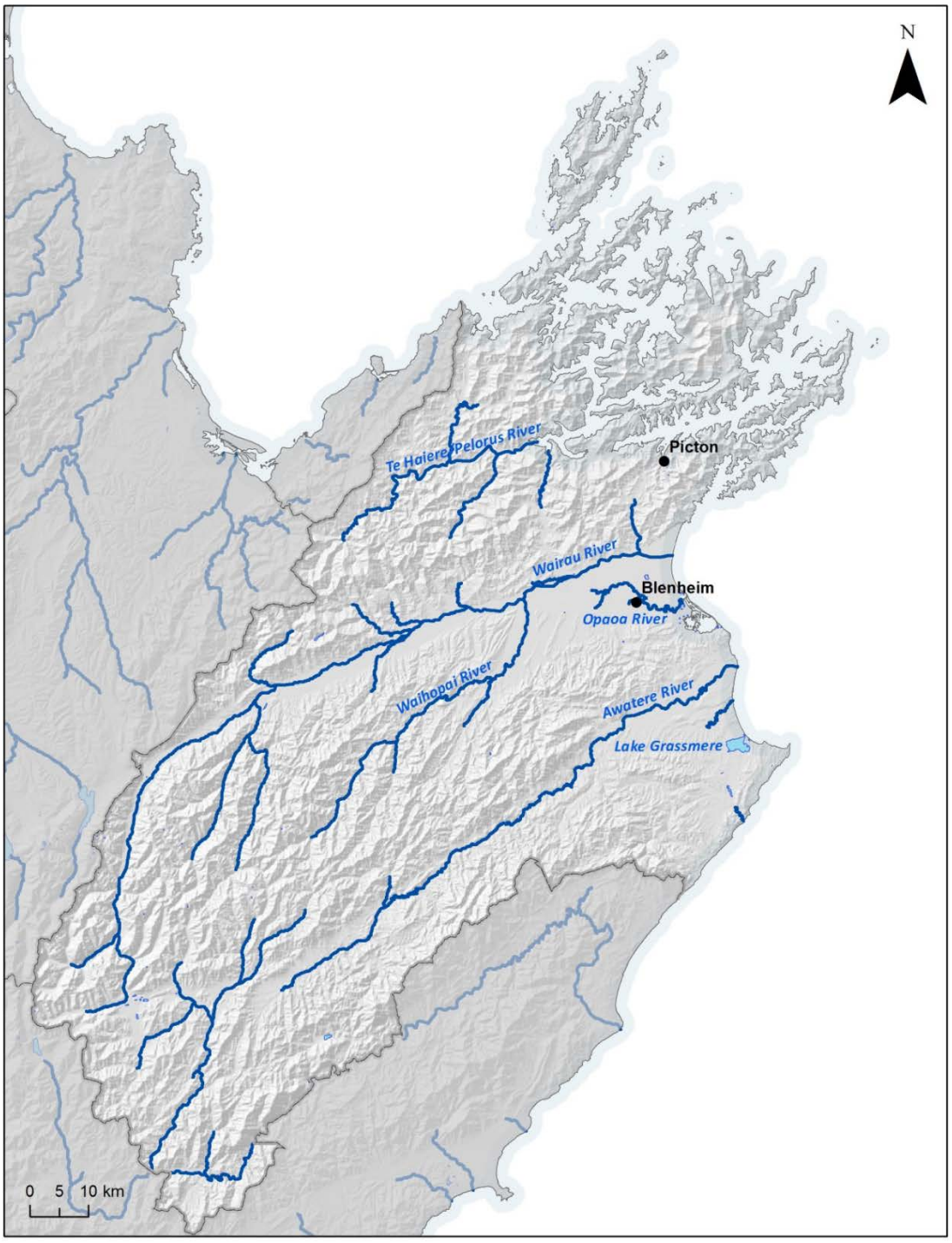
1 Marlborough District Council. 2017. *Allocation and Irrigation*. Retrieved from www.marlborough.govt.nz/environment/groundwater/wells/allocation-and-irrigation (12 July 2017).

2 Marlborough District Council. 2015. *State of the Environment Surface Water Quality Monitoring Report, 2015*. MDC Technical Report No: 15-008. Blenheim: Marlborough District Council. Retrieved from www.marlborough.govt.nz/repository/libraries/id:1w1mps0ir17q9sgxanf9/hierarchy/Documents/Environment/Rivers and Wetlands 2015 Reports/Surface_Water_Quality_SoE_Report_2015.pdf (12 July 2017).

