

Report No.	20-176
Information Only - No Decision Required	

OUR FRESHWATER FUTURE - PROGRESS REPORT

1. PURPOSE

- 1.1. To update Council on progress in with Horizons' 'Our Freshwater Future' programme and implementation of Government's 'Essential Freshwater' reform package.

2. EXECUTIVE SUMMARY

- 2.1. On 3 August 2020 the Minister for the Environment and the Minister of Agriculture jointly released the full details around Government's 'Essential Freshwater' package: a suite of freshwater policy reforms aimed at more rapid improvements to freshwater quality in New Zealand. The package includes changes to the **Resource Management Act 1991 (RMA)**, a new **National Policy Statement on Freshwater Management (NPS-FM)**, **National Environmental Standards for Freshwater (NES-FW)**, stock exclusion regulations, and regulations in relation to the measurement and reporting of water takes. Further regulations relating for freshwater farm plans are expected to be released by Government in the next 12+ months.
- 2.2. Government's freshwater reform Essential Freshwater package, while requiring a significant shift in Horizons' business, presents a range of opportunities – from fostering relationships and supporting capacity building, to fast-tracking freshwater improvement via Government's complementary 'Jobs for Nature', through to the delivery of a suite of new policy and planning provisions that provide for a range of community outcomes. This is a step-change in Horizons' activities, but it is a step-change that has the potential to deliver positive outcomes for the environment and community wellbeing.
- 2.3. Further detail around the Essential Freshwater requirements and Our Freshwater Future was provided to Council's Strategy and Policy Committee on 8 September 2020. This Council report provides an update on progress since September 2020 and includes an overview of the national sector response to Essential Freshwater, Horizons implementation of the NPS-FM, NES-FW and new regulations, as well as an overview of our non-regulatory programmes and their connection to Government's new requirements.
- 2.4. Nationally, there is work underway to identify and implement sector-led projects to collectively deliver on the requirements of the Essential Freshwater package. This is being overseen by the **Freshwater Implementation Group (FIG)**, with implementation via the **Freshwater Implementation Directors Group (FIDG)** and **Freshwater Implementation Secretariat (FIS)**. Key priority projects have been identified and are currently being scoped. Further information about these groups and their roles and functions is outlined from section 9.1 of this Council report.
- 2.5. Our Freshwater Future sets out Horizons' proposed approach to freshwater improvement in the Horizons Region. A key part of implementation is aligning the new requirements with Horizons' Regional Policy Statement (RPS) and Regional Plan (collectively referred to as the One Plan) set out an integrated management framework for management of the environment. Council must notify changes to the One Plan to implement the NPS-FM by December 2024. A range of work is underway to help us prepare for this, including developing more detailed work plans, embarking on discussion with iwi/hapū around implementation of the new policy, and preparing for our first round of community engagement in early 2021. Further information about this work programme can be found in section 9.7 of this report.

- 2.6. Other changes include new consenting and consent monitoring requirements introduced through the new NES-FW and regulations. Staff have been developing a suite of information for land owners around implementation of these programmes, and working directly with the primary sector around assessing the new requirements and implications for land owners in our region. Further information about this work programme can be found in section 9.12 of this report.
- 2.7. We anticipate that planning and community engagement processes to implement the NPS-FM will run at a regional scale, in light of time and resource constraints. The form and depth of community engagement may, however, vary across the region. Treaty settlements will be especially important in determining what is locally appropriate and there is a need to progress broader conversations with iwi/hapū that are not constrained to freshwater.
- 2.8. Freshwater improvement work undertaken through Horizons' non-regulatory programmes is a key part of transitioning the region to meet the new national legislative requirements, including the recently funded Jobs for Nature. There are strong linkages between Horizons non-regulatory and regulatory programmes, as set out from section 9.15 of this report.
- 2.9. Public information about Horizons' implementation programme is being made available via Horizons' website. Sections 9.22 – 9.23 of this report provides an overview of communications activities around Our Freshwater Future.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-176 and Annex.

