



# POLICY COMMITTEE AGENDA

## WEDNESDAY 18 OCTOBER 2017

Council Chamber  
70 Stafford Street, Dunedin

Following the conclusion of the Communications Committee

### **Membership**

Cr Gretchen Robertson	<i>(Chairperson)</i>
Cr Michael Laws	<i>(Deputy Chairperson)</i>
Cr Graeme Bell	
Cr Doug Brown	
Cr Michael Deaker	
Cr Carmen Hope	
Cr Trevor Kempton	
Cr Ella Lawton	
Cr Sam Neill	
Cr Andrew Noone	
Cr Bryan Scott	
Cr Stephen Woodhead	

### **Disclaimer**

Please note that there is an embargo on agenda items until 8:30 am on Monday 16 October 2017. Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

*For our future*

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## **1. APOLOGIES**

Cr Doug Brown

## **2. LEAVE OF ABSENCE**

Cr Michael Deaker

## **3. ATTENDANCE**

## **4. CONFIRMATION OF AGENDA**

## **5. CONFLICT OF INTEREST**

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

## **6. PUBLIC FORUM**

## **7. PRESENTATIONS**

## **8. CONFIRMATION OF MINUTES**

### **Recommendation**

*That the minutes of the meeting held on 13 September 2017 be received and confirmed as a true and accurate record.*

### **Attachments**

1. Minutes Policy Committee - 13 September 2017 **[8.1.1]**

## OTAGO REGIONAL COUNCIL

### Minutes of a meeting of the Policy Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 13 September, commencing at 2:46pm

- Membership:** Cr Gretchen Robertson (Chairperson)  
Cr Michael Laws (Deputy Chairperson)  
Cr Graeme Bell  
Cr Doug Brown  
Cr Michael Deaker  
Cr Carmen Hope  
Cr Trevor Kempton  
Cr Ella Lawton  
Cr Sam Neill  
Cr Andrew Noone  
Cr Bryan Scott  
Cr Stephen Woodhead
- Apologies:** Cr Woodhead  
Apology accepted on the motion of Crs Hope and Noone  
**Carried.**
- Leave of Absence:** Nil
- In attendance:** Peter Bodeker (CE)  
Nick Donnelly (DCS)  
Gavin Palmer (DEHS)  
Tanya Winter (DPPRM)  
Scott MacLean (DEMO)  
Sian Sutton (DSHE)  
Sally Giddens (DP&C)  
Fraser McRae  
Lauren McDonald (Committee Secretary)  
Tom de Pelsemaecker  
Denise Anderson  
Sylvie Leduc  
Dale Meredith  
Lisa Cain

#### **CONFIRMATION OF AGENDA**

The agenda was confirmed as listed.

#### **CONFLICT OF INTEREST**

No conflicts of interest were advised.

#### **PUBLIC FORUM**

No public forum was held.

## MINUTES

The minutes of the meeting held on 2 August 2017, having been circulated were adopted on the motion of Crs Hope and Kempton. **Carried**

## ACTIONS

(Status report on the resolutions of the Policy Committee).

No current actions to be reported.

## PART B – FOR NOTING

Item 4

2017/1008 **Director’s Report on policy progress to September 2017.** DPPRM, 22/08/17

The report provided an overview of significant activities undertaken by the Policy directorate for the period 15 July to 25 August 2017, including: national policies, strategies and plans; ORC policy, plans and strategies; water quantity planning; regional transport

Mr McRae provided an update on the Lindis mediation process.

*Cr Deaker left the room at 2:54pm.*

Moved Cr Scott  
Seconded Cr Noone

*That this report be noted.*

### **Motion carried**

*Cr Deaker returned to the room at 2:57pm*

## PART A – FOR RECOMMENDATION

Item 1

2017/0771 **Report on On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats.** DPPRM, 21/08/17

The report provided information on an investigation into the potential for on-farm water storage for the Cardrona Valley and Wanaka-Cardrona Flats, to assist with identifying and assessing the economic effects of water take restrictions on irrigators and other water users.

The full report by GeoSolve Ltd and David Hamilton & Associates Ltd entitled “*On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats*” was circulated separately with the agenda.

Mr McRae confirmed that the report provided answers to the community question of the storage available in the Cardrona valley and the feasibility of those options.

The report findings will be provided to the community and the information also available on the ORC website.

*Cr Kempton left the room at 3:02pm returned at 3:05pm.*

*Cr Laws left the room at 3:07pm*

Moved Cr Hope  
Seconded Cr Kempton

That:

- (a) *This report is noted.*
- (b) *The report “On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats.” is made available to water users in the Cardrona Valley and on Wanaka-Cardrona Flats, and to other stakeholders.*

**Motion carried**

Item 2  
2017/1024     **Adoption of Urban Water Quality Strategy.** DPPRM, 28/08/17     -

The proposed Urban Water Quality Strategy (the Strategy) detailed a comprehensive approach to achieve the community’s aspirations for good water quality. The Strategy included a focus on urban environments and would also guide changes to the Regional Plan: Water for Otago.

The ORC Urban Water Quality Strategy was circulated separately with the agenda.

Discussion was held on the Strategy content and agreed amendments included:

- Inclusion for providing citizen science opportunities.
- Consideration of water quantity to be included in section 4.2.3 (e.g. better urban design for water quantity to result in better water quality)
- Reference to enforcement re degrading of water quality
- Key phrases of the Strategy to be provided in Maori.
- Correction of text errors.
- Wording to be revised to reflect the intent of the Strategy for both improving and maintaining water quality standards.

*Cr Laws returned to the room at 3:17pm.*

It was agreed that the amended Strategy would be circulated to councillors for consideration and discussed at the 27 September Council meeting for adoption.

