

Report No.	21-14
Decision Required	

ORANGA WAI OUR FRESHWATER FUTURE - PROGRESS REPORT

1. PURPOSE

- 1.1. To update Council on progress in with Horizons' Oranga Wai 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-F)**, stock exclusion regulations, and regulations in relation to the measurement and reporting of water takes. Further regulations relating to 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 Oranga Wai 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 December 2020.
- 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. These work programmes cover aspects of the package such as wetlands, fish passage, sediment, nutrient criteria, mahinga kai, freshwater farm plan regulations and data portal, and a range of council-led projects around consenting and plan drafting. Horizons is involved in a number of these projects, through council **Special Interest Groups (SIGs)** and the **Resource Managers Group (RMG)**.
- 2.5. Changes include new consenting and consent monitoring requirements introduced through the new NES-F and regulations. Staff have continued developing further information for land owners around implementation of these programmes, and working directly with the primary sector to assess the new requirements and implications for land owners in our region. Further information about this work programme can be found in section 9.9 of this report.
- 2.6. Oranga Wai 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). Horizons intends to notify changes to the One Plan to implement the NPS-FM by September 2024. A range of work is underway including finalising more detailed science and policy work programmes, embarking on

discussion with iwi/hapū around freshwater including Te Mana o te Wai. We will be embarking on our first round of community engagement from late February 2021 where we will be shaping our overarching vision and values. Further information about this work programme can be found in section 9.3 of this report.

- 2.7. It is our intention that planning and community engagement processes to implement the NPS-FM will run at a regional scale, in light of time and resource constraints. While the form and depth of community engagement may vary across the region – particularly in light of Te Awa Tupua Whanganui and Te Waiū o te Ika Whangaehu – we need to remain cognisant of the capacity of the organisation, our partners, and the community to deliver this work programme successfully. Current and emerging risks associated with the implementation of this work programme are set out in section 6 of this report.
- 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 9.12 of this report.
- 2.9. Public information about Horizons' implementation programme is being made available via Horizons' website. Sections 5 and 9.15 – 9.16 of this report provide an overview of community engagement and communications activities around Oranga Wai Our Freshwater Future.
- 2.10. Key activities carried out between December 2020 and March 2021 included:
 - Furthering our initial discussions with iwi/hapū around key topics of interest, including freshwater.
 - Developing more detailed work plans for policy/planning and science.
 - Contracting an assessment of One Plan policy effectiveness.
 - Further drafting of catchment stocktake reports for each of Horizons' **Freshwater Management Units (FMUs)** incorporating the most up-to-date water quality state analysis.
 - Developing a consenting approach for Intensive Winter Grazing.
 - Continued engagement with the National Freshwater Directors and sector **Special Interest Groups (SIGs)**.
 - An Oranga Wai Our Freshwater Future Road-show, which provided staff at regional House and service centres with a more in-depth look at the new requirements and proposed NPS-FM work programme.
 - Finalising our community engagement plan and beginning discussions with iwi/hapū and the community around 'Vision and Values'
- 2.11. This progress report provides an update on these tasks and outlines the next steps from now to June 2021.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 21-14 and Annex.

4. FINANCIAL IMPACT

- 4.1. Implementation of Government's reform package is already underway. Resourcing to support the initial stages of implementation has been sought from existing budgets, largely through re-prioritisation of other activities. Initial funding of \$200,000 was also approved by Council in September 2020 for policy and administrative support for the first phase of

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iwi/hapū and community engagement as part of the NPS-FM values and limit setting process. Expenditure to date is tracking within budget.

- 4.2. Future funding of these activities has been proposed through Horizons' Long-term Plan 2021-31 (LTP). 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.
- 4.3. A more detailed breakdown of implementation costs was requested by Council at the 8 December 2020 Strategy and Policy meeting. It is important to note that these costs are allocated across a range of business activity areas. An overview of costs captured within the proposed LTP 2021-22 budget is provided below:

	Annual Cost	Comments
Iwi/hapū resourcing	\$3,000,000	\$2.5 million available per annum to iwi/hapū to facilitate engagement and build capacity
Policy, iwi/hapū and administrative support	\$270,000	Includes 3 FTEs
Technical support	\$400,000	Operating expenses
Community engagement	\$310,000	Includes 1 FTE and operating expenses
Monitoring and reporting	\$645,000*	Including 4 FTEs and operating expenses
Total	\$4,625,000	

*Subject to resource management recovery under s36 RMA, general rate cost is approximately 70% of this total annual cost.

