

Sustainable Water Programme of Action – Implementation Package

Office of the Minister of Agriculture

Office of the Minister for the Environment

Chair, Cabinet Policy Committee

Proposal

1. We seek Cabinet's approval to implement a staged package of actions to improve the sustainable management of New Zealand's freshwater resources. In November 2004, Cabinet approved the release of a public consultation discussion document Freshwater for a sustainable future: issues and options [POL Min (04) 26/7 refers]. We were invited to report back on the outcomes of that consultation. This paper fulfils the requirements of that report back and proposes a package of future actions.

Executive Summary

2. The Sustainable Water Programme of Action was established in 2003 as one of the four priority work areas under the Sustainable Development Programme of Action. This Paper builds on the extensive public consultation undertaken in early 2005, the analysis of concerns about the current water management framework, and recent changes to the Resource Management Act 1991 to improve the management of resources.

3. We have identified three national outcomes for freshwater:

- Improve the quality and efficient use of freshwater by building and enhancing partnerships with local government, industry, Māori, science agencies and providers, and rural and urban communities.
- Improve the management of the undesirable effects of land-use on water quality through increased national direction and partnerships with communities and resource users.
- Provide for increasing demands on water resources and encourage efficient water management through national direction, working with local government on options for supporting and enhancing local decision making, and developing best practice.

4. Specific actions are recommended to achieve the national outcomes including:

- Leadership and partnership
 - Establish, within three months, a leadership group reporting to the Ministers for the Environment and of Agriculture. The group will be drawn from and will build on existing partnerships with local government, industry, Māori, science agencies and providers, and rural and urban communities. It will advise on

the priority that should be accorded to various water management issues and methods to address them.

- National direction
 - Scope and draft the following:
 - National Policy Statement on managing increasing demands for water;
 - National Environmental Standard for methods and devices for measuring water take and use;
 - National Environmental Standard on methods for establishing environmental flows.
 - Consider the potential value of and options for a National Policy Statement on nutrients and microbial contaminants and sediment.
- National priorities
 - Identify catchments that are sensitive and 'at risk' from rural and urban diffuse discharges.
 - Establish criteria for identifying nationally outstanding natural water bodies.
- Tools to assist regional councils
 - Investigate current practice and develop enhanced methods for transferring water consents
 - Investigate the role of water user groups in managing water under cooperative management regimes
 - Improve methodologies for applying environmental flows to water bodies.
 - Develop methods to assist regional councils to recover costs for water management.
 - Develop methods for identifying and protecting natural character and biodiversity values.
 - Develop methods for managing over-allocated catchments including examining the possible effectiveness of alternatives to first-in-first-served allocation mechanisms.
 - Develop model resource consents and consent conditions for water.
 - Develop strategies for better alignment of science priorities and the Programme.

5. The actions are focused on strengthening regional management of freshwater and providing solutions and tools that councils and communities can adapt for different regional circumstances. Keeping the primary responsibility for water management at the regional level is essential, as it recognises varied geographical conditions, regional councils' understanding of relevant local information including community and environmental needs, and their direct accountability to their communities.

6. We recommend reporting to Cabinet in February 2007 on options for supporting and enhancing local decision-making. We recommend reporting in March 2007 on the need for and proposed content of national instruments (including national policy statements and national environmental standards for addressing specific water issues) and on strategies for engaging with science agencies and providers. We recommend that we report back to Cabinet on progress with meeting these timeframes for the Programme by 31 October 2006.

Background

7. The Sustainable Water Programme of Action was established in 2003 as one of the four priority work areas under the Sustainable Development Programme of Action. This paper builds on the extensive public consultation undertaken in early

2005, the analysis of concerns with the current water management framework, and recent changes to the Resource Management Act 1991 to improve the management of resources.

8. Feedback on the 2004 discussion paper revealed a range of responses to the challenges of freshwater management. While there was a general call for issues to be addressed and acknowledgement that action is required, there was little consensus on the solutions. Six broad goals for the Programme were discussed and confirmed with community groups, local government and Māori. The goals were confirmed as:

- achieve greater strategic planning for water at national and regional levels;
- provide clearer direction and guidance from central government;
- ensure greater consistency in the way increasing demands on water resources are managed across the country;
- develop a better framework for deciding between conflicting demands for water;
- enable increased effectiveness of Māori participation in water management; and
- provide for more effective management of the impacts of diffuse or unintended discharges on water quality.

