

**Office of the Minister for the Environment
Office of the Minister for Primary Industries**

Chair

Cabinet Economic Growth and Infrastructure Committee

Water reform: Permission to release freshwater reform proposals and approval to undertake targeted engagement

Proposal

1. This paper seeks Cabinet's agreement to publicly release a paper entitled *Freshwater Reform* (attached in Appendix 3) setting out a proposed strategy for reforms to freshwater management in New Zealand. The *Freshwater Reform* paper will be accompanied by targeted engagement on the strategy, including immediate legislative proposals.

Executive summary

2. Over the last few months, the Cabinet Economic Growth and Infrastructure Committee (EGI) has considered the core elements of a proposed water reform strategy and agreed in principle that the government consult on them [EGI Mins (12) 26/2, 28/6-9].
3. This paper seeks permission to release a paper entitled *Freshwater Reform* setting out the Government's proposed water reform strategy. The *Freshwater Reform* paper provides an overview of the Government's long term strategy for water reform. It presents a package of reforms to be progressed over time, including immediate reforms to be incorporated in the 2013 Resource Management (RM) Amendment Bill.
4. A proposals document in the form of a White Paper is our preferred option for a discussion document, as the issues around freshwater management have been well-socialised already through the work of the Land and Water Forum (the Forum). The Forum also undertook extensive public engagement on its first report in summer 2010/11. Unlike a discussion document, a White Paper does not propose options or seek formal submissions, but comment will be invited.
5. The proposals and direction set out in the *Freshwater Reform* paper build on the consensus achieved by the Forum and our engagement with the Iwi Leaders Group. Iwi/Māori rights and interests are woven through all aspects of the long-term reform package.
6. The *Freshwater Reform* paper outlines the overall water reform package. The core policy elements include:
 - Governance and quality decision making
 - Objective and limit setting

- Managing within quantity and quality limits.
7. This paper identifies a small number of policy changes within some of these elements that have changed since Cabinet decisions on these in December.
 8. We propose targeted engagement on the whole reform package set out in the *Freshwater Reform* paper beginning on 26 February 2013. This will also be the principal opportunity for engagement on immediate water reforms to be progressed through the RM Amendment Bill, including:
 - An alternative Resource Management Act 1991 (RMA) planning process for the development of water-related plans that includes a collaborative approach to plan development, independent hearing panel, limited appeal rights, and a clear role for iwi/Māori
 - Greater statutory powers for central government intervention in regional planning
 - Amendments to the RMA to facilitate creation of a national objectives framework and to ensure councils can obtain information needed for accounting systems.
 9. The *Freshwater Reform* paper also notes that there will be further consultation on other elements of the reform that will take place later in 2013, and are not intended for inclusion in the 2013 RM Amendment Bill.

Background

10. The water reform strategy set out in the attached *Freshwater Reform* paper draws on the work of the Fresh Start for Fresh Water programme, including the three reports of the Forum and engagement with Iwi Leaders Group. The history of previous decisions was outlined in earlier papers [e.g. CAB Mins (09) 20/12, (11) 18/9].
11. On 19 November 2012, Cabinet agreed in principle that the government consult, through a discussion document in early 2013, on proposals to implement a water reform strategy. The Minister for the Environment and the Minister for Primary Industries were invited to report back to EGI in early 2013 seeking approval for the release of a public discussion document on water reform [EGI Min (12) 26/2]. Cabinet has also previously committed to wider engagement with iwi/Māori in advance of final policy decisions in 2013 [CAB Min (12) 25/16].
12. On 5 December 2012, EGI considered the core elements of the water reform strategy and agreed the substance of the proposals to be included in a discussion document [EGI Mins (12) 28/6-9]. These elements are:
 - Governance and quality decision-making
 - Objective and limit setting
 - Managing within water quantity and quality limits.

