

Report No.	19-16
Decision Required	

NEXT STEPS: FRESHWATER PLANNING

1. PURPOSE

- 1.1. This paper seeks Council direction on changes to the One Plan, and on a pilot approach to catchment planning in the Manawatū catchment.

2. RECOMMENDATION

It is recommended that Council:

- a. receives the information contained in Report No. 19-16;

In relation to the intensive land use provisions of the One Plan:

- b. withdraws the part of resolution 18-370 (25 September 2018) that directs the Chief Executive to prepare an application to the Minister for the Environment for a streamlined planning process for Plan Change 2, namely SP18-105 b. and c;
- c. agrees to proceed towards notification of a plan change that will include both an update to table 14.2 in the One Plan and changes to associated rules and policies with the intent of providing a realistic consenting pathway aligned to the Regional Policy Statement;
- d. notes that the Chair and officers have met with the Minister for the Environment and his officials;
- e. notes that the Chair has written to the Minister for the Environment and offered ongoing engagement both with the Minister and his officials as plan changes are progressed;
- f. notes that the proposed plan change will be progressed in parallel with the catchment planning process under Freshwater Futures;

In relation to catchment planning:

- g. endorse the general approach to catchment planning outlined in **Annex A**;
- h. agrees to pilot that approach in the Manawatū catchment;
- i. notes the process and scope detailed in the project brief for *Te Ia o Manawatū* in **Annex B**, in particular the proposed governance arrangements for the process, the proposed scope of the project and details of community and stakeholder engagement and involvement;
- j. agrees to the principle of shared governance of *Te Ia o Manawatū* process with iwi;
- k. invites a discussion with iwi about a shared governance arrangement for *Te Ia o Manawatū* process;
- l. directs the Chief Executive to prepare an issue of *Around the Region* on freshwater planning, a stakeholder engagement plan and a communications plan.

3. FINANCIAL IMPACT

- 3.1. Funding for the work described here is available through the 2018-28 **Long-Term Plan (LTP)**. Progress over the next two years will help Council, through the next LTP process, to assess whether the level of funding set aside for freshwater planning remains appropriate.

4. COMMUNITY ENGAGEMENT

- 4.1. There has been considerable engagement with stakeholder groups and the wider community around the difficulties in implementing the One Plan's nutrient management provisions and how we might resolve them. Engagement will continue during the development of a draft plan-change proposal.
- 4.2. Over the coming months, we plan to provide regular updates to communities of interest and iwi within the region, and to proactively engage with Government departments and sector groups based in Wellington. This will complement specific engagement with stakeholders on the nutrient management provisions, and the collaborative approach proposed for the *Freshwater Future* catchment planning work.

5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. Freshwater management has a high profile, and lacks unambiguously 'correct' solutions or approaches. A loss of public or ministerial confidence in Horizons' ability to make timely and appropriate decisions would have significant ramifications.

6. BACKGROUND

- 6.1. At the time it was developed, Horizons' One Plan was a leading-edge approach to environmental management. It took many years to work through the plan-change process and resolve appeals – and issues with nutrient management remain. Nonetheless, the One Plan as a whole is regarded as an example of good environmental planning practice and a strong regulatory framework.
- 6.2. All regulations – and, indeed, all strategies and plans – must evolve if they are to remain effective. The One Plan has been fully operative since December 2014. Council embarked almost immediately on a programme of policy evaluation, and can now draw on four years' experience of implementation, monitoring and evaluation. In that time, there have been changes in central government policy (including the amendment or introduction of several national planning instruments) and developments in other regions' practice (in particular, collaborative planning). All of these factors feed into the next phase of planning at Horizons.

7. INTENSIVE LAND USE PLAN CHANGES

- 7.1. Since mid-2017, Council has been working to address difficulties with the One Plan's nutrient management provisions. This culminated in decisions in August (Report 2018-112) and September 2018 (Report 2018-166) to pursue a technical correction to the One Plan's nitrogen-leaching maximums, through a streamlined planning process (Proposed Plan Change 2). Further amendments, to address unanticipated consequences of the plan's wording, would be addressed through a subsequent plan change (Proposed Plan Change 3). The relevant resolutions of the Strategy and Policy Committee of 11 September 2018 SP 18-105 and the Regional Council resolution to receive and adopt these resolutions are attached as **Annex C**.
- 7.2. Through this process, staff have engaged closely with **Ministry for the Environment (MfE)** officials. An independent planning and legal opinion, commissioned by MfE and completed in November 2018, identified obstacles to the two-step approach described

above. Following a meeting with Minister Parker in December, we believe it would be more appropriate to broaden the focus of Proposed Plan Change 2, to encompass both the technical correction to nitrogen-leaching maximums and immediate changes to policy wording. A streamlined pathway is unlikely to be available.

