



LOCAL GOVERNMENT NEW ZEALAND SUBMISSION

In the matter of the discussion document: Freshwater reform 2013 and beyond.

To the Ministry for the Environment

Submission by Local Government New Zealand

IN THE MATTER OF:

Freshwater reform 2013 and beyond

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8 APRIL 2013

Introduction

1. *Local Government New Zealand* (LGNZ) welcomes the opportunity to submit on the Discussion document: Freshwater reform 2013 and beyond.
2. LGNZ wishes to engage further with Ministers and officials on this submission.
3. LGNZ is a member-based organisation representing all 78 local authorities in New Zealand. LGNZ's governance body is the National Council. The members of the National Council are:
 - Lawrence Yule, President, Mayor, Hastings District Council
 - John Forbes, Vice-President, Mayor, Opotiki District Council
 - John Bain, Zone 1, Deputy Chair, Northland Regional Council
 - Richard Northey, Zone 1, Councillor, Auckland Council
 - Meng Foon, Zone 2, Mayor, Gisborne District Council
 - Jono Naylor, Zone 3, Mayor, Palmerston North City Council
 - Adrienne Staples, Zone 4, Mayor, South Wairarapa District Council
 - Maureen Pugh, Zone 5, Mayor, Westland District Council
 - Tracy Hicks, Zone 6, Mayor, Gore District Council
 - Len Brown, Metro Sector, Mayor, Auckland Council
 - Dave Cull, Metro Sector, Mayor, Dunedin City Council
 - Stuart Crosby, Metro Sector, Mayor, Tauranga City Council
 - Brendan Duffy, Provincial Sector, Mayor, Horowhenua District Council
 - Stephen Woodhead, Regional Sector, Chair, Otago Regional Council
 - Fran Wilde, Regional Sector, Chair, Greater Wellington Regional Council.
4. This submission has been prepared under the direction of the National Council. Councils may choose to make individual submissions. The LGNZ submission does not derogate from these individual submissions.
5. The final submission was endorsed under delegated authority by Lawrence Yule, President, LGNZ and Hon. Fran Wilde, Chair, Regional Sector Group.
6. In making this submission *Local Government New Zealand* is acutely aware that within the local sector councils have quite distinctive roles with respect to the use and management of freshwater. Regional councils and unitary authorities have specific and important regulatory roles with respect to water and water bodies. These roles are prescribed in the Resource Management Act (RMA) and are distinct from those of territorial authorities. The roles of regional councils and unitary authorities include making decisions over the allocation and use of water (including taking water for public supply) and regulating the discharges into water bodies, (including discharges from wastewater treatment systems). In contrast the roles of territorial authorities with respect to water stem principally from their roles in the provision of potable municipal water supply, the collection and treatment of wastewater, and the management of stormwater and drainage. These roles are primarily provided for under the Local Government

Act 2002, the Local Government Act 1974, the Health Act 1956 and the Land Drainage Act 1908. Territorial authorities also have an interest in the management of freshwater because of their broad public health obligations.

7. These different roles mean that the local government sector is keenly interested in both the regulatory framework for managing freshwater, and in ensuring that adequate provision is made for the long term and cost-effective provision of water and wastewater infrastructure and services to urban communities. This submission reflects these distinct and important interests.
8. For simplicity of presentation the submission is organised to reflect the sequence of issues and proposals set out in the discussion document. The use of the headings from the discussion document does not necessarily mean that *Local Government New Zealand* agrees with the proposition from the discussion document.
9. This submission should be read in conjunction with our submission on the discussion document “Improving Our Resource Management System”. Many of the matters raised in that discussion document, and in particular the proposals relating to the preparation of single resource management plan, are of direct relevance to the proposed freshwater reforms.
10. *Local Government New Zealand* wishes to meet with the Minister for the Environment and the Minister for Primary Industries for further discussion on the points raised in this submission and seeks structured engagement with Ministers and officials on the key matters before substantive work on potential regulation is undertaken.

Submission

11. *Local Government New Zealand* welcomes the discussion document as a constructive and helpful response to the very significant issues considered by the Land and Water Forum.
12. *Local Government New Zealand* agrees that water is central to New Zealand’s environment, economy, and identity. It is difficult to overstate the importance of water in supporting New Zealand’s primary industries, our way of life, our cultural identity.
13. *Local Government New Zealand* notes the four-year path to the current reform proposals and the very important work of the Land and Water Forum in that journey. We also note that regional councils, and catchment boards before them have been at the forefront of freshwater management for considerably longer than four years. We welcome the government’s increasing interest and engagement in freshwater management. The actions of the government since 2009 come as a marked change from those that characterised the period since the abolition of the National Water and Soil Conservation Authority with introduction of the Resource Management Act (RMA). From 1989 until the approval of the National Policy Statement for Freshwater Management 2011 regional councils have been undertaking freshwater management responsibilities with no greater national context or input than the RMA itself.
14. *Local Government New Zealand* agrees that there are deficiencies in the current system of freshwater management and that these deficiencies need to be addressed.
15. We welcome the government’s increased and more central role with respect to freshwater management. It is important that government plays its part in improving freshwater management and achieving national objectives for freshwater.

16. We also note a number of other major government initiatives designed to improve the effectiveness and efficiency of local government. The government's Better Local Government programme provides clear impetus for enhanced focus on what local authorities deliver. The Local Government Efficiency Taskforce, the Local Government Infrastructure Taskforce and the Review of Local Government Regulation by the Productivity Commission all provide a very strong context for considering how the management of freshwater resources can be enhanced.
17. In making this submission we are acutely aware that changes to regulatory and policy frameworks can easily deliver perverse or unintended consequences. The draft Productivity Commission Report *Towards Better Local Regulation* highlights a number of problems with the current regulation making system. Where these problems exist it is highly likely that the intended national outcomes of regulation will not be achieved.
18. Given the central importance of freshwater to our economy, environment and society we stress the importance of ensuring that the mechanics of how we manage our natural capital are well founded and resilient. We submit that it is critical that in developing and refining this reform package the government address and overcomes all of the potential shortcomings that the Productivity Commission has identified. In particular it is important that reform proposals be subject to a sound benefit-cost analysis, that the benefits of regulation exceed the costs and that careful consideration is given to the most cost-effective way to regulate and what this may mean for the cost structures and pressure on both local authorities and on resource users.
19. As the organisations that have the most detailed knowledge and experience of the current state of freshwater resources, the pressure on those resources, the effectiveness of a wide range of management approaches, and of the communities that depend upon freshwater, regional councils and unitary authorities can add very valuable expertise and experience to the design of regulatory frameworks. We submit that in progressing this reform package it is imperative that government addresses one of the Productivity Commission's key conclusions and treats local government as a partner in the developing regulation. In this regard, regional councils and unitary authorities are not just another interest group, neither are they a major water user with particular interests in particular resources. Rather, they are a key part of the system of regulation and management of resources that have a unique contribution to make in developing and improving the on the ground management of freshwater resources.

