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| Report No. | 15-263 |
| Decision Required | |

ONE PLAN IMPLEMENTATION - NATIONAL POLICY STATEMENT ON FRESHWATER MANAGEMENT 2014

1. PURPOSE

- 1.1. This paper considers the implementation of the **National Policy Statement for Freshwater Management (NPSFM)** 2014, to support the decisions and actions required of the Council by 31 December 2015. The One Plan is the tool to give effect to the NPSFM. The paper considers whether it achieves this and next steps.

2. EXECUTIVE SUMMARY

- 2.1. With the One Plan a major first step has been taken already by Horizons towards NPSFM implementation. The One Plan achieves most NPSFM requirements.
- 2.2. However, it does fall short on some aspects relating to water quality. It is doubtful whether NPSFM requirements for resource use limits, to give effect to freshwater quality objectives for all freshwater management units in their regions, are fully met.
- 2.3. To make good decisions about the next steps further work is needed. More information about regional freshwater state compared to minimum national standards in the NPSFM will also be available in 2016.
- 2.4. A limited process of staged implementation is therefore proposed, as provided for in the NPSFM where plans are not quite complete.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 15-263.
- b. notes that a further report will be presented by 1 August 2016 on aspects of accounting and reporting, to ensure that NPSFM requirements on those matters are met.
- c. agrees with the staged implementation that is outlined at part 9 of this report.
- d. resolves to publicly notify this process by 31 December 2015.

4. FINANCIAL IMPACT

- 4.1. There is no financial impact associated with this report.

5. COMMUNITY ENGAGEMENT

- 5.1. There was no community engagement on this report.

6. SIGNIFICANT BUSINESS RISK IMPACT

6.1. Horizons has a legal obligation under the RMA for its regional plan and policy statement give effect to the NPSFM. This could result in significant business risk if the organisation were found not to be giving effect to this requirement.

7. BACKGROUND

7.1. The current version of the NPSFM was issued on 4 July 2014. Horizons must give effect to the NPSFM in its regional policy statement and regional plans, and is required to have implemented the policy as promptly as is reasonable.

7.2. The One Plan was made fully operative on 19 December 2014. Council noted in August 2015 that a staged implementation plan would be required to ensure alignment between the One Plan and the NPSFM.

8. SUMMARY OF THE NPSFM AND ONE PLAN COMPARISON

- 8.1. The NPSFM directs local government to manage water through managing land use.
- 8.2. It sets out objectives and policies for water quantity and water quality. Water quality objectives are given effect through a **National Objectives Framework (NOF)** which describes nine “attribute states” or biophysical measures of water quality and sets national bottom line standards (which communities must meet and can choose to exceed depending on community values and uses).
- 8.3. Other parts of the NPSFM are about tangata whenua roles and interests and progressive implementation by regional councils (if required).
- 8.4. The One Plan achieves most NPSFM requirements. With it, Horizons has achieved significant progress towards implementation.
- 8.5. The NPSFM also supports the One Plan framework. The basic national model is now similar to the One Plan approach.
- 8.6. In the following ‘traffic light’ comparison of the One Plan against NPSFM requirements:
 -  Consistent.
 -  Inconsistent (none of the One Plan is inconsistent).
 -  Needs more work.

| NPSFM | | ONE PLAN |
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| The water quality objectives are to: <ul style="list-style-type: none"> • safeguard the life-supporting capacity, ecosystem processes and indigenous species of freshwater (objective A1); • and the health of people and communities for contact recreation (objective A1); • and overall, maintain or improve freshwater quality (objective A2). |  | The One Plan has two primary water quality objectives: to safeguard water bodies’ life supporting capacity (objective 5-1); and maintain water quality where it is adequate and improve it where inadequate (objective 5-2). The health of people and communities for contact recreation is not mentioned in these objectives – but NOF attribute states for pathogens at or above the minimum standards are provided for through the targets in the Schedules. The objectives otherwise are the same as the NPSFM. |

| NPSFM | | ONE PLAN |
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| <p>The NPSFM sets out a National Objectives Framework.</p> <p>Bottom lines are set nationally for two values which are compulsory: ecosystem health (life-supporting capacity), and human health for recreation.</p> <p>Appendix 1 lists other values (environmental, social, economic, cultural), which communities may choose to meet.</p> <p>Appendix 2 specifies, numerically, the nine bottom line national “attribute states” for ecosystem health and human health for recreation. Some of the measures apply to lakes, others to rivers, others to both lakes and rivers, so that not all nine are always applicable.</p> <p>Regional freshwater objectives are to be set at or above these national bottom lines.</p> |  | <p>The One Plan has region-wide water quality objectives on core attributes for lakes and rivers, plus other site-specific states to give effect to local values (sites of significance for aquatic and riparian species, trout-spawning, food production uses, and so on - One Plan Schedule E).</p> <p>All NPSFM Appendix 1 values are in One Plan Schedule B (which lists local sub-catchment values for Horizons’ region).</p> <p>One Plan objectives for the compulsory values are set at or above the bottom lines.</p> |
| <p>Water quantity.</p> |  | <p>For water quantity the One Plan implements all NPSFM policies.</p> |
| <p>Integrated land and water management.</p> |  | <p>The One Plan has a core philosophy of integrated land use and water management, giving effect to objective C1 and policies C1 and C2 of the NPSFM.</p> |
| <p>Establishment of Freshwater Management Units (FMUs).</p> |  | <p>Advice to Strategy and Policy Committee, August 2015 refers: Horizons is establishing FMUs, which will overlay the existing One Plan mechanism of Water Management Subzones (WMSZs).</p> |
| <p>In setting freshwater objectives, regard is to be had to connections between water bodies; the connections between freshwater bodies and coastal water; and the reasonably foreseeable impacts of climate change.</p> |  | <p>In the One Plan the first two of these have been the basis for setting, respectively, water management zones and subzones; and objectives, policies, methods and rules for coastal water quality, which note the connection with freshwater.</p> <p>Climate change is noted as an “overarching issue” in the One Plan; a number of its methods and rules are relevant to the maintenance and management of life-supporting capacity and river quality and water quantity under more extreme climate conditions.</p> |
| <p>Overall freshwater quality within a region must be maintained or improved, while attending to further aspects: protecting the significant values of outstanding freshwater bodies; protecting the significant values of wetlands; and improving the quality of fresh water in water bodies that have been</p> |  | <p>Protection for the significant values of outstanding freshwater bodies and the significant values of wetlands is done throughout the plan in different parts (for example, through value and objective-setting, methods to identify top priority wetland habitats, rules that specify rare and</p> |

