



## Freshwater System Initial Briefing for Incoming Minister 2020

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Delete/add Ministers as appropriate	<b>Action sought:</b> match to recommendations	<b>Response by:</b>
To Hon David Parker	Discuss with officials	9 November

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments 1	Titles of appendices and attachments (ie separate attached documents): 1. Systemic challenges and Work Programme

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## Freshwater System Initial Briefing for Incoming Minister 2020

Key MfE Work Programmes <i>This advice relates to the following:</i>				
Environmental Management System Reform	Freshwater System Policy & Implementation	Jobs for Nature	Waste & Resource Efficiency	Climate Change
Scope & Objectives	Allocation	Jobs for Nature Roles & Responsibilities	Waste Levy Implementation	Mitigation
Partnering & Engagement	Rights & Interests	Te Mana O Te Wai	Waste Strategy & WMA Review	Markets
Interagency Working Arrangements	Governance & Oversight	Freshwater Improvement Fund	Container Return Scheme, Product Stewardship	Adaptation
Initial Policy Decisions	Implementation	Other Investment		Funding
	Freshwater Regulations			Governance

### Key Messages

1. The purpose of this briefing is to provide an overview of the freshwater work programme covering policy, implementation and funding. Key issues and events that require your input in the first three months are also outlined in this paper.
2. Systemic challenges of the freshwater management system have resulted in a failure to address both the short- and long-term drivers of continued freshwater degradation and created an unfair system. The work programme over the last decade, and especially over the last three years, has laid the groundwork for improvements to the system, including steps to improve the planning process, better manage cumulative impacts and reduce discharges from non-point sources.
3. The proposed work programme presented in this briefing focusses on effective implementation of the new freshwater regulations, policy work to address residual issues related to the freshwater regulations, as well as addressing the challenging policy issues of allocation, governance and Māori rights and interests. In addition to the Ministry's resource management reform work, these are the key areas to continue the move to a freshwater system that addresses these systemic challenges and enhances te Mana o te Wai. The proposed work programme is consistent with the commitments laid out in the Labour Party manifesto (see paragraph 44 for further detail).
4. The work programme is delivered predominantly by two directorates within the Ministry, one focussed on water and rural land use policy issues, and the other focussing on the move to more sustainable land use through implementing policies from across the Ministry, including climate, water and land use.

### Overall objectives and systemic challenges

5. The freshwater management system has failed to respond to both the long-term and recent drivers of freshwater system degradation. This is underpinned by a variety of structural, historical, cultural and resourcing issues which are outlined below.
6. Over the last ten years there have been substantial reforms to the approach to freshwater management. Over the last three years reforms have made significant steps to improve planning processes as well as taking steps to better manage cumulative impacts and reduce discharges from non-point sources. However, while these changes are still in the process of being introduced, water quality and ecosystem health have continued to degrade. The work done over the last ten years needs further support to ensure it is successful.
7. Table 1 outlines the systemic challenges and identifies the work areas that the Ministry currently has planned to address these areas (Appendix 1 provides more details on these systemic challenges and the current state of progress on addressing these).

