Report No.	17-220
Decision Required	

FRESHWATER MANAGEMENT: PLAN CHANGE PATHWAYS

1. PURPOSE

1.1. This paper provides advice on amending the One Plan to address immediate difficulties with the nutrient management rulestream and meet the community's longer-term needs.

2. EXECUTIVE SUMMARYs

2.1. This paper presents possible approaches to resolving issues with the One Plan's nutrient management provisions. The Regional Policy Statement sets out to use nitrogen limits to improve water quality at a rate that is achievable on most farms using good management practice; the policies and rules in the Regional Plan do not achieve this. This is the central difficulty to be addressed in the short term.

2.2. Horizons has made significant progress towards implementing the **National Policy Statement for Freshwater Management (NPSFM)**, but work remains to be done. Catchment-by-catchment review is the process by which wider considerations, like in-stream objectives and management interventions, are best reassessed. This process must start soon but will take time to deliver results.

2.3. In the meantime, we believe amending the One Plan to enable nutrient management consenting to proceed is potentially possible and desirable. To have merit, any such "interim" solution needs to be able to be developed and implemented swiftly. This means maintaining a tightly focused scope and diverging from the current Plan as little as possible.

2.4. We tentatively propose a set of changes, centred on recalculating target nitrogen leaching limits and modifying some associated policies and rules. Further work is required to confirm that this will provide an effective solution. Should it not achieve the intended purpose, a fall-back option is also outlined in this paper.

2.5. Interim plan changes and full catchment reviews together imply a step change in our freshwater policy work programme. We propose that this be treated as a capital project, reflected in the **Long-Term Plan (LTP)** currently being developed.

2.6. Work will need to commence this financial year and is likely to result in non-forecast expenditure. We do not anticipate that this will have a significant impact on the overall budget.

2.7. Further advice will be provided to Council as we progress through the evaluation of options and towards a proposed plan change.

3. RECOMMENDATION

That the Committee recommends that Council:

a. receives the information contained in Report No. 17-220 and Annex.

b. notes that the pathways identified in this paper represent the reasonably practicable approaches to address immediate issues with nutrient management consenting in the Region, and maintain progress with freshwater management more broadly;

c. instructs the Chief Executive to provide further advice on a preferred interim solution once more detailed analysis has been completed;

d. instructs the Chief Executive to prepare to commence catchment reviews in parallel with any interim solution;

e. instructs the Chief Executive to develop a freshwater management strategy and communications and engagement plan;

f. agrees to establish a capital plan change project.

4. FINANCIAL IMPACT

4.1. This report recommends commencing work in anticipation of a multiyear capital project to revise the One Plan's freshwater management provisions. The immediate impact would be an overspend of this financial year's capital budget of up to $300,000. The Chief Financial Officer advises that this would likely be offset by under-expenditure in other business areas. The full capital project is being budgeted through the 2018-28 LTP.

5. COMMUNITY ENGAGEMENT

5.1. Horizons has been engaging with stakeholder groups about difficulties with implementation of the One Plan's nutrient management provisions for some months. This has touched on the need for a plan change. Following this report, we propose to begin to discuss plan-change options with stakeholders and the wider community.

6. SIGNIFICANT BUSINESS RISK IMPACT

6.1. Potential for further litigation exists. The advice presented in this paper endeavours to minimise that risk, but cannot remove it.

7. LONG-TERM FRESHWATER MANAGEMENT

7.1. Freshwater management in the region presents long-term and short-term challenges. Over the longer term, we need to ensure that our approach is aligned with national direction and delivers the outcomes our community seeks. We are required to fully implement the NPSFM, including this year's amendments, by 2025. Although the One Plan's overall approach is consistent with the NPSFM, full implementation will require a substantial programme of work to align objectives, limits and management interventions in line with the methodology prescribed in the NPSFM. We believe this will best be achieved on a catchment-by-catchment basis, with the active involvement of the affected community.

7.2. This wider review process will be informed by last year's evaluation of the water quality and nutrient management framework (report 17-57 refers), the Environment Court declaratory proceedings earlier this year, [1] as well as other case law on the implementation of the

[1] *Wellington Fish and Game Council v Manawatu-Wanganui Regional Council* [2017] NZEnvC 37.

NPSFM and evaluation of other aspects of the Plan currently underway (erosion and sediment control; water allocation).