9. As a country we are not short of water. It is a vital input for the primary sectors upon which the New Zealand economy relies. Yet demands on freshwater in some regions (especially for irrigation) are increasing and in many cases are exceeding what is available or sustainable. New Zealanders value the high quality of our freshwater resources. Yet water quality is declining in many of our lowland streams as an unintentional consequence of changing land-use patterns. We have, until now, possibly taken our abundance of freshwater for granted. Given the range of interests in water (social, cultural, environmental, economic), it is difficult under the present system to articulate clear priorities and manage competing interests fairly and efficiently. The impact of climate change is already affecting the drier eastern coast of New Zealand, and we need to plan for the future. Compounding these challenges, the management of water is inherently difficult, due to natural variability in water quality, interconnectedness between different parts of catchments and incomplete understanding of water ecosystems.

10. Managing water quality is a regional council responsibility under the Resource Management Act 1991. Delivery of the package of actions relies heavily on local government in carrying out its functions for managing freshwater. This package of actions seeks to build on the strong relationships we have developed with local government. We are already responding through central/local partnerships to demands on water, and threats to water quality through initiatives such as the Waitaki Catchment Water Allocation Regional Plan, the Lake Taupo Water Quality Protection Programme and the Rotorua Lakes project.

11. Action to improve water quality in rural areas involves an interaction of tools and knowledge developed from science with individual business decisions that balance production, environmental and financial considerations. There is a substantial work programme across Crown Research Institutes, universities, industry and sector organisations, agribusiness, regional councils and individuals that specifically targets improving water quality. This work programme typically involves a strong collaboration and partnership approach – many projects are co-funded between

industry and Government. A strategic and co-ordinated approach would enhance this collective work programme and the linkage to water managers.

12. Government leadership and direction is required, however, to ensure that freshwater management keeps pace with growth in industry, changes in land-use activities, climate change, and community development. In short, it is about facilitating sustainable development.

13. The following principles have been used to guide the development of the package:

- water will continue to be managed as a public resource;
- freshwater management will be improved under the Resource Management Act;
- regional councils will continue to have primary responsibility for managing freshwater;
- clear environmental limits will be set for water quality and the quantity available for allocation;
- enhancements to existing mechanisms and the provision of incentives will improve efficiency of water use;
- resource users will be encouraged to take responsibility for their actions and will be given the flexibility to develop appropriate solutions;
- nationally outstanding natural water bodies will be identified and better protected;
- the best available information will be used for decision-making processes; and
- community involvement and confidence in decision-making processes will be maximised, building on the opportunities for participation in the regional planning process.

Proposed implementation package

14. We have identified three national outcomes for freshwater:

- Improve the quality and efficient use of freshwater by building and enhancing partnerships with local government, industry, Māori, science agencies and providers; and rural and urban communities.
- Improve the management of the undesirable effects of land-use on water quality through increased national direction and partnerships with communities and resource users.
- Provide for increasing demands on water resources and encourage efficient water management through national direction, working with local government on options for supporting and enhancing local decision making, and developing best practice.

15. The proposed package of initiatives is designed to achieve the national outcomes by providing clear national direction, enhancing local decision-making and enhancing regional planning. Specific actions to meet the Government's outcomes for freshwater will be further developed in consultation with local government, industry sector groups, Māori, science agencies and providers, and communities.

16. Specific actions are recommended to achieve the national outcomes including:

- Leadership and partnership
 - Establish, within three months, a leadership group reporting to the Ministers for the Environment and of Agriculture. The group will be drawn from and will build on existing partnerships with local government, industry, Māori, science

agencies and providers, and rural and urban communities. It will advise on the priority that should be accorded to various water management issues and methods to address them.