**Table 1: Overview of systemic challenges**

<b>Systemic challenge</b>	<b>Planned work area</b>
<b>An RMA planning system that is slow to respond, litigious and subject to capture by vested interests (especially at the governance level)</b>	<ul style="list-style-type: none"> <li>• allocation</li> <li>• RMA reforms</li> </ul>
<b>The allocation of resources on a first in first served basis that prioritises existing users, does not incentivise efficient and sustainable use of resources and makes it slow and difficult to wind back over-allocation</b>	<ul style="list-style-type: none"> <li>• allocation</li> </ul>
<b>Inadequate tools available under the RMA to enable more efficient mechanisms to allocate and reallocate resources</b>	<ul style="list-style-type: none"> <li>• allocation</li> <li>• RMA reforms</li> </ul>
<b>A management and allocation system largely based on the marginal effects of individual activities, rather than the cumulative effects of many activities and across environmental domains, including at the catchment scale</b>	<ul style="list-style-type: none"> <li>• allocation</li> <li>• supporting implementation of new regulatory package</li> </ul>
<b>The significant technical, practical and regulatory challenges of managing diffuse discharges (particularly from agriculture) – we generally have made good progress on point sources but less progress on diffuse discharges</b>	<ul style="list-style-type: none"> <li>• allocation</li> <li>• supporting implementation of new regulatory package – nutrient management tools</li> </ul>
<b>A need to address Māori rights and interests in freshwater – which have been expressed by Māori as including proprietary interests, decision-making interests, management interests, utilisation interests and the need for recognition of the relationship of Māori to waterbodies</b>	<ul style="list-style-type: none"> <li>• rights and interests</li> <li>• allocation</li> <li>• governance</li> <li>• supporting implementation of new regulatory package</li> <li>• direct action and funding</li> </ul>
<b>A lack of central oversight, coordination and early intervention in the performance and decision-making of local government</b>	<ul style="list-style-type: none"> <li>• governance</li> <li>• RM reform</li> <li>• supporting implementation of new regulatory package</li> <li>• rights and interests</li> </ul>
<b>Underfunding of the freshwater management system (which relies on ratepayer not user funding) – leading to under investment in key system features like applied science, data management, monitoring, compliance and enforcement</b>	<ul style="list-style-type: none"> <li>• allocation</li> <li>• supporting implementation of new regulatory package</li> </ul>
<b>No durable funding mechanism for the restoration of water bodies that have been degraded through historic activities</b>	<ul style="list-style-type: none"> <li>• direct action and funding</li> <li>• allocation</li> </ul>
<b>Underfunding of three waters infrastructure</b>	<ul style="list-style-type: none"> <li>• MfE working with DIA and Taumata Arowai, supported through urban water work</li> </ul>
<b>Limited information and data systems and a lack of transparency in reporting on freshwater use and state, resulting in low public confidence</b>	<ul style="list-style-type: none"> <li>• allocation</li> <li>• environmental reporting</li> <li>• supporting implementation of new regulatory package</li> </ul>

8. Key areas of work over the next three years to address these systemic challenges are outlined below, and detailed briefings on each of these work streams can be provided to you in the coming weeks.

### **Supporting implementation of the new regulatory package**

9. Historically, the Ministry has concentrated on policy development of the freshwater system rather than its implementation (with the exception of guidance for councils). It has also tended not to take a direct role in regional policy issues, such as submitting on plans. This lack of support has contributed to slow, variable and ad hoc implementation across regions.

10. There has now been over a decade of freshwater policy reform. Substantial work and resources will be required over the next five years to implement these new regulations from local government, Treaty partners, the primary sector and urban land users. New regulations take time to embed, so it's important that the reforms are given the time to be implemented, without ongoing changes in policy direction.

11. As part of implementation, the Ministry intends to take a stronger leadership role to provide regional authorities with clear expectations on the use of their regulatory mandate. This includes intervening more in planning processes where necessary, improving the Ministry's oversight role of regional council performance based on both implementation deliverables and the government's Statement of Regulatory Expectation and producing agreed Key Performance Indicators to measure council performance against.

12. The supporting implementation work programme broadly consists of:

- a. Webinars, newsletters, factsheets and interpretation material
- b. Supporting the Freshwater Implementation Group which has been established to prioritise and oversee implementation to deliver on the objectives of Essential Freshwater;
- c. Lifting te Mana o te Wai capacity and capability of councils, and working with Councils to ensure that they have the tools as well as capacity and capability to deliver their Freshwater Plans by 2026;
- d. Tracking the progress of implementation activities and using an adaptive management approach to realign delivery when it is not meeting desired outcomes;
- e. Ensuring that information and data needs, as well as freshwater planning, compliance monitoring and enforcement requirements are understood and opportunities for nationally consistent delivery are maximised;
- f. Supporting the Chief Freshwater Commissioner and providing induction training for freshwater commissioners on te Mana o te Wai and NPS-FM requirements.

13. The Ministry has committed substantial funding, staff time and engagement effort to the implementation work programme to ensure the freshwater reforms are a success. It will take several years of support to implement the freshwater regulations, so we consider it essential to retain focus and resourcing on implementation over this period.

### *Beyond Implementation – Sustainable Land Use Strategy*

14. It's critical that the Ministry continue to work closely with the Ministry for Primary Industries (MPI) to build a more sustainable and resilient primary sector. We will work with MPI and other agencies to improve the environmental performance of the primary sector and ensure environmental objectives are a central consideration in policies that affect the primary sector. The Sustainable Land Use Ministers Group that you chair maybe a useful group for overseeing this work.

