



Essential Freshwater 77: Review of the Freshwater Leaders Group, proposal for extending their first term and appointing the Group for a second term

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	Action sought:	Response by:
To Hon David Parker, Minister for the Environment	Sign and return the briefing to MfE	30 September 2019
To Hon Damien O'Connor, Minister of Agriculture, Minister for Agriculture	Noting	

Actions for Minister's Office Staff	N/A
Number of appendices and attachments:	N/A
Note any feedback on the quality of the report	

Ministry for the Environment contacts

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Responsible Manager			
Director	s 9(2)(a)	s 9(2)(b)(i)	✓

Essential Freshwater 77: Review of the Freshwater Leaders Group, proposal for extending their first term and appointing the group for a second term

Key Messages

1. This briefing provides a:
 - a. Review of the Freshwater Leaders Group's (FLG) first term
 - b. Recommendation to extend the FLG's first term until April 2020 to allow FLG to finish advising on the Essential Freshwater policy package
 - c. Recommendation to appoint a refreshed FLG for a second term, and a proposed work programme for this term.

Context

Freshwater Leaders Group's Functions

2. On 3 July 2018, Cabinet approved the establishment of the FLG as an independent advisory group made up of senior leaders from the land-based business sector, Māori, environmental interests, local government and academia [Cab-18-MIN-0296 refers].
3. The FLG has the following functions:
 - a. Provide an independent sounding board for freshwater policy and helping develop proposals jointly with officials
 - b. Identify emerging and future freshwater management issues, opportunities and challenges for the Minister for the Environment and the Ministry for the Environment to consider, and
 - c. Undertake any other advisory function on the water programme agreed between the Minister for the Environment and the FLG.
4. As at the time of this briefing, FLG have held 13 meetings including joint meetings with Kahui Wai Māori (KWM), the Science and Technical Advisory Group (STAG), and the Regional Sector Water Subgroup. They have produced two reports and three letters setting out their views on the Essential Freshwater proposals.

Remainder of FLG's first term

5. FLG's first term finishes on 30 September 2019. This means that some of the term runs alongside public consultation on the Government's Essential Freshwater package.
6. At its 9 August 2019 meeting, FLG members discussed how the group would work during the consultation period. Members agreed that as the focus of the Water Taskforce is now on public consultation there is no need to meet until consultation is complete. Although this means that the FLG will not meet again before its first term finishes the Ministry agree with this decision.

Review of FLG's initial term to-date

7. The Terms of Reference (TOR) for the FLG note that the efficiency and effectiveness of FLG will be reviewed before the end of its first term.¹
8. The FLG was established to ensure that Essential Freshwater policy proposals went through a robust critique before being considered by Cabinet. This has been the case and proposals have benefitted from robust discussion at meetings. The FLG has been an efficient and effective vehicle for engaging a wide variety of views throughout the development of the Essential Freshwater programme.
9. FLG members have also made valuable contributions at public meetings where they have brought a non-government voice, explained the proposals from a primary sector viewpoint and brought real world experience to play.
10. The group provides a vehicle for bringing a coordinated view to what might otherwise be a fragmented stakeholder feedback on proposals. We therefore recommend extending the first term until April 2020 and then reappointing the group for a second term to provide clarification and advice to officials and the Independent Advisory Panel (IAP) if requested.
11. The expected benefits of an extension include the final phases of the freshwater policy consultation benefiting from the advice of, and collaborative engagement with, an expert body of industry and NGO leaders who bring a wide range of views and experience. The benefit of this support has been shown at the public consultation meetings.

FLG's proposal for changes to its role during a second term

12. At its August 2019 meeting, FLG expressed a desire that, if reappointed for a further term, it operate differently. At the meeting the FLG discussed:
 1. Operating at a higher level
 2. Meeting no more than once a month
 3. Having a budget to contract work and reports
 4. Meeting outside Wellington/rotating meeting locations
 5. Having more control of its work programme
 6. splitting the group into two groups to allow members to focus on areas of interest/expertise.

Comment on FLG's suggestions

13. We do not support these suggestions as they have potential to divert FLG away from its key purpose (that is providing advice on policy proposals). Giving FLG a budget and more control of its work programme would move it from being an advisory group to being more of a think tank and would take significant resources from the implementation of the Essential Freshwater programme.
14. Given that in its letters to you the FLG has expressed concern about the resourcing of the Water Taskforce, it would be useful for officials to meet with FLG to discuss the impact of reallocating or reprioritising funds to the FLG on the Essential Freshwater programme. The suggestion that FLG meet outside Wellington also has the potential to increase costs as officials presenting papers or discussing proposals would need to travel to the meeting for a one or two hour presentation. We do not believe this would be an efficient approach.

¹ Freshwater Leaders Group Terms of Reference, paragraph 6

15. Indicative costs for the FLG carrying out its own research are likely to be similar to KWM. In its first term, KWM commissioned \$345,328 worth of reports and research. We expect that the costs of the FLG commissioning work would be similar to KWM's. However, KWM unlike FLG, had funding allocated to it. As a result, should the FLG's request for funds be agreed to, funds would have to be found from Ministry baseline and other work reprioritised or stopped.
16. We believe that the Freshwater Taskforce and the Essential Freshwater programme would be better served by FLG continuing to act solely as an advisory group.