Today's challenges

Water quality is declining in some catchments across a range of indicators

20. *Local Government New Zealand* agrees with the over-arching conclusion that New Zealand's water quality is still good by international standards but that this varies a great deal around the country depending upon land use, climate and geology. We also agree with the conclusion that the quality of water is declining in some catchments and that some catchments are under significant pressure due to over-allocation of water for abstraction and/or the discharge of greater quantities of sediment, nutrients, or pollutants than the water body can cope with.
21. In recognising the challenges that are faced in many catchments *Local Government New Zealand* also notes that conditions in New Zealand freshwater systems vary markedly. Water quality in a number of catchments is improving, or is remaining at current levels despite increased use. The water quality challenges, and the options for freshwater management vary considerably across the country. Short, steep catchments that run quickly into the sea present a very different

proposition than the longer mountain fed braided river systems of the South Island. River systems heavily modified by historic hydro-electric power developments present very different issues and challenges than more pristine catchments that rise in large areas of native forest. Urban catchments present very different challenges to rural catchments, and differences in the land use within catchments profoundly alter both the pressure of water quality and the demand to take water for productive purposes.

Water is over allocated in some places

22. There is considerable variability in the extent to which water in catchments is over-allocated, compromising the natural character and quality of its streams and rivers. There are some major catchment systems where there is significant over-allocation, and others where there is theoretical over-allocation (i.e. if all consents were used to the limit set it would be over-allocated but this may not occur in practice). The overwhelming majority of catchments are not over-allocated. Across the country there are significant opportunities to increase the productive use of water, either by allocating up to sustainable limits, re-allocation and increased efficiency, or through new abstraction.
23. *Local Government New Zealand* submits that it is vital that in enhancing the management of freshwater, actions are targeted to the places, catchments and issues where they are needed. It is important that additional regulation does not add an unnecessary and costly burden on places, people and resource users where there are no problems and little likelihood of expected growth or change causing future problems. In developing national objectives and national solutions we must avoid inappropriate and perverse local impacts.

Decision-making processes are litigious, resource consuming and create uncertainty

24. *Local Government New Zealand* agrees that the current processes for making policy and regulatory decisions under the RMA are often slow, divisive, and costly. In separate submissions *Local Government New Zealand* has sought reforms to the RMA to speed up the process of putting in place regional policy statements and regional and district plans. Current Schedule 1 processes relating to plan-making and plan changes are frequently so slow that for all intents and purposes it is often not possible to introduce new policy or regulations fast enough to respond to the emerging changes in land use, or emerging trends in resource quality. Schedule 1 in its current form encourages litigious behaviour that delays new policy, and can drive deep division within communities.
25. A significant number of councils have explored the potential for increased collaboration and community engagement at the initial phases of plan development in an effort to avoid costly and time-consuming legal action. To date increased engagement at the commencement of the process has not necessarily resulted in faster overall processes from commencement to the proposed plan becoming operative. This is because the ability to appeal decisions to the Environment Court provides little incentive to seek alternative solutions to differences between parties. This is particularly important where the status quo significantly favours one party and delay prolongs that advantage.
26. *Local Government New Zealand* strongly supports change that will make it possible for faster, better quality and more successful responses to emerging resource management issues. However, this support is qualified in that it is important that such change does not undermine processes that are already underway, or require councils to repeat processes that are already complete, or substantially complete. The cost (including the monetary cost to council and the

community, the value of social capital destroyed, and the time required) of changes to policy that would require wholesale changes to regional policy statements and regional and district plans needs to be very carefully considered.

There is a lack of robust information on impacts and outcomes of management decisions

27. *Local Government New Zealand* agrees in part with this conclusion. The regional councils and unitary authorities have argued for some time that there needs to be a considerable increase in the research devoted to understanding the country's water resources, their quality and both the potential impact of alternative uses and alternative management regimes. The subsequent proposal for strengthening the foundations for water management through science, research and information are strongly supported.
28. The initiative that the regional councils and unitary authorities wish to highlight is the portal of land and water information that they have brought together. Through the landandwater.co.nz web site the councils have assembled in one place the wealth of information that they have and collect relating to water in particular. This web site marks a major step forward in the availability of information relating to the current and historic health of catchments across the country.
29. *Local Government New Zealand* also acknowledges, as the Productivity Commission has concluded, that the evaluation of regulation has generally been less than ideal. This means that it can be difficult to draw conclusions over the impact of particular policies or alternative management regimes across the country.

Water is not always used efficiently or for its highest value use

30. *Local Government New Zealand* agrees that water is not always used efficiently, or for its highest value use. In part this reflects the legacy of historic investments in systems that use water. Older irrigations systems tend to have greater water loss than newer or state of the art systems. Older urban reticulation systems tend to have far greater system losses than brand new systems. Where there has been little pressure on the availability of water it has been treated as a 'free good'. There is no incentive to spend money to use a free good in a more efficient manner. Where a more efficient use of water may provide an opportunity for a competitor to enter a market there is equally little incentive for an existing user to use water in a more efficient manner in order for its competitor to prosper.
31. More fundamentally, water is not always used efficiently, or for its highest value use because water must support a wide range of non-economic outcomes that are not readily valued in monetary terms. Sections 6 and 7 of the RMA set out several matters of national importance and importance that relate directly to the management of catchments, lakes, rivers, wetlands and their margins for non-economic objectives. The currently proposed changes to Sections 6 and 7 continue this very strong emphasis on non-economic objectives. The continuing focus on managing water to a standard that provides for safe recreational use also reflects an on-going commitment to managing water in ways that are not necessarily economically efficient or for the highest economic value. It is therefore entirely appropriate that water is and will continue to be used for non-economic purposes.
32. We note that determining the highest value use for water in the absence of a fully functioning market is profoundly difficult. It is not practical, or realistic, or appropriate to seek to develop a fully functioning market for water. Water is a part of the commons, it is used and reused many times, and has a profound non-market value in maintaining natural ecosystems. The allocation

of water for the life, health and well being of urban populations is also fundamentally important and this must be recognised in any allocation decision.

33. The challenge for decision making under the values-based framework of the RMA is that the uses to which a resource can be put, and the efficiency of use that results, is the result of a complex weighing of alternative values. It is essential that in any changes to the framework of freshwater management this process is recognised and retained. It is also important to recognise that across the country communities will come to different conclusions when considering issues. Their particular balancing of factors will reflect who they are, their particular values and the nature and quality of the resources that they are responsible for.