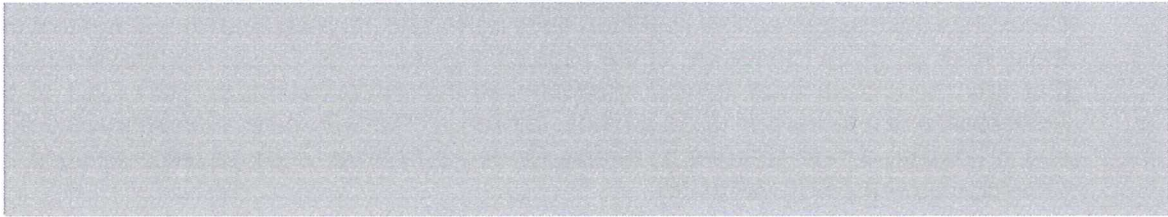
### *Ongoing Essential Freshwater policy issues*

15. There remain several ongoing issues from the Essential Freshwater work programme which include:
- a. Extend NPS-FM to cover estuaries;
  - b. Dissolved inorganic nitrogen and dissolved reactive phosphorous;
  - c. Nitrogen fertiliser sales reporting;
  - d. Freshwater farm plans;
  - e. Rules for vegetable growing catchments;
  - f. Adjustments to slope maps showing where stock exclusion is required;
  - g. Wetlands prohibited activity status and definition;
  - h. Intensive winter grazing and advice on resource consent process.
16. Officials are also working on work programmes that have a connection to freshwater outcomes, including indigenous biodiversity (through the National Policy Statement – Indigenous Biodiversity) and plantation forestry (through the National Environmental Standards – Plantation Forestry).

### **Direct action and funding - Government role in funding to improve water quality**

17. The Ministry provides a range of funding schemes to address poor water quality and ecosystem health, these funds can help communities to address issues which have built up over generations.
18. An environmentally-focussed investment package of \$1.254 billion has been established for Covid-19 recovery Jobs for Nature employment. A separate briefing will be provided to update on Jobs for Nature.
19. The government is providing funding and expertise to improve outcomes in at-risk catchments as well as providing councils and communities with exemplars on catchment management. These include:
- a. Integrated Catchment Management Plans and restoration projects in at-risk catchments
  - b. Funding of projects to improve water quality and ecosystem health which also provide jobs as part of the COVID response work. The Ministry has \$500 million to distribute to Jobs for Nature projects focussed on freshwater improvement.
20. Although funding can assist, it cannot be seen as a long-term solution to resolving on-the-ground issues, because it is unlikely to ever be large enough to address water quality issues nationwide.

### **Allocation**

21. The Essential Freshwater work programme has provided greater national direction to limit setting. Some limits are being met using simple practice controls (such as E.coli), but others (such as water takes and nitrogen) will need to be more effectively managed as water becomes scarce.
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[REDACTED]

22. Allocation reform is inextricably linked to the ability of Māori to access and use water resources (ie water takes and the ability to discharge to water), and to realise and express their economic and development interests. We consider that these policy areas need to be progressed in tandem, as the potential solutions will likely be interrelated.

23. Sector stakeholders and local government are also calling for government intervention on allocation, as they cannot solve it alone. Imperative to this work is an understanding of the evidence base and the ability to effectively communicate the problem that needs to be addressed and the expected impacts of any proposed changes.

24. Critical decisions will be required around the pace of reform, the level of national direction, the transition to a new allocation system and how the work fits with resource management reforms.

25.

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26. Even though in the previous Government term the focus was on freshwater quality, there has been further work to progress allocation options. A separate paper will be provided to you shortly which proposes a work programme for allocation reform and provides information on potential approaches.