3 Based on Water Quality Index assessments in Marlborough District Council. 2015. *State of the Environment Report 2015: Our Land, Our Water, Our Place*. Blenheim: Marlborough District Council. Retrieved from www.marlborough.govt.nz/environment/state-of-the-environment-reporting/state-of-the-environment-report-2015 (12 July 2017).

Figure 1: Major water bodies in the Marlborough region



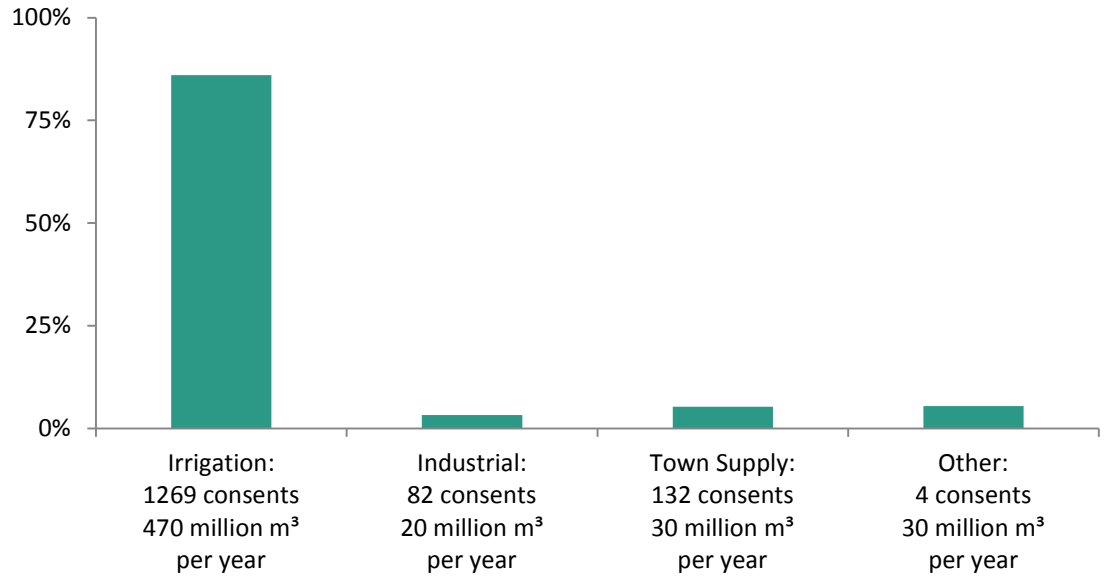
Source: Ministry for the Environment

While most regional rivers are safe for recreation most of the time, bacterial contamination occasionally exceeds guideline values for safe swimming and other primary contact recreation in some rivers.[4] The worst of these is the Taylor River in Blenheim, which often has high bacteria levels even during dry periods.

[4] Marlborough District Council. 2016. *Recreational Water Quality Report 2015–16*. MDC Technical Report No: 16-003. Blenheim: Marlborough District Council. Retrieved from www.marlborough.govt.nz/repository/libraries/id:1w1mps0ir17q9sgxanf9/hierarchy/Documents/Recreation/Swimming%26Boating Recreational Water List/A2015-16 Recreational Water Quality Report.pdf (12 July 2017).

With respect to water quantity, most Marlborough rivers are fully allocated and most aquifers are over allocated, either in practice or on paper.[5] Average flow rates have been in decline in all monitored rivers in the region, and some smaller streams can run dry during summer. The primary use of fresh water across the region is for irrigation (86%) with other uses (5.45%), town supply (5.29%) and industrial purposes (3.25%) making up the remaining consents (figure 2).[6] The demand for water is mostly on the Wairau Plains and is largely for viticulture. The Wairau River is the only significant resource that is not fully allocated; however, virtually all usable land in the catchment has already been developed, so it is unlikely to reach limits. However, demand for dairy pasture irrigation is increasing even in the wet valleys of the Marlborough Sounds.[7]

Figure 2: Water take consent volumes by primary use in the Marlborough region



Source: Land, Air, Water Aotearoa

5 Marlborough District Council. 2015. *State of the Environment Report 2015: Our Land, Our Water, Our Place*. Blenheim: Marlborough District Council. Retrieved from www.marlborough.govt.nz/environment/state-of-the-environment-reporting/state-of-the-environment-report-2015 (12 July 2017).