5. COMMUNITY ENGAGEMENT

- 5.1. Initial engagement with iwi/hapū is underway and a number of meetings have taken place, including a hui-ā-iwi held 12-13 November 2020. Further hui-ā-iwi are planned for 2021, in March and later in the year. We are mindful that implementation of Oranga Wai Our Freshwater Future doesn't undermine these discussions, which are broader than just freshwater, and that there is a need for flexibility in our approach so that we can respond appropriately as these conversations progress. We are also conscious that there are specific provisions established under Te Awa Tupua and Te Waiū o te Ika that must be provided for.
- 5.2. Further discussions with iwi/hapū are through proposed regular freshwater hui, with the first meeting held at Te Poho o Tuariki in Marton on Thursday 25 February 2021. Key topics for discussion included Horizons' proposed implementation programme, resourcing for iwi/hapū to enable participation, our approach to wider community engagement, and exploring enabling pathways and whether the currently proposed FMUs are an appropriate scale at which to undertake freshwater limit-setting and reporting. Staff found the initial hui to be a valuable opportunity to assist in guiding and shaping the work programme, and we welcome the opportunity to continue to build on this conversation in coming weeks.
- 5.3. Staff are also engaging with primary sector representatives and other stakeholders, with the more immediate requirements for land owners in relation to the NES-F 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.
- 5.4. Initial community engagement around freshwater vision and values as part of the implementation of the NPS-FM is now underway. A number of community events have been planned, following an initial soft launch at the recent Manawatū River Improvement

Festival at Foxton Loop on Saturday 27 February 2021. Other events include Rural Games 12-14 March 2021 and Central Districts Field Days 18-20 March 2021. Staff will also be attending river scheme meetings, community and primary sector meetings in coming weeks. These events provide staff with opportunities to speak directly with members of our community about Horizons' implementation of Essential Freshwater and how they can be involved. Following the success of our recent use of 'Social Pinpoint' for our community engagement around climate change, this digital platform will also be revamped and made available to the community to capture information about our communities freshwater vision and values.

- 5.5. 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.
- 6.4. Ministers have signalled their intent for MfE and MPI staff to be directly involved in the implementation of the NPS-FM in Waiopahu (Horowhenua), following the inclusion of special provisions for vegetable growing areas. While we welcome the support that Government might offer Horizons in the implementation of the NPS-FM and Jobs for Nature work programmes, there is a need to ensure that Council is supported and enabled to exercise their duties in a way that does not confuse or send conflicting messages to iwi/hapu and the wider community. Staff are currently engaging with MfE and MPI to ensure there is clarity around our roles and responsibilities and identify constructive ways in which Ministry staff can engage with Council and iwi/hapu.
- 6.5. We are also conscious that both Te Awa Tupua Whanganui and Te Waiū o te Ika Whangaehu may require bespoke arrangements and we will continue to work directly with iwi/hapu around the implementation programme with regard to these catchments.

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. There are also specific requirements pertaining to climate change impacts set

out in the NPS-FM. For example, when setting environmental flows and levels, every regional council must have regard to the foreseeable impacts of climate change.

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-F, stock exclusion regulations, and regulations relating to the measurement and reporting of water takes. 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 – ki uta ki tai, 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-F sets out new regulations around regulations for activities that pose risks to freshwater and freshwater ecosystems. In many cases, people will need a resource consent from Horizons before carrying out these activities. Work assessing the requirements of the new NES-F with Horizons' One Plan is progressing so that greater clarity can be provided to land owners, and resourcing requirements better understood.
- 8.6. 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.
- 8.7. 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. Work is now underway to identify and implement sector-led projects to collectively deliver on the requirements of the Essential Freshwater package. These work programmes cover aspects of the package such as wetlands, fish passage, sediment, nutrient criteria, mahinga kai, freshwater farm plan regulations and associated data portal, and a range of council-led projects around consenting and plan drafting. Horizons is involved in a number of these projects, through council SIGs and the RMGs.

National Policy Statement for Freshwater Management

- 9.3. Horizons has published 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.
- 9.4. More detailed work plans for each of the science and policy/planning work streams have been drafted and are in the process of being finalised. 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 discussions 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 freshwater over time. All of these plans will be updated regularly as the programme progresses.
- 9.5. Our first round of community engagement is now underway. This involves seeking iwi/hapū and 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. Methods of delivery include social pinpoint and other digital channels such as social media and web, district specific events such as scheme meetings, other events such as Central District Field Days and Rural Games, media, advertising, and leveraging of our partners/stakeholders' own networks.
- 9.6. To help inform these discussions, policy and science staff are preparing a full set of catchment stocktake reports, which are based around the proposed FMUs. These reports will inform community discussions around objective setting (scheduled for late 2021) are currently being updated with the latest state of environment monitoring data. A number of reports are in their final drafting stages and will be externally peer-reviewed prior to being finalised.
- 9.7. These reports are framed around the region's FMUs of which we have identified seven for the purposes of implementing the NPS-FM 2020. The FMUs proposed include:
 - Whanganui
 - Kai Iwi
 - Whangaehu
 - Rangitīkei-Turakina
 - Manawatū
 - Waiopahu (Horowhenua)
 - Puketoi Ki Tai (Coastal Tararua)

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- 9.8. Discussion around the appropriateness of these FMUs will form a key part of our initial community consultation from February through to April 2021, and our freshwater kōrero with iwi/hapū. A map of these FMUs is provided as in **Annex A**.