- 7.3. We recommend that Council withdraw its September 2018 resolution to apply for a streamlined planning process to update the One Plan's nitrogen-leaching maximums. Officers will continue to work towards notification in mid-2019 of a more extensive plan-change proposal, as directed in August 2018. The plan change is likely to follow the standard Schedule 1 process.

8. TE IA O MANAWATŪ

- 8.1. Council has adopted a catchment-based approach to future freshwater planning across our region (Report 18-236 refers). Catchment strategies will confirm intended outcomes, determine limits and timeframes, and develop solutions that integrate regulation, funding and economic incentives, education, and locals' enthusiasm for their environment. Changes to the One Plan are anticipated to implement catchment strategies over time.
- 8.2. The general approach we propose is outlined in *Our Programme for Better Fresh Water (Annex A)*. We recommend it be piloted in the Manawatū catchment. The *Te Ia o Manawatū* project brief (**Annex B**) describes our recommended approach in more detail. It is informed by other regions' recent experience and tailored to local circumstances. It draws on a range of discussions and workshops with iwi, territorial authorities, and stakeholder groups over the course of 2018. We will have the opportunity to take stock of how well it has worked and what adjustments might be appropriate before extending the approach to other catchments or other issues.
- 8.3. We recommend that council invite Manawatū iwi leaders to participate in governance of the strategy development process. Doing so would reflect a spirit of partnership and provide greater clarity for all parties. It would also reflect existing and emerging treaty settlements in the region and likely direction from central Government through its proposed changes to national freshwater policy.
- 8.4. Draft terms of reference have been developed for a co-governance committee, and could inform discussions. As a starting point, we suggest a committee comprising equal numbers of iwi and council representatives; this (and other details) could be adjusted following discussion with iwi leaders.
- 8.5. *Te Ia o Manawatū* must develop robust solutions that address public concerns. Doing so will rely on the involvement of stakeholder groups – territorial authorities, environmental groups, the rural sector – and members of the community at large. The approach we propose to involving these groups is also outlined in **Annex B**.
- 8.6. Transparency and proactive communication will be crucial to ensure people who are not directly involved have confidence in the process. A communications plan should be completed as a matter of priority. An issue of *Around the Region* could help to build awareness of Horizons' approach and how we propose to pilot it in the Manawatū catchment. It could also outline the changes to the One Plan that are necessary in the short term.
- 8.7. In embarking on a programme of catchment planning, Council faces statutory deadlines, resource constraints, and a public desire to see prompt and tangible results. It will be necessary to prioritise attention to focus first on the issues of most concern: in practical terms, catchment planning will be iterative. It will be important to ensure that matters that cannot be addressed immediately are not overlooked. We propose to develop a more formal work programme for policy review, to keep track of how and when issues will be tackled – be they challenges in a particular catchment, wider freshwater management questions, or other matters that arise from our policy evaluation programme.

9. CONSULTATION

- 9.1. Ongoing community engagement is proposed, as outlined in Section 4 above. In addition, formal consultation on plan-change proposals will proceed in accordance with the requirements of Schedule 1 of the Resource Management Act 1991. This includes a number of steps before notification of a plan change can occur.

10. NEXT STEPS

- 10.1. Officers will continue testing policy options to address the immediate nutrient management issues, and seek independent planning and legal opinions on these approaches.
- 10.2. If Council is minded to progress co-governance of *Te Ia o Manawatū*, Manawatū iwi leaders could be invited to discuss possible arrangements.

11. SIGNIFICANCE

- 11.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

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ANNEXES

- A Our Programme for Better Fresh Water
- B Te Ia O Manawatu Project Brief
- C September 2018 Council Resolutions