Extending the current term until April 2020

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17. As noted, the FLG has been a valuable resource in the development of, and consultation on, the Essential Freshwater programme proposals. To maximise the FLG's value we propose extending the current term until April 2020. This will allow current members to provide clarification and advice to officials and the IAP if requested.
18. Extending the term would help mitigate the risk that some members may feel that their job is unfinished as the policy proposals are yet not finalised.

Members not seeking reappointment

19. Tom Lambie has indicated he is unable to serve beyond September 2019. Lees Seymour resigned earlier this year because of work commitments.
20. If other members do not seek to continue serving on FLG, we will work with your office to draft a letter thanking them for their service and to manage the exit process and communications about their leaving the FLG.

Process for extending the term

21. APH appointed the FLG for a one-year term and delegated authority to you and Minister O'Connor to appoint new or replacement members if needed. The delegated authority does not give you the ability to reappoint the group for a second term. s 9(2)(h)
[REDACTED]
22. If you support this option, we will provide talking points for the next Cabinet meeting.

Second term: a change in focus and an indicative work programme

Second term

23. We recommend that following the completion of an extended first term you reappoint a refreshed FLG for a second term to help with the next phase of the Essential Freshwater programme. We propose that the length of the term and its focus are finalised following final decisions on the Essential Freshwater programme proposals.
24. Should you decide to reappoint the FLG for a second term, and appoint new members officials will work with your office and stakeholders to identify suitably qualified members to replace any capability gaps. We will then seek agreement from you and Minister O'Connor for final membership of FLG.

Change in focus

25. We believe that the change in the Essential Freshwater work programme from developing policy proposals to implementing them requires a change in focus for the FLG's second term.

26. We recommend that the FLG's second term focus on supporting the implementation of the final policy and other related policy areas. This change in focus could mean that some members no longer have the skills and experience necessary and would not seek a second term. We will provide advice on managing any risks resulting from changes in membership as part of the appointment process.

Work programme/core areas of work for a second term

27. As noted in the review of FLG's first term, the group has focused on advising on draft policy. We believe that in its second term the group should take a wider view and work on the following Essential Freshwater programme areas:
- a. Contributing to the regulatory and non-regulatory implementation of the Essential Freshwater programme proposals.
 - b. If necessary, provide informal access to representatives of industries and groups that will be affected by allocation proposals. and
 - c. Provide advice on all Ministry workstreams that have potential to impact on Freshwater. Maintaining an overview of all policy proposals impacting on freshwater will be key to the successful long-term implementation of the Essential Freshwater policies.

Providing advice across the Ministry on relevant work streams

28. The Ministry has several programmes other than Essential Freshwater programme that will impact on all New Zealanders and all industries operating in New Zealand. These programmes are Climate Change, Resource Management Review and Reform, and Sustainable Land Use. While it would require redrafting of its TOR, the FLG could be recast as an advisory group that contributes to the development of all policy that would drive the changes needed to improve New Zealand's environment. It is likely that not all members would want to be involved with the FLG if it took a wider view of our policy development.

The role of the FLG and other freshwater advisory groups

29. FLG is one of four groups providing advice on the Essential Freshwater Programme. The other groups are KWM, STAG, and the Regional Sector Water Subgroup. Each of these groups has a separate mandate and topic of interest that feeds into but is independent of FLG's work.
30. Briefing note 2019-B-05926 sought your opinion on the future of KWM.
31. The STAG is half way through its two year term and will continue to focus on providing advice on improving environmental health and the National Objectives Framework.
32. The Regional Sector Water Subgroup was formed by the regional sector as a subset of an existing regional council special interest group. While the Taskforce provides information to the Subgroup it operates independently at minimal financial cost to the Taskforce and the Ministry.
33. As these groups operate independently of the FLG they will continue to operate regardless of the FLG's reappointment.
34. However, we believe that in the long term there could be benefit in having the FLG and the Regional Sector Water Subgroup work together on regional sector implementation issues.
35. When we have a clearer understanding of the implementation support required by the regional sector we will investigate how these two groups could best work together.

Recommendations

36. We recommend that you:

- a. **Note** the findings of the review of the FLG's first term. The review found that the FLG has been an efficient and effective vehicle for engaging a wide variety of views throughout the development of the Essential Freshwater programme. **Yes / No**

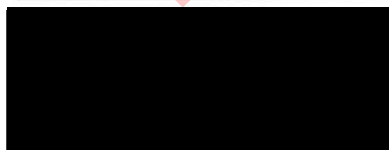
Extending the current term until April 2020

- b. **Note** that officials recommend extending the current term until April 2020 so that the FLG can support the final phase of consultation and policy development. **Yes / No**
- c. **Agree** to take an oral item to Cabinet to extend the FLG's first term until April 2020 **Yes / No**
- d. **Agree** that for the extended term the FLG provide clarification and advice to the Independent Advisory Panel considering the submissions on the Essential Freshwater programme proposals if requested. **Yes / No**

Second term and a change of focus

- e. **Agree** to appoint the FLG for a second term following the conclusion of the extended first term **Yes / No**
- f. **Direct** officials to report to you within a month of the final report of the Independent Panel considering submission with a list of the skills and experience that FLG will need during second term to support the next phase of the Essential Freshwater Programme. **Yes / No**
- g. **Agree** to a refresh of the FLG membership as needed so that the second term supports the further development of the Essential Freshwater programme **Yes / No**

Signature



Director, Water

Date

27/9/19

Hon David Parker
Minister for the Environment

Date