- National direction
 - Scope and draft the following:
 - National Policy Statement on managing increasing demands for water;
 - National Environmental Standard for methods and devices for measuring water take and use;
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- National priorities
 - Identify catchments that are sensitive and 'at risk' from rural and urban diffuse discharges.
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- Tools to assist regional councils
 - Investigate current practice and, develop enhanced methods for transferring water consents
 - Investigate the role of water user groups in managing water under cooperative management regimes.
 - Improve methodologies for applying environmental flows to water bodies.
 - Develop methods to assist regional councils to recover costs for water management.
 - Develop methods for identifying and protecting natural character and biodiversity values.
 - Develop methods for managing over-allocated catchments including the examining the possible effectiveness of alternatives to first-in-first-served allocation mechanisms.
 - Develop model resource consents and consent conditions for water.
 - Develop strategies for better alignment of science priorities and the Programme.

Building and enhancing partnerships

17. Strong and effective partnerships are integral to the proposed package for improving water management. This includes strengthening existing partnerships with local government, Māori, industry, voluntary and community stewardship organisations, interest groups and science agencies. Forging strong partnerships with industry and the community is critical for managing the impacts of land use on water quality and the challenges of managing increasing demands for water.

18. We will lead the development of these effective partnerships by establishing, within three months, a leadership group comprising local government representatives and key stakeholders that will report to the Ministers for the Environment and of Agriculture. This group will assist the implementation of the package of actions by advising on the priority that should be given to the various water management issues and methods to address them.

19. The partnership programme will work with:

- local government to build on the existing close partnership with councils, and in particular using the regular Central/Local Government Forums (political) and Chief

Executives Environment Forum (officials) meetings. Through these forums we will seek commitment from local government to work on the programme and manage issues as they arise. As noted at the Central/Local Government Forum held on 30 March 2006, local government representation will be essential to confirm the need for, scope and issues to be addressed through national policy statements, national environmental standards and best practice programmes for freshwater management. Councils will also need to be partners in any industry sector agreements.

- industry sector partners to develop a set of agreed targets for land management activities which impact on water quality. Targets will encourage industry to move beyond compliance. Industry will be expected to lead change for most land-users in New Zealand, with the active support of government departments and councils (Sensitive catchments such as Taupo may require greater support or regulation). These partnerships will build on initiatives such as Dairy 21 [**Dairy 21 comprises of representatives from Fonterra, Westland, the Dairy Companies Association of New Zealand, Dexcel, AgResearch, Livestock Improvement Corporation and Dairy Insight, to help generate funding for research to deliver improved productivity for the dairy industry.**], the proposed "Dairy Industry Strategy for Sustainable Environmental Management", and the applied research from Sustainable Farming Fund projects.
- Māori to develop and implement opportunities for engagement, to improve participation in statutory decision-making processes, and to develop guidance for councils on incorporating Māori values into policy-making and planning.
- science agencies and providers, and local government to identify information gaps and to ensure freshwater science and research funding is aligned with the needs of end users, including local government, and is accessible. Science is also needed to support the development of national instruments and best practice guidance associated with the implementation package.
- rural and urban communities and stewardship programmes to raise awareness and involve communities in improving the environmental quality of water. Partnerships with environmental groups, the voluntary sector, and local government will be strengthened to develop targeted awareness raising programmes.

Linkages with other government programmes.

20. The implementation package has links with emerging climate change policy. Government consideration of appropriate land uses such as forestry to offset greenhouse emissions, and the use and types of fertilisers are directly relevant to the Sustainable Water Programme of Action.

21. There are strong parallels between the implementation package and the Programme of Work to Review Flood Risk Management. In managing natural hazards and the impacts of land-use on water quality, regional councils and territorial authorities each have roles in natural resource planning and managing the effects generated by land use. A lack of clarity around these complementary roles can lead to a lack of integration between levels of local government. We see strong synergies between both programmes, particularly in clarifying the roles of each level of government and seeking ways to promote integrated solutions.

22. Specific actions to address the effects of land use on water quality are relevant to waterways in urban and rural areas. The actions complement work under the Sustainable Cities component of the Sustainable Development Programme of Action (such as the Auckland Sustainable Cities Programme), water efficiency and labelling

standards, the national environmental standard on human drinking-water sources, and the urban design protocol.

23. While the implementation package outlined in this paper does not directly address the provision of water enhancement schemes, defining the role of Government in supporting community water enhancement schemes is underway. This work is led by the Ministry of Agriculture and Forestry [CBC Min (05) 11/24 refers].