Iwi/Māori interests and values are not always fully considered in planning and resource management decision-making

34. *Local Government New Zealand* agrees in part with this key conclusion.
35. There are three necessary requirements for iwi/Māori interests and values to be fully considered in planning and resource management processes. Iwi/Māori must be able to articulate their interests and values effectively, the processes must provide the opportunity for those views to be expressed and understood, and decision-makers must weigh and consider those interests and views fully in the context of the matter under consideration.
36. In our experience, iwi/Māori that have reached settlement for Treaty grievances have generally been better equipped, better able to articulate their interests and values and more effective in their engagement in resource management decision-making than those that are still focused on reaching settlements. One important contribution that the government can make to improved resource management decision-making is to continue to devote resources to resolve outstanding claims and complete Treaty settlements as quickly as possible.
37. In part iwi/Māori have found it difficult to engage fully in planning and resource management decision-making because of the high costs and substantial resources required to be an effective participant. Whilst it may be possible to have a cost-effective and constructive engagement with the council through a policy and plan making process, it is prohibitively expensive for iwi/Māori to progress their interests through protracted Environment Court action.
38. *Local Government New Zealand* notes that some local authorities could substantially improve their working relationship with iwi/Māori. However, a significant number of councils are now working very constructively with iwi/Māori under collaborative arrangements and joint decision-making models that have been mandated in, or evolved from Treaty settlements. Ensuring that iwi/Māori are part of the policy development and plan decision-making process ensures that their particular interests and views are fully considered throughout the process. It is important that any changes to the framework of freshwater management do not undermine, or cut across these arrangements.

Our freshwater management system is insufficiently adaptive and dynamic

39. *Local Government New Zealand* strongly agrees with this conclusion. This is a vital conclusion with respect to freshwater management, but it is just as valid in relation to any major emerging pressure on resource use, or quality within the country. The current framework of decision-making under the RMA is incapable of delivering rapid and impactful action in response to emerging pressure and the demonstrable failure of current management regimes.

40. The government has focused its attention on the management of freshwater for very sound reasons. It is important that the freshwater management system is adapted to be more adaptive and dynamic. That same flexibility also needs to be developed and applied to other resource management challenges.

LGNZ Position:

- a. Agrees that water quality is declining in **some** catchments – but **not everywhere**;
- b. Recognises that water is over-allocated in **some** places;
- c. Agrees that current decision-making processes are litigious, resource consuming and create uncertainty, and seeks reform to make them faster, more flexible and more responsive to emerging issues;
- d. Agrees in part that there is a lack of information on impacts and outcomes of resource management decisions;
- e. Agrees that water is not always used efficiently or for its highest value – but recognises that in large part this is because water is, and must be, allocated for non-economic uses;
- f. Agrees that iwi/Māori interests and values are not always fully considered in planning and resource management decision-making; and
- g. Agrees strongly that New Zealand’s freshwater management system is insufficiently adaptive and dynamic.

The future for fresh water

41. It is very important that New Zealand has a long-term vision of the health and quality of its freshwater resources. The vision that the discussion document sets out is commendable and supported by *Local Government New Zealand*. In providing this support we note three very important qualifications.
42. The first qualification is that, as is noted above, water needs to be managed for a variety of economic and non-economic objectives. The vision for the future needs to recognise the balance between these objectives and the potential tension between them.
43. The second qualification is that the package of reforms as currently outlined does not address some of the most important issues that must be resolved in order to realise the vision. The reform package does not provide timely solutions to the resolution of over-allocation problems. Neither does it provide a clear way forward with respect to managing longer-term quality issues. These issues are amongst the most complex and challenging issues in freshwater management. Resolution of these issues goes directly to the rights of major water users and their expectations of continued water use (even though in law they have no rights to continued use beyond the life of their current consent). Tackling over-allocation and poor water quality has the potential to threaten very large investments in production systems and regimes that depend upon water. The reform package provides for these issues to be addressed in subsequent work. It is essential that this work progress in a timely fashion and delivers practical solutions.
44. The third qualification is that changes in the health of eco-systems and in the productivity of economic systems take time. There are substantial lag effects in both types of system. In eco-systems there are lag effects related to contaminants that have already been mobilised and will take some time to work through the system. Economies have substantial lags associated with

the historic investment in production systems and land uses. The pace at which the reform package is introduced and implemented will have a profound effect on when the vision for freshwater will be achieved, and on the cost and extent of dislocation experienced during the transition from today's management framework. It is essential that the pace and cost of transition is manageable and does not result in perverse actions that frustrate the intent of the reforms.

LGNZ Position:

- a. Supports the vision for the health and quality of freshwater resources – with significant qualifications.

Planning as a community

45. *Local Government New Zealand* strongly supports the conclusion that better decision-making can be achieved where the whole of a community is engaged in, and shares the vision for, the use and health of a catchment and its freshwater. This is fundamentally aligned with the values-based decision-making that is the core of the RMA.
46. Community involvement in developing policies and plans under the RMA is not new. Many local authorities have been placing more, and more effort into community engagement in plan-making processes. To date this work has not necessarily resulted in any reduction in litigation and as a consequence it has not reduced the time and cost of plan-making either.

Reform 1: A collaborative planning process for freshwater-related regional plans and policy statements

47. *Local Government New Zealand* supports the proposals for an alternative planning process that has the potential to both build a strong consensus on the management of freshwater resources and can support a more agile approach to policy development.
48. We particularly support the proposal to remove rights of appeal to the Environment Court for plan changes that follow the alternative process. We submit that for collaborative planning to work it is essential that appeal rights be removed. There is no incentive to collaborate whilst they exist. The experience of Environment Canterbury is that once appeal rights were removed there was a shift in the nature and level of engagement in council processes and real ability to work together constructively to reach consensus-based solutions to complex problems.
49. It is important that this alternative approach be voluntary because it may well be that in some regions and for some plan changes there are sound reasons to continue with the current Schedule 1 process. This is particularly important for the large number of plan changes that are currently underway, where any change to a different process during the course of the plan change would result in substantial additional cost, and considerable delay. This would frustrate the intent of the reforms to improve policy agility and responsiveness.
50. In supporting the overall intent of the reform, it is important that it is workable and does not cause a range of unintended or perverse outcomes. We offer the following suggestions to improve the proposed reform.