Links with Resource Management reform

13. Water reform is a component of the wider RM reforms, and some proposals in the water reform package interact with the RM proposals. This is particularly

true for the planning options in the RM reforms. Some of the changes proposed in the RM reforms will have benefits for the freshwater management system (e.g. reforms to section 32 of the RMA).

14. Due to the strong linkages and similar timeframes for advancing the water and RM reforms, targeted engagement on the immediate reforms of the water reform strategy will be timed to align with consultation on wider RM reforms. This will allow time to consider feedback and be in a position to make decisions for those immediate reforms that require legislative changes to be included in the RM Amendment Bill proposed for mid-2013.

Comment

15. We propose to release the attached *Freshwater Reform* paper (Appendix 3) containing our proposed water reform strategy and undertake targeted engagement on the strategy.
16. A document in the nature of a White Paper is our preferred option for a discussion document, as the issues around freshwater management have been well-socialised already through the work of the Land and Water Forum. The Forum also undertook extensive public engagement on its first report in summer 2010/11.
17. Unlike a discussion document, a White Paper does not present options or seek formal submissions. Instead, the attached *Freshwater Reform* paper invites comment to allow us to consider any new issues that arise.
18. Release of the *Freshwater Reform* paper is important to:
 - Allow us to maintain the momentum created by the Forum and its reports
 - Provide the opportunity for the Government to engage with iwi/Māori, the wider community, and resource users.
19. The *Freshwater Reform* paper signals the Government's long term strategy for water reform over the next decade and lays the foundation for addressing the longer-term or more complex problems. Signalling the freshwater management system we need in the long term now will ensure that short-term issues are addressed in a way that is consistent with longer-term goals.

Key changes to proposals in the Freshwater Reform Paper

20. The *Freshwater Reform* paper outlines the Government's preferred direction on freshwater reform and presents an overview of its core policy elements (which are outlined in Appendix 1). Most of these core elements are the same as those we presented to Cabinet in December 2012. Changes from the EGI papers are listed below.
21. There is an additional proposal in the governance and quality decision making section of the *Freshwater Reform* paper for the role of iwi that is different from those outlined in the November 2012 EGI paper [EGI Min (12) 28/6]. Previously, we proposed that the role for iwi in providing advice and formal recommendations to councils relating to freshwater planning ahead of the final council decision on a plan will be available in the collaborative process only.

22. The additional proposal is that this role for iwi apply to both the new collaborative process and the existing Schedule 1 process of the RMA. The rationale for this addition is to provide a more consistent approach for the role of iwi engagement across both planning pathways where decisions are being made on water. To restrict this step to only the collaborative planning option would be less effective in addressing the rights and interests of iwi in this area.
23. The *Freshwater Reform* paper provides more detail in the quality decision making section on the alternative planning process particularly on starting the process and appeal rights.
24. The *Freshwater Reform* paper highlights that the National Objectives Framework would require councils to consider the implications of limits, including adjustment timeframes, when setting objectives. This was not explicit in the EGI paper [EGI Min (12) 28/7].
25. The *Freshwater Reform* paper contains some additional detail on how to give effect to the proposals on managing within quantity and quality limits presented to EGI in November 2012 [EGI Mins (12) 28/8 and 9]. The main additions are:
 - Providing more detail on how proposals relating to accounting for all takes and sources of contaminants will be implemented, including:
 - i. amending the RMA to ensure that government can require councils to: collect data on all water takes and sources of contaminants from water users; share data with the Government; use any standard accounting system developed and adopt defined methods for estimating water takes and discharges
 - ii. amending the National Policy Statement for Freshwater Management 2011 (NPS-FM) to ensure it is clear that councils must set allocation limits to identify the amount of water available for use
 - iii. national regulation on accounting for all sources of contaminant.
 - Providing more detail on the sequencing of the foundation measures for managing to water quantity limits, including:
 - i. identifying the proposals for foundation measures that can be implemented immediately, and those that need further work and will be implemented over the next two to five years
 - ii. providing indicative timings when work on the immediate, short-term, medium-term, and long-term measures will be done. The reason for these changes is to be more specific about when water users and communities can expect to see reform on particular issues.
 - Adding an additional objective for quality management as follows:

“Techniques and approaches to reduce the environmental impact of businesses while maintaining and enhancing profitability are developed, disseminated and continually improved through partnerships between industries, scientific institutions, councils and Government.”