4. FINANCIAL IMPACT

- 4.1. Planning and implementation of Government's reform package is already underway. Where possible, resourcing required to support the initial stages of implementation is being sought from existing budgets, largely through re-prioritisation of other activities. Additional funding of \$200,000 was approved by Council in September 2020 for policy and administrative support for the first phase of iwi/hapū and community engagement as part of the NPS-FM values and limit setting process.
- 4.2. Discussions with Council around the funding of these activities through Horizons' Long-term Plan 2021-31 (LTP) are now underway. Broadly, the cost of implementation is estimated to be over \$10M and up to \$15M over three-four years. This includes resourcing for science and policy, as well as iwi/hapū and community engagement.

5. COMMUNITY ENGAGEMENT

- 5.1. Initial engagement with iwi/hapū is underway, following an invitation from Horizons to meet and discuss a range of topics of interest, including freshwater and other organisational priorities (e.g. climate change). A number of meetings have taken place, including the recent hui-ā-iwi held 12-13 November 2020 where iwi/hapū and Horizons staff met to discuss freshwater, climate change, civil defence and other topics of interest, such as the role of tangata whenua in governance and decision-making. We acknowledge that these are preliminary discussions and that further conversations will be critical. We are also mindful that implementation of Our Freshwater Future doesn't undermine these discussions and that there is some a need for flexibility in our approach so that we can respond appropriately as these conversations progress.

- 5.2. Staff are also engaging with primary sector representatives and other stakeholders, with the more immediate requirements for land owners in relation to the NES-FW and regulations being a key focus of these discussions. We are also working with our regional council counterparts and relevant agencies such as **Ministry for the Environment (MfE)**, **Ministry for Primary Industries (MPI)** and industry groups to ensure consistent advice is provided, where possible.
- 5.3. Staff are preparing for initial community engagement around freshwater vision and values as part of the implementation of the NPS-FM early in 2021. The community will also have the opportunity to share their thoughts on our proposed work programme through the LTP consultation process.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. The reform package introduces new legislative requirements in relation to the management of freshwater, one of Council's organisational priorities. Horizons, along with other local authorities, is responsible for implementing the new NPS-FM, NES and regulations. These significant new requirements and tight legislative timeframes are a nation-wide challenge that create a draw on, what is currently, a limited pool of expertise and experience.
- 6.2. Relationships with central and local government, iwi/hapū, stakeholders, and the community are crucial to implementation. There is an opportunity to continue to grow and develop critical relationships, and increase community confidence if this process is successful. Tangata whenua participation is key, and there are clear expectations set out in the framework that provide for this.
- 6.3. Failure to adequately plan for and/or implement this package will introduce a range of risks to Council, from operational (e.g. inability to deliver on our obligations leading to legal and compliance risks) through to strategic (e.g. failure to achieve our organisational priorities) and political (e.g. loss of ministerial confidence and reputational risk). Resourcing, coordination, relationships, and availability of expertise are key risk areas in our ability to meet our obligations.

7. CLIMATE IMPACT STATEMENT

- 7.1. This work has the potential to contribute directly to Horizons' climate change response, initially by raising awareness through community discussions around long-term vision and values for freshwater, and more directly as a result of objective and limit-setting and/or action planning, with further consideration of climate change required as part of the NPS-FM.
- 7.2. Climate change will inevitably form a part of these community discussions and will need to be accommodated within the science and modelling undertaken to inform these discussions.

8. BACKGROUND

- 8.1. On 3 August 2020 the Minister for the Environment and the Minister of Agriculture jointly released the full details around Government's 'Essential Freshwater' package: a suite of freshwater policy reforms aimed at more rapid improvements to freshwater quality in New Zealand. The package includes a new NPS-FM, NES-FW, stock exclusion regulations, and regulations relating to the measurement and reporting of water takes. Further detail around these reforms was provided to Council's Strategy and Policy Committee on 8 September 2020.