Scope

51. The proposed alternative process relates only to preparing, changing and reviewing freshwater policy statements and plans. We submit that this is likely to be a very difficult definition to establish. Effective management of freshwater within a catchment will require effective controls over a wide range of activities and the effects that they have on water quality. For this reform to be effective the definition of freshwater policy statements and plans must be sufficiently broad that its scope includes a wide range of policies and that it provides for consideration of other issues than just water quality or quantity.
52. The purpose of a regional policy statement is to “achieve the purpose of the Act by providing an overview of the resource management issues of the region and policies and methods to achieve integrated management of the natural and physical resources of the whole region.” The requirement to achieve integrated management suggests that it would be challenging, and indeed wrong, for a regional council to consider only water issues in weighing policies and methods for inclusion in a regional policy statement.
53. Further, of the ten functions of a regional council under Section 30 of the RMA, seven relate directly to the need to control a broad range of activities that impact in some way on freshwater resources. To be effective all of these matters need to be addressed in a comprehensive and integrated manner that is understandable, and does not place an unacceptable burden on people, businesses and communities. Separating out from this what constitutes a freshwater policy statement or plan will be difficult.
54. In the light of the current RMA reform proposals *Local Government New Zealand* questions the wisdom and practicality of limiting the proposed new collaborative decision-making process to just freshwater policy statements and plans. We submit that there needs to be alignment with the single plan-making process for a single resource management plan proposed under the “Improving our Resource Management System”. Where councils decide to prepare a single plan, and particularly where this involves the regional policy statement and regional plans, this alignment is essential. If two separate/different processes are prescribed it does not make sense. Apart from the definitional challenges discussed above it is clear that all policy and plan making processes have the potential to be litigious, resource consuming and fraught with uncertainty. Providing for a broader alternative to Schedule 1 for policy statements and plans would have considerable merit.
55. Our submission on the discussion document ["Improving our resource management system"](#) notes opposition to a number of the proposed reforms and raises a significant number of issues with the details of the proposals to move to an alternative process for developing a single plan.
56. In supporting the intent of this proposal we cannot over-emphasise the need to speed up the plan-making process. The challenge is to ensure that in reforming the process the result is both faster and credible, delivering quality policies and plans in a more timely fashion.
57. We are convinced that the removal of recourse to the Environment Court will dramatically improve the timeliness of decision-making, reduce the cost for all involved, and contribute to far more effective policy development through the adoption of more collaborative and less litigious working styles. However, more work needs to be done to refine the alternative mechanisms of policy statement and plan development. At this point there are significant shortcomings with both the alternative freshwater related policies and plans and the single plan proposal in the RMA reform discussion document. There needs to be one alternative process, it needs to be workable, and it needs to deliver demonstrable benefits in terms of the timeliness of decision-making.

58. We oppose the proposal that specifies the composition of a hearing panel to consider submissions and make decisions under the proposed alternative planning process. We submit that because councils are responsible for the policy statements and plans in their region / district, and are accountable to the electorate for the decisions that are made, councils should be free to determine who should hear the evidence and make policy decisions on their behalf. Indeed, in all other areas of public policy it is the prerogative of elected representatives to make policy decisions.

Practicality / Flexibility

59. *Local Government New Zealand* is also concerned to ensure that the alternative process is practical, workable and has sufficient flexibility to translate into different communities effectively.
60. Collaborative planning processes depend upon the willingness of stakeholders to devote significant time and effort to working together on complex and challenging issues. At national level stakeholder organisations tend to be resourced to support this sort of engagement. At a regional or local level this is far more difficult to achieve. For some issues, in some regions, it is likely that national representative organisations would see it as important enough to devote resource to. Unless local stakeholders or regional stakeholder groups are able to match that level of commitment the resulting collaborative stakeholder group runs the serious risk of being disconnected from the community that it is intended to reflect.
61. Regional communities vary considerably across the country. It is likely that the composition and operation of collaborative stakeholder groups will vary from region to region. Experience with collaborative and consensus-based decision-making processes to date suggests that to be effective, each group will need to adopt a way of working that reflects who they are, the issues that they are dealing with and the way that they make decisions. It is important that the legislation establishing this process provides for that practical flexibility in approach.
62. A good example of the need for flexibility relates to the range of mechanisms that may be needed to deal with a very large number of stakeholders. The Land and Water Forum had to adopt a method of using a core group to focus and lead debate, with an expanded group meeting less frequently. Other collaborative processes have managed to work with a single full plenary style, because they are smaller. Retaining this flexibility whilst also giving effect to Reform 2 will require a degree of pragmatism and rigidly prescribed national rules are unlikely to be helpful.
63. We submit that it is important that councils have considerable flexibility in considering who to appoint to participate in the collaborative planning process. In some instances the most appropriate way to make progress may be to appoint stakeholder representatives. In others it may be more valuable to appoint significant and respected individuals who understand the community, its values and aspirations and the issues at stake. Above all it is essential that collaborative groups be comprised of people who can actually work constructively together. Councils must have the ability to exclude people, or stakeholders, who adopt destructive or obstructive behaviours and will not contribute to workable solutions. Providing this flexibility will require provisions in the Act that enable quite different approaches to evolve in different parts of the country, reflecting the nature of the issues that are being addressed and the nature of the communities of interest.

Transition

64. A number of councils have policy development processes underway. Some have adopted the sort of collaborative model suggested in this reform proposal. Some have adopted approaches that combine this sort of collaborative model with enhanced engagement with iwi/Māori that has been either prompted by, or legislated for through Treaty settlements. We submit that it is vital that this reform does not undermine these existing processes. We further submit that where these processes have the characteristics and nature of the collaborative stakeholder process intended by this reform, councils should be provided with a transition path that would enable them to adopt the new planning process without having to go back and start the collaborative process again.
65. Lastly, it is imperative that the new planning approach does not undermine the large number of existing policy statement and plan processes that have been prepared and are progressing through the existing Schedule 1 process.

Guidance and Support

66. We note and welcome the intention to provide guidance and a support package on implementing collaborative planning processes. As a sector we strongly advise government to support the development and implementation of best practice rather than seeking to legislate against bad or poor practice.
67. Local authorities have considerable experience of collaborative processes and the challenges and pit-falls of community participation in policy development. We want to work with government to support the development of effective, practical and effective best practice guidance.
68. The note of caution that we sound is that in our experience it is easy for “best-practice” guides to become unnecessarily prescriptive and to reflect very costly ways of implementing statute. We offer our experience and assistance in the development of guidance and ensuring that it is practical and implementable.
69. It is also important that government address the way in which it, through its wide range of government agencies will engage in regional policy development processes. Some government agencies are significant users of water. The Department of Conservation has a statutory role with respect to the preservation and protection of our natural environment and indigenous species. Other government agencies play an active role in promoting economic development and in particular to the performance of primary industries. It is essential that in implementing this reform government addresses the fullest range of its own interests in water and determines how they will be reflected in regional processes. We would expect the guidance on collaborative planning processes to include guidance for government agencies on when it is appropriate for them to be involved, what obligations they have with respect to the national objectives, relationships with iwi/Māori, etc.