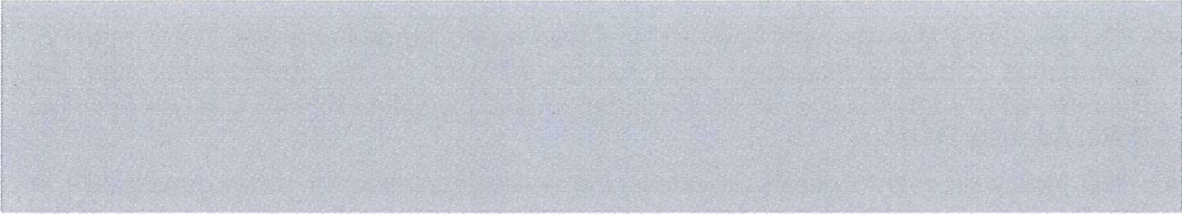
27. We anticipate this work programme will need to be supported by several stages of engagement with key Ministers and Cabinet. We suggest an initial paper agreeing the scope of work and approach be prepared for you to discuss with your Ministerial colleagues sometime in December.

### Addressing Māori rights and interests


28. Maori have long called for recognition of their rights and interests in freshwater, and the Crown has provided a number of undertakings to address these rights and interests over a number of years.

29. There are several potential dimensions to addressing rights and interests in water, including: protecting the mauri of waterways (water quality outcomes); mana over waterbodies (role in governance and decision making); protection of customary activities; access, use and economic benefits from water resources. In its relatively recent (2019) Wai 2358 report, the Waitangi Tribunal provided its recommendations around how the Crown should address different elements of Maori rights and interests in freshwater.

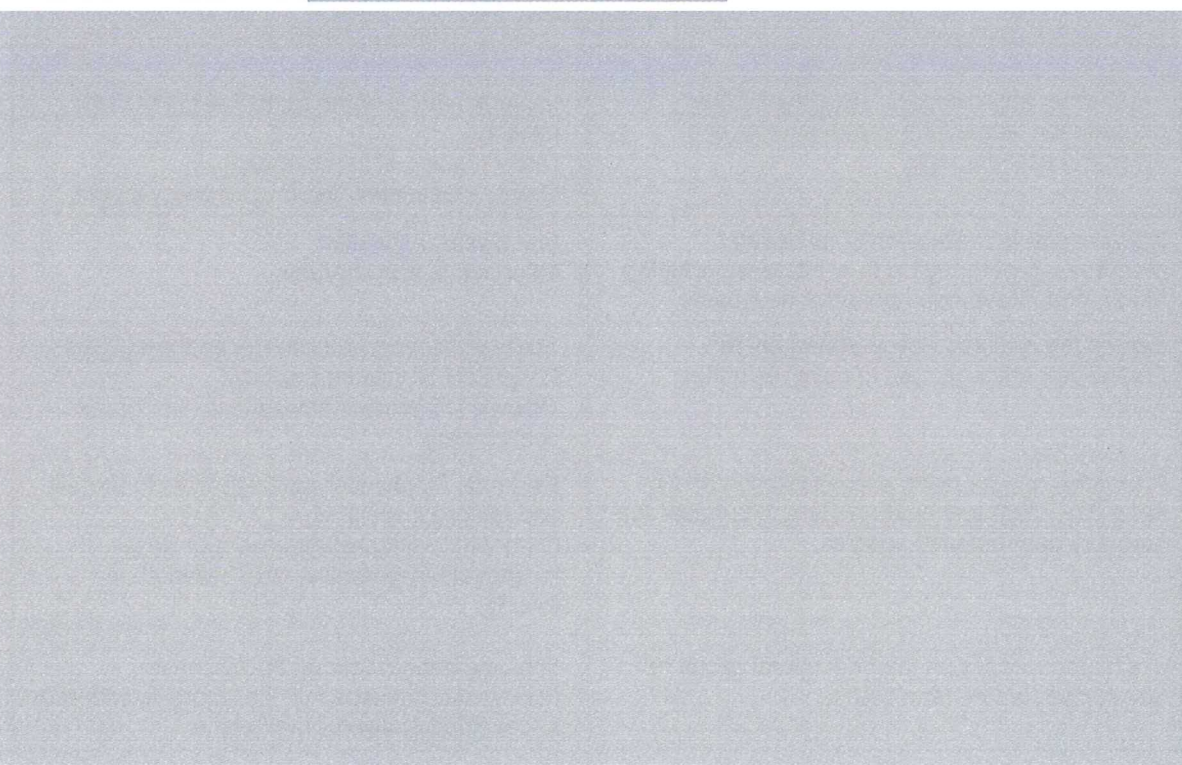
30. The governance and decision-making dimension of rights and interests is closely linked to allocation system reform and wider reforms of the resource management system. The Crown has acknowledged that iwi/Māori have rights and interests and committed to work on these as it works on the reform of the allocation system. The Crown has previously stated that any recognition must involve mechanisms that relate to the on-going use of those resources, and may include decision-making roles in relation to care, protection, use, access and allocation, and/or charges or rentals for use (*The New Zealand Māori Council v The Attorney-General* [2013] NZSC 6).