- 8.2. The reform package introduces new legislative requirements in relation to the management of freshwater, one of Council's organisational priorities. Some of these requirements need to be addressed immediately, while others are rolled out over 3-4 years. Horizons, along with other local authorities, is responsible for implementing the new NPS-FM, NES and regulations. We acknowledge that there are significant costs associated with successfully implementing these changes and that the timeframe for implementation is ambitious.
- 8.3. The NPS-FM directs regional councils, in consultation with their communities, to set objectives for the state of fresh water bodies in their regions and to set limits on resource use to meet these objectives. Councils must give effect to Te Mana o te Wai, and adopt an integrated approach that recognises the interconnectedness of the environment – from mountains to sea. We must actively involve iwi and hapū (to the extent that they wish to be involved) in decision-making and the management of fresh water. This includes identifying Māori freshwater values, the inclusion of mātauranga Māori, and (along with the wider community) setting long-term visions for freshwater.
- 8.4. In its development, the One Plan was a significant step change in managing environmental issues and provides a strong foundation for future plan changes to give effect to the NPS-FM. Implementation of the NPS-FM however, will require retooling of our current policy settings in the One Plan. This includes consideration of the nature and scale of land use activities, the use of freshwater across the region, and the potential for activities to be complementary to natural systems.
- 8.5. The NES-FW sets out new regulations around regulations for activities that pose risks to freshwater and freshwater ecosystems. Regulations apply to:
- intensive agricultural land use (as a temporary measure to the end of 2024);
 - the use of feedlots and other stockholding areas (from winter 2021);
 - intensive winter grazing of forage crops (from winter 2021);
 - the application of synthetic nitrogen fertiliser to pastoral land (from 1 July 2021);
 - the construction or use of in-stream structures that affect fish passage; and
 - vegetation clearance, sphagnum moss harvesting, and disturbance of wetlands.
- 8.6. In many cases, people will need a resource consent from Horizons before carrying out these activities. Work is underway to assess the requirements of the new NES-FW with Horizons' One Plan so that greater clarity can be provided to land owners, and resourcing requirements better understood.
- 8.7. Work to improve freshwater has been ongoing throughout the region for a number of years. This includes activities such as fencing, planting, and the development and implementation of farm plans undertaken through Horizons' Land and Freshwater programmes, including our Sustainable Land Use initiative. Through these programmes, work is often carried out in partnership with central and local government, iwi/hapū, land owners, stakeholders, community groups and environmental non-government organisations. To this end, there are established relationships that provide a strong foundation for further action. There are also strong linkages between the outcomes of Horizons' implementation programmes with Essential Freshwater, reflected in the recent success of Horizons in securing new funding through Government's Jobs for Nature programme.
- 8.8. While good progress has been made through the One Plan implementation, regulatory and non-regulatory activities now require a further step-change so that we can respond to the new requirements within the compressed timeframe Government has set.