6 Land, Air, Water Aotearoa. No date. *Marlborough region: Water quantity*. Retrieved from www.lawa.org.nz/explore-data/marlborough-region/water-quantity/ (12 July 2017).

7 Marlborough District Council. 2017. *Allocation and Irrigation*. Retrieved from www.marlborough.govt.nz/environment/groundwater/wells/allocation-and-irrigation (12 July 2017).

Methodology

The information and analysis contained in this report are based on evidence collected from a questionnaire completed by Marlborough District Council (MDC), 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 MDC executives and elected councillors, senior MDC staff, tāngata whenua and stakeholder representatives. Additional interviews and panel discussions were held with representatives from the agricultural and viticulture sectors, consultants and public entities. 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.

Stakeholder and tāngata whenua representatives did not necessarily speak with mandate as official representatives of their iwi, hapū or organisation nor are they presumed to represent all in their wider communities. They were, however, primary sources with direct experience of MDC'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 MDC, iwi and hapū or stakeholders in this region have been omitted from this chapter.

Regional context of water planning

As a unitary authority, MDC has the responsibilities of both a regional and district council. While this can help with integrated planning, it can be a challenge to prioritise spending and staff resources.

Existing plans

Water and other natural resources in Marlborough were managed under the Regional Policy Statement, the Marlborough Sounds Resource Management Plan and the Wairau/Awatere Resource Management Plan. The plans divided the region into management zones with specific provisions for each. Both plans included rules for minimum flows and water quantity allocation limits, but no limits for water quality attributes.

In 2007, MDC began a review of the three documents with the intention of developing a combined regional resource plan.

Iwi and hapū contexts

There are eight mandated iwi groups in Te Tau Ihu[8] (the collective term for upper South Island iwi). Statutory acknowledgements for each of the eight iwi comprise part of the respective Treaty of Waitangi settlements with the Crown. However, the eight iwi do not always share particular views or coordinate with each other.

A clause in the settlement provides for the formation of a river and freshwater advisory committee involving MDC, Tasman District Council and Nelson City Council. However, the committee has not yet been exercised, due to competing priorities for time and resources.

[8] Ngāti Apa ki te Rā Tō, Ngāti Kuia, Rangitāne o Wairau, Ngāti Kōata, Ngāti Rārua, Ngāti Tama ki Te Tau Ihu, Te Ātiawa o Te Waka-a-Māui and Ngāti Toa Rangatira.

Approach to implementing the NPS-FM

The review of existing plans that started in 2007 resulted in the creation of a single resource management document, the Proposed Marlborough Environment Plan. The proposed plan was notified in June 2016, and the public submissions period closed in September 2016. Hearings are scheduled for later in 2017.

As outlined in its progressive implementation programme, MDC considers that most of the policies of the NPS-FM will be given effect to through the current regional planning review process and the subsequent Proposed Marlborough Environment Plan and the Regional Policy Statement. MDC has opted to focus on water quantity because it believes this is the major water issue for the Marlborough region. Revised minimum levels have been proposed for all aquifers, except for the Wairau Aquifer, which will be addressed at a later date. However, the proposed plan will not include cumulative contaminant limits to address water quality. Instead, MDC intends to prepare and notify plan changes to introduce water quality limits on a catchment by catchment basis. If necessary, the plan changes will include methods and timeframes for managing water quality improvements if freshwater objectives are not being met. It expects to complete this by June 2024.

Stakeholder views

Overall, stakeholders recognised the need for MDC to set quantity limits and were reasonably content with the limit-setting process so far. Stakeholders believe that water quality in the region is generally quite good and agree with MDC that nutrient management is not currently a priority. Stakeholders support MDC for prioritising water quantity over water quality.

Farmers and stakeholders on the ground say they are less aware of the requirements in the NPS-FM itself, but they recognise that some of the changes within the plan review process have been prompted by national direction.

Iwi and hapū views

Participants in our review hui said that they understand MDC's decision to prioritise water quantity issues over water quality, but would ultimately like quality to be given equal attention. They appreciate the challenge for implementing change to improve freshwater outcomes and the burden such implementation places on ratepayers. However, they want to be reassured that steps will be taken in the future to manage water quality more proactively.