Addressing the rights and interests of Māori

26. The government is committed to recognising Māori rights and interests in water in appropriate ways, but iwi rights and interests in freshwater are multi-faceted. There is no one reform that could be introduced now that would resolve all rights and interests at once. This resolution will need to be woven through different aspects of the reform. The foundation water reform package proposed for 2013 prioritises water planning mechanisms and setting of objectives and limits, and so the resolution of rights and interests related to other aspects of freshwater management will need to run alongside further reforms over the next few years. These further reforms involve complex issues that need to be discussed at both the national and local levels. It is important to take the time to develop appropriate outcomes that are workable and sustainable, and have broad support.

Engagement approach

27. We propose to undertake targeted engagement for four weeks on the whole reform package set out in the *Freshwater Reform* paper, beginning on 26 February 2013. This will be the principal opportunity for engagement on immediate reforms to be progressed through the RM Amendment Bill, including:
- An alternative RMA planning process for the development of water-related plans that includes a collaborative approach to plan development, independent hearing panel, limited appeal rights, and a clear role for iwi/Māori
 - Greater statutory powers for central government intervention in regional planning
 - Amendments to the RMA to facilitate creation of a national objectives framework and to ensure councils can obtain information needed for accounting systems.
28. The *Freshwater Reform* paper proposes government action on these immediate legislative reforms beginning in 2013 and signals how we will build on these progressively over time. The *Freshwater Reform* paper also notes that there will be further consultation later in 2013 on detailed elements of reforms that will be implemented through regulatory change to the NPS-FM (such as the National Objectives Framework).
29. Proposed reforms and their projected timeframes, subject to Ministers' decisions, are outlined in Appendix 2.
30. It will be important to ensure that the water reform strategy is considered as a package as the different elements of the package are dependent on each other:
- The governance arrangements require effective national guidance, workable tools for setting and meeting limits, adequate information and monitoring
 - Even with the best tools for setting objectives and limits, the process will only work if the participants are confident that the governance arrangements will protect their interests while delivering the overall goals.

31. The proposals in the *Freshwater Reform* paper are informed by our engagement with the Iwi Leaders Group, and build on the recommendations of the Land and Water Forum. The consensus that the Forum achieved has created a strong constituency for change around how fresh water is managed. In order to preserve this constituency and momentum for reform, the majority of proposals in the *Freshwater Reform* paper are broadly consistent with and build upon the Forum's recommendations (but are not the same in all respects). The *Freshwater Reform* paper will also serve as the Government's response to the Forum's reports of 2010 and 2012.
32. While we have heard and considered the views of significant stakeholders and some iwi/Māori through the reports of the Forum and our ongoing conversations with the Iwi Leaders Group, we want to ensure we have heard a wider range of views before implementing the proposed water reform strategy. There is no legal obligation to consult formally with the general public before introducing legislation. However, as well as having the benefit of achieving a better result by ascertaining community views and opinions, engagement has the benefit of informing the community and obtaining community buy-in. New information may also be presented through informal feedback. We will also deliver on our previous commitment to engage with Māori beyond the Iwi Leaders Group.
33. The *Freshwater Reform* paper will be accompanied by both informal and targeted engagement with sector groups and key stakeholders, and some public meetings. Six to eight regional public meetings will be held around the country, aligned wherever possible with the RM consultation, to engage with wider stakeholders.
34. We are committed to ensuring that wider iwi have adequate opportunities to comment on the water reform strategy in the *Freshwater Reform* paper. A series of hui will be held, coinciding with the public meetings, followed by a final hui in Wellington to reach those who were not able to attend other hui.
35. There will be engagement with regional councils collectively on the proposals for water reform organised through the Chief Executives Environment Forum (CEEFs) and Local Government New Zealand. Officials will engage with council officers on the detail through other existing mechanisms.