Moved Cr Hope  
Seconded Cr Lawton

- (a) *That the draft Urban Water Quality Strategy with reference to water quantity – amended as directed and forwarded to Council meeting 27 September 2017.*

**Motion carried**

Item 3  
2017/1025 **Adoption of Air Quality Strategy.** DPPRM, 22/08/17

The proposed Air Strategy (the Strategy) detailed a comprehensive approach to achieve the community's aspirations for good air quality throughout Otago, updating Council's previous strategy. The Strategy focused on Council's role and how Council will work together with key stakeholders and communities, particularly where there are air quality issues, to achieve both warm homes and clean air. It will also inform the review of the Regional Plan: Air for Otago.

The ORC Air Quality Strategy was circulated separately with the agenda.

Discussion was held the Strategy content and agreed amendments included:

- Clear definition of air quality and what the Strategy covers.
- Key issues within the strategy to be more clearly defined.
- Requirement to include dust pollution in the strategy (compliance).
- Better definition of low impact heating and the effects being monitored.
- Consistency of message on landholder and community responsibilities.
- Use of PM<sup>10</sup> or PM<sup>2.5</sup> monitoring.

*Cr Noone left at 3:52pm and returned at 3:54pm.*

*Cr Scott left the room at 4:01pm returned 4:04pm*

Next steps:

- Further discussion required with TLAs, stakeholders and communities on the Strategy before adoption. Hold a forum in Alexandra and Queenstown to seek input.
- Compile draft strategy for consultation together with communications plan to partner with the community and key stakeholders.

Moved Cr Neill  
Seconded Cr Lawton

*That the proposed Air Strategy is adopted as a draft for discussion and to be brought back to a future meeting with a consultation plan;*

**Motion carried**

The meeting was declared closed at 4:08pm

**Chairperson**

## 9. ACTIONS

Status report on the resolutions of the Policy Committee.

<b>Report on On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats.</b>	13/9/17	The report "On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats." is made available to water users in the Cardrona Valley and on Wanaka-Cardrona Flats, and to other stakeholders.	CLOSED Available on the ORC website and provided to stakeholders
<b>Adoption of Urban Water Quality Strategy</b>	13/9/17	That the draft Urban Water Quality Strategy with reference to water quantity – amended as directed and forwarded to Council meeting 27 September 2017	CLOSED Adopted at Council on 27/9/17
<b>Adoption of Air Quality Strategy</b>	13/9/17	That the proposed Air Strategy is adopted as a draft for discussion and to be brought back to a future meeting with a consultation plan	OPEN

### Attachments

Nil



## 10. MATTERS FOR COUNCIL DECISION

### 10.1. Director's Report on Progress

**Prepared for:** Policy Committee  
**Activity:** Governance Report  
**Prepared by:** Tanya Winter, Director Policy, Planning and Resource Management  
**Date:** 3 October 2017

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#### 1. Précis

This directorate report contributes toward the following Strategic Plan Goals:

- Active resource stewardship
- Active regional partnerships
- Realisation of new opportunities

#### 2. Policy Responses

##### 2.1. National Policies, Strategies and Plans

The following were received over the five-week period to 29 September 2017:

Agency	Number	Document
Productivity Commission of NZ	1	Low Emission Economy – Issues Paper August 2017

The following responses were made over the five-week period to 29 September 2017:

Proposal	Response Type	Issues
None		

##### 2.2. Territorial Authority and Regional Authority Plan Changes and Resource Consent Applications

The following were received over the six-week period to 29 September 2017:

Agency	Number	Document
QLDC	2	Resource Consent application
DCC	2	Resource Consent application
CODC	4	Resource Consent application

Following the Taieri flooding in July, ORC continues to support DCC on activity classification and natural hazard management in their development of the city district plan review “2GP”.

##### 2.3. Other Proposals

Proposal	Response Type	Issues
CODC – Draft Lake Dunstan Navigation Safety Bylaw	Submission (lodged on behalf of ORC's Environmental Monitoring and Operations Directorate)	ORC lodged its support in principle for the draft bylaw raising a few concerns: <ul style="list-style-type: none"><li>• The removal of dedicated lanes for water skiing could inadvertently lead to an increase in risk of aquatic pest contamination with more people launching from anywhere along the lake shore rather than dedicated access ramps.</li></ul>

		<ul style="list-style-type: none"> <li>• Some corrections are required to the definitions.</li> </ul>
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#### **2.4. Environment Canterbury – Proposed Canterbury Regional Pest Management Plan 2017 - 2037**

Following on from ORC's submission, Scott MacLean, Director Environmental Monitoring and Operations, presented at the hearing. Mr MacLean reported the panel appreciated ORC's appearance and were very interested in ORC's experience with Wallaby pest management. He will provide an update to the Regulatory Committee.

### **3. ORC: Policy, Plans and Strategies**

#### **3.1. Review of Regional Policy Statement**

26 appeals have been received on the proposed Regional Policy Statement. In addition to most of these parties lodging an interest in becoming party to another appellant's appeal, a further 18 new parties have joined in, as provided for under Section 274 of the RMA.

Over three weeks of court assisted mediation have now been completed. All but a handful of matters remain to be resolved. Some consent orders have now been signed. Expert witnesses are being engaged, should it be necessary to have a Court hearing in early 2018. However, staff continue to work with all parties to seek appeal resolution.

#### **3.2. Urban water quality plan changes**

Now that the Urban Water Quality Strategy for Otago has been adopted, staff will present a possible implementation programme to a Council workshop. The focus will be on Long Term Plan projects, including community education and information projects, research and plan changes that are being considered.

Over the next two months, staff will meet with the City and District Councils to discuss how to work together more effectively on urban water quality matters and how implementation of the strategy might work. It is proposed to form key stakeholder and technical oversight groups to oversee an implementation programme across the region.