8. IMMEDIATE DIFFICULTIES

8.1. More immediately, we have significant challenges with our nutrient management rules that need to be resolved. Members have previously been briefed (report 17-143) on the impasse we have reached with implementation of the current rulestream.

8.2. In planning terms, we believe the One Plan's Regional Plan does not give effect to its **Regional Policy Statement (RPS)** component. The RPS identifies issues and sets out policies to achieve integrated resource management across the Region. Chapter 5 sets out our approach to fresh water. It includes policies for managing nutrient loss from intensive land use. Nitrogen limits are to be set that: [2]

- Safeguard life-supporting capacity and recognise and provide for Schedule B Values;
- Maintain surface water quality where Schedule E Targets are met and enhance it where they are not;
- Maintain groundwater quality, or improve it if it is degraded;
- Recognise the productive capability of land;
- Are achievable on most farms using good management practice;
- Provide appropriate timeframes where large changes in practice or high levels of capital investment are required.

8.3. More detailed policies and rules to manage nutrient losses from intensive land use (implementing, or "giving effect to", the RPS) are set out in Chapter 14 of the Regional Plan. Members will be familiar with Policies 14-5 and 14-6 in particular, along with Table 14.2 and Rules 14-1 to 14-4.

8.4. Since the One Plan was developed, a significant gap has emerged between current nitrogen leaching rates (estimated using OVERSEER) and the leaching targets specified in Table 14.2. This gap, and the way the Regional Plan deals with high-leaching farms, creates a disjuncture between the Regional Plan and the Regional Policy Statement. The Regional Policy statement sets out to use nitrogen limits to improve water quality at a rate that is achievable on most farms using good management practice, but the policies and rules in the Regional Plan do not achieve this. This is the central difficulty to be addressed in the short term.

8.5. Relatively few farms appear able to achieve target nitrogen leaching rates through good management practice. Most are instead faced with significant changes to farm systems if they are to meet Table 14.2. Given the scale of the change required, the Plan seems to provide insufficient time for individual farms or the community at large to adapt. In its 2012 decision on the One Plan, the Environment Court concluded that a small number of farmers would find the financial costs of compliance difficult under the *controlled* regime, but that the economic costs for a majority of farms would be manageable across a span of years and that the regime would not put farmers out of business (paragraphs 5-165, 5-168, and 5-174 of the decision). [3] We are concerned that the existing rulestream is at odds with the Court's expectations. The challenge is especially acute for horticulture operations.

8.6. Moreover, the structure of the nutrient management provisions and the Environment Court's 2017 declarations have highlighted the difficulty in identifying a viable consenting pathway for operations that cannot meet Table 14.2 within four years. We anticipate that a

[2] See RPS Policy 5-8 in particular.
[3] *Day v Manawatu-Wanganui Regional Council* [2012] NZEnvC 182.

substantial proportion of existing farms still to be consented will be in this position. Currently, those farms do not hold the resource consent required under the nutrient management rules, and it is difficult to see how they could realistically obtain that resource consent. We consider this to be an unintended consequence of the way the Regional Plan's rules and policies interact.

8.7. The present situation raises issues for affected landowners, environmental groups and Council alike. Fully resolving it will likely take several years. It seems appropriate to consider whether an interim solution can be found to provide a workable mechanism while we proceed with the broader programme of catchment review.

9. THE SCOPE OF AN INTERIM SOLUTION

9.1. Over the past few months, staff have investigated alternative approaches open to Council to address this fundamental issue, including a change to the One Plan. The Council is required by s32 of the **Resource Management Act 1991 (RMA)** to consider the appropriateness of a change to the One Plan, and any specific plan change provisions.

9.2. It is important to be clear what we mean by an "interim solution". Any interim fix, through a limited change to the One Plan nutrient management provisions, needs to be swift to have merit: that is, we must be able to generate the detail of the proposed change and the evidence required to support it quickly; and we should have a reasonable expectation of the plan-change process proceeding smoothly, with a minimum of contention and limited potential for appeals. Plainly, it must also fix the problem, and provide a practicable way forward.

9.3. This points to a tightly focused set of amendments, centred on the regulation of existing intensive land use activities. It would look to make as small a change to the Regional Plan as possible, to align it with the RPS, particularly in terms of the policy expectation that most farms should be able to achieve nutrient limits through good management practice.