LGNZ Position:

- a. Supports proposals for an alternative planning process that will build a consensus approach to water management and a more agile approach to policy development;
- b. Supports the removal of recourse to the Environment Court in an alternative process that is based on collaborative planning processes;
- c. Submits that there should be one, consistent alternative method for developing policy statements and plans;

- d. Questions the logic and practicality limiting the use of the alternative planning process to ‘freshwater’ policy statements and plans;
- e. Opposes limitations on the ability of local authorities to determine who should hear submissions on proposed policy statements and plans;
- f. Supports a very flexible framework that allows the alternative planning process to be adapted to local circumstances and communities;
- g. Seeks a flexible approach to transition to ensure that existing collaborative approaches do not need to be repeated; and
- h. Supports the development of best practice guidelines to support the alternative collaborative process through a partnership between government and local authorities.

Reform 2: Effective provisions for iwi/Māori involvement in freshwater planning

- 70. *Local Government New Zealand* supports this reform. It is important that the particular relationship between iwi/Māori and water is recognised. It is also essential that any reforms in this area do not undermine the relationships that have been mandated through Treaty Settlements in some regions.
- 71. Importantly, we recognise that the involvement and contribution of iwi/Māori to freshwater planning should not be limited to the proposed role of providing advice before decisions are made. Iwi/Māori should be engaged in the whole of the policy development process as best suits them, their interests and their capability. The nature of this involvement must be flexible and provide scope of the development of relationships based approaches, which reflect long-term and on-going engagement between iwi/Māori and councils.
- 72. We note that the capability and capacity of iwi/Māori varies considerably across the country. Some are well resourced and have a considerable capability with respect to resource management issues. Others are small, poorly resourced and have all of their resources focused on resolving Treaty claims. Any provisions need to be flexible enough to deal with this considerable disparity.
- 73. In supporting this reform, we also sound a note of caution with respect to the cost of this advice, and who will be called upon to meet it. It will be costly for all iwi/Māori to provide specific advice on all freshwater related policy and plan changes. This would be even more costly if it also comes on top of supporting representatives in a complex collaborative planning process. If iwi/Māori are expected to bear the cost of this advocacy then it is likely that many will not be able to take advantage of the opportunity and will be disadvantaged. Experience suggests that there will be expectations that local authorities support iwi/Māori to provide this advice. This raises major issues about the independence of the advice, and the ability of the local authority to control its expenditure.
- 74. There is a strong argument that the Crown should provide support to iwi/Māori to participate in decision-making in this way. The Crown is the Treaty partner with iwi/Māori. The Crown has established the framework of resource management decision-making, and the Crown has obligations to iwi/Māori that it needs to meet in an on-going fashion.
- 75. At the very least further consideration of this reform needs to consider who should bear the cost of this additional burden, and if it is the public sector, the benefits and costs of the proposal.

LGNZ Position:

- a. Supports more effective provisions providing iwi/Māori with the ability to more fully participate in decision-making and ensure that their interests and concerns are understood and considered by decision-makers; and
- b. Cautions the government to consider carefully how iwi/Māori may be resourced and supported to take advantage of this opportunity and who might bear the costs of an increased role.

A National Objectives Framework

76. *Local Government New Zealand* supports the development and implementation of a national objectives framework for freshwater management. It is very important and timely for the government to set out national level objectives that are comprehensive, practical and meaningful. For too long the debate over water management within the country has taken place in the absence of a clear national framework.

Reform 3: A National Objectives Framework

77. *Local Government New Zealand* supports the development and implementation of a national objectives framework of the sort outlined in the discussion document.
78. A national objectives framework, and the re-working of Schedule 3 of the RMA offer a significant step forward in freshwater management. A standard set of objectives with related measures potentially removes one of the most significant impediments to more rapid progress being made at local and regional levels. By removing debate over both what the objectives are, and the way to measure the state of the resource in relation to those objectives, the local debate will become far more productively focused on what (if anything) needs to be done to meet those objectives.
79. We welcome the recognition in the example framework that water bodies are managed for a range of objectives. We also welcome the acknowledgement that there is a range of attributes that together describe the health of the resource with respect to each objective. We note that as the framework is developed it will be important to recognise the interplay between these factors, in particular where the absence, or low levels of one factor act as a limiting factor within an ecosystem.
80. We note that the example framework does not include managing water for the purpose of providing a municipal water supply. This is an essential management objective and needs to be a part of the national objectives framework.
81. We recognise that the framework needs considerably more work to complete. We submit that in completing the framework it is vital that the objectives reflect a careful balancing of economic, environmental, social and cultural considerations that is at the heart of the RMA. They must also reflect the considerations of alternatives, costs and benefits that are the core of Section 32 of the Act. In particular, it is essential that the objectives be set in the full knowledge of the likely consequences – in terms of water quality and availability, in terms of the gap between the current state of resources and the national objectives, and in terms of the costs and implications of the actions that are most likely to be required to meet those objectives.
82. Previous experience in developing national environmental standards has demonstrated how easy it is to produce standards that will generate quite perverse outcomes, or fail to reflect the

very significant natural variation in resource quality and context across the country, or require prohibitively expensive actions by councils, businesses, individuals or communities.

83. Regional councils and unitary authorities have the most detailed understanding of freshwater resources across the country. They also have the most detailed understanding of the pressures on those resources and of the range and cost of interventions that may improve water quality and availability. It is essential that this expertise is used extensively in the development and testing of the national objectives framework. We request an active partnership engagement in the development of objectives and limits to ensure that they are practical, implementable and that their impact and cost are fully understood before they are adopted.
84. The regular monitoring of water bodies for a wide range of attributes is expensive. In designing the national objectives framework it is important that attention is given not only to the scope of attributes to be measured, but to the sort of measuring regime that is appropriate. As is noted at the outset of this submission, not all water bodies are under significant pressure. Many water bodies have very high quality and little prospect of being compromised by likely future development. Given the very significant cost pressures on local authorities it is vital that resources devoted to monitoring environmental health are directed to those resources where monitoring and enforcement will make the biggest difference.
85. The other major policy issue that must be considered with respect to national objectives and related values is the timeframe for meeting those objectives. This needs to be a careful balancing of the lags that will be inherent in both the environmental and economic systems that depend on water and the land in a catchment, along with the cost of intervention and any remediation work, and the ability of the community to absorb those costs. For the framework to be successful it must walk a fine line between the need to act to ensure that water quality and availability is not further compromised and the needs to avoid such rapid transitions that communities are unable to deal with change. To a significant degree this judgement may need to be exercised at a local or regional level.

LGNZ Position:

- a. Supports the development and implementation of a national objective framework;
- b. Submits that managing water bodies for the purposes of providing a municipal water supply must be part of the objectives framework;
- c. Recognises that the national objectives framework needs considerably more development; and
- d. Seeks to work in partnership with the government to develop and implement a practical, cost-effective and effective national objectives framework.