Expected reaction to the *Freshwater Reform* paper

Potential public reaction to proposed water reform strategy

36. Reaction to the proposals in the water reform strategy will reflect the divergent views the public has on water, including how fast particular components of the strategy should be implemented. The early reforms that will be implemented in 2013 and 2014 are likely to be well received, particularly if they are seen as part of an ongoing comprehensive strategy. Some issues will be contentious, for example appeal rights, but the strategic approach proposed for implementing water reforms allows for contentious issues to be addressed in a staged manner.
37. Some people may be confused about how the RM and water reforms relate to each other. This will be mitigated by alignment of the *Freshwater Reform* paper and RM discussion document and a coordinated engagement process.

38. There may be criticism that the four-week engagement period is not long enough for stakeholders to consider the proposals fully. The mitigation for these criticisms is that the proposals build on the Forum's recommendations as well as other evidence and analysis and have already been widely canvassed. Targeted engagement with key stakeholders will also be undertaken to receive feedback on the water reform strategy. This risk is also mitigated by further detailed consultation planned at a later stage for components of the water reforms that will not be included in the RM Amendment Bill, and this is stated in the *Freshwater Reform* paper. There will also be further opportunity for submissions on the legislative components through the select committee process.

Reaction from key constituents

39. There may be criticism from key constituents that perceive the reforms as not going far enough fast enough. They may also be disappointed that some components (e.g. some of the Forum's governance recommendations) have not been incorporated in their entirety. This is mitigated by messaging in the *Freshwater Reform* paper that this is a package of reforms, built on the work of the Forum, and that reforms will be implemented through a staged approach over time to allow us to learn and adapt as we go. There will be targeted engagement with key stakeholders, including the Forum, and future processes will include opportunity for further consultation. These risks are also mitigated by the constituency for change created by the Forum. All constituents agree that change is required.
40. The reaction of Māori to the package will, as with others, depend on their particular interests and values. There will be feedback on the speed and sequencing of the reforms, and in particular we can expect some disappointment that not all aspects of rights and interests will be addressed in the reforms to be progressed in the short term (given the litigation before the Supreme Court and the Waitangi Tribunal claims with regard to the mixed ownership model and water). Some are also likely to seek greater commitment to the timing of the long-term reforms relating to water quantity and more detail on what they will include. Sequencing was discussed with the Iwi Chairs Forum at Waitangi. The *Freshwater Reform* paper highlights the sequenced nature of the reforms and that this means there will be further opportunities to consider iwi/Māori rights and interests as the reforms develop.
41. There is a risk that engagement with iwi/Māori will end up focusing on areas such as allocation, which are scheduled for a later phase of the strategy, rather than on those areas (such as decision-making processes) where we most need feedback to contribute to the drafting of the 2013 RM Bill. While it will be impossible to constrain the discussion completely to those matters for progress in 2013, the risk can be managed by emphasising through the *Freshwater Reform* paper and targeted engagement that the strategy is a sequenced one and there will be further opportunities to discuss the matters scheduled for later stages of reform at a time when the Crown will have much better information to share.

Next steps

42. If approved by Cabinet, we will publicly release the *Freshwater Reform* paper and undertake targeted engagement for four weeks on the whole water reform strategy.
43. After targeted engagement, we propose to report back to EGI by [] on:
 - Proposals for legislative reform to be progressed with the RM reform package, and
 - Policy proposals for any suggested amendments to the NPS-FM, including proposals to give effect to the National Objectives Framework.
44. The reforms are not going to happen immediately. Rather, a staged approach will be taken, with later reforms being designed and developed to build on the immediate and shorter-term foundational reforms.
45. We acknowledge that some components of the reforms will be difficult for councils and resource users. The staged approach we propose to take will help to ease into the changes. Guidance and support is planned as part of the short-term reforms that will help councils and resource users as they transition and manage to limits as the reforms unfold.