9.4. If a swift resolution is to be found, a number of related issues must be left out of scope. Community values, environmental science, and the appropriateness of the One Plan's freshwater objectives (including what it currently describes as "targets") are wider questions that are best deferred for subsequent, catchment-specific processes. To step away from those biophysical outcomes, without a thorough process to develop new provisions to replace them, would be untenable.

9.5. Similarly, while Council may wish to revisit its approach of regulating particular industries in particular places, or investigate long-term alternatives to **land-use capability (LUC)** for nutrient allocation, we suggest that these are more fundamental changes, that do not lend themselves to speedy resolution.

9.6. The pathways discussed below necessarily refer to the loads that would result from meeting Table 14.2. It is worth noting that the nitrogen limits in the Table are not intended to *achieve* Schedule E Targets. The nitrogen loads delivered through the Plan differ for each catchment: they do not align consistently with in-stream water quality targets (Schedule E), nor with associated rates of periphyton growth in any given place. Be that as it may, the appropriateness of the total catchments loads envisaged by year 20 of Table 14.2, the proportion of that load allocated to intensive land use activities and the assumptions made about attenuation below the root zone are best dealt with through a thorough catchment review – and explicitly left out of scope for any interim solution.

9.7. Likewise, there are numerous minor inconsistencies that should be corrected in due course, but are manageable in the meantime. A log of these is being maintained as they come to our attention, so that they can be addressed at the appropriate time. As a matter of policy, we would not recommend including these in an interim solution, unless they were directly relevant to its principle aim.

10. PLAN-CHANGE PATHWAYS

10.1. In deciding how to proceed, we believe there are three questions to be answered:

- Do we pursue an interim plan change or move directly to implement the first stage of a fuller review?
- If we are going to have an interim plan change, should it retain Table 14.2?
- Which plan-change process should we follow?

10.2. These questions are best addressed by fleshing out viable alternatives. The pathways presented below are not mutually exclusive. Track 1 and Track 2 are interim solutions – one revising, the other partially removing Table 14.2. Either could precede Track 3, which lays out at a high level the freshwater planning work required over the longer term (and could also stand on its own). Track 4 outlines the Nationally Significant Proposal process, which could be used to expedite a plan change within Track 3.

Track 1: Interim changes to LUC

10.3. The first pathway centres on realignment of Table 14.2 to reflect OVERSEER updates since the One Plan was developed. Our understanding of how the table was generated, and how OVERSEER estimates are reflected in it, is outlined at Annex A.

10.4. We expect that recalibration using the original methodology would produce higher leaching targets for year 1 of the table, with corresponding adjustments to years 5 and 10. Strictly, this would also alter the year 20 targets. In line with the rationale of paragraph 9.6, however, we recommend anchoring year 20, in order to contain the scope of the plan change to the planning framework (and avoid a premature relitigation of community values and in-stream outcomes).

10.5. Further work is required to validate that this approach would be effective: we have not yet been able to fully establish to what extent the issue is OVERSEER version change, broader issues with the fit between land-use class and estimated leaching rates, or something else entirely. If our premise is correct, recalibrating the table would return to the intended position of "most farms" being able to meet the (shorter-term) requirements of the table through good management practice, albeit with considerably steeper reduction pathways over time. This is illustrated conceptually in Figure 1 below.

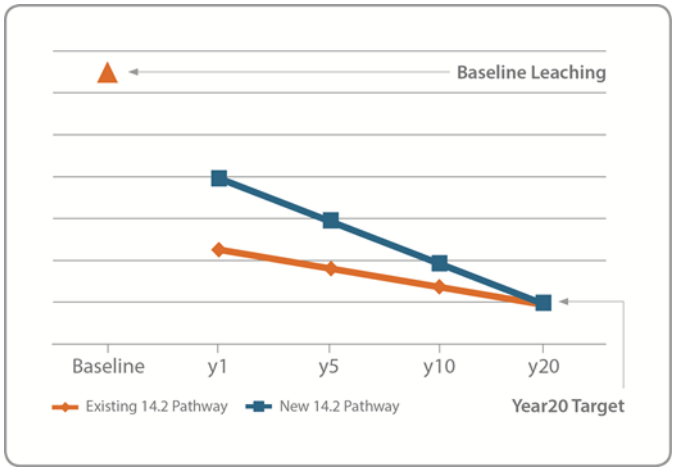

Figure 1: *Conceptual effect of revising Table 14.2*

10.6. It is likely that most farms would still struggle to show how they would meet longer-term targets. This would likely result in shorter duration consents being sought and issued.