9. DISCUSSION

National Sector Response to Essential Freshwater

- 9.1. Central government is working together with the regional sector and Te Kāhui Wai Māori, along with the primary sector and environmental non-government organisations, to ensure that the implementation is rolled out as efficiently and effectively as possible. This is delivered through the Freshwater Implementation Group (FIG), comprising representatives of MfE and MPI along with the aforementioned agencies and organisations. The objective is that national roll out of freshwater implementation is nationally consistent and meets the requirements of the new national direction.
- 9.2. At sector level, co-ordination is provided by the Freshwater Implementation Directors Group (FIDG), of which Horizons' Group Manager Strategy and Regulatory Manager, Dr Nic Peet, is a member. Design and prioritisation of projects is led by this group, with implementation overseen by the Freshwater Implementation Secretariat. Project teams are beginning to form around identified priorities such as addressing key science knowledge gaps, farms plans, wetland mapping, regional plan development, Te Mana o te Wai and sector capacity and capability building. Annex A provides an outline of the engagement structure for national freshwater implementation.
- 9.3. Information sharing across Councils has been set up through the MahiTahi LG Collaboration Portal, with freshwater implementation contacts within each council tasked with facilitating information sharing between Council and the wider sector. Horizons' Science and Innovation Manager, Abby Matthews, is Horizons contact.
- 9.4. Horizons communications manager Chrissie Morrison is co-convenor of the sector's communications special interest group, which includes weekly catch ups with an All of Government and FIG communications and engagement coordination group for Essential Freshwater.
- 9.5. Staff met with sector policy, planning and science staff at Local Government NZ offices in Wellington on 25 November 2020 to discuss sector implementation of the NPS-FM. Outcomes of this meeting will be communicated through to the National Directors Group.
- 9.6. Horizons recently hosted staff from lower North Island councils (Taranaki, Hawke's Bay, and Greater Wellington) to discuss implementation and identify opportunities for collaboration and information sharing as we progress development and delivery of our respective work programmes.

National Policy Statement for Freshwater Management

- 9.7. Horizons has set out a draft implementation programme and road map which sets out key work streams and tasks to be undertaken from now to notification of a new combined regional policy statement and regional plan in 2024. Work is now underway to develop more detailed work plans for each of the three (science, policy/planning, and Te Ao Māori) work streams. Assistance with developing these work plans is being provided by LWP Ltd (science) and Hill Young Cooper (policy/planning). Work undertaken through the Te Ao Māori work stream will be further refined as discussion with iwi and hapū progress. This will include exploring options and opportunities to weave mātauranga Māori and our existing science programme together to provide a more comprehensive understanding of the current state and changes in water quality over time.
- 9.8. We are intending to go out to iwi/hapū and then our communities early in the new year to seek community input into the values and vision they hold for freshwater in the region. This will build on work undertaken during the development of the One Plan, but aligning with the new NPS-FM requirements. Planning is underway and includes feedback from other regional councils on what they have found successful/unsuccessful for similar engagement.

08 December 2020

- 9.9. An internal project team incorporating communications, science, rural advice, and policy officers has been pulled together and will workshop methodology and delivery. A number of channels already identified include social pinpoint and other digital channels such as social media and web, district specific events, other events such as Central District Field Days and Rural Games, media, advertising, and leveraging of our partners/stakeholders' own networks.
- 9.10. To help inform these discussions, policy and science staff have been working to prepare a full set of catchment stocktake reports, which are based around the seven proposed Freshwater Management Units (FMUs). These reports provide background information for our communities as we head into our first round of engagement in early 2021. A number of reports are currently in their final drafting stages and will be externally peer-reviewed prior to being finalised, these include:
- *Ngā wai o Manawatū*
 - *Ngā wai o Kai Iwi*
 - *Ngā wai o Waiopēhu*
 - *Ngā wai o Puketoi ki Tai*
 - *Ngā wai o Rangitīkei-Turakina*
- 9.11. Drafting of *Ngā wai o Whangaehu* is also progressing, and consideration is being given to what format *Ngā wai o Whanganui* should take.

National Standards for Freshwater and Section 360 Regulations

- 9.12. A key priority for implementation of the NES-FW and s360 regulations has been the compilation of information and guidance/advice for land owners. Documents produced to date include:
- [Essential Freshwater Iwi Pānui](#) distributed to iwi/hapū via email
 - [Freshwater, Intensive Winter Grazing consenting requirements](#) flowchart
 - [New National Freshwater Rules](#) timeline
 - Freshwater themed *Across the Region* delivered to all letterboxes in the region week of 7 December 2020.
- 9.13. Additionally, staff have been working with the primary sector, scientists and land owners to road test the proposed consenting process for intensive winter grazing (IWG) requirements set out in the NES-FW. An IWG workshop was held on 3 December 2020, and included a 'mock walk-through' of the consenting process. Further information for the community is currently being produced and will be uploaded to Horizons' website in due course. Documents include:
- Freshwater Intensive Winter Grazing brochure
 - Freshwater Stock Exclusion Regulations brochure
- 9.14. Staff are also involved in the national development of freshwater farm plans, as outlined in section 9.2 of this report.