A risk management method for assessing risk of contamination for urban areas is now being developed. This will involve all councils, and it will help prioritise our workloads.

Preliminary work has commenced for possible plan changes to wastewater and stormwater provisions which will lead to parallel changes to the Water Plan and Coast Plan over the next two years. Following that, provisions relating to hazardous substances and trade waste will be reviewed, with the intention of making parallel changes to the Water, Coast and Air Plans, and revoking in part any duplicating provision in the Waste Plan.

Staff are now commencing a series of plan changes to better address the effects of urban contaminants. Initially, a methodology for managing activities and their effects addressing risk management is being developed, in conjunction with the Resource Science unit.

#### **3.3. Biodiversity Strategy**

The Biodiversity Strategy is being prepared now, in association with the Biodiversity Reference Group. It draws on the Wildland Consultants Ltd report, 'Strategic Analysis of Options to Improve Management of Ecosystems and Biodiversity for Otago Region'.

A draft strategy will be presented to a Council workshop in October, prior to a Forum on Tuesday 31 October on biodiversity and pest management. Following the Forum, feedback will be sought on the Strategy draft, online and through community meetings in November. A draft implementation plan is being developed in tandem with the Strategy to ensure clear alignment between desired outcomes and possible responses by the Council.

#### **4. Water Quantity Planning**

##### **4.1. Proposed Plan Change 5A Lindis: Integrated water management**

Council received 1 appeal on Proposed Plan Change 5A Lindis: integrated water management, while a further 15 Section 274 parties to the proceedings notices have been lodged.

Environment Court - assisted mediation was held on 8 and 9 December 2016, with some 25 people attending. Further hydrological, cultural, and ecological investigations and a social impact assessment have been undertaken as a result of this mediation.

The parties reported back to the Court on 28 April 2017 on progress and potential dates for reconvened mediation. The appeal was referred back to mediation and Court facilitated expert conferencing. Court facilitated expert conferencing was held on 6 June and mediation continued on 4 July. The parties reported back to the Court by the end of July. The Court has indicated that the appeal is now going to hearing and it is contemplating hearing commencement early 2018.

##### **4.2. Development of Proposed Plan Change 5D Cardrona: Integrated water management**

Preliminary work is being undertaken to resume the development of an integrated water management plan change for the water resources in the Cardrona catchment and the Wanaka Flats (the Cardrona River, Cardrona Alluvial Ribbon Aquifer and Wanaka-Cardrona Aquifer).

Project management materials (including Terms of Reference, Project Execution Plan, Programme Gantt Chart, Risk Register) have been prepared, and existing technical reports are being updated. Technical work will continue over the summer to better confirm the relationship between hydrology and groundwater. The cultural assessment is underway. Economic and social assessments are being commissioned.

The next consultation round on the options for managing surface and groundwater quantity in the catchment is tentatively scheduled for early 2018.

##### **4.3. Development of Proposed Plan Change 5C: Manuherikia Catchment: Integrated water management**

Community consultation on options for the plan change occurred on 21-23 March in Otarehua, Omakau and Alexandra. Drop-in sessions were held from 1:00-3:00 pm and 6:30-8:00 pm at each location. At the drop-ins the community had the opportunity to discuss the options with council staff, take information on the options home with them, and provide feedback. Feedback could also be provided via a feedback form, an online feedback form or via email. Feedback was received from 120 individuals/groups. This feedback has been summarised, sent to those who provided feedback and the summary made available on the council website.

A cultural effects assessment is underway. A Hydrological Effects Simulation, Economic Assessment and Social Assessment are being commissioned.

We will be going back to the community, but not until after the hydrological effects simulation, economic and social reports are available. We are continuing to work with the wider community.

A draft plan change will then be developed, using all technical and scientific investigation to date, all consultation feedback, and the hydrological, economic, cultural, and social reports. The draft plan change will then be workshopped with councillors and consulted with the community for feedback, before a proposed plan change is formally notified.

#### **4.4. Development of Proposed Plan Change 1D: Flow Requirements for Water Takes**

Following the second series of community consultation, held in the first week of August, a review of the feedback is underway and a summary is being prepared. Upon completion, this summary will be provided to all who attended the sessions and on the ORC website. The notes taken from the facilitated discussion tables at the consultation have been typed up and the relevant session sent to those who registered attendance.

The feedback received is being reviewed and policy options are being developed and analysed. Inputs across science, consents and policy are underway during this stage.

#### **4.5. Proposed Plan Change 3E: Arrow catchment and Wakatipu Basin Aquifer**

Following the first stage of consultation held at the end of June 2017, the feedback has been summarised and has been provided to all who attended the sessions. The summary has also been put on the ORC website.

The feedback received is part of the investigations for options. Options for the plan change have now been developed with input from both science and policy. These options are now being assessed by economic and social consultants. The completion of their work is expected in November 2017, prior to options consultation scheduled for December.

A cultural assessment on values is currently underway by KTKO.

### **5. Recommendation**

- a) *That this report be noted.*

**Endorsed by:** Tanya Winter  
**Director Policy, Planning & Resource Management**

### **Attachments**

Nil

## 10.2. National direction for clean water and Otago

**Prepared for:** Policy Committee  
**Activity:** Governance Report  
**Prepared by:** Policy Team  
Water Quantity Planning Team  
Resource Science Team  
Stakeholder Engagement Team  
**Date:** 2 October 2017

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### 1. Précis

This report presents a summary of:

- Government's most recent freshwater reforms;
- Amendments to the National Policy Statement for Freshwater Management (NPS-FM);
- The 2017 review of councils' implementation of the NPS-FM by the Ministries for the Environment (MfE) and Primary Industries (MPI);
- Actions underway by Otago Regional Council (ORC) to implement recent amendments to the NPS-FM.