Achieving the objectives of the NPS-FM

Freshwater management units

As a part of the Proposed Marlborough Environment Plan, MDC reassessed the existing water management zone boundaries and sought community feedback to help define freshwater management units (FMUs).

FMUs in the proposed plan were based on the hydrological characteristics of each water resource. These started out as independent hydrological units but were aggregated to reduce the resource burdens of monitoring and complexity of management. For example, although the Marlborough Sounds has hundreds of short-run rivers, it has been grouped as a single FMU. In total, MDC has defined over 30 FMUs in the region.

Limit setting and allocation

MDC has had plan provisions for water quantity limits since 1997. The review of the District's planning documents looked at how effective they have been and has sought improvements, particularly where there is increased demand.

MDC reports some public concern around the levels of water allocation, particularly in small towns where people believe that their water supply is being compromised. However, MDC says that people are generally used to water restrictions, so the new limits under the NPS-FM have not created many surprises.

To reduce problems with over allocation on paper, MDC has proposed a permitted activity status for enhanced water permit transfers within an FMU. This would be a streamlined electronic process that users could undertake themselves, as long as they meet specific requirements. MDC has separated take and use, and the person receiving the 'take' permit must hold a use permit and pass a 'bona-fide use test'. This is not considered the same as trading.

In terms of quality limits, MDC reports that there are very few point source discharges. MDC has deferred setting cumulative limits because MDC believes it does not yet have the environmental data required to do so. It is aware of the contentious debates in other regions around using contaminant models, such as OVERSEER®, for regulatory purposes and is waiting to see how other regions will develop their nutrient management solutions.

In addition, MDC considers that water quality is a lower priority. It says the dominant land use (viticulture) has a low impact on water quality and the region does not have the same level of nutrient pressure from dairy conversion and intensification that other regions do. Instead, MDC believes erosion and sediment from the hill country is of greater concern. It does not see periphyton as an issue and would not monitor it if it were not an attribute in the NPS-FM.

Stakeholder views

In some contexts, especially regarding the many ephemeral rivers in Marlborough, stakeholders think the NPS-FM makes little sense. They say it is impossible to set minimum flows for rivers that are naturally dry in summer.

However, some stakeholders noted that it took MDC 11 years to review the permit allocation system and speculated it may have only done so because required to by the NPS-FM.

Stakeholders we spoke to consider insecurity around reliability of supply is their major issue for managing within limits. Water users can only reduce their take so much before they have to rip out vines or put in their own water storage. They consider that MDC's current framework does not provide enough confidence in supply to prevent people from taking these expensive precautionary measures themselves, and there is some frustration that a system-wide solution is not being considered around the reliability issue. The region has only one irrigation scheme supplying 5000 hectares of the Wairau Plains.

The community recognises some aquifers are currently over abstracted so, in general, are fairly receptive to water restrictions. However, the feedback suggests the community is less receptive to groundwater restrictions triggered by in-stream flows, because the complex hydrology of the rivers means most groundwater takes will not affect surface water for some weeks.

Iwi and hapū views

Hui participants said the proposed plan has incorporated much of the NPS-FM but has focused on over allocation of water quantity rather than water quality. Though they agree with that priority, they want to see quality given more attention. In particular, they consider that swimming is an important value for waterways nationally that must be addressed.

> ⏩We owe it to ourselves as New Zealanders, not only as tāngata whenua, to do something about swimmable rivers.⏪
>
> Review hui participant

They are also concerned that cultural allocation has not been considered during the water quantity limit-setting process – discussions are purely about maintaining ecosystems and recreational values. They felt the previous regional plan lacked sufficient understanding of the hydrology and so allowed for too much abstraction. This lack of knowledge has made allocation an ongoing challenge.

The hui participants say that MDC has not really addressed Te Mana o te Wai yet. Their impression is that this should not be too difficult because MDC has already articulated its values for Te Mana o te Wai through a Ministry for the Environment-funded case study.