10.7. Recalibrating Table 14.2 potentially allows more farms to meet Controlled Activity conditions (Rules 14-1 and 14-3), but does not address the difficulties in identifying a viable

consenting pathway for farms that are unable to reach the targets quickly, or at all. These operations will need to change their practice; there needs to be sufficient time available for change to occur. We would likely seek to amend the requirement to reach year 1 within four years (Policy 14-6(b)(ii)) in order to allow more time for this transition. There are two main reasons for this: firstly, our experience that four years to make the necessary on-farm changes is insufficient; secondly, year 1 has now passed for all target catchments, largely rendering the year 1 targets in themselves an irrelevance (although changing the plan to redefine year 1 is also possible).

10.8. We anticipate that there will be existing farms that are still unable to meet either Controlled or Restricted Discretionary Activity conditions. Without pre-empting the process, it is possible that a significant proportion of horticulture operations may fall into this category. The Plan currently lacks any mechanism to deal with these: we believe it would be appropriate to introduce a Discretionary or Non-Complying Activity class. This would need to be stringent, and consistent with the overall planning framework. There would likely be an explicit expectation in the Plan provisions that any such consents would only be granted for a relatively short period, with the effect being that they would expire once a more thorough review of the nutrient management regime and the relevant catchment had been completed.

10.9. As an interim solution, which remains aligned to the in-stream objectives set in the current Plan, no substantive change to Rule 14-4 (Restricted Discretionary conversions) is proposed. Any conversion to intensive land use that is unable to meet the (revised) nutrient leaching limits is likely to remain difficult to justify and require rigorous evidence.

10.10. There is one situation in which a policy change to allow for conversions that do not meet Table 14.2 may be warranted: where a conversion is proposed to replace or reduce a direct discharge to water, and the overall result for the affected waterbody will be demonstrably positive. This would be in accordance with the overriding RMA principle of sustainable management, and would provide relief for the conflict that currently exists between the RPS provisions in relation to treated wastewater (Policy 5-11(b)) and the Regional Plan nutrient management provisions (Policy 14-5(e)).

10.11. Corrections to other policies (mostly, but perhaps not exclusively, in Chapter 14) would be required to give effect to Track 1. Were we to proceed with this approach, we would seek to include a methodology for adjusting Table 14.2 for OVERSEER changes in future. We would need to take further advice on how best to do this.

10.12. Completing an adequate Assessment of Environmental Effects will remain challenging for any farm that cannot meet Controlled Activity status.

10.13. A Streamlined Planning Process may be available for this pathway because the existing Plan has resulted in unintended consequences (RMA s80C(2)). This would require further investigation. The early stages of a streamlined process are, in any case, no different to a robust conventional Schedule 1 process; a decision on which process to adopt is not required immediately.

10.14. A proposed plan change as described above would be explicitly framed as an interim measure leading into more thorough review, in line with the expectations of the NPSFM. This first plan change would likely lay out a broad approach to freshwater plan review over the next decade. Subsequent stages would closely align with Track 3 described below.

10.15. Work on catchment reviews (see Track 3) would need to start almost immediately, in parallel with the interim plan change proposal. This would present a resourcing challenge in the near term. As catchment reviews were completed, the interim rule framework would be progressively replaced with revised limits and mechanisms more appropriate to the challenges and outcomes specific to that environment. The relationship between Tracks 1 & 2 and Track 3 is outlined in Figure 2 below.

10.16. This approach represents the smallest possible alteration to the current Plan that we believe provides an interim solution to meet the RPS expectation that most farms should be able to meet nitrogen limits using good management practice (and subsequently be able to obtain a resource consent). As such, it presents least grounds for opposition and appeal – although a smooth passage is far from certain.