### 2. Background

Freshwater reform is an important focus for Government. The Land and Water Forum (LAWF) was established in 2009 to provide advice on freshwater management to the Government. Recommendations by LAWF led to the original NPS-FM, which provides national direction under the Resource Management Act (1991), being, gazetted in 2011. That NPS-FM required that regional councils address the over-allocation of water, both in terms of quantity and quality, amongst other matters.

In 2011, ORC was changing its Regional Plan: Water for Otago (Water Plan) to better address water allocation and promote more efficient ways of using water, including through water management groups, in preparation for the transition out of deemed permits in 2021. The Water Plan already included a framework for managing water quantity, through minimum and residual flows and allocation limits. ORC's regulatory framework was considered to give effect to the NPS-FM 2011, once the change addressing diffuse rural contaminants was made operative (Plan Change 6A Water Quality). Consequently, it resolved in 2012 that *'there was no need to notify a programme of time limited stages to change the Water Plan as the Plan is consistent with the NPS-FM'* (Report 2012/1036).

Since then, the NPS-FM has been revised in 2014 and in August 2017, to provide more detail on objective setting and national attributes for freshwater and recognise community aspirations for swimmable rivers and lakes. A summary of the Clean Water 2017 reforms is attached as Appendix 1. While the Water Plan still aims to achieve the same outcomes for water, some of its elements need to be better aligned to clarify how it gives effect to the current NPS-FM. These variances are addressed later in this report.

### 3. NPS-FM Implementation Review: national themes report and regional reports

The NPS-FM Implementation Review was released by MfE and MPI in August 2017. It includes a national themes report and a section on implementation by each regional council.

The review provides a stocktake of progress made by councils towards setting limits and objectives for freshwater resources in each region, as required by the NPS-FM. To inform the review a team from MfE interviewed regional councils (senior staff and councillors) and stakeholders selected by the review team. It identifies implementation successes and challenges across New Zealand, and suggests actions to ensure more successful implementation of the NPS-FM.

Overall, council staff consider that the review is valuable to inform our work going forward. It indicates that ORC is among the top four councils in terms of implementation progress and that we are on track to implement the NPS-FM fully by 2025.

## **4. Review findings**

### **4.1. NPS-FM implementation progress**

#### *National implementation*

The national report notes that:

- No council has yet implemented the NPS-FM in its entirety;
- Otago is among the top four councils that have made good progress in implementing the NPS-FM (along with Canterbury, Horizons and Waikato);
- Councils cannot wait to gather further information while waterways continue to decline;
- Region-wide defaults may be appropriate in some situations, and while catchment specific provisions are still being developed.

#### *ORC implementation*

The Otago regional report notes that:

- ORC considers it meets the requirements of both the NPS-FM 2011 and 2014;
- ORC noted that no plan is perfect and the plan process is iterative;
- Stakeholders consider Otago is only part way through the process;
- Stakeholders consider ORC should better outline how the NPS-FM is being implemented on the ground. It is unclear how ORC will support landowners, or how compliance will be enforced.

#### *Staff commentary*

In common with all councils around the country, ORC is only part way through implementation of the NPS-FM. However, as indicated in the national themes report, ORC is on track to fully implement the NPS-FM by 2025. ORC has already made substantial progress toward full implementation. In February 2017, noted that it was '*in compliance with the objectives of the NPSFM 2014*' (Report 2017/0580) and did not assert that it was fully compliant at this stage.

Further work is required to fully implement the more recent amendments to the NPS-FM, including:

- A plan change being developed this year to incorporate terminology introduced through the 2014 and 2017 amendments (such as freshwater management units), add the compulsory attributes for ecosystem health and human health for recreation to Schedule 15: Good Quality Water, add targets for swimming, and make any other necessary changes;

- All Water Plan changes now being developed follow the National Objectives Framework process required under NPS-FM Policy CA2, which sets out how communities and tangata whenua should consider freshwater values and develop objectives;
- Monitoring requirements are addressed under section 4.8, following;
- Engagement with stakeholders is addressed under section 4.9, following.

#### **4.2. Achieving the objectives of the NPS-FM**

##### *National implementation*

- Over allocation of water quantity is a common problem;
- Water quantity limits and minimum flows have been set across most of the country, and councils are trying to claw back over allocation;
- In the absence of national direction, councils have interpreted water quality limits differently. The review team is of the view that setting limits in terms of loads is more consistent with the intent of the NPS-FM, and necessary for explicit and effective allocation;
- There is a lack of integrated management from source to sea.

##### *ORC implementation*

- The presence of mining privileges creates a challenging environment for allocating and managing water quantity;
- The community expects over allocation to be alleviated and river flows to be maintained;
- Stakeholders say ORC is not taking all community values into account, and not addressing the 2 compulsory values – ecosystem health and human health for recreation;
- Some stakeholders say residual flows are not working as well as expected, technical information to inform decision is lacking, and they are unsure if ORC understands how it will implement policy involving community values and science;
- Stakeholders say they are receiving mixed messages from ORC about the requirements for water users, including discharge limits and enforcement.

##### *Staff commentary*

ORC has been engaging with holders of deemed permits (mining privileges) for more than 20 years, emphasising the increasing urgency of the situation, reminding them of the permit expiry in 2021, and explaining the process and information required for their application. This has incorporated a message that they can apply for their applications early. Staff are aware of at least 50 applicants (out of approximately 400) who have already applied or are in the process of developing early applications. In addition, other catchment groups are also engaged in discussions to prepare for early applications.