Freshwater Improvement and Jobs for Nature

- 9.15. Horizons' non-regulatory work programmes continue, with improvements to freshwater delivered through our Sustainable Land Use Initiative (SLUI), and land and freshwater implementation programmes. This includes the new Jobs for Nature projects which deliver additional riparian fencing and planting, enhancement of fish populations, and improvements to water quality in the Horowhenua catchment.

- 9.16. These programmes provide a strong foundation for Horizons to deliver on some of the new requirements of the Essential Freshwater package. This includes relationships already forged through the Manawatū River Leaders' Accord and Lake Horowhenua Accord, and other projects undertaken in partnership with iwi/hapū, central and local government, stakeholders, and the wider community though (for example) the Freshwater Clean-up Fund, Freshwater Improvement Fund and Te Mana o te Wai projects.
- 9.17. There is however, a significant step-change in the scale and pace of both our regulatory and non-regulatory work as a result of Government's reform package. For land owners, this includes new consenting and consent monitoring requirements introduced through the NES-FW and regulations for stock exclusion and water metering. There will be a need to update existing freshwater or SLUI farm plans, in response to new regulations requiring 'freshwater modules' within farm plans which are yet to be defined by Government. There are also new science monitoring and reporting requirements.
- 9.18. Work programmes delivered through the Jobs for Nature programme build on the foundation work set out above. These, as with Horizons' other work programmes, are informed by Horizons' science and monitoring. This enables actions to be targeted to areas of the region where water quality improvement is most needed.
- 9.19. The expanded riparian fencing and planting programme will deliver 405 km of fencing and 375,000 plants. Stock exclusion from rivers, lakes and wetlands is a key part of the Essential Freshwater package. Riparian planting helps to reduce sediment and nutrient run-off as well as providing improved habitat for freshwater environments. As such, this work assists land owners with meeting existing and new requirements set out in the NES-FW and stock exclusion regulations.
- 9.20. A project enhancing indigenous fish populations through fish passage remediation aims to improve fish populations through the removal of at least 25 fish barriers over a period of five years and the opening up of 1,250 km of stream habitat for migratory fish. Identifying and remediating barriers to fish passage is a key part of the Essential Freshwater package. The NES-FW sets out rules and regulations around structures that may impede the passage of fish, such as culverts, weirs and dams. In time, Horizons will also need to amend its regional plan to include new policies that address fish identification (including both desirable and undesirable species) and the environments in which they are found, and prepare action plans to address barriers to migration for desirable species. This work is helping to progress improvements for fish passage and improve knowledge of fish populations in the region while these new regulatory changes are rolled out.
- 9.21. The Lake Horowhenua Wetlands project, which seeks to establish a wetlands complex within the Arawhata Sub-catchment of Lake Horowhenua and an associated works programme of other water quality interventions around the lake to improve water quality and aquatic health in the catchment and the lake. This work links with the broader work underway around drainage scheme upgrades that include additional water quality interventions. A key focus of these programmes is reducing both nutrient and sediment inputs in the Lake Horowhenua catchment, to contribute toward NPS-FM requirements to improve water quality and drive water quality to achieve national bottom lines set out in the National Objectives Framework (NOF).

Our Freshwater Future - Communications update

- 9.22. Horizons website has a dedicated space for information about Horizons implementation of the Essential Freshwater package, with direct access via the homepage. As more information and collateral is produced this page will expand to include an overview, community engagement, National Environmental Standards – Fresh Water, and National Policy Statement – Freshwater Management sections, as well as:
- A [summary](#) of central government's Essential Freshwater package including links to the key regulations on the MfE website.