Consultation

46. The following agencies have been consulted and their views are reflected: Department of Internal Affairs, Te Puni Kōkiri, Department of Conservation, the Treasury, Ministry of Business, Innovation and Employment, Ministry of Justice, State Services Commission, and the Office of Treaty Settlements. The Department of Prime Minister and Cabinet has been informed of the proposals.
47. The Freshwater Iwi Leaders and Advisers have been consulted on the policy components of the 2013 reform package and the Cabinet paper considered in December records their views [EGI Mins (12) 28/6-9]. The Freshwater Iwi Advisers Group have been provided with a draft of the attached *Freshwater Reform* paper but have not yet been able to provide any comment. We will verbally update the Committee on any feedback from Advisers or the Iwi Leaders Group.

Financial implications

48. There are no financial implications arising directly from release of the *Freshwater Reform* paper.

Human rights

49. The proposals set out in the *Freshwater Reform* paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Legislative implications

50. There are no legislative implications arising directly from release of the *Freshwater Reform* paper. Some elements of the proposals are likely to have legislative implications.

Regulatory impact analysis

Regulatory Impact Analysis (RIA) requirements

51. The RIA requirements apply to this policy area. Two Regulatory Impact Statements (RIS) were prepared previously when Cabinet made its decisions on its preferred proposals for two of the policy areas. Final decisions on all of the proposals will be made subsequently and a RIS will be prepared at that stage.

Quality of the Impact Analysis

52. The two RIS prepared earlier met the RIA requirements. The Ministry for the Environment's RIA Panel and Treasury's Regulatory Impact Analysis Team have reviewed a previous version of the *Freshwater Reform* paper and provided advice on whether the paper appropriately contains the elements of a RIA.

Consistency with Government Statement on Regulation

53. At this stage it is envisaged that the proposals set out in the *Freshwater Reform* paper are consistent with the Government's Statement on Regulation.

Publicity

54. The *Freshwater Reform* paper will be available on the Ministry for the Environment's website and a link to this on the Ministry for Primary Industries' website. Links to the paper will also be sent to Forum members, relevant industry groups, environmental organisations, iwi authorities and local authorities.
55. The release of the *Freshwater Reform* paper is likely to attract media attention in light of heightened public interest in fresh water. A media statement will be drafted for release with the *Freshwater Reform* paper.
56. We propose to release this Cabinet paper, previous Cabinet papers following public announcements and subject to consideration of any information that would be withheld if the information had been requested under the Official Information Act 1982.


Recommendations

57. The Minister for the Environment and the Minister for Primary Industries recommend that the Committee:
 1. note that, on 19 November, Cabinet agreed in principle that the government consult, through a discussion document in early 2013, on proposals to implement a water reform strategy [EGI Min (12) 26/2]