ORC continues to revise its processes for engaging with the community. For water quantity plan changes, a three-stage consultation process is used prior to notification: (1) establishing community water values; (2) flow and allocation options, and (3) a pre-notification consultation draft. Following this consultation, ORC continues to use the Schedule 1 plan notification process, which provides for formal submission making, and includes the right of appeal to the Environment Court. Proposed changes are supported by technical assessments of in-stream values and characteristics of the specific catchment.

Regarding residual flows, a plan change is now being developed to improve the consistency and clarity of how residual flows are applied to water takes. This includes a review of the science used to inform decision-making.

The Water Plan identifies water quality allocation limits and targets in Schedule 15: Good Quality Water. These were introduced through Plan Change 6A: Water Quality, which became operative in 2014. During mediation on that plan change, appellants considered the NPS-FM framework for water quality and were satisfied with how the targets and limits were described.

### **4.3. Community engagement and collaboration**

#### *National implementation*

- Collaboration is being increasingly used to tackle complex resource management issues;
- An engagement process that emphasises the sharing of knowledge and working together at the front end of the planning process, through dialogue and discussion, is desired;
- Collaboration requires staff to develop new skills and approaches;
- Effort must be made to ensure that all members of the community are represented and able to have their voices heard.

#### *ORC implementation*

- ORC has chosen to use a consultative rather than collaborative process;
- ORC sees increased community involvement as a positive step;
- Stakeholders felt that ORC was initially reluctant to engage beyond the minimum Schedule 1 requirements of the RMA. They felt early engagement was a good approach, and that Schedule 1 was probably a fairer method of decision making;
- Stakeholders considered that communication could be improved, and that though ORC comes up with ideas for freshwater management, little follow up occurs, meaning they are reluctant to continue to engage.

#### *Staff commentary*

ORC remains committed to ongoing stakeholder engagement and consultation on Water Plan changes, using the usual Schedule 1 RMA consultation processes, rather than either of the two new processes: collaborative or streamlined.

The International Association for Public Participation (IAP2) identifies a spectrum of public participation in decision-making: inform – consult – involve –collaborate – empower. Simplistically, each level is said to offer increased public involvement in making decisions, through to full public empowerment. On the IAP2 spectrum, when preparing plans over the past ten years and more, ORC has moved towards 'involvement'. Local communities have had significant input to various minimum flow management options. ORC has applied a philosophy of empowerment for individuals and businesses, once environmental bottom-lines have been established in the Water Plan. ORC promotes the use of water management groups for maximising the use of available water among local water users, ensuring allocation and minimum flow requirements are not breached; and for water quality, when possible, by taking a permitted-prohibited activity regulatory approach for discharges in the rural environment. While plan parameters are prepared with public involvement, and using the standard Schedule 1 RMA consultation process, the 'doing' decisions for water quantity and quality management empower the water users to make their own decisions, within the parameters set.

Each process, whether consultative, with involvement or collaborative, has different risks **and timeframes**, and by 2025, ORC will be in a better position to see if the proposed advantages of its approach to water management are delivering the environmental outcomes desired by the regional community.



#### **4.4. Engaging with iwi and hapu**

##### *National implementation*

- The ability of iwi and hapu to partner with councils is affected by resourcing and pending settlements with the Crown;
- Getting representative involvement of iwi in resource management decision-making and the implementation of the NPS-FM-FM, particularly at hapu level, is an important issue;
- Councils and some central government agencies struggle with the concept of matauranga Maori and how best to incorporate it into their day to day work.

##### *ORC implementation*

- ORC says the runanga are well engaged but could be better resourced;
- Stakeholders say iwi and hapu involvement in the plan development process is essential, but raised practical questions about how iwi views are taken into account for NPS-FM implementation.

##### *Staff commentary*

ORC remains committed to working with iwi and hapu to inform plan development and consenting proposals. The latest changes to the RMA now require ORC to consult with iwi immediately prior to notification of a plan proposal, and to show how their input is taken account of in the notified change or review.

#### **4.5. Engaging with territorial authorities**

##### *National implementation*

- Insufficient engagement and coordination between regional and territorial authorities have been barriers to improving fresh water in some cases;
- Much of the work required to achieve freshwater values and objectives will be carried out by territorial authorities, which do not always appreciate what is required of them, or actively participate in regional planning discussions;
- Few councils are working through the national objectives framework with their urban communities;
- Growing cities and rural towns alike are facing costly upgrades to ageing infrastructure. These communities must address urban water issues as soon as possible if we are to improve our waterways.

##### *ORC implementation*

- Not addressed in the Otago report.

##### *Staff commentary*

ORC has made good progress in working with the City and District Councils of Otago, most recently shown through the adoption of the 'Urban Water Quality Strategy' for Otago last month. These relationships will continue to grow as strategy implementation progresses.

#### **4.6. Decision making**

Note: the first three points following refer to collaborative processes/groups, which are not used currently use in Otago.

##### *National implementation*

- Decision makers in council or at hearings may lack detailed knowledge of the trade-offs made by collaborative group members to reach the collective decision and may make a decision that effectively undermines the group's work;

- When forming a collaborative group, councils must provide the group with a clear understanding of its role, how council will handle the group's recommendations and how these will be translated into a planning document;
- To retain the integrity of the collaborative process, councils need to support the group's final decision for its catchment;
- It is difficult under the RMA to draft agile plans that can incorporate new versions of scientific models without rewriting the plan.

*ORC implementation*

- Not addressed in the Otago report.

*Staff commentary*

As yet, there is no clear evidence that collaborative approaches, rather than consultation and regulatory approaches, lead to improved outcomes for water quality and quantity. In this regard, the Otago region provides a valuable alternative to collaborative approaches, regarding how to improve water planning outcomes in the New Zealand context.

