

POLICY COMMITTEE AGENDA

Thursday 13 September 2018

1:00 pm, Council Chamber,
Level 2 Phillip Laing House, 144 Rattray Street, Dunedin

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

Disclaimer

Please note that there is an embargo on agenda items until 48 hours prior to the meeting. Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

TABLE OF CONTENTS

1. Apologies.....	4
2. Leave of Absence.....	4
3. Attendance	4
4. Confirmation of Agenda	4
5. Conflict of Interest.....	4
6. Public Forum	4
7. Presentations.....	4
8. Confirmation of Minutes.....	4
9. Actions.....	4
10. Matters for Council Decision	5
10.1. Minimum Flow Plan Change Update	5
10.2. Minimum Flows for priority catchment - scope and process and overview of Regional Plan Water Review	8
11. Matters for Noting	17
11.1. Director's Report on Progress.....	17
11.2. Report on Land and Water Forum advice May 2018.....	21
12. Notices of Motion	31
13. Closure	31

RECOMMENDATIONS FOR COUNCIL DECISION

10.2. Minimum Flows for priority catchment - scope and process and overview of Regional Plan Water Review

Recommendation:

1. *That Council approves the scope of the Minimum Flows Plan Change for Priority Catchments, with a focus (on an interim basis recognising recommendation 3 below) relating to accommodating the transition from deemed permits to resource consents until Council gives full effect to the NPSFM. The scope is set out below:*
 - *Sets minimum flows for the catchments of Arrow, Cardrona and Manuherikia to provide consistency for the transition from Deemed Permits to RMA consents and make associated consequential changes to the plan.*
 - *Updates residual flow policies within the Regional Plan Water.*
 - *Incorporates the Lower Cardrona into the plan change.*
 - *Ensures all necessary technical and specialist work is completed prior to notification.*
2. *That the plan is notified by June 2019.*
3. *That planning for a review of the Regional Plan Water continues and a work program is prepared for Council approval, including the Progressive Implementation Plan for National Policy Statement for Freshwater Management compliance by 31st December 2018.*

1. APOLOGIES

2. LEAVE OF ABSENCE

Cr Ella Lawton

Cr Sam Neill

3. ATTENDANCE

4. CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

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

Mr Niall Watson, Otago Fish and Game Council in regard to the Notice of Motion for Item 10.1 - Minimum Flow Plan Change.

7. PRESENTATIONS

8. CONFIRMATION OF MINUTES

Recommendation

That the minutes of the meeting held on 1 August 2018 be received and confirmed as a true and accurate record.

Attachments

4. Minutes of the Policy Committee - 1 Aug 2018 **[8.1.1]**

9. ACTIONS

Status report on the resolutions of the Policy Committee.

Attachments

Nil

10. MATTERS FOR COUNCIL DECISION

10.1. Minimum Flow Plan Change Update

Prepared for: Policy Committee
Report No. PPRM1824
Activity: Environmental – Priority Catchments Minimum Flows and Residual Flows Plan Change
Prepared by: Lisa Hawkins, Senior Policy Analyst
Tanya Winter, Director Policy Planning and Resource Management
Date: 27 August 2018

1. Précis

This report provides a summary of the progress made on the Priority Catchments Minimum Flow Plan Change in recent weeks, including an update on community sessions and expert input.

2. Background

The purpose of this Plan Change is to set a minimum flow for the three catchments Manuherikia, Cardrona and Arrow, and to update the residual flow policies currently operative in the Water Plan. The work required to set a minimum flow for each catchment is at different stages of completion, and some pieces of work such as a water reliability models, economic, social and cultural assessments are still underway.

In June and July, a series of sessions were held with key stakeholders and the communities of the three catchments to provide an update on the process for the plan, and the opportunity to discuss the work that has been done to date in more detail. The schedule of these meetings is set out below, and a detailed summary of these discussions was reported on at the 1 August Policy Committee meeting.

- Process update sessions:
 - Key stakeholder session held in Dunedin - 7 August 2018
 - Community session held in Cromwell - 11 June 2018
- Technical discussions:
 - Key stakeholder session held in Dunedin – 29 June 2018
 - Arrow, session held in Arrowtown – 2 July 2018
 - Manuherikia, sessions held in Omakau – 18-19 July 2018

Over the past month, discussions with the community have continued and a summary is provided below:

Cardrona catchment – held in Cardrona 8 August 2018

- Two sessions were held – one with the Cardrona Water Users Catchment Group and their consultants, and the second held with interested persons within the broader community.
- 26 attendees across the two sessions.
- Discussion focussed on confirming data with the water user group, providing clarity on the approach for water reliability and economic assessments, clarifying the values and management goals for the catchment and ensuring that future development pressures in the valley were adequately considered.
- Attendees expressed support for the inclusion of the lower Cardrona into the plan change. See separate report on the agenda.

Manuherikia catchment – Data collection meetings held in Ophir 9 and 10 August 2018

- Following the sessions held in the catchment on the 18th and 19th of July, a commitment was made by the CE to return to the catchment with key resource science staff and to host a series of meetings. The focus of these meetings would provide the opportunity for the community to present data and information they held, which could be useful in the building the CHES water reliability model.
- A full day of meetings with interested parties who made appointments was held on the 9th. Discussions covered a broad range of topics and some data and information was presented. This included photographic records, identification of key locations in the catchment, water management regimes across the catchment, allocation and minimum flow relationships and economic dependency on farming for businesses in Omakau.
- On the 10th of August, discussions took a tributary by tributary approach, with small groups presenting information around water takes, by-wash locations, re-take locations and water management and sharing regimes. Discussion were in-depth and information annotated on a series of maps. The project team are now reviewing the information collated with the view to identify the areas where further clarification may be required.
- At both meetings, the existing allocation limit listed within schedule 2A of the Water Plan was raised. A request was made as to how this number was set. A memo has been prepared for the CE which sets out the information available on the Environment Court process of 2003. A copy of this memo is attached to this report as Attachment 1 and an information sheet is being prepared for dissemination to the community.

3. Next steps

Set out below is a summary of the key next steps:

- Further clarification in the Manuherikia. Following the review of the information received from community at the sessions held on the 9th and 10th August, there is a need to return to the catchment for further clarification in some areas. There is also a need to request information that has been identified as being available, but not yet provided. These site meetings are under way.
- Consultation with Iwi. Input is continuing in consultation with Aukaha on behalf of Iwi. Key inputs for the Cardrona and Residual Flows are imminent and the project team are in discussion with Iwi to receive input in a timely manner.
- Manuherikia CHES Water Reliability Model. NIWA are on board and have begun the data collection for the model. They are working closely with the project team to review the existing data and that collected from the meetings with the community.
- Economic and social assessments. The Cardrona and Manuherikia assessments are underway. Both assessments are dependent on the completion of water reliability assessments. Completion of social assessments are reliant on finalisation of the economic assessments.
- Preparation of the s32 report. Preparation of this report is underway, with the initial focus being on those elements of the plan change where information is completed to a necessary standard. Much of the s.32 cannot be completed until the technical work is finalised.
- Communication. A timeline is being prepared to identify the communications and media strategy approaches to be rolled out over the