National Standards for Freshwater and Section 360 Regulations

- 9.9. A key priority for implementation of the NES-F and s360 regulations has been the compilation of information and guidance/advice for land owners which is available on Horizons' website or in hard copy on request. Work assessing the requirements of the new NES-F with Horizons' One Plan is also underway so that greater clarity can be provided to land owners, and resourcing requirements better understood. This includes updating the One Plan with annotated references to the new freshwater NES to provide direction around when these standards should be considered by planners and consent applicants.
- 9.10. In late December 2020, advice was provided to Ministers Parker and O'Connor by the Southland Advisory Group (which includes farmers, primary sector groups, Fish and Game and Environment Southland) with the group providing a number of practical suggestions to better achieve the purpose of the IWG rules set out in the NES-F. While Horizons staff had been working with the primary sector, scientists and land owners to road test a proposed consenting process for intensive winter grazing (IWG) prior to Christmas, this work is now on hold pending further direction from MfE and MPI in regard to the IWG rules.
- 9.11. Government has indicated that **Freshwater Farm Plans (FW-FPs)** will be a key implementation tool for the NPS-FM. At the time the Essential Freshwater package was released, these farm plans had not been developed and it was signalled that this work would be carried out over 12+ months from September 2020. Horizons staff have been working with the wider regional sector around the development of these FW-FPs. We understand that a draft framework for these farm plans has been developed and this work programme is progressing to schedule.

Freshwater Improvement and Jobs for Nature

- 9.12. 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.
- 9.13. Recruitment of additional staff to support the new Jobs for Nature projects has been underway since 2020. Over the past three months we have welcomed three new freshwater advisors to support the regional stream fencing and planting programme, a new fish passage co-ordinator (Tessa Stevens) and four research assistants to support the fish passage project. Recruitment is now underway for a Freshwater Co-ordinator – Lake Horowhenua.
- 9.14. An overview of progress with regard to freshwater improvement activities has been reported in detail to Council's Environment Committee (10 March 2021). Highlights include:
- progressing assessments of barriers to fish migration in the Ōhau and Waikawa catchments and throughout the Manawatū FMU;
 - fish and kakahi monitoring of seven fishing sites and four kakahi sites completed; remediation of one (of our target five) fish barriers.
 - completion of a draft sedimentation and drainage plan for the Arawhata sub-catchment, and
 - progressing the wetland feasibility study and conceptual design.

Construction of a boat ramp to enable the launch of the weed harvester onto Lake Horowhenua is progressing and expected to be completed in May 2021.

Oranga Wai Our Freshwater Future Communications update

- 9.15. A key aspect of implementing the programme is ensuring staff are well-informed and confident engaging with our community around the new requirements and our proposed approach. During February the Oranga Wai Our Freshwater Future team ran a roadshow for staff at Regional House and Horizons' service centres. Attendance was high, capturing staff from across much of the organisation. Information is also regularly provided to staff via our intranet, HUIA, and through All Staff, service centre, group and team meetings, as required.
- 9.16. Horizons' website has a dedicated space for information about Horizons implementation of the Essential Freshwater package, with direct access via the homepage. This is currently being updated on a regular basis as new information becomes available.

10. CONSULTATION

- 10.1. Staff have scoped a community engagement programme for early 2021 which 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. A key objective is that this engagement programme that is cost-effective, while maximising opportunities for feedback and input.
- 10.2. Initial consultation with the community around our long-term vision, values and objectives kicks off with the Manawatū River Festival on Saturday 27 February 2021. Further conversations with iwi/hapū, following our initial hui-ā-iwi in November 2020, are underway with the first freshwater hui underway from Thursday 25 February 2021.
- 10.3. A number of other public events such as Rural Games and Central Districts Field Days provide opportunities for discussion, as well as stakeholder engagement through forums such as the Manawatū River Leaders Accord, community, primary sector and river scheme meetings.
- 10.4. 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.
- 10.5. To prepare for these discussions, we are completing an assessment of One Plan alignment with NPS-FM values, visions, attributes and targets, including a review of the effectiveness of the existing One Plan provisions relating to Oranga Wai Our Freshwater Future (including land, water and Te Ao Maori). We will continue to advance the delivery of catchment stocktake reports for identified FMUs in the region.
- 10.6. Undertaking a programme such as Oranga Wai 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.
- 10.7. 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 June 2021 include:
- Facilitating and participating in regular hui with iwi/hapū to progress discussions and decision-making around Oranga Wai Our Freshwater Future, including how we might give effect to Te Mana o te Wai within the region.

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- Undertaking iwi/hapū and community engagement around our values and long-term vision, our proposed FMUs, and initiate discussions around our collective goals/objectives for freshwater.
- Establishing the science programme for 2021-24, including re-prioritisation of current monitoring and research programmes, as appropriate.
- Council and staff will be meeting with Professor Skelton, the newly appointed Chief Freshwater Commissioner to discuss the new Freshwater Planning Process and what it means for councils in mid-March 2021.
- Horizons will be hosting a workshop with lower North Island council NPS-FM implementation teams to explore opportunities to work together, and identify key areas where MfE could provide additional support, also in mid-March.
- Undertaking a review of the current One Plan provisions to assess the current alignment between the One Plan and NPS-FM and identify areas of attention.
- Completing catchment stocktakes covering the region's proposed FMUs.

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 Proposed Freshwater Management Units