32. On 2 November 2020, Ngāi Tahu issued proceedings against the Attorney-General seeking a number of declarations to confirm the rangatiratanga entitlement Ngāi Tahu has in wai Māori. Ngāi Tahu has indicated in their letter to the Prime Minister that their preference would be to address the issues identified in the proceedings through good faith dialogue with the Crown, as an equal Treaty partner.



34. The Ministry recently met with representatives of the National Iwi Chairs Forum, the New Zealand Māori Council, Kāhui Wai Māori and Te Wai Māori Trust (referred to as “Iwi/Māori Group”) at their request. They advised that they have made a commitment to come together as a collective to engage with the Crown to address rights and interests in the management of natural resources.



#### **Governance and oversight of the system**

40. Current system oversight is fragmented and ineffective. It does not provide sufficient discipline around delivery and accountability. There have been calls to establish a water commission under a co-governance model with iwi/Māori (eg from the Freshwater Leaders Group, Kāhui Wai Māori, New Zealand Māori Council and Waitangi Tribunal), but the scope and or functions of such a body are yet to be clarified. For example, whether a co-governance model that monitors system performance versus a decision-making body (as proposed by Waitangi Tribunal proposal) should be adopted.

41. The Resource Management Review Panel also recommended changes to the model of governance, including increased roles for the Ministry for the Environment and the Parliamentary Commissioner for the Environment and the establishment of a new National Māori Advisory Board.
42. This policy area is focussed on developing a new approach for water governance in parallel with work on the governance of other natural resources through the reform of the resource management system and work on addressing rights and interests. The work will consider:
- Scope and functions of any new body;
  - How a co-governance model with iwi/Māori would work;
  - How water governance fits with wider oversight issues for natural resources (e.g. Water Commission vs a wider environmental system lens).

## Labour Manifesto

43. The Labour Party Manifesto includes a number of commitments which relate to freshwater:

**Table 2: Labour Party Manifesto Commitments**

Manifesto	Planned Work Area
Freshwater improvement; stopping further degradation, immediate improvements and reversing past damage.	<ul style="list-style-type: none"> <li>Implementation of the Essential Freshwater package</li> <li>Direct funding of improvements</li> <li>Ongoing Essential Freshwater policy issues</li> </ul>
Efficient and fair allocation of freshwater resources, having regard to all interests including Māori, and existing and potential new users.	<ul style="list-style-type: none"> <li>Freshwater Allocation</li> <li>Māori rights and interests</li> </ul>
Extend the National Policy Statement for Freshwater Management to cover estuaries.	<ul style="list-style-type: none"> <li>Some protection was introduced through the Essential Freshwater package.</li> <li>Officials will provide advice to deliver on this commitment</li> </ul>
Protection, preservation and restoration of our natural heritage and biodiversity and promote the recovery of threatened species.	<ul style="list-style-type: none"> <li>Essential Freshwater package aims to protect and restore biodiversity</li> <li>Other MfE work programmes e.g. NPS - indigenous biodiversity, NES - plantation forestry</li> </ul>
Continue to work with the agricultural sector to develop integrated farm plans.	<ul style="list-style-type: none"> <li>Implementation work on the Essential Freshwater package includes working with MPI to develop freshwater farm plans</li> </ul>
Reform New Zealand's drinking water and waste water system and upgrade water infrastructure to create jobs across the country.	<ul style="list-style-type: none"> <li>Working with DIA on wastewater and drinking water issues</li> <li>Developing a revised NES for protecting sources of drinking water</li> </ul>
Continue to roll out Jobs for Nature that invests in community projects to address long-term environmental issues like wilding pines and cleaning up our waterways.	<ul style="list-style-type: none"> <li>Working across Government to deliver Jobs for Nature programme, including directly funding waterway clean-ups</li> </ul>

Recognise the vital contribution of Mātauranga Māori.	<ul style="list-style-type: none"> <li>The vital role of Mātauranga Māori is considered in all aspects of the Ministry's water work programmes.</li> </ul>
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### Immediate key issues and events

44. As part of the ongoing work with the freshwater system, the key issues requiring Ministerial engagement in the next three months are set out in Table 3.