Community engagement

MDC started its review process of water allocation in the region by holding a water forum in 2012. All water permit holders were invited to the first meeting, and those who attended were invited to be part of a working group to help MDC develop the framework for future water allocation. This group is called the Water Allocation Working Group (WAWG) and consists of different types of viticulture, pastoral and horticultural irrigators, as well as groundwater and surface water users from different locations throughout Marlborough. MDC says that WAWG is particularly active, helping create buy-in from local water users. A sitting councillor was on the group at all times. Members of WAWG recognise that over allocation hinders reliability for everyone, and they have been able to largely put aside their individual interests and participate in good faith.

After three years of water workshops, WAWG put forward its recommendations to MDC. In 2015, MDC adopted these proposals and began public consultation on future water allocation. Catchment and FMU meetings were also held, with every water permit holder invited. Around 30 per cent of the consent holders in the region were involved in some way during the process.

Stakeholder views

Overall, stakeholders we spoke to expressed general satisfaction with the collaborative approach to allocation through WAWG. People felt MDC had followed a thorough and constructive process through WAWG that encouraged community engagement. Group members were asked to leave their corporate hats and speak for the community. One stakeholder felt that the process had been far more elaborate than any they had previously been involved in over the past 25 years, including in other regions.

However, there were concerns that WAWG does not necessarily represent all users because there is not a lot of diversity in the group. There has also been some frustration from environmental groups that they keep putting forward submissions on plan drafts, but have not seen their concerns or suggestions reflected in later drafts. Nevertheless, in the eyes of environmental advocates, the NPS-FM has been helpful in prompting MDC to further consider the issues advocates have presented.

There is a good understanding among stakeholders about the limits of the resource and the need for everyone to reduce their takes. However, one stakeholder commented that once water is allocated it is pretty hard to ‘wind back’.

MDC has also made a big push toward e-planning, which makes some elements of decision-making more transparent. Several stakeholders were impressed with the online consent application tool, which they thought was very efficient.

Engaging with iwi and hapū

MDC says that meeting the multiple iwi and hapū engagement requirements of the Resource Management Act 1991, national direction and Treaty of Waitangi settlements is difficult for a council with few resources. However, MDC leadership recognises there is more MDC could do to engage with iwi and hapū, and they have made this a part of their performance review. MDC is embarking on relationship agreements with each of the iwi and currently has three in development. It believes personal relationships between elected councillors and iwi leaders are generally good, but professionally these relationships are more strained.

MDC reports it sought to identify spiritual and cultural values with iwi but received no response. Similarly, MDC reports that it has consistently asked for iwi input in resource consent decisions, but iwi lacked capacity and MDC will not consider remunerating iwi for their involvement. MDC and iwi met to discuss Te Mana o te Wai but could not agree on what it meant. There was also an iwi working group that MDC engaged with while developing the proposed plan. The separation of the iwi working group and the WAWG was intentional; however, the crossover between these groups was limited.

MDC believes that iwi are generally happy with the level of engagement over the proposed plan, although there may be particular issues that iwi would like to have further opportunities to discuss.

Stakeholder views

Stakeholders we spoke to expressed concern that MDC is not appropriately managing relationships with iwi, and that iwi might be preparing to use Environment Court and MDC hearings increasingly in the future to have their voices heard. They believe that this would be costly and counterproductive for all parties.

Iwi and hapū views

Hui participants we spoke to said that their relationship with MDC is currently not very good and this has generally been the case since the foreshore and seabed decision. Although they have had discussions with MDC leadership, hui participants said that iwi have little influence in shaping the overall conversation. They currently feel they have to fight to have their say. They perceive MDC as being short-sighted, because meaningful engagement upfront could reduce conflict later on.

There is frustration that the knowledge that MDC has concerning iwi values is not being used or referenced. This forces iwi to repeat the same messages at many meetings. An Iwi Environmental Management Plan exists, but iwi feel that this is not used effectively. Hui participants said that they would like MDC to develop the position of Māori Liaison Officer, but they report little response from MDC.

In addition, iwi report they have been invited to participate in working groups but only around specific cultural issues rather than resource management issues more broadly. They feel that, as part of the community and economy, they should not be partitioned into a single issue.

Before the proposed plan was notified, iwi had asked if they could see the draft plan in its entirety, but this was denied. They believe that industry sector groups were allowed to provide comments on the draft, further frustrating the relationship between the iwi and MDC. Hui participants say this has contributed to the process of notification becoming adversarial.