Reform 4: Further national direction and guidance on setting freshwater objectives and limits

86. *Local Government New Zealand* supports this reform proposal. This set of work is essential to ensure that the package of reform delivers implementable and effective policy and regulation. The issues canvassed by this work are significant and complex. All of them will require a considered approach to test the impact of alternatives and ensure that the end result does achieve the intended outcomes in a cost effective way, where the benefits of regulation exceed the costs.

87. We particularly welcome the proposal that this work is to be undertaken by government “working alongside councils over the next three years”. As is discussed elsewhere local authorities have the knowledge and experience necessary to ensure that these proposals are sound and implementable.
88. The importance of the timing of transition, the scope and cost of national expectations with respect to monitoring and reporting, and the need for cost-effective solutions from this work is discussed above.

LGNZ Position:

- a. Supports the development of further national direction and guidance on setting freshwater objectives and limits;
- b. Supports the proposal that government works alongside councils over the next three years to ensure that national guidance and direction is implementable and supports effective policy and regulation; and
- c. Notes that councils are committed to working constructively with government to achieve the intent of this reform.

Reform 5: Improving the process for Water Conservation Orders

89. *Local Government New Zealand* supports this proposed reform. In particular, we support the proposal that there are clear circumstances under which an application could be put on hold where a regional council or unitary authority is in the midst of a process that seeks to address the same issues. It is important that the reforms present an integrated approach to decision-making. It is also important that the potential benefits of the proposed collaborative planning process cannot be undermined by some stakeholders trying to circumvent the process through other means.
90. We understand that some stakeholders see this reform as a weakening of the significance of water conservation orders. To the contrary, we consider that this reform in no way diminishes or weakens the significance of water conservation orders or the criteria against which they will be assessed. They will continue to be a valid and important national instrument for effective resource management.

LGNZ Position:

- a. Supports the proposed reforms to the process for developing and considering Water Conservation Orders.

Managing within quantity and quality limits

91. Establishing water quality and quantity limits is central to managing water and to the framework of the National Policy Statement for Freshwater Management. *Local Government New Zealand* supports the implementation of the National Policy Statement and establishment of appropriate water quality and quantity limits associated with the objectives for each water body.
92. *Local Government New Zealand* strongly endorses the approach in the discussion document recognising that councils and communities will set limits, and determine how to manage water bodies within those limits.

Reform 6: Freshwater accounting systems

93. *Local Government New Zealand* supports the development of a sound and cost-effective system of freshwater accounting that provides a solid underpinning for both policy development and the management of freshwater resources.
94. It is self-evident that it is very difficult to manage things that you do not measure. Adopting a standard system for measuring and accounting for the quality and quantity of water within water bodies should provide a sound framework for management decisions.
95. The discussion paper clearly anticipates that the introduction of a freshwater accounting system will impose additional costs on regional councils and unitary authorities. In order to minimise these additional costs and ensure that the system delivers net benefits to the management of freshwater we suggest that the following principles guide the design of the freshwater accounting system:
- a. **Simplicity:** the system should be as simple as possible whilst preserving the integrity of the approach;
 - b. **Fit for purpose:** the system should be designed to support management decisions, it should not be designed to achieve other unspecified or future purposes that are not the core reason for establishing the system;
 - c. **Collects only necessary data:** the design of the system must avoid the temptation to collect interesting information and focus on what is actually necessary to meet the its purpose;
 - d. **Maximise use of existing data and systems:** the system should avoid to the greatest extent possible the need to collect new data, and should make the maximum possible use of existing and historic time-series information;
 - e. **Cost effective:** the system needs to be cost effective to operate and use and the cost of collection and reporting must be less than the benefits of the improved management decisions that the information supports; and
 - f. **Focus on the problems:** given the significant number of water bodies that are in good health and under no significant pressure it is important that the accounting system allow councils to focus resources where they are needed and where they will make the greatest difference. Ideally the system should provide for differences in the scope of measurement or modelling across types of catchment. It could also usefully differentiate between the frequency with which water bodies need to be measured depending upon the quality of the water body and level of pressure on it.
96. This reform will increase the costs to regional councils and unitary authorities. Across the country the level of resourcing of councils differs markedly. Some councils will be far better placed than others to absorb those additional costs. Equally across the country the priorities for expenditure by councils vary, reflecting the particular issues that they are dealing with. The combination of differing resources and priorities means unless government contributes in some way to assist with meeting additional costs on regional councils and unitary authorities, or provides for consent holders to make a substantial contribution to these costs, the pace and robustness of actions to implement the new freshwater accounting system will vary considerably across the country.

LGNZ Position:

- a. Supports the development of a sound and cost effective freshwater accounting system, based on the following principles:
 - i. Simplicity,
 - ii. Fit for purpose,
 - iii. Collects only necessary data,
 - iv. Maximise use of existing data and systems,
 - v. Cost effective, and
 - vi. Focus on the problems.
- b. Seeks recognition that without financial assistance to implement this new system the pace of adoption and implementation will vary depending on local resources and priorities.

Reform 7: Improving efficiency of water use

97. *Local Government New Zealand* fully supports the development of toolkits that can improve the efficiency of water use and is anxious to work with the government in developing such guidance.
98. In supporting the development of tools to improve efficiency of use we note two very important concerns relating to processes for dealing with over-allocation and the role of industry good management schemes.
99. The proposed reform package represents a major step forward in the management of freshwater resources. However, it provides no real progress on implementable tools for addressing over-allocation. Where more water is allocated to users than a catchment can sustain it is essential that there are equitable and fair processes for reviewing water takes and progressively reducing allocation to the point that the water body is sustainably managed for the objectives that have been identified.
100. It is also important that any incentives designed to improve the efficiency of water use are completely integrated with measures designed to address over-allocation. Unless the interventions are seen as a graduated approach that has real teeth at the end of the process it is unlikely that users will move to voluntarily release water in catchments that are under significant pressure, even if they adopt more efficient practices that provide commercial benefits to their operation.
101. Provisions that support the effective transfer of water takes between users may be helpful in providing incentives to increase efficiency of use and realise the value of existing consents. However, in many water bodies there is limited scope to transfer water takes without causing additional environmental effects (due to the location of the take). Unless a water management zone is fully allocated there is also little incentive to transfer. It is important that within the toolkits for improved efficiency these issues are addressed.
102. Industry good management schemes have significant value. Initiatives that change the incentives for sound resource use, improved efficiency and reduced environmental impact across a whole industry are to be applauded. What is far less clear to us is how industry good management schemes can work with the objectives and limits established by councils and communities for individual water bodies. At the end of the day, businesses, people and communities must manage their activities to meet the highest of the standards that have been determined as necessary to meet the objectives for the management of a freshwater body. If the council and community, through the appropriate process, have determined that a higher

standard than the industry good practice guide is necessary to achieve the objectives for a water body then those higher standards must apply. Industry good management schemes cannot be allowed to create the potential for some water users to 'opt out' of the agreed management framework for a water body.