**Table 3: Immediate issues – next three months**

Issue or event	Lead agency	Further information
Scope and approach to Freshwater Farm Plan regulations and decision on timeframes <b>November 2020</b>	MfE/MPI	Decision on whether to continue fast-tracking development of Freshwater Farm Plan regulations. Final Decision will need to be communicated publicly in March/April 2021 prior to winter grazing regulations taking effect on 1 May 2021
Cabinet mandate for allocation and rights and interests <b>December 2020</b>	MfE	Forward work programme for allocation system reform and proposed engagement approach with Treaty partners
Iwi Chairs Forum at Waitangi <b>6 February</b>	MfE	Discussion with Iwi Chairs on approach to addressing rights and interests in freshwater.
Overseer Review <b>February 2021</b>	MPI/MfE	Response to findings of expert review
Scope and approach to inclusion of estuaries in national direction <b>December 2020</b>	MfE	Briefing on inclusion of estuaries
Judicial challenges <b>Ongoing</b>	Crown Law/MfE	Several parties are challenging the regulations, and more are considering challenges. These relate to provisions on vegetable growing areas and wetlands. Preparing for court proceedings in May 2021.
Proceedings by Ngāi Tahu <b>Ongoing</b>	Crown Law/MfE	Ngāi Tahu has issued proceedings against the Attorney-General to confirm the rangatiratanga entitlement Ngāi Tahu has in wai Māori. There will be ongoing work to respond to this court action.
Otago Regional Council <b>Ongoing</b>	MfE	Currently submitting on water consent applications.

### Longer-term direction

45. Beyond the next three months, there is a substantial work programme under each of the topic areas outlined above.

46. The Ministry will work with you to ensure that our freshwater system work programmes are

consistent with the long-term vision of the incoming Government and the wider reform of the resource management system. For controversial issues we will ensure we seek a clear mandate from you to progress the work; this includes allocation and addressing rights and interests, but also future transitional issues such as sustainable land use change.

## **Engagement**

47. Throughout the freshwater reforms so far, the Ministry has worked extensively with other agencies, especially MPI. The linkages with MPI are critical given the significant role that freshwater plays in primary production. The water reform work has been a joint programme of work which reports to both the Minister for the Environment and Minister of Agriculture, and there are sound reasons for continuing this approach.

48. We also have strong working relationships with other agencies that have experience and expertise in Māori rights and interests, including Te Arawhiti, Te Puni Kōkiri and the Treasury. Continuing these relationships will be an important part of ongoing work on all policies and especially addressing Māori rights and interests.

49. Across all of our policy areas, we are engaging with regional councils, as the agencies responsible for implementing much of the existing and proposed policies. The Ministry is working with councils to ensure existing policies are implemented effectively<sup>1</sup>, while in the allocation, governance and rights and interests policy areas, the Ministry is planning engagement to improve our understanding of the impacts of current and possible new allocation approaches.

50. Engagement with iwi/Māori will be critical to ensure the success of all our work areas. The Ministry has existing relationships with iwi/Māori groups, including working with Kāhui Wai Māori and local iwi on implementation. We are developing a draft engagement approach for the policy work on addressing rights and interests, which will focus on engagement with the Iwi/Māori Group as outlined above (paragraph 34-37). We intend to discuss this with you and seek your approval on the approach before the end of the year.

51. The Ministry has relationships with stakeholders including Environmental NGOS, primary sector and industry, which it is using to engage on implementation, and will look to use on future policy work. Examples of this include Food and Fibre Leaders Forum and the hydro electricity generation sector.

## **Internal linkages**

52. There are a number of interlinkages both within the freshwater system but also across other streams of work in the Ministry (e.g., climate, biodiversity). Most notably is the resource management system review and proposed reforms. Cross-Ministry collaborations will be essential to ensure any reforms enhance, rather than undermine, the freshwater system work programmes that are already underway and contribute towards improving freshwater outcomes.