- Links to [factsheets and regulations](#) in the Essential Freshwater package.
- Links to information about [MfE Webinars](#) about freshwater implementation.
- [Frequently Asked Questions](#).
- Our Freshwater Future e-newsletter *Our Freshwater Future* was emailed out to interested parties during the first week of December. The newsletter included links to the above documents housed on Horizons' website.

9.23. A number of key iwi/community engagement events have been held, with others planned for the new year. These events include:

- Hui ā Iwi - 12 – 13 November 2020.
- IWG workshop – 3 December 2020 Horizons is hosting a full day Intensive Winter Grazing workshop. This includes a 'mock walk-through' of the consenting process involving farmers, scientists and industry representatives.
- [Rural Games](#) 12 – 13 March 2021.
- [Central Districts Field Days](#) 18 – 20 March 2021.

10. CONSULTATION

- 10.1. Initial consultation with the community around our long-term vision and values is scheduled for early 2021. There is much work to be done between now and February 2021 to inform these discussions. This includes further conversations with iwi/hapū, following our initial hui-ā-iwi in November 2020.
- 10.2. Staff are currently finalising a community engagement programme for 2020-21 which we hope to share with Council early in 2021. This strategy will guide us as we work with iwi/hapū and the wider community to identify and articulate long-term visions and values for freshwater in the region. As part of developing this programme, we have been speaking with other local government agencies to learn from their experiences. We are aiming to shape an engagement programme that is cost-effective, while maximising opportunities for feedback and input.
- 10.3. As outlined above, this is likely to include direct engagement through public events such as Rural Games and Central Districts Field Days, and stakeholder engagement through forums such as the Manawatū River Leaders Accord. An opportunity for our communities to share their thoughts on our proposed work programme (beyond 2020-21) will also be possible through the LTP consultation process.
- 10.4. To prepare for these discussions, we are completing an assessment of One Plan alignment with NPS-FM values, and continue to advance the delivery of catchment stocktake reports for the seven FMUs in the region.
- 10.5. Undertaking a programme such as Our Freshwater Future successfully requires the ongoing support of both senior staff and Council. This will be particularly important when we need to gather people and resources to support the intensive periods of community engagement required to implement the NOF process.
- 10.6. With such a compressed timeframe, there will be times when we will need to make decisions swiftly, and maintaining agility will be key. It is our intention to maintain open communication around the programme as much as possible, and keep Horizons staff and Council up-to-date with regular progress reports, such as this one. We encourage both staff and our community to contact us on freephone 0508 800 800 or at info@ourfreshwaterfuture.nz.

11. TIMELINE / NEXT STEPS

11.1. Key tasks between now and March 2021 include:

- Furthering our initial discussions with iwi/hapū around key topics of interest, including freshwater
- Developing more detailed work plans for policy/planning and science
- Finalising our community engagement plan and preparing for our 'Vision and Values' discussion which will kick off in March 2021
- Completion of the seven catchment stocktake reports
- Developing a consenting approach for Intensive Winter Grazing
- Continued engagement with the National Freshwater Directors and sector special interest groups
- Linking staff to national sector work programmes to implement the new regulations
- Confirming resourcing via Horizons' Long-term Plan

11.2. A further progress update will be provided to Council in early 2021.

12. SIGNIFICANCE

12.1. This work is being undertaken to meet our obligations under the Resource Management Act 1991, which is excluded from Horizons' Significance and Engagement Policy.

12.2. Any decision-making regarding ongoing resourcing requirements beyond 2020-21 will occur following consultation with the community through Horizons' long-term planning process.

Abby Matthews

SCIENCE AND INNOVATION MANAGER

Dr Nic Peet

GROUP MANAGER – STRATEGY AND REGULATION

ANNEXES

A Engagement structure for national freshwater implementation