LGNZ Position:

- a. Supports the development of toolkits to improve the efficiency of water use;
- b. Stresses the need to urgently develop new tools to address over-allocation of water; and
- c. Questions how industry good management schemes can fit within the formal policy and rule-making framework of the RMA.

Reform 8: Specification of permits

103. *Local Government New Zealand* supports the proposed further work on the specification and duration of water permits.
104. All water permits will need to reflect the requirements to provide the information necessary to support the freshwater accounting system. Standard provisions that achieve this would be very helpful.
105. The duration of water permits needs to provide adequate incentives for the adoption of more efficient water use practices and this should be geared to reflect the scale of investment in new systems that is required. The duration of permits also needs to reflect the need for agility in policy response and the potential for additional future management responses if it becomes clear that existing management frameworks are failing to deliver the intended freshwater outcomes. The balance between these two considerations will depend considerably on the range of tools that are developed to deal with over-allocation and poor water quality. Without the ability to substantially change some existing permits there will be major risks in moving to longer permit terms in a number of catchments where their water bodies are under considerable pressure.
106. The other major risk relating to the term of water permits is the current state of knowledge of the state of the water body. Historic over-allocation has tended to emerge where councils have over-estimated the capacity of the water body. This has been particularly significant in the allocation of ground water resources. A number of councils have significantly over-estimated the rate of ground water recharge and have subsequently learned, through improved measurement and accounting for the movement of water through the aquifer, that the resource is over- allocated. It is to be expected that as the new freshwater accounting system is fully implemented and new freshwater objectives adopted there will be further instances of councils needing to substantially review and reduce the amount of water that is allocated for use in some catchments. Providing longer terms for water permits could compromise this sort of action.
107. We submit that consideration of the appropriate term of water permits needs to go hand-in-hand with the development of toolkits for addressing over allocation of water takes and poor water quality. It is also likely that the term of water permits should vary depending upon the use. For instance, there are very few alternatives for the current water takes that support urban water supplies. Providing longer certainty of supply for these uses would be sensible. Indeed, there is a strong argument for these and some other types of water take to have longer duration than the maximum currently provided for in the RMA. Understanding the interplay between consent status, review provisions, and permit duration is an important matter and not to be underestimated.

LGNZ Position:

- a. Supports further work on the specification and duration of water permits; and
- b. Submits that this work must go hand-in-hand with the development of toolkits for addressing over-allocation and poor water quality.

Managing quantity

Dealing with over-allocation

108. Whilst *Local Government New Zealand* is pleased with the overall approach in the proposed reforms we remain concerned that it does not provide implementable tools for addressing over-allocation. Where more water is allocated to users than a catchment can sustain it is essential that there are equitable and fair processes for reviewing water takes and progressively reducing allocation to the point that the water body is sustainably managed for the objectives that have been identified.
109. To date only a couple of councils have seriously attempted to deal with over allocation of water in a catchment. These attempts have resulted in huge controversy, substantial legal challenge and have largely failed. One council did move to shift all of the consent expiry dates within a large catchment to a common time in order to comprehensively review all of the water use in a catchment. However, this initiative proved to be impractical with the introduction of the Resource Management (Discount on Administrative Charges) Regulations 2010. There is no way that a council can cope with the quantum of work that is required to deal with common consent expiry dates within a large catchment and meet the requirements with respect to the timeliness of processing consents. Inevitably the statutory timeframe is exceeded and discounts will be required to be paid under the Regulations.
110. We submit that the current provisions enabling the review of consent conditions are inadequate to deal with any major re-allocation of water within a catchment. We also consider that the current framework that requires water to be allocated through consent applications on a first come first served basis mitigates against allocating water to more efficient or higher value uses and also frustrates the ability to re-allocate water within an over allocated catchment system.
111. The discussion document sets out a number of ways in which over-allocation can be addressed. All of those mechanisms will be costly and time-consuming, and it seems highly likely that councils and their communities will consider that buying back freshwater permits is unaffordable. Some of the mechanisms noted run a significant risk of litigation. All will require considerable effort and skill to be successful. In addition to these possible tools we are interested in exploring the potential for new tools such as a statutory provision to call in for review all of the consents in an over-allocated catchment in order to support a holistic re-assessment and reallocation of water.
112. It is likely that over-allocation will be addressed by a variety of means, including improved efficiency of use, re-allocation of water between users, the introduction of new water storage or management regimes, and a net reduction in the total amount of water abstracted from the system. Some of these means will require more robust tools than voluntary action by users. In catchments where the pressure for water use is intense, the historic investment in irrigations systems is high, and the commercial margins associated with water use are substantial, over-allocation will probably only be addressed by changes to existing consents.

113. It will be essential that as councils implement freshwater policy statement and plan changes to implement the National Policy Statement for Freshwater Management and the express freshwater objectives for all water bodies, that they are also able to express and implement meaningful tools for reducing over-allocation. It will not be credible for councils to adopt new freshwater objectives without being able to demonstrate credible management regimes designed to achieve those objectives.
114. *Local Government New Zealand* recognises that there are no easy or simple solutions to the problem of over-allocation. We acknowledge that the key starting point for dealing with over-allocation is determining the limits that apply in a catchment. Without agreement on the limits it is not possible to determine the amount of water that can be allocated. We agree that considerably more work is needed to be done on effective tools to deal with over-allocation. However, we submit that the timeframe for this work needs to be more rapid than the 2-4 year horizon that is proposed.

Dealing with unauthorised takes

115. *Local Government New Zealand* supports initiatives to regularise unauthorised takes. It is important that the whole management framework for water is effective.
116. We recognise that across the sector there are differences in the level and effectiveness of monitoring and enforcement. It would be useful for the sector to apply the sort of assessment framework discussed by the Productivity Commission to re-assess the level of monitoring and enforcement activity that is required to give effect to water related regulations.
117. We also note that there are still a number of water takes (particularly for local authority water supplies) that continue to operate under the transitional provisions of the RMA. There is little incentive for the holders of these permits to progress consents under the Act. It would be very useful to address this issue nationally.

Managing takes that do not require water permits

118. *Local Government New Zealand* supports a considered review of those water takes that are permitted uses. As councils review their regional policy statements and plans to implement the National Policy Statement for Freshwater Management they will need to review the extent and appropriateness of permitted uses within catchments. It is most likely that in catchments where over-allocation is an issue the scope of permitted activities will either be significantly scaled back, or removed.
119. The statutory exemption relating to domestic use and stock water may need more careful consideration. This is particularly important in catchments that are over-allocated where the balance of water allocation between different uses and competing users is challenging. Providing water to support the life and health of urban populations is fundamentally important. It is essential that their access to water is protected and those local authorities that provide urban water supplies have surety of supply. It is also important that there are appropriate incentives for local authorities to pursue appropriate improvements to their infrastructure to reduce leakage and waste and to provide incentives for urban water users to be careful with their use.