## **Resource management linkages**

53. Freshwater, along with other natural resources, is managed under the Resource Management Act 1991 (RMA). The recent review of the resource management system recommended significant changes. Many of these changes are consistent with the approach currently being taken in water management, including: changes to planning, more national direction, more limit setting, increased focus on positive outcomes. There are other recommendations which have been separately identified as an issue for freshwater management

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<sup>1</sup> A Freshwater Implementation Group has been established. Its membership includes representatives from the Ministry, MPI, the regional sector, primary sector, ENGOs and Kāhui Wai Māori. The purpose of the Group is to oversee delivery of the implementation programme so that it meets the requirements set out in the new regulations; achieves national consistency; and delivers on the overall objectives of the package.

and we have work plans in place to address these areas, including: governance and compliance, monitoring and enforcement, focusing resource allocation on sustainability, efficiency and equity and using market mechanisms for allocation.

54. Any policy reform and implementation in freshwater management must, and will, work closely with wider RMA reform to ensure that the system is effective and consistent where possible.

### Key risks and opportunities

55. The key risks for the work programme are around having a clear mandate, and whether consistent funding and resourcing is available to deliver this work. The timing for work on allocation and rights and interests will be challenging, especially around evidence gathering and engagement.

56. The cumulative load on councils needs to be carefully managed to ensure that they have both the capacity and capability to put in place the policies and changes required of them.

### Next steps

59. Detailed briefings on each of the key work streams will be provided to you in the coming weeks.

### Signature

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Martin Workman  
Acting Deputy Secretary  
Sustainable Land Use Delivery



Sam Buckle  
Deputy Secretary  
Waste, Resource Efficiency, Water and Land Use Policy

Hon David Parker  
Minister for the Environment

Date

## Appendix 1 – Systemic challenges and Work Programme

System Challenge	What's been done so far	How significant is this new	Implications for the MfE work programme and recommendations for Government priorities
RMA planning system that is slow to respond, litigious and subject to capture by vested interests	<ul style="list-style-type: none"> <li>NPS-FM 2020 requires councils to give effect to Te Mana o Te Wai, sets national bottom lines, and mandatory values that all councils must work toward</li> <li>New plan making process for freshwater regional plans under the RMA (2020 amendments) – freshwater hearings panels and limits on appeal rights</li> <li>Legislatively set timeframes to make final decisions on freshwater regional plans to meet NPS-FM 2020 (Dec 2026)</li> </ul>	Policy and legislation / regulation is now in place. Needs implementation support	<ul style="list-style-type: none"> <li>Implementation work programme will support implementation of the new NPS-FM</li> <li>New freshwater planning process to be implemented and rolled out, e.g. engaging and training further freshwater commissioners</li> <li>This work has strong links to the RM reform work, and consideration is being given to how the freshwater management system will fit within new resource management legislation</li> <li>Links to central oversight functions (below)</li> </ul>
Allocation of water resources based on first in first served approach heavily prioritises existing users and is slow and difficult to wind back over-allocation  Inadequate tools in the RMA to enable more efficient mechanisms to allocate and reallocate resources	<ul style="list-style-type: none"> <li>New policy has yet to be developed</li> <li>MfE has done exploratory work, including limited discussions with iwi leaders' forum</li> </ul>	Major proposed area of policy development for 2020-2023	<ul style="list-style-type: none"> <li>Expected to require legislative change</li> <li>Needs to be completed before councils can complete their new freshwater regional plans to implement NPS-FM 2020</li> <li>Closely linked to addressing Māori rights and interests and RMA reform</li> <li>Potentially linked to funding of the freshwater management system</li> </ul>
A management and allocation system traditionally based on the marginal effects of individuals, rather than the collective effects of many individual decisions	<ul style="list-style-type: none"> <li>NPS-FM 2020 requires councils to set environmental outcomes and resource use limits to achieve those outcomes taking cumulative effects into account. Councils must not allow overallocation of resources. Councils must at least maintain health of waterways.</li> <li>NES-F places interim controls on intensification until new freshwater regional plans are in place to address cumulative effects</li> </ul>	Some provisions in place, will also be addressed by other work areas	<ul style="list-style-type: none"> <li>Councils to be supported to implement the NPS-FM 2020. Setting limits is technically difficult and resources and scientific capability is limited</li> <li>MfE will continue to support the implementation of interim controls on intensification under the NES-F</li> <li>Allocation work is considering different approaches to the nature of rights to enable changes to be made more easily to reflect collective effects</li> </ul>
Significant technical, practical and regulatory challenges of managing diffuse discharges	<ul style="list-style-type: none"> <li>NPS-FM 2020 sets national bottom lines for contaminants from diffuse sources and requires councils to take action if these are below bottom lines or get worse</li> <li>RMA amendments (2020) enabled the freshwater farm plan regime – which is a key tool designed to address diffuse discharges from farms</li> <li>NES-F sets a cap on synthetic nitrogen fertiliser per hectare</li> </ul>	Some provisions in place, will also be addressed by other work areas	<ul style="list-style-type: none"> <li>MfE and MPI are jointly developing the freshwater farm plan regime</li> <li>MfE will continue to support the implementation of the NPS-FM 2020 and the synthetic fertiliser cap (eg through guidance and co-ordination of systems)</li> <li>Jobs for Nature can be used to build workforce capability and capacity to rollout farm plans</li> <li>Overseer has been a key tool for estimating diffuse discharges of nutrients at farm level. A review of the Overseer is underway</li> <li>Commitment from previous Government to review DIN and DRP settings in the NPS-FM 2020</li> <li>Allocation work will look at new approaches to manage diffuse nutrient discharges</li> </ul>
Under-investment in key system features like applied science, data management, monitoring,		Proposed area of policy	<ul style="list-style-type: none"> <li>Implementation work looking at ways to improve data management, compliance, monitoring and enforcement</li> </ul>