2. agree to the release of the discussion document in the form of a White Paper because the issues around freshwater management have been well-socialised already through the work of the Land and Water Forum
3. note that the *Freshwater Reform* paper sets out the Government's proposed strategy for reforms to freshwater management in New Zealand and contains proposals for reforms to governance and quality decision making, setting objectives and limits, and managing within limits for quantity and quality
4. note the following content in the *Freshwater Reform* paper, which is in addition to matters already covered in the Cabinet papers of late 2012 [EGI Mins (12) 28/6-9]:
 - 4.1. extend the role for iwi in providing advice and formal recommendations to councils relating to freshwater planning ahead of the final council decision to the existing Schedule 1 process of the RMA as well as the new collaborative process
 - 4.2. the National Objectives Framework will require councils to consider the implications of limits, including adjustment timeframes, when setting objectives
 - 4.3. amend the RMA to ensure that government can require councils to: collect data on all water takes and sources of contaminants from water users; share data with the Government, use any standard accounting system developed and adopt defined methods for estimating water takes and discharges
 - 4.4. amend the National Policy Statement for Freshwater Management 2011 to ensure it is clear that councils must set allocation limits to identify the amount of water available for use
 - 4.5. provide for national regulation on accounting for all sources of contaminant
 - 4.6. additional detail on the sequencing of the foundation measures of managing within quantity limits
5. agree to the public release of the *Freshwater Reform* paper subject to minor and technical editorial changes approved by the Minister for the Environment and the Minister for Primary Industries
6. note that the *Freshwater Reform* paper will serve as the Government's response to the Land and Water Forum's reports of 2010 and 2012
7. note that Cabinet previously committed to wider engagement with iwi/Māori before final decisions are made [CAB Min (12) 25/16]
8. agree to targeted engagement for four weeks on the whole reform package set out in the *Freshwater Reform* paper, including specific reforms that require legislative change so that they can be included in the 2013 Resource Management Amendment Bill
9. note that officials will undertake a series of regional hui and meetings to inform stakeholders of proposals for immediate reforms and receive feedback on them

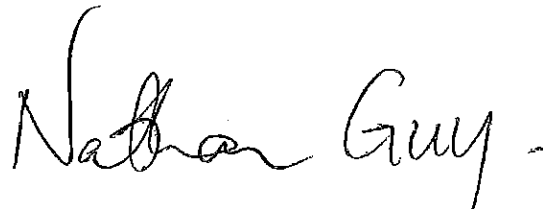
10. invite the Minister for the Environment and the Minister for Primary Industries to report back to the Cabinet Economic Growth and Infrastructure Committee by _____ on:
 - 10.1. proposals for legislative reform to be progressed with the RM reform package, and
 - 10.2. policy proposals for any suggested amendments to the National Policy Statement for Freshwater Management 2011, including proposals to give effect to the National Objectives Framework
11. agree that the Minister for the Environment and the Minister for Primary Industries, at a time approved by them, release this Cabinet paper, previous Cabinet papers

subject to consideration of any information that would be withheld if the information had been requested under the Official Information Act 1982



Hon Amy Adams
Minister for the Environment

14 / 2 / 13



Hon Nathan Guy
Minister for Primary Industries

14 / 2 / 13

Appendix 1: Summary of the water reform package included in the *Freshwater Reform* paper.

Governance and quality decision making

1. The *Freshwater Reform* paper contains the following proposals in relation to freshwater quality decision making:
 - A collaborative planning process for fresh water as an alternative to the existing RMA process
 - Effective provisions for iwi/Māori involvement in freshwater planning and decision-making
 - Stronger central government leadership through regulation, guidance and support.

Objective and limit setting

2. The *Freshwater Reform* paper contains the following proposals in relation to objective and limit setting:
 - Establish a regulated National Objectives Framework to support regions to set objectives and limits
 - Require objectives and limits to be set in an integrated way, allowing for the impacts of limits and adjustment timeframes to be well understood and factored into decision-making
 - Include a set of objectives a water body can be managed for with associated states (e.g. minimum states for bacterial contamination when a river is managed for swimming)
 - Require that two objectives apply to all water bodies nationally, effectively establishing some national bottom-lines
 - Provide further direction and guidance on additional elements of the National Policy Statement for Freshwater Management 2011
 - Make improvements to part of the process for water conservation orders.

Managing within water quantity limits

3. The *Freshwater Reform* paper contains the following proposals in relation to managing within water quantity limits:
 - Strengthen the foundations of the freshwater quantity management system:
 - i. Immediately (over the next two years) address freshwater accounting systems, addressing management practice to improve water use efficiency and specification of water permits
 - ii. In the next two to five years, address enforcement and compliance, and transition issues

- Address longer-term issues of permit duration, alternative allocation tools, alternative mechanisms for facilitating permit transfers and trade, and tools for ensuring efficient fresh water use.