Compliance and enforcement

120. As is noted above *Local Government New Zealand* recognises that across the sector there are differences in the level and effectiveness of monitoring and enforcement. It would be useful for the sector to apply the sort of assessment framework discussed by the Productivity Commission

to re-assess the level of monitoring and enforcement activity that is required to give effect to water related regulations.

Managing quantity: Longer-term issues

121. *Local Government New Zealand* supports a broad work programme designed to progress the 'longer-term' issues identified in the discussion document. However, we strongly urge the government to work with regional councils and unitary authorities to complete this work far more quickly than the 5 to 10 year horizon that is proposed. We are particularly concerned that without alternative allocation mechanisms we remain in the situation where the first applicant will always be at an advantage and where it will be incredibly difficult to re-allocate water to any new purpose, let alone to support higher value and more productive uses than it is presently used for.
122. The current framework for water allocation is severely limited. Without new allocation methods we run the very real prospect that councils will be required to run at least two separate plan change processes to progress the implementation of the National Policy Statement for Freshwater Management. This will be an unnecessary and unwarranted additional cost to councils, businesses and communities.
123. We are also concerned that without significant changes to the potential tools that councils can use to allocate water the intent of the reform package will be frustrated. Councils will be unable to address over-allocation problems if they do not have the tools, or the statutory provisions to implement very different allocation methods.

LGNZ Position:

- a. Supports further work to address over-allocation, unauthorised takes, management of takes that do not require water permits, and compliance and enforcement;
- b. Seeks to work in partnership with government to progress this work; and
- c. Strongly encourages the government to progress this work, and in particular work on water allocation tools, far more quickly than the 5 to 10 year period proposed.

Reform 9: Science, research, knowledge and information

124. *Local Government New Zealand* strongly endorses a review of the Water Research Strategy to ensure that adequate investment in scientific research is being undertaken and that expenditure is targeted to areas where it will pay the greatest dividend, or target the most intractable problems.
125. We have consistently called for a re-allocation of research effort and a coherent research strategy. It is essential that resource management policy decisions are based upon a sound understanding of the nature of the resources being managed and of the potential impact of alternative policy settings.
126. Over the long-term the ability to sustain intensive land use systems will depend upon the ability to retain or treat potential contaminants on-site, or reduce to the absolute minimum the use of potential contaminants in production systems. It is therefore particularly important that the new research strategy targets long-term investigation of the impact of alternative management regimes – particularly with respect to impact of on-farm management techniques on the release or retention of nutrients.

127. Both collectively and individually regional councils and unitary authorities are substantial funders of research related to freshwater and land use management. They understand the issues that need to be addressed, they understand the research that has been done to date, and they collect and hold the most meaningful time-series data that is fundamental for research. We are committed to working constructively with the government and with research institutions to develop and implement an effective research strategy.
128. We note the discussion on the use of computer simulation models in a regulatory context. Models like OVERSEER[®] provide an important opportunity to maximise the transfer of research into practical management tools. However, like all simulation models OVERSEER[®] reflects the relationships found in the areas in which it was developed and calibrated. Councils have observed for instance that OVERSEER[®] has limitations in its current ability to deal with horticultural land uses. It is important that the revised research strategy provide a systematic way of validating or testing models like OVERSEER[®] to ensure that their more universal application is warranted.

LGNZ Position:

- a. Endorses the review of the Water Research Strategy to ensure that adequate investment in research is made and targets the areas of greatest return; and
- b. Seeks to work with government on the development and implementation of the Water Research Strategy.

Reform 10: Stronger government leadership to ensure effective water quality management

129. *Local Government New Zealand* supports government adopting a stronger leadership role to ensure effective water quality management. The reform package provides good evidence of the government moving to take a stronger leadership role. This is welcome and timely.
130. We submit that in exercising leadership, government would be wise to work closely and in partnership with regional councils and unitary authorities. As those charged with the day-to-day management of freshwater resources these councils understand the resources, the issues and pressures that need to be addressed, and the challenges with the existing management framework and tools.

LGNZ Position:

- a. Supports government adopting a stronger leadership role to ensure effective water quality management.

Reform 11: Development of good management practice toolkits

131. *Local Government New Zealand* supports the development of good management toolkits designed to foster improved water quality.
132. We note that the sector, and some councils in particular, have in the past invested heavily in a range of technical publications designed to distil good practice and improve environmental outcomes. We also note that in our experience it is easy for “best-practice” guides to become unnecessarily prescriptive and to reflect very costly ways of delivering improvements. We offer our experience and assistance in the development of good management practice toolkits and ensuring that they are practical and implementable.

LGNZ Position:

- a. Supports the development of good management toolkits designed to foster improved water quality; and
- b. Seeks to work with government on the development of the toolkits.

Managing quality: On-going improvements

133. We note the range of potential reforms relating to water quality that are to be considered over a longer period of time. Unlike the other longer-term reforms no timeframe is proposed for progressing these issues. We submit that these issues must be dealt with in the same timeframe as the consideration of alternative mechanisms for water allocation.
134. For all practical purposes all significant water takes will result in either a point source or a diffuse source discharge of water, and along with it potential contaminants. The allocation of water, and in particular the allocation of water to particular uses within a catchment therefore goes quite directly to the potential for water quality impacts that are directly related to the use of the water. It would be unwise to develop alternative water allocation methods, and in particular increased potential for tradable water permits, without equally considering the range of mechanisms (including off-setting) that might apply to discharges and water quality.
135. *Local Government New Zealand* strongly urges the government to work in partnership with regional councils and unitary authorities to progress a timely, considered and complete package of tools designed to address both water allocation and water quality.

LGNZ Position:

- a. Urges the government to work in partnership with regional councils and unitary authorities to progress a timely, considered and complete package of tools designed to address both water allocation and water quality.

Conclusions

136. The package of Freshwater reform 2013 and beyond is a major step forward in the effective management of New Zealand's freshwater resources. *Local Government New Zealand* welcomes the reform package and commends the government for its increased focus on this very important matter.
137. *Local Government New Zealand* notes the quite considerable work that is now required to progress many of the proposed reforms to practical, implementable solutions. We urge the government to work in partnership with the country's regional councils and unitary authorities to complete that work and deliver a new, fit for purpose and cost effective regulatory regime that will secure the future of New Zealand's freshwater resources.
138. We stress that while this reform package and the national debate about the freshwater management system proceeds, regional councils and unitary authorities will continue to have and discharge major responsibilities for freshwater management. Those councils are committed to continuing to improve their practice and their performance in managing freshwater. Those councils are keen to make sure that the reforms provide significant improvements. They are also committed to working with the government to ensure that the reforms build on their collective knowledge and practical experience.