24. This paper does not address privatisation and ownership of water infrastructure, nor does it propose to alter the current arrangements. These issues were addressed as part of the review of the Local Government Act in 2003.

25. The implementation package needs to be integrated with existing biodiversity and biosecurity programmes such as the Biodiversity Strategy. In particular, it must be integrated with public awareness, and restoration and protection programmes undertaken by central government (Department of Conservation and Biosecurity New Zealand), Fish and Game New Zealand, community groups and local government.

Managing the undesirable effects of land-use on water quality

26. Declining water quality in many lowland streams across New Zealand requires action. Some reports have indicated that as many as half of our lowland water bodies in urban and rural areas consistently fail to meet microbial, nutrient and clarity guidelines [*Nationwide regional state and trends in river water quality 1996-2002*, National Institute of Water and Atmospheric Research Ltd; S. Larnard, M. Scarsbrook, T. Snelder, N. Norton, prepared for Ministry for the Environment, February 2005.]. Poor water quality impacts on ecological, recreational, cultural and economic values.

27. A proactive approach to managing the impacts of changing land use, which draws on a mix of partnerships, industry-agreed targets and government direction, will provide a solid platform for water quality management.

28. Components of the proposed package of actions are:

Develop agreed targets with industry

- Communities, farmers and key sector organisations increasingly recognise the need to address the unintended consequences of land use on water quality and quantity. To provide greater direction for integrated management between land activities and freshwater, targets and programmes will be developed in partnership with local government and sector organisations. The Dairying and Clean Streams Accord (a government and industry partnership) has demonstrated the ability to meet targets earlier than expected using a partnership approach.

Targeted assistance and management

- Through partnership arrangements, provide information and advice to land users on improving practice to reduce the level of contaminants entering water bodies. Government funding and/or regulation may also be needed to achieve greater levels of compliance with targets in addition to voluntary measures.
- Undertake a national programme to identify and assess water bodies that are sensitive and 'at-risk' from rural and urban diffuse discharges.

National direction

- Consider the potential value of and options for a National Policy Statement on nutrients and microbial contaminants and sediment. This task will consider the specific management intentions for regional and local authorities when developing policy statements and plans.

29. The package will provide confidence that there is a sound framework in place to protect the environmental quality of New Zealand's water resources from the undesirable effects of land-use. The national instruments will provide greater government direction for strong environmental limits to be set at the local level and will promote integration between local and regional approaches to managing land use. The package seeks to endorse and extend existing initiatives led by local government for managing water quality.

Managing the growing demands for water

30. Increasing demand [**Demand is from instream and out-of-stream uses and values.**] and competition for water in some regions is resulting in less certainty for water users and communities. In some over-allocated catchments, a lack of available water is resulting in risks and constraints to the environment, industry and community development.

31. We propose to work with regional councils to enhance water allocation planning and improve the mechanisms for assessing protection and use. This builds on the public participatory processes of regional resource management planning.

32. Components of the package include scoping the opportunities for increased national direction, working with local government to identify opportunities to support and enhance local decision-making, and undertaking longer-term investigations with local government and stakeholders. The investigation projects are likely to identify areas where practices could be improved through guidance and support, and areas where legislative amendments to the Resource Management Act might need to be considered.

33. The package will provide a more strategic and nationally consistent approach to managing demand for water, with an emphasis on active management of the most highly valued and most highly allocated water bodies. National leadership should precede regional planning approaches, rather than requiring retrospective adjustments to plans and policies. Work will involve scoping and drafting a national policy statement for the consideration of sector groups and iwi.

34. The development of tools will emphasise avoiding further over-allocation and investigate how existing over-allocation could be addressed. The intent is to provide greater certainty and transparency to all water users on how their values (including economic, environmental, social and cultural) are provided for.

Scope and draft a national policy statement that clearly expresses the intent to manage increasing demands for water by allocating water to uses and values transparently and efficiently.

35. The role of regional councils in the allocation of natural resources, including water, has been clarified under the amendments to the Resource Management Act. This strengthens their ability to address issues of water supply and demand through the development of regional plans, particularly allocation plans. Most regions have allocation plans. In many cases these do not provide certainty on the allocation of water to specific uses and values.