Managing within water quality limits

4. The *Freshwater Reform* paper contains the following proposals in relation to managing within water quality limits:

- Strengthen the freshwater quality management system in the following key areas:
 - i. The science, knowledge and information needed for water quality management
 - ii. Stronger central government guidance or direction to address issues related to accounting for all sources of contaminants and freshwater quality management planning
 - iii. Sector-specific good management practice toolkits
- Consider long-term measures that will encourage more efficient resource use and enable economic growth while freshwater quality targets and objectives are achieved.

Appendix 2: Proposed reforms to be progressed over time and their location in the *Freshwater Reform* paper

Immediate reforms (RM Bill 2013)	How	Chapter
The inclusion of an optional collaborative planning process in the Resource Management Act 1991 (RMA), with collaborative process for plan development, independent hearing panel, and limited appeal rights	Included in RM2 bill, to be introduced later in 2013	Planning as a community
A role for iwi in providing advice and formal recommendations, with a requirement for the council to consider that that advice before making decisions on submissions, both for the new collaborative process and Schedule 1 decisions on proposed plan relating to fresh water	Included in RM2 bill	Planning as a community
Central government will be given greater intervention powers in regional planning	Included in RM2 bill	Planning as a community
Changes to NPS framework and/or other regulation making powers to facilitate national objectives and limits framework and consequential amendments to s 69 and schedule 3 of the RMA	Included in RM2 bill	A National Objectives Framework
Amendments to the RMA to ensure that councils can obtain information needed for accounting systems	Included in RM2 bill	Managing within limits
Accounting for all takes: amendments to ensure government can require councils to: collect data from all water users, share data with central Government; use any standard accounting system developed; and adopt defined methods for estimating water takes	Included in RM2 bill	Managing within limits
Accounting for all contaminants (for regional decision making): amendments to ensure that government can require councils to: collect data on all sources of contaminants, share data with central Government; and adopt defined methods for estimating discharges	Included in RM2 bill	Managing within limits

Short term reforms (2013-2014)	How	Chapter
Guidance and support package on implementing the collaborative planning process	Guidance	Planning as a community
Regulation to implement the National Objectives Framework with minimum standards and national bottom-lines	Regulation (NPS or other national instrument)	A National Objectives Framework
National guidance and direction setting allocation limits covering all water takes	Regulation (NPS) and guidance	Managing within limits
Development of sector good management practice toolkits	Guidance	Managing within limits

National guidance on implementing the NPS provisions on water efficiency	Guidance	Managing within limits
National guidance on the specification of water permits	Guidance	Managing within limits
Review of the Water Research Strategy	Refreshed water research strategy	Managing within limits
National direction on accounting for sources of contaminants and the use of models	Regulation	Managing within limits
National guidance on the use of models for managing water quality	Guidance	Managing within limits

Medium term reforms (2014-2016)	How	Chapter
Guidance and regulation to set clear national expectations and support limit-setting under the National Objectives Framework, including managing outstanding water bodies and wetlands	Guidance and regulation	A National Objectives Framework
National guidance on dealing with over-allocation	Guidance	Managing within limits
National guidance and/or direction on dealing with transition issues (quantity)	Guidance and/or regulation	Managing within limits
National guidance and/or direction on managing takes that don't need consents	Guidance and/or regulation	Managing within limits
National guidance and/or regulation on compliance and enforcement (quantity)	Guidance and/or regulation	Managing within limits
National guidance and/or direction on choice of methods and tools to manage water quality	Guidance and/or regulation	Managing within limits

Longer term reforms	Chapter
Permit duration	Managing within limits
Alternative tools for initial allocation	Managing within limits
Allocating permits on expiry	Managing within limits
Facilitating transfer and trade for quantity	Managing within limits
New transfer or offsetting mechanisms for water quality	Managing within limits
Incentives for efficient water use (both for quality and quantity): pricing, standards, etc.	Managing within limits

Appendix 3. *Freshwater Reform*