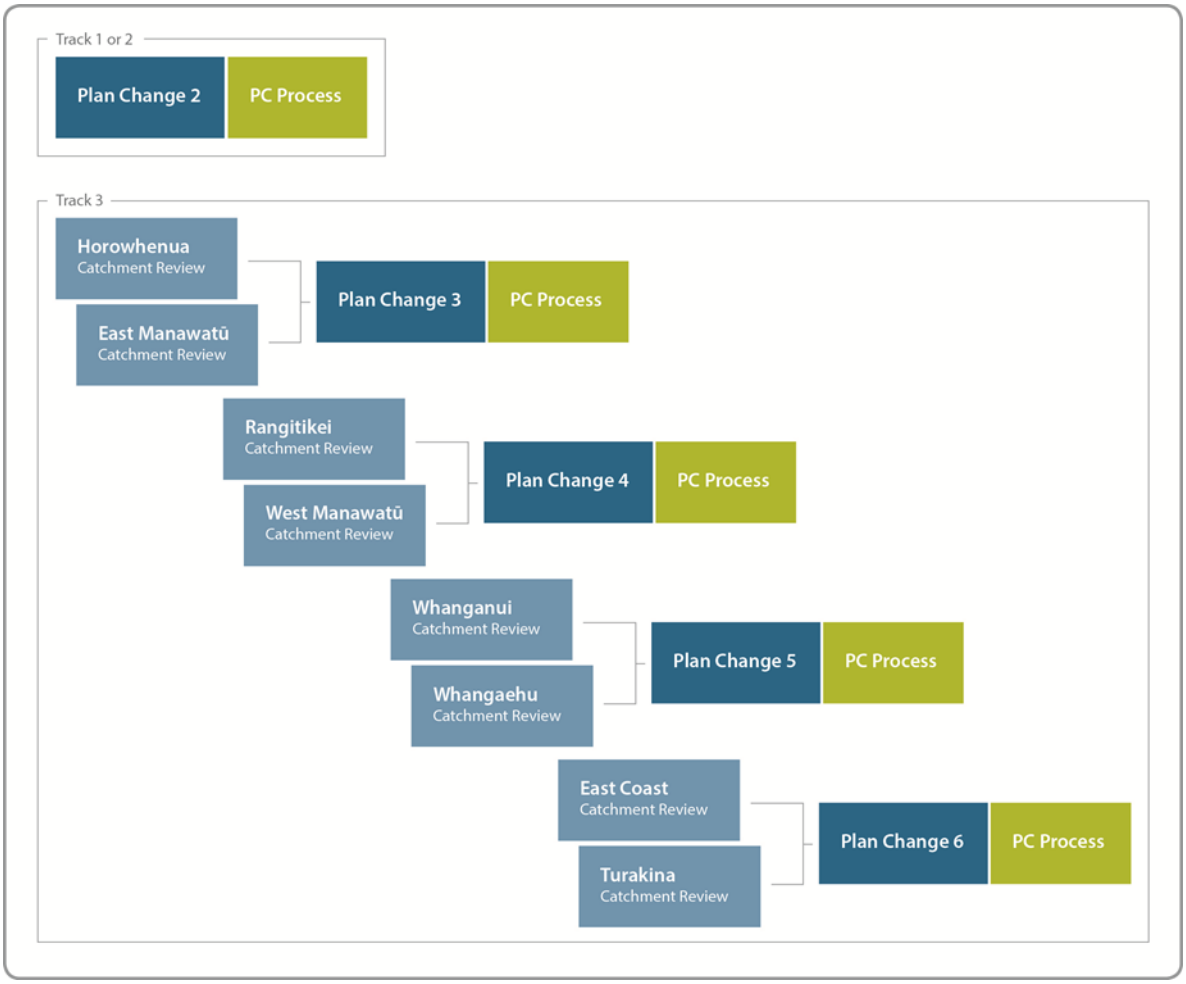

Figure 2: *Likely scope of freshwater policy processes to 2025*

Track 2: Simplified reduction trajectory

10.17. A second pathway, as an interim solution, is to replace Table 14.2 with a simple numerical threshold. Farms meeting that threshold could be consented as Controlled Activities without further ado; farms exceeding the threshold would be required to make reductions in nitrogen leaching over time (as Restricted Discretionary Activities). This is broadly similar to the One Plan's current approach. To remain in alignment with the Plan's intended outcomes, the numerical threshold (or perhaps thresholds) would need to match the total catchment loads envisaged by the current year 20 targets. The required rate of nitrogen reduction could, however, be calculated based on a trajectory from a farm's base-year leaching to the target: difficulties with getting "to the table" in order to obtain consent would be reduced; the expected improvement over the longer term would be no less. This is illustrated in Figure 3.