36. A national policy statement is proposed to provide guidance on managing demand, including methods of allocating water. This guidance would assist councils in providing for water allocation to the environment, cultural and social values as well as to other uses and values through the public process of regional planning. This approach has most recently been undertaken through the Waitaki Catchment Water Allocation Regional Plan process.

Scope and draft a national environmental standard on methods for establishing environmental flows for rivers, lakes, wetlands and groundwater resources by regional councils.

37. Councils establish minimum flows for water bodies using a range of tools and methods. To achieve greater consistency in the use of methods, a national environmental standard is proposed for establishing environmental flows for rivers, lakes, wetlands and groundwater resources by regional councils.

Scope and draft a national environmental standard for methods and devices for measuring water take and use.

38. Improving the accuracy of the information available to water managers will improve catchment management decision-making. Inconsistent and variable information within and across regions about the volumes of water actually used presents a challenge for policy and decision making. Better information will assist officials to develop policies that will encourage more efficient use of fresh water resources.

39. Greater consistency in measuring abstractive uses could be achieved through a national environmental standard that will establish methods, criteria and the rationale for councils to require water measuring devices for consented water takes (individual households would not be required to install water measuring devices). The purpose of the standard is to inform management decisions through better understanding of the resource.

Develop criteria for identifying nationally outstanding natural water bodies in partnership with environmental groups, industry sectoral groups, recreational groups and Māori and provide greater protection for their natural values under the Resource Management Act.

40. Earlier work under the Sustainable Water Programme of Action included developing lists of water bodies of national importance. Significant technical difficulties were encountered. Officials concluded that it would be better to identify a discrete group of nationally outstanding natural water bodies.

41. A small and tightly defined set of nationally outstanding water bodies would be determined using criteria which will be developed as part of this programme. The selection process will be undertaken in partnership with local government, environmental, recreational and industry sectoral groups, Māori and other water users in the community. Identification of nationally outstanding natural water bodies will provide certainty to councils, industry, and communities about which water bodies should be protected to a high level. Once a list has been developed, the range of options for securing a high level of protection for nationally outstanding natural water bodies will be considered.

Investigate current practice and develop enhanced methods for transferring water consents and investigate the role of water user groups in managing water under cooperative management regimes.

42. The Resource Management Act provides the ability to transfer resource consents to take and use water from one location to another within the same catchment, and to discharge contaminants into water bodies. While many regional councils enable transfer of consents through regional plans, enhancing the use of transfer could facilitate more efficient use of water, particularly in catchments that are at or near full allocation; and could encourage a reduction in contaminants entering water bodies [Transfers can currently only occur within the boundaries established by regional water plans. All the conditions, expiry dates, monitoring requirements or environmental performance standards, that attach to the consent are transferred with it.].

43. The proposal is to investigate the current practice for transferring water consents and to determine whether separating the “take” and “use” aspects of consents will assist councils in using the transfer provisions in the Resource Management Act. Currently water permits are issued in many different forms. Some grant a certain volume of water for a specified use, for example, to irrigate land for grazing. Other permits are issued without stating a specific use, for example, the volume of water that can be taken. A mixture of approaches complicates catchment management and transfers. Separating the “take” and site specific “use” components of the permit could facilitate a focus on the different effects of the take of the water from the water body and the site-specific effects of the use of the water.

44. Separating the “take” and “use” aspects of water consents could also facilitate the use of “cap and trade” solutions, such as the proposed regime for Lake Taupo, to ensure a percentage reduction over time of nutrients entering the lake. This approach involves setting a maximum amount of discharge allowed to enter the lake and then providing for the transfer of discharge consents between land-users. The transfer of consents would occur within the total level of discharge allowed for the

catchment (the cap). This approach could be more readily applied to other catchments where water quality is a problem, and could also be applied to transferring water use permits within set allocation limits for specific water bodies. The separation of “take” and “use” aspects of consents could help facilitate the trading within allocation limits, or maximum levels of discharge.

45. The investigation of current practice of transferring water consents will be extended to considering the merits of providing increased authority to water user groups to manage allocated water. Water user groups may be a more viable option where demand for water is lower, or where there are fewer resource users involved. The investigation would involve considering how permit holders could be given the flexibility to manage their collective water take in a way best suited to the local situation.