Iwi felt that MDC is struggling in its effort to be even handed among all iwi, but, given the different interests of many iwi in the region, there is no realistic pan-iwi strategy.

Capacity and capability

MDC staff resource dedicated to water management is quite small, however, MDC considers that this has an advantage in that it promotes coherence within the organisation. No new staff were employed for the plan review process.

The small team of hydrologists at MDC is well resourced and very experienced. MDC says that the team is highly capable of navigating the limit-setting process. In general, MDC staff feel that they have the experience and capability needed to implement the NPS-FM.

There are concerns that the resourcing and capability within some iwi and hapū is low and that this is hindering their ability to be engaged.

Stakeholder views

Stakeholders we spoke to expressed frustration that central and local government has not provided more support and funding for users in their efforts to meet key environmental objectives.

One person said that MDC has a large policy team but staff are stretched across multiple processes. It is doing a good job on the science but has small teams for outreach work, for example, land managers.

Iwi and hapū views

Most of the Te Tau Ihu iwi are small and not sufficiently resourced to have meaningful input on freshwater management issues, despite having the appropriate knowledge and capability. The Treaty of Waitangi settlement process has required a lot of resources from the iwi, which drew resources away from engagement with MDC. Some iwi have a clear understanding that freshwater management issues will become only more important and have expressed an interest in being involved more in the future.

Given their nature as charitable trusts, iwi expressed the view that it takes too much time and resourcing for them to invest without financial support.

Information

MDC considers that it has sufficient information to understand the effects of allocation in most catchments. Much of this information is made publicly accessible through its website.

MDC says that it is doing a lot of work to get the rural population connected to broadband so that it can actually implement its policies using telemetered data. Though national regulations only require metering of consented takes greater than 5 litres per second, MDC requires water metering of all consented takes, because nearly 60 per cent of water takes in Marlborough are below this threshold. MDC considers that this is necessary to understand the demand of viticulture takes. These data are to be made available online, promoting transparency among users. MDC is creating an online tool so that people can identify which users have surplus water, enabling enhanced transfers.

MDC says that macroinvertebrate sampling is challenging because it is not necessarily representative of the state of its rivers. Further to this, MDC feels that monitoring for macroinvertebrates is a time-hungry process. The addition of periphyton and the Macroinvertebrate Community Index doubles the time MDC spends on monitoring.

Site selection for bathing water quality is not the same as for State of the Environment monitoring. The selection of the 23 bathing water sampling sites was based on asking the community and flying over the rivers to understand how they were being used.

Stakeholder views

In general, stakeholders say that MDC has been more proactive in monitoring over the past few years. They were impressed with the accessibility of the online resources provided by MDC. Some users think MDC has a good understanding of surface water resources, but they have less confidence in its data on groundwater. One expressed an interest in much more holistic environmental reviews of surface water.

Iwi and hapū views

Generally, the hui participants were concerned that MDC has not been proactive in getting the information iwi and hapū need to meet NPS-FM requirements. While other councils have talked about cultural indicators for water, MDC is focused on scientific measures, and water demands have a lot of sway. Some Te Tau Ihu iwi have a role in monitoring but not all. The hui representatives say it engenders trust in the process when iwi are involved in monitoring. They feel MDC is struggling to incorporate the mixed interests of iwi in cultural and economic matters.

Conclusion and recommendations

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

- Because water allocation is the major resource management issue in the region, it is appropriate that MDC addresses this as a priority before setting water quality limits. Stakeholders and hui participants we spoke to agree with that approach. The latter expressed a desire to see MDC give the same amount of attention to water quality issues in the future.
- MDC has capacity in terms of science and policy resources to implement the NPS-FM, but stakeholders were concerned that MDC is lacking land management advisors.
- We heard good feedback on MDC's engagement processes, although the membership of groups was questioned by both iwi and stakeholder representatives. MDC should revisit its selection approach for the next phase of NPS-FM implementation.
- We also heard good feedback on the sophistication and usability of MDC's online systems for water availability and consenting. Other councils could learn from this approach.
- There is room for improvement in terms of how MDC engages with iwi and hapū. We heard this from everyone we talked to, including MDC itself. Improving relationships is an important first step, and it is encouraging to hear that MDC is developing engagement agreements with individual iwi. Finding a way to increase capacity and capability of both MDC and iwi groups to engage could be essential.