| NPSFM | | ONE PLAN |
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| degraded by human activities to the point of being over-allocated. | | threatened habitats and regulate activities affecting them). |
| The process: the NPSFM gives councils a framework for consultation and plan development. |  | <p>Because the One Plan was done before the NPSFM, it did not explicitly use the process that the NPSFM requires. For example, national freshwater quality values and bottom line states had not been established at that stage to act as a reference point for Horizons' regional consultation and approach.</p> <p>It appears unlikely, however, that there would be a real change to the One Plan framework if the process was now redone. A number of the differences come down to regional and community choices about values and local approach, as the NPSFM expects.</p> |
| <p>Regional plans need to:</p> <ul style="list-style-type: none"> • Establish freshwater objectives, no lower than the national bottom lines. • Set freshwater quality limits for all freshwater management units in their regions, to give effect to the objectives. • “Limit” is the maximum amount of resource use available, which allows a freshwater objective (a water quality state, like periphyton, ammonia toxicity, or e-coli) to be met. • Establish methods to avoid over-allocation. • “Over-allocation” is the situation where the resource has been allocated to users beyond a limit, or is being used to a point where a freshwater objective is no longer being met - affecting either quality or quantity. • Where there is over-allocation (freshwater objectives are not met), every regional council is to consider the sources of relevant contaminants, specify targets and implement methods to improve the water quality to meet the targets within a defined timeframe. • “Target” is a limit that must be met at a defined time in the future, where there is over-allocation. |  | These are the issues needing further work. |
| Accounting and reporting requirements. |  | Horizons has monitoring and accounting systems in place. More work is needed on details, to make sure accounting and reporting is consistent with NPSFM requirements, and the best option for making info publicly available as required. A report back in August 2016 is proposed. |

9. NEXT STEPS

- 9.1. The staged implementation plan now proposed allows a small amount of time for further analysis. In particular, a region-wide **National Objectives Framework (NOF)** assessment, of environmental state in the region's water bodies compared to the NPSFM requirements, is to be done by the end of the financial year; followed by an Evaluation of progress on implementing the One Plan's freshwater policies in the second half of 2016.
- 9.2. In the interim, we are required to amend our regional plan to include an additional policy on discharges that may have an effect on freshwater (NPSFM Policy A4). This is to be done as soon as practicable, without recourse to a Schedule 1 process: we are required to give public notice once the change has been effected, but are not required to notify or consult on our intention of making this change. We are currently seeking advice on how best to incorporate the relevant text into the One Plan, with a view of fulfilling this requirement early in the new year. Any adjustment to consenting practice is expected to be minor.
- 9.3. A further round of NPSFM developments and changes is expected in the coming year, and can be dealt with through the staged implementation process proposed.
- 9.4. **Staged implementation and public notification requirement**
 - 9.4.1. By 31 December 2015, to meet NPSFM process requirements, Council is invited to formally adopt a work programme as follows:
 - a. 2016: Regional National Objectives Framework state of the environment assessment to be completed by 30 June 2016.
 - b. Report back to the Committee and Council on freshwater accounting and reporting for the NPSFM, before the NPSFM deadline for completion of this work of 1 August 2016.
 - c. Results and recommendations for the One Plan freshwater quality Evaluation reported to Council by the end of 2016 – including consideration of issues arising from the NPSFM.
 - d. From 2017: In the light of the above, decide whether there is a need to review, on a catchment by catchment basis, the adequacy of regional limits, targets and timeframes set in the Plan to meet NPSFM requirements.
 - e. Notification of any plan changes required, to be implemented as promptly as is reasonable but no later than the NPSFM deadline of 2025 (noting that RMA review of the One Plan would otherwise be due in 2024).
 - 9.4.2. The programme of staged implementation needs to be formally adopted and publicly notified by 31 December 2015.
 - 9.4.3. It will require Council to publicly report, each year, on the extent to which the programme has been implemented.

10. CONSULTATION

- 10.1. Advice was developed internally, including consultation and peer review. The Ministry for the Environment is aware of our proposed approach, but has not formally provided an opinion.

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

There are no attachments for this report.