Improve methodologies for applying environmental flows to water bodies.

46. The historical approach for setting environmental flows concentrates on setting minimum river flows. This approach has failed to adequately specify how much water is available to allocate to other uses and values, including cultural and recreational values. Shifting the emphasis from setting minimum flows to setting environmental flows could encourage thinking beyond low flows and taking into account other ecological, recreational and cultural values. It would also encourage consideration of the changing availability of the resource under all hydrological conditions, for example, variations in flows over a season. The proposal will investigate the use of the term ‘minimum flows’ within the Resource Management Act and the range of methods that can be used to secure environmental values.

Develop methods to assist regional councils to recover costs for water management.

47. Councils can currently charge for the management of water, such as monitoring and compliance of resource consent conditions under section 36 of the Resource Management Act. However, councils currently cannot charge for the use of water. Financial contributions from resource consent applicants can be required under section 108 of the Resource Management Act. Some councils are examining their current funding of water management, including exploring the ability to charge for the management of water on a volumetric basis as a means to encourage more efficient use of water.

48. This project involves exploring the current and alternative options for funding water management, including whether the proportion currently met by those who hold resource consents is appropriate. Water management costs can relate to investigations, resource monitoring and other costs met by the council and ratepayers in managing water resources.

Develop methods for identifying and protecting natural character and biodiversity values.

49. The proposed project investigates methods for identifying and describing freshwater representative biodiversity values, in conjunction with local government, sector stakeholders, the Department of Conservation and science providers.

Develop methods for managing over-allocated catchments including examining the possible effectiveness of alternatives to first-in-first-served allocation mechanisms and other mechanisms for the effective reallocation of consents.

50. Enhancing the administrative transferability of water consents could go some way to helping make more water available. But there are other options available to reduce pressure on over-allocated catchments. These options include, but are not limited to, percentage reductions, 'grand parenting' arrangements, and other systems. These measures, including the equity issues they raise, require further investigation and will be considered as projects under the programme to be explored over a longer time frame.

Develop model resource consents and consent conditions for water.

51. The efficiency of water use is likely to be improved by consistent and clear water take and use consent conditions. If resource consent conditions are overly restrictive they can inadvertently limit the potential for consent holders to transfer water. This project would seek to build on council experience to develop a best practice guide for consent structure and consent conditions. It will complement investigations of transferability.

Consultation with stakeholders

52. A strategic engagement led by Ministers is required with key stakeholder groups and representatives to advise on further developing the implementation package. This will be guided by a leadership group, in consultation with local government, industry, Māori, science agencies and providers; and rural and urban communities.

53. The Ministers for the Environment and Agriculture will promote the package. A key objective will be to encourage ongoing discussion and awareness of water issues and the goals of the implementation package.

54. Specific elements of the package will be developed in consultation with key stakeholders. The scoping of national policy statements, national environmental standards, legislative changes, and criteria for identifying nationally outstanding natural water bodies will require reference groups to be established with membership from a wide range of departments, local government and stakeholder interests.

Risks

55. There are high expectations amongst stakeholders and the wider community that a work programme containing specific tools and actions will be released in early 2006.

56. Environmental and recreational groups may view the package as providing insufficient action to address the declining water quality of some water bodies. There was a strong call from many groups during the March 2005 consultation process to address declining water quality.

57. Agricultural, industry and business sectors may regard the package as advocating the use of national instruments such as national policy statements and national environmental standards too soon, raising concerns about potential increases in compliance costs. Some industry sectors may raise concern that the package does not provide enough immediate support for the development of market regimes to trade water.

58. Regional government will be concerned about actions that imply central government encroachment on their role as primary managers of water resources, including proposals for national instruments.

59. Maori will raise concerns about projects that could be viewed as raising the issue of ownership of water. Many Māori also consider that their Treaty interests go beyond solely ownership of water resources - extending to the protection of Māori cultural values in water, equitable access to the use of water for economic and cultural benefit and a role in decision-making about water allocation that reflects the Treaty relationship. While the actions proposed do not represent a substantial change to the existing rights regime, or preclude any future changes, Māori may consider that their interests need further recognition.