System Challenge	What's been done so far	How significant is this now	Implications for the MfE work programme and recommendations for Government priorities
compliance and enforcement caused by chronic underfunding of the freshwater management system (which relies on ratepayer not user funding)		development for 2020-2023	<ul style="list-style-type: none"> <li>MfE recommends policy work be undertaken between 2020 and 2023 on funding sources</li> <li>Links to allocation work both for funding of the system and the need for improved information to run an effective allocation system</li> <li>Links with wider RM reform work</li> </ul>
No clear framework to support and fund the restoration of water bodies that have been heavily degraded	<ul style="list-style-type: none"> <li>No new policy has yet been developed</li> </ul>	Some ongoing government funding. May be addressed by other work areas	<ul style="list-style-type: none"> <li>MfE recommends policy work be undertaken between 2020 and 2023</li> <li>May need legislative change to implement a solution</li> <li>Jobs for Nature funding can be used to better understand what works in terms of restoration and to build workforce capability in areas like monitoring</li> <li>Potentially links to allocation work and Māori rights and interests</li> </ul>
Chronic underfunding of three waters infrastructure	<ul style="list-style-type: none"> <li>DIA leads policy work on three water reforms</li> <li>DIA fund has been established to support infrastructure upgrades and reform of the sector</li> </ul>	Supporting other agencies	<ul style="list-style-type: none"> <li>MfE engages with DIA on work in this area.</li> <li>MfE leads work to develop a revised NES for protecting of sources of drinking water</li> </ul>
A lack of central oversight, coordination and early intervention in respect of the performance and decision-making of local government on freshwater issues	<ul style="list-style-type: none"> <li>MfE advises Minister on performance issues with councils on an ad hoc basis</li> <li>New policy has yet to be developed on a more systemic approach to oversight of the system</li> </ul>	Proposed area of policy for 2020 – 2023	<ul style="list-style-type: none"> <li>MfE recommends policy work be undertaken between 2020 and 2023</li> <li>Links closely with Māori rights and interests</li> <li>Links closely with wider RM reform work</li> </ul>
Addressing Māori rights and interests in freshwater	<ul style="list-style-type: none"> <li>Successive Governments have committed to addressing Māori rights and interests in freshwater</li> <li>A collective of iwi/Māori groups has formed to engage with the Crown in particular on addressing rights and interests in freshwater.</li> <li>Ngāi Tahu has initiated legal proceedings in relation to their interests in freshwater.</li> </ul>	Major proposed area of policy development for 2020-2023	<ul style="list-style-type: none"> <li>Major linkages with <ul style="list-style-type: none"> <li>Allocation work</li> <li>RMA reform</li> <li>System oversight</li> </ul> </li> </ul>