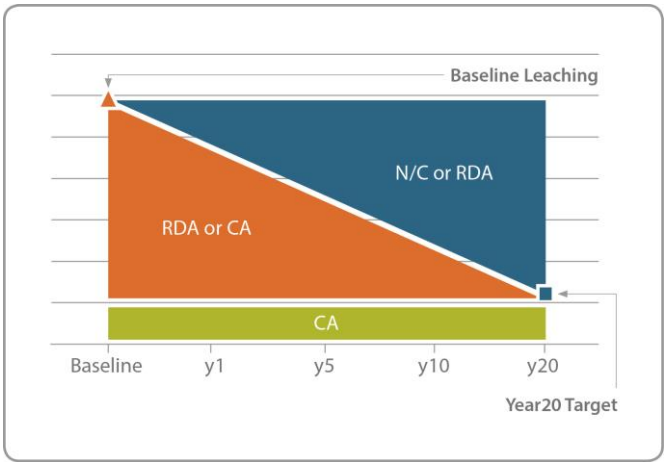

Figure 3: *Simplified N-reduction trajectory*

10.18. This approach would still require higher leachers to make more significant changes more quickly, while lower leachers would have a gentler pathway. Like Track 1, this would likely result in shorter-duration consents being issued. Provided that the term of consents was sufficient to allow catchment reviews (Track 3) to be completed, the interim solution would have served its purpose.

10.19. Track 2 may also be attractive if the question of "fit" between land-use class and estimated leaching mentioned in paragraph 10.5 proves to be a significant issue. The difference in target leaching by land-use class is potentially minor compared to the variability of soils within a land-use class, the overall magnitude of reduction required, or the uncertainty in OVERSEER estimates. While natural capital is conceptually appealing, the degree of precision in numerical compliance with Table 14.2 may not in retrospect be justified by the accuracy of the data available. If the practical difficulties of adjusting the table are too great in the short term, an alternative interim solution may be appropriate. Technical aspects of this approach would require careful consideration before it was adopted.

10.20. As for Track 1, some farms will be unable to meet either Controlled or Restricted Discretionary Activity conditions. To provide a mechanism to deal with such operations, a Discretionary or Non-Complying Activity class could be introduced. The same caveats apply as outlined above in paragraph 10.8. As for Track 1, no substantive change to Rule 14-4 (Restricted Discretionary conversions) is proposed – except, perhaps, to deal with land-based wastewater treatment (see paragraph 10.10). Amendments to other policies (mostly, but perhaps not exclusively, in Chapter 14) would be required to give effect to this approach.

10.21. This pathway would require a conventional Schedule 1 plan change process. Like Track 1, the proposed plan change would explicitly be an interim measure and would lay out a broad approach to freshwater plan review over the next decade. This would closely align with Track 3 described below. Work on catchment reviews would need to start promptly, and would progressively replace the interim regime as described in paragraph 10.15.

10.22. This option remains aligned to the nitrogen loads anticipated by Table 14.2, but steps away – at least for a time – from natural capital and land-use capability, as a way of achieving those loads. As such, a greater degree of resistance may be anticipated from some interest groups. Supporting evidence, and our wider strategy for freshwater management, would need to be robust and clearly articulated.

Track 3: Catchment-by-catchment review

10.23. A third approach is to abstain from any interim amendments, and proceed directly to full catchment-by-catchment review. If an interim solution were pursued, this is also the

process that would follow to develop a more enduring solution to freshwater management across the Region.

10.24. Catchment review is a major undertaking. It will encompass aligning existing metrics to the National Objectives Framework and developing some new ones (e.g. to incorporate matauranga Māori), producing catchment accounts for both water quality and quantity, engagement with the community on their values and in-stream objectives, setting limits (for nitrogen, but also to achieve other objectives, such as swimmability), and developing an action plan for maintaining or improving water quality in each catchment. Nutrient allocation through regulation forms only one part of this.

10.25. We would propose starting with the areas in which we have the most pressing challenges with the current regulatory framework – Horowhenua, given the particular difficulties with consenting horticulture operations under the current plan, and Eastern Manawatū. (While we so far have designated one Freshwater Management Unit covering the whole Manawatū river system, it may be appropriate to prioritise the eastern part of the catchment.) These processes would have staggered starts but run in parallel with each other, leading into a plan change that would effectively reset the nutrient allocation template for the Region.