60. The risks associated with individual actions are mitigated by working in partnership with local government, industry, interest groups and Māori. The success of the implementation package will depend on strong alignment and timing of the processes proposed for building and enhancing partnerships, and for developing specific tools (for example national policy statements and national environmental standards).

Next steps

61. We recommend reporting to Cabinet on progress with the following specific actions:

Date	Action
Leadership and partnership	
30 June 2006	Establish a leadership group, which will report to the Ministers for the Environment and of Agriculture, to advise on the priority that should be accorded to the various water management issues and methods to address them
31 October 2006	First progress report to Cabinet on the water programme.
National direction	

28 March 2007	<p>Consider the potential value of and options for a National Policy Statement on nutrients and microbial contaminants and sediment.</p> <p>Scope and draft the following:</p> <ul style="list-style-type: none"> • National Policy Statement on managing increasing demands for water; • National Environmental Standard for methods and devices for measuring water take and use; • National Environmental Standard on methods for establishing environmental flows.
National priorities	
28 March 2007	<p>Identifying catchments that are sensitive and ‘at risk’ from rural and urban diffuse discharges;</p> <p>Establishing criteria for nationally outstanding natural water bodies.</p>
Tools to assist regional councils	
28 February 2007	<p>Enhancing current practice for transferring water consents and the role of water user groups in managing water under cooperative management regimes.</p> <p>Developing improved methodologies for application of environmental flows for water bodies.</p> <p>Options for regional councils to recover costs for water management.</p>
28 March 2007	<p>Developing methods for identifying and protecting natural character and biodiversity values.</p> <p>Developing methods for managing over-allocated catchments including examining the possible effectiveness of alternatives to first-in-first-served allocation mechanisms.</p> <p>Developing model resource consents and consent conditions for water</p> <p>Strategies for better alignment of science priorities and the Programme.</p>

The above reports will include any other matters arising during the process relevant to the implementation of the Programme.

Consultation with other departments

62. The following government departments have participated in the development of the Sustainable Water Programme of Action and this Cabinet Paper: the Ministry of Agriculture and Forestry, the Ministry of Economic Development; Te Puni Kōkiri (the Ministry of Māori Development), the Treasury, the Department of Conservation, the Department of Internal Affairs, the Department of the Prime Minister and Cabinet.

63. Treasury and the Ministry of Economic Development are of the view that the set of measures on water will have limited impact without understanding by all stakeholders of the nature and seriousness of the current and foreseeable problems. In addition the extra flexibility provided to water planners and users may

not be employed to the extent necessary without appreciating the crucial role that mechanisms such as consent transfer and cap-and-trade approaches can play in achieving the goals at minimum cost. Achieving the desired flexibility may rely on further minor legislative change. Clear communication of these messages is crucial to meeting expectations of this programme and ensuring that the proposals have real impact.

64. The Department of Conservation agrees with the direction of the Paper but is of the view that the voluntary approaches put forward in some actions will not achieve sufficient protection of freshwater ecosystems quickly enough.

Financial implications

65. The Ministry for the Environment and the Ministry of Agriculture and Forestry are currently applying for reallocation of RMA CMA (Coastal Management Area) funding for the 2006/2007 financial year to undertake preliminary work for implementing the Sustainable Water Programme of Action. Work includes developing partnerships, scoping national instruments and developing best practice. Additional funding may be sought for tool development in 2007/2008.

Human rights

66. There are no human rights implications associated with the recommendations made in this paper.

Regulatory impact and compliance cost statement

67. Regulatory impact and compliance cost statements will accompany the reports to Cabinet outlined in paragraph 61.

Publicity

68. A communications plan for the public release of the implementation package will be developed.

Recommendations

69. We recommend that the Committee:

1. Note that the Sustainable Water Programme of Action was established in 2003 as one of the four priority work areas under the Sustainable Development Programme of Action.

2. Note that extensive public consultation in early 2005 confirmed the six broad goals for the Sustainable Water Programme of Action:

- achieve greater strategic planning for water at national and regional levels;
- provide clearer direction and guidance from central government;
- ensure greater consistency in the way increasing demands on water are managed across the country;
- develop a better framework for deciding between conflicting demands for water;
- enable increased effectiveness of Māori participation in water management; and
- provide for more effective management of the impacts of diffuse or unintended discharges on water quality.