**4.7. Capacity and capability for freshwater planning**

*National implementation*

- Most councils are staging their implementation programmes;
- Otago is one of seven councils seen as having more capacity and capability;
- The trend towards greater engagement with communities has meant changes on the skill set required by council staff;
- The burdens placed on collaborative group members are severe and support is vital.

*ORC implementation*

- ORC says stakeholder capacity is limited;
- Some territorial authorities are waiting on better guidance from ORC before addressing freshwater issues;
- Stakeholders felt that ORC does not have the capacity to do all that is required, and that central government could partner more with regional councils;
- Some stakeholders felt more financial support is needed for them to continue to be involved. Staffing and resource demands re the NPS-FM-FM must be addressed by ORC.

*Staff commentary*

As noted under section 4.5 above, ORC has made good progress in working with the City and District Councils of Otago. By working together to implement the Urban Water Quality Strategy, some capability and capacity issues should be alleviated.

There will be an increased workload around consenting water takes when mining privileges cease in 2021. Planning is currently underway to support this.

**4.8. Information**

*National implementation*

- Significantly more information is required to better understand the current and future state under various development and management scenarios;
- There is an apparent mistrust of central and local government water quality and quantity data;

- Investment in science to support options and assessment decision making can be significant. Robust science is critical where there is over allocation of a resource;
- Councils need to ensure they have clear criteria for assessing when they have sufficient evidence to start setting limits and mitigating the effects of land use, and to have effective mitigation strategies in place while evidence is collected;
- Councils generally expressed a willingness to incorporate matauranga Maori into their planning and monitoring but were uncertain how to do so effectively;
- There was mixed feedback about the quality of economic analysis used when setting freshwater objectives and limits

#### *ORC implementation*

- ORC monitors river flows at key locations and has a water quality network in place for a variety of attributes. However, in some places it is not sufficient for current needs;
- Stakeholders are concerned that ORC is not yet monitoring effects adequately to manage within limits, and are feeling burdened by reporting requirements. They would like more support from ORC;
- Property owners are hesitant to share information with ORC in case it is used against them with enforcement action.

#### *Staff commentary*

Earlier this year, ORC reported to MfE on how freshwater accounting for quantity and quality would be undertaken. While such accounting systems were to be in place by 1 August 2016, ORC and many other councils have not yet implemented such systems. There are no standard principles for water quality accounting, and but MfE appears to have accepted ORC's proposed approach.

ORC has recently commissioned reports on its freshwater monitoring:

- For aquifers, the report by Pattle Delamore Partners Ltd. (PDP)<sup>1</sup> concluded *'Generally, the groundwater models used to represent groundwater in the region's aquifers focus on modelling water quantity rather than water quality. The models are generally good and fit for purpose, but in some cases need additional uncertainty analyses, or calibration to surface water flows to ensure that the predictions are within reasonable bounds and appropriate to the water quantity and quality objectives for the models.'*<sup>2</sup> The report recommends improvements regarding how groundwater information is gathered.
- For surface water quality, a draft report by the National Institute of Water and Atmospheric Research (NIWA)<sup>3</sup> concluded that *'Overall, the existing river monitoring programme has a strong water quality focus, with biological monitoring limited to annual assessments of periphyton and macroinvertebrate community health at 29 sites. The programme would benefit from the inclusion of additional measures of ecosystem health ... and annual assessments of stream habitat. The number of sites should also be increased. Implementation of a dedicated periphyton biomass monitoring programme at a selection of sites (for an initial 2-3 year period) should have a high priority to ensure that NPS-FM requirements are fulfilled. Monthly monitoring of deposited streambed sediment would be useful at some sites; selection of these sites should take into account*

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<sup>1</sup> 'Review of Otago Regional Council Groundwater Information', August 2017

<sup>2</sup> P. 52, Ibid.

<sup>3</sup> NIWA (2017), P. i, *Draft Review of Otago Regional Council's State of the Environment monitoring programmes,*

*both current and potential future land use pressures.*<sup>1</sup>. ORC staff are currently considering recommendations from the draft as to how its surface water monitoring systems may be improved.

A new project is proposed for inclusion in the Draft Long Term Plan to provide funding for water accounting, starting in the 2018/19 year.

ORC has endeavoured to make information available and accessible, through its Water Info website, and through support of the water information website hosted by Land and Water Aotearoa.<sup>2</sup>.

State of the Environment reports are available on ORC's website and staff supply more detailed data on request.<sup>3</sup>

#### **4.9. Plan implementation**

##### *National implementation*

- Community expectations of freshwater management are rapidly increasing;
- An agreed implementation strategy could be important to ensure that initiatives lead to desired freshwater outcomes;
- A plan is only as good as a council's ability to implement it fairly and equitably, and to monitor and enforce compliance with the plan. Better enforcement is needed for limits to be effective.

##### *ORC implementation*

- Some stakeholders consider Plan Change 6A is not being implemented properly, as not all farmers are receiving necessary information;
- Stakeholders are unsure how ORC will approach compliance;
- Stakeholders note freshwater outcomes can best be achieved by embracing local solutions, and that while there is goodwill, the change management process from ORC requires leadership and a clear strategy, which is sometimes absent.

##### *Staff commentary*

ORC has made a substantial commitment to implementing Plan Change 6A: Water Quality. A programme manager has been appointed, and implementation programme developed which includes:

- Three liaison specialists in the stakeholder engagement team who regularly present to, meet with, and respond to queries from both farmers and industry groups, as well as the wider community, to help them understand Water Plan rules and how the rules relate to them;
- A quarterly newsletter, Waterlines, that is distributed to all rural ratepayers in Otago. There are regular feature articles about water quality rules, and case studies of farmers and community organisations that are working to achieve good water quality in their area;
- A Facebook page (Good Water in Otago – ORC) that has 634 'likes', which is used this to share water quality messages from both ORC and other organisations that have a social media presence;
- A monthly e-newsletter (On-Stream) that goes to 383 subscribers and features water quality news, including updates from the liaison specialists about what has been happening in the area of Otago that they cover;

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<sup>1</sup> Ibid. p. i.