10.26. We would then work through the rest of the Region, developing interventions and setting limits tailored to each catchment but in alignment with the broad regional framework. This would likely entail half a dozen catchment processes and two or three further plan changes. Formal collaborative plan-change processes will be appropriate in some areas (e.g. Whanganui); in other places, a Schedule 1 process with a strong emphasis on community engagement will likely be preferable. To get through this programme of work by the 2025 deadline, we will need to have two to three catchment processes underway at any given time – starting next year.

10.27. Proceeding directly to this pathway is most efficient in a longer-term sense, since it needs to be completed whether or not we propose interim amendments to the One Plan. The more complicated and contentious any interim fix becomes, the more attractive moving directly to catchment reviews. However, even with substantial commitment of resource, it will likely take three years to complete catchment reviews for Horowhenua and/or Manawatū and settle on a long-term preferred approach to sustainable nutrient allocation. We suggest that some change to the One Plan needs to be notified in considerably less time than that, in light of the uncertainty associated with the current situation.

Track 4: EPA Nationally Significant Proposals process

10.28. One way of accelerating plan change is by applying to have it processed as a **Nationally Significant Proposal (NSP)** called in by the Environment Minister through the Environmental Protection Authority. This is the process that was used for the Tukituki plan change proposal in the Hawkes Bay. In our case, the grounds for following this path would centre on widespread public concern about the Plan's effect on the environment (RMA s142(3)). Relatively minor changes to the existing Plan (such as Tracks 1 or 2 in this paper) are unlikely to meet this threshold. The most suitable application of the NSP process would be to implement a new nutrient-management regime in the Horowhenua and/or Eastern Manawatū catchments.

10.29. The NSP process has fixed timeframes (nine months from lodgement to completion) and reduced scope for delays through appeal. Given the urgency of finding some resolution to the impasse with our present regulatory framework, this may be attractive. Moreover, subject to the agreement of *all* applicants, an NSP process could encompass consenting as well as plan-making. This has some advantages: considering all activities requiring consent in a catchment through a comprehensive process, for example, may overcome some of the difficulties with assessing the environmental effects of an individual operation.

It would also allow for nutrient allocation to be resolved at arm's length from Council; Members may wish to consider whether or not this has merit.

10.30. The NSP process does not, however, remove Council from the fray altogether. We would still be required to develop a proposed plan change to the notification stage. The analysis required prior to the EPA process would still be considerable, mirroring the work outlined in paragraph 10.24. Catchment reviews, as described under Track 3, would follow for parts of the Region not explicitly covered by the NSP.

10.31. At notification, a Board of Inquiry would be appointed. From that point, the EPA would administer the process and charge associated costs back to Horizons. Council staff (or contractors) would have to be available to respond to information requests from the Board: anecdotally, we understand that these can be significant, and arrive with little warning but considerable urgency. The surges in workload that this would result in may prove difficult to manage. Council would have no control over either the process or its outcome once underway.

10.32. We do not see the NSP process as offering an interim solution; nor, at this stage, do we believe it offers an advantage over other processes within Track 3. We present it primarily to illustrate a different approach, with a different set of advantages and disadvantages.

11. CONCLUSIONS

11.1. At this stage we believe that a change to the One Plan, as an interim measure to relieve the most pressing difficulties with the nutrient-management rulestream, is both necessary and at least potentially feasible. The three years it is likely to take to complete full catchment reviews and plan change processes for affected parts of the Region is, in our view, too long for the status quo to persist.

11.2. We (tentatively) consider Track 1 the better of the approaches outlined in this paper, since it represents the lesser departure from the existing framework. We retain Track 2 as a fall-back option and propose to consider both Track 1 and Track 2 options in investigating any proposed plan change.. Either interim solution is likely to follow a conventional Schedule 1 process (although a streamlined process is also possible for Track 1).

11.3. Work also needs to begin on the broader process of catchment reviews described as Track 3. We anticipate that some of these will follow conventional Schedule 1 processes, and others Collaborative Planning Processes.

12. PROJECT ESTABLISHMENT

12.1. Our conclusions imply significant commitment of resource to a plan change project. Since investment in improved plan provisions will provide value in the years following each plan change, we believe capital funding is appropriate. It is difficult at this stage to forecast the level of expenditure that is likely to be required: partly, this is because we are yet to fully scope the project; partly, it is because of the uncertain cost and duration of the plan-change process itself. Preliminary advice has been provided to Council in the course of LTP deliberations (see report 17-185); efforts to develop a more robust cost estimate through that process are ongoing.

12.2. Given the urgency of addressing the immediate issues outlined here, and the volume of work to be completed over the longer term, we recommend that a capital project be established this financial year. This would result in an overspend of the 2017/18 capital budget of perhaps $300,000: this would likely be offset by under-expenditure in other business areas, and would be reflected in the full budget to be considered through the LTP process.

12.3. If a capital project were approved, we would propose to report to the next formal Audit, Risk & Expenditure Committee, confirming that it had been established and indicating how

expenditure was tracking against our forecast. Standard capital project reporting would follow from that point onward.

13. NEXT STEPS

13.1. Further investigation is required to determine whether either Track 1 or 2 will, in practice, provide an adequate solution. This will form the basis of the s32 analysis required to ensure that any proposed plan change is robust, and the most-effective way of achieving its objectives. It will include working through the specific wording changes that might be made to the Plan's policies and rules, producing a revised version of Table 14.2, and assessing the effectiveness of each alternative. This would draw on farm-scale information that has become available over the past few years through our consenting programme, and involve commissioning additional technical, planning, economic, and (potentially) social science advice. We propose to provide further advice to Members once this has been completed.

13.2. We have agreed with Fish & Game and the Environmental Defence Society on the value of an open exchange of views between our respective planning experts, and are working to arrange this in the next few weeks. We see this as an important step towards arriving at a shared understanding of where the difficulties lie, what is possible under the One Plan's current provisions, and where amendments might be required.

13.3. Fully addressing the issues listed above, in terms of the full implementation of the NPSFM will inevitably be staged over several plan changes and several years. Public acceptance of an interim plan change will depend in part on how clearly we articulate our wider strategy for freshwater management from the outset – including where there are opportunities for public involvement.

13.4. A well-designed freshwater strategy would serve both as a roadmap for internal use and as a tool for communicating with the community. It should demonstrate both how the various catchment reviews and plan changes fit together, and how we see regulatory measures fitting into a wider plan to improve freshwater across the Region. It could cover the requirements of a Progressive Implementation Plan under the NPSFM (which we are due to update) and potentially also be incorporated into the plan change itself.

13.5. Work has begun on a communication and engagement plan. We believe it is appropriate to step up our engagement with stakeholders at this point, in relation to both the specific plan changes we are considering and the broader strategy we are pursuing to improve freshwater management in our Region. While this begins with affected landowners, industry, and stakeholder groups, the interests of the wider community should not be neglected.

13.6. In parallel, work needs to start on full catchment review processes. We recommend, as outlined under Track 3, commencing with Horowhenua and the Eastern Manawatū. Preliminary work – including compilation of catchment accounts, developing a mātauranga Māori framework, identifying research and modelling capability requirements, and reviewing the effectiveness of planning approaches adopted in other regions – will be necessary before the reviews themselves can get underway.

13.7. Over the remainder of this financial year, we anticipate bringing four further substantive pieces of advice to Council in relation to One Plan changes:

- Detailed assessment of Tracks 1 and 2 outlined above, and a recommendation on which plan-change pathway to pursue;
- A high-level strategy for freshwater management in the Region, including our proposed approach to community engagement;
- Our proposed approach to catchment review for Horowhenua and Eastern Manawatū; and

- Subject to further analysis, a proposed plan change (and supporting evidence) to provide an interim solution to the issues described in this report.

14. CONSULTATION

14.1. This advice has benefited from the input of two external planning experts, Mark St Clair and Gerard Willis. We have discussed aspects of it with EPA and Ministry for the Environment staff, and staff from other regional councils; it has been reviewed internally, including the Science and Regulatory teams.

14.2. A copy of this report has been provided to Fish & Game and the Environmental Defence Society in advance of the Committee's meeting.

15. SIGNIFICANCE

15.1. The full suite of plan-change work required through to 2025 may be significant in terms of the Council's Policy on Significance and Engagement. Consideration should be given to inclusion of freshwater planning in consultation on the 2018-28 LTP.

Tom Bowen
MANAGER POLICY & STRATEGY

Nic Peet
GROUP MANAGER STRATEGY & REGULATION

ANNEXES

A Notes on the derivation One Plan Table 14