3. Agree to the development of a staged implementation package for the Sustainable Water Programme of Action to meet the following three national outcomes:

a) improve the quality and efficient use of freshwater by building and enhancing partnerships;

b) improve the management of the undesirable effects of land-use on water quality; and

c) provide for increasing demands on water resources and encourage efficient water management.

4. Note that the following principles have been used to guide the development of the Sustainable Water Programme of Action implementation package:

a) water will continue to be managed as a public resource;

b) freshwater management will be improved under the Resource Management Act;

c) regional councils will continue to have primary responsibility for managing freshwater;

d) clear environmental limits will be set for water quality and the quantity available for allocation;

e) enhancements to existing mechanisms and the provision of incentives will be used for improved efficiency of water use;

f) water users will be encouraged to take responsibility for their actions and provided with the flexibility to develop appropriate solutions;

g) better identification of and protection for nationally outstanding natural water bodies will be achieved;

h) the best available information will be used for decision-making processes; and

i) community involvement and confidence in decision-making processes will be maximised, building on the opportunities for participation in the regional planning process.

Leadership and partnership

5. Invite the Minister for the Environment and the Minister of Agriculture to establish, by 30 June 2006, a leadership group comprising local government representatives

and key stakeholders to advise on the priority that should be accorded to the various water management issues and methods to address them.

6. Direct officials from the Ministry of Agriculture and Forestry and the Ministry for the Environment to work with sector partners to develop a programme to raise awareness of the issues, seek support for the implementation of the proposed package and develop a set of agreed targets for land use practice changes to address water quality and quantity.

7. Direct officials from the Ministry for the Environment and the Ministry of Agriculture and Forestry to work with local government on a programme to raise awareness of freshwater issues within the wider community, and seek support for the implementation of the proposed package.

National direction

8. Invite the Minister for the Environment in consultation with the Minister of Agriculture to report to POL by 28 March 2007 on the potential and options for a National Policy Statement on nutrients and microbial contaminants, and sediment.

9. Invite the Minister for the Environment in consultation with the Minister of Agriculture to report to POL by 28 March 2007 confirming the need for and likely content of the following:

- a) National Policy Statement on managing increasing demands on water;
- b) National Environmental Standard for methods and devices for measuring water take and use; and
- c) National Environmental Standard on developing methods for establishing environmental flows;

National priorities

10. Invite the Minister for the Environment and Minister of Agriculture to report to POL by 28 March 2007 on the following:

- a) a programme to identify catchments that are sensitive and “at risk” from rural and urban diffuse discharges; and
- b) the progress with establishing criteria for nationally outstanding natural water bodies.

Tools

11. Invite the Minister for the Environment and Minister of Agriculture to report to POL by 28 February 2007 on progress with the following policy proposals:

- a) Enhancing current practice for transferring water consents and the role of water user groups in managing water under cooperative management regimes.
- b) Improved methodologies for applying environmental flows to water bodies.
- c) Options for regional councils to recover costs for water management.

12. Invite the Minister for the Environment and Minister of Agriculture to report to POL by 28 March 2007 on the potential effectiveness of the following policy options:

- a) Methods for identifying and protecting natural character and biodiversity values.
- b) Methods for managing over-allocated catchments including the examining the possible effectiveness of alternatives to first-in-first-served allocation mechanisms.
- c) Model resource consents and consent conditions for water.
- d) Strategies for better alignment of science priorities and the Sustainable Water Programme of Action.

13. Invite the Minister for the Environment and Minister of Agriculture to report to POL by 31 October 2006 on progress in the work outlined in recommendations 5, 7, 8, 9, 10, 11, 12 in this paper.

14. Agree to the public release of this Cabinet paper.

15. Agree to the public release of the attached information document outlining the implementation package for the Sustainable Water Programme of Action, subject to minor editorial changes and changes to ensure consistency with the amended Cabinet paper.

Hon Jim Anderton
MINISTER OF AGRICULTURE

Hon David Benson-Pope
MINISTER FOR THE ENVIRONMENT