<sup>2</sup> <http://www.lawa.org.nz>

<sup>3</sup> <https://www.orc.govt.nz>

- An Environmental extension group including members from a variety of organisations with an interest in rural water quality, which we meet with every six months<sup>1</sup>. ORC has in regular contact with a number of the organisations in this group outside the meetings, including Federated Farmers, iwi, Fish and Game and others;
- Following a request from the environmental extension group, ORC has have created a compliance flow chart that outlines the various compliance options available to ORC in response to potential breaches of the Resource Management Act (1991). This was published in the spring issue of Waterlines and is also on the ORC website;
- ORC staff are involved in several dairy working groups throughout Otago, which help farmers identified as ‘at risk’ of having a compliance issue with the effluent rules in the Water Plan;
- A fact pack that outlines the rules in the Water Plan is currently being updated. The replacement will be easier to follow and offers good management practice options.

Another ORC programme involves working with groups of water users in advance of deemed permits expiring, as described in section 4.2 above.

The minimum flow plan change process has also been prioritised, to ensure that those preparing consents in the water short catchments of central Otago will know in advance the community’s expectations for river flows and sustainable allocation limits.

#### 5. ORC actions to reflect amendments to the NPS-FM

Table 1 below outlines steps identified in February 2017 to complete implementation of the NPS-FM 2014 by 2025. These changes will ensure that the Water Plan is more transparent in its alignment with the national direction, and deliver on freshwater accounting requirements:

**Table 1 Steps identified to reflect NPS-FM 2014 amendments in the Otago Water Plan**

<b>Matter</b>	<b>Action</b>	<b>Time</b>
<b>a) Policy CA1</b> Freshwater management units (FMUs)	Plan change to align terminology used in managing water [Annual Plan W1: Regional Plan Water project].	2017-18 year
<b>b) Policy CA2</b> Freshwater objectives for all FMUs	Re-present current Water Plan to more transparently show how the national values and uses for fresh water apply in Otago [as part of above Policy CA1 plan change].	
	Assess national values transparently, as part of each new relevant plan change. Alter operative plan provisions as necessary using the plan change and review process [Annual Plan W1 and W6: Minimum Flows and Allocation Limits projects].	Ongoing
<b>c) Policy CA3</b> Bottom lines for	Re-present operative Water Plan to more transparently show how the national value	2017-18 year

<sup>1</sup> Note that the current meeting is overdue because the group wants to hear back about the consenting pathways and Good Water Project (environmental risk assessments), which are both still under development.

FMUs	bottom lines for fresh water apply in Otago [as part of above Policy CA1 plan change].	
<b>d) Policy CB1</b> Monitoring plan	Review SoE monitoring activity to include required attribute analysis. Some monitoring practices have already been changed to become more compliant [Annual Plan W2 Water Quality & Quantity SoE project].	2016-17 year
<b>e) Policy CC1</b> Freshwater accounting systems for quality and quantity management	Review monitoring and reporting systems to ensure that national reporting requirements are met and best use can be made of data collected to inform decision making regionally. [Annual Plan Z4 Information Systems project].	2016-18 years

Table 2 below outlines the additional steps proposed to reflect the 2017 amendments to the NPS-FM.

**Table 2 Steps identified to reflect NPS-FM 2017 amendments in the Otago Water Plan**

<b>Matter</b>	<b>Action</b>	<b>Time</b>
<b>f) Objective A3</b> Primary contact <b>Policy A5</b> Primary contact sites	Plan change to identify specified rivers, lakes and primary contact sites; any programme for improvements to those sites; and how those sites will be maintained once regional targets are achieved. [Extension of Annual Plan W1: Regional Plan Water project].	2017-18 year
<b>g) Policy A6</b> Regional targets	Develop regional targets to improve the quality of freshwater to meet the national target for water quality improvement as part of the above plan change process.	2017-18 year
<b>h) Objectives A4, B5</b> Economic wellbeing <b>Policies A7, B8</b> Economic wellbeing	Ensure that economic wellbeing is transparently considered when giving effect to the NPS-FM through plan change consultation and Section 32 evaluation processes.	Ongoing
<b>i) Objective CB1</b> Monitoring <b>Policies CB1, CB2, CB3, CB4</b> Monitoring values	Complete review of SOE network and associated data collection systems to give effect to the monitoring requirements prescribed. Monitoring and reporting that information, as prescribed. [Annual Plan Z4 Information Systems project]	2018-19 [proposed] then ongoing
<b>j) Policy E1g)</b> Progressive implementation programme	Report at least every 5 years on primary contact site improvements made to the rivers specified in Policy A5	2023-24 [proposed] then 5-yearly
<b>k) Appendix 2</b> Attribute tables	Modify monitoring regime in accordance with attribute monitoring specifications of Appendix 2.	2019-20 [proposed] then ongoing

## 6. Recommendation

*That Council:*

- a) *Note the Clean Water 2017 changes with respect to freshwater management (Attachment 1);*

- b) *Note the findings of three recent reviews of Council's implementation of the National Policy Statement for Freshwater Management by:*
- *the Ministries for the Environment and Primary Industries;*
  - *Pattle Delamore Partners Ltd; and*
  - *the National Institute of Water and Atmospheric Research;*
- c) *Endorse the actions underway and proposed by Council to implement the National Policy Statement for Freshwater Management.*

**Endorsed by:** Gavin Palmer  
**Director Engineering, Hazards & Science**

Sian Sutton  
**Director Stakeholder Engagement**

Tanya Winter  
**Director Policy, Planning & Resource Management**

#### **Attachments**

1. Clean Water Reforms 2017 [10.2.1]

# Clean Water Reforms 2017

## **A: Suite of changes**

The most recent freshwater reforms were informed by two rounds of public consultation, in 2016 and 2017:

- *Next steps for fresh water (Next steps)*  
*Next steps* (released in February 2016) introduced the Freshwater Improvement Fund (FIF), proposals for excluding stock from waterways, and amendments to refine the NPS-FM. A major theme of submissions was that people wanted rivers and lakes to be suitable for swimming, and for the national bottom line for freshwater quality to be moved from wading to swimming.
- *Clean water*  
In response to the call for water to be suitable for swimming, the *Clean water* discussion document (released in February 2017) proposed a national target that 90 percent of specified rivers and lakes be swimmable.<sup>1</sup> It also proposed further changes to the NPS-FM 2014 to support the swimming targets and to clarify existing provisions of the NPS-FM. A report to the September 2017 Technical Committee (2017/0989) describes these more fully.

The resulting changes include:

### **1. Funding to improve fresh water**

The Freshwater Improvement Fund commits \$100 million over 10 years to improve the management of New Zealand's lakes, rivers, streams, groundwater and wetlands. The fund provides up to half of the funding for projects with a total value of \$400,000 or more, to help communities manage fresh water within environmental limits.

2017 is the first year of the fund, with \$44 million being invested in 33 projects around the country. In Otago, one project was awarded funding, with up to \$375,000 awarded to Te Kāhano Aotearoa Trust – Lake Wanaka. This project will develop a community management plan for Lake Wanaka to ensure the lake is clean and accessible for future generations. There is particular concern about lake snow in Lakes Wanaka and Hawea. The project is a partnership with the ORC and the Queenstown Lakes District Council, and is subject to further negotiation on the details of the work programme.

### **2. National and regional targets for swimming**

To support the Government's national swimming targets, councils are required to improve water quality for swimming and to indicate their regional targets. They must make draft targets available to the public by 31 March 2018 and decide on final targets by December 2018. Regional targets need to state what improvements will be made, to which rivers and lakes, over what timeframe.

### **3. Amendments to the NPS-FM 2014**

See Part B, following.

### ***Stock exclusion regulations***

Stock exclusion regulations were proposed as a time-sequenced programme to exclude specified stock from larger rivers over the next few years.

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<sup>1</sup> Specified waterbodies include all rivers of fourth order and above, lakes with a perimeter of at least 1.5 kilometres, and any other sites where people commonly swim. Currently 72 per cent nationally are defined as 'swimmable'.



These proposals were removed from the August 2017 Cabinet paper, for further refinement by Ministers, after some stakeholders (including Federated Farmers and ORC) raised concerns that costs would outweigh the benefits and would be impractical to implement and enforce.

#### **B: Overview of changes to the NPS-FM 2017**

There are eight elements to the NPS-FM 2017 amendments that came into effect from 9 September 2017. The most significant change introduces national and regional swimming targets. Other changes clarify existing policies in the NPS-FM 2014. Changes include:

*Swimming* - a national and regional targets for swimming are supported with a new E. coli attribute table, and new requirements regarding how councils monitor and report on E. coli (see below).

*Economic wellbeing* – specific consideration of how to enable communities to provide for their economic wellbeing while managing within limits.

*Monitoring of wider values* – councils are required to monitor progress towards achieving freshwater objectives, using macroinvertebrates, indigenous flora and fauna and matauranga Māori.

*Managing river nutrients* – councils are required to specify instream concentrations of dissolved inorganic nitrogen (DIN) and phosphorus (DIP) in regional plans to achieve periphyton (river slime) freshwater objectives.

*Maintain or improve* – clarification that councils have to at least maintain overall water quality within a 'freshwater management unit'.

*Infrastructure exceptions* – clarification of the existing policy for exemptions to the national bottom lines, though no specific infrastructure is listed or added.

*Coastal lakes and lagoons* – clarification that existing lake attributes (and bottom lines) also apply to lakes and lagoons that open intermittently to the sea.

*Te Mana o te Wai* – clarification of the meaning and national significance of Te Mana o te Wai, through a new objective and policy.

#### **NPS-FM amendments to support improving water quality for swimming**

##### *National and regional targets*

See A2 above.

##### *A new E. coli attribute table*

A new E. coli attribute table has been added to the NPS-FM to help councils measure and achieve the national targets. The table classifies water bodies into different bands (excellent, good, fair, intermittent or poor) depending on the amount of time that they are suitable for swimming. Water bodies classified as fair or above are considered suitable for swimming. There are four tests in the attribute table that must be met for the water body to be 'swimmable'.

A minor technical amendment was made to the attribute table for lakes with respect to cyanobacteria. This change was made to clarify the existing requirements in the NPS-FM 2014.

*Better information on water quality for swimming*

MfE has published maps showing which specified water bodies are in each category of the E. coli attribute table. In Otago, 79 percent of rivers and 98 percent of lakes are considered suitable for swimming.

Councils are required to undertake both grading and surveillance monitoring of E. coli to implement the NPS-FM.

*Monitoring*

Councils have been required to monitor E. coli for progress towards achieving their freshwater objectives since 2014. This monitoring will now be based on the updated E. coli attribute table in the NPS-FM, which will inform swimming maps published by MfE (see Appendix 2). The grading of specified rivers and lakes, as shown in the maps, will be based on monthly samples (at least 60 samples over a maximum of five years).

Councils are also required to monitor E. coli levels weekly where and when people swim, to make this information publicly available and to increase the frequency of monitoring when water is found to be unsuitable for swimming.

**11. MATTERS FOR NOTING**

**12. NOTICES OF MOTION**

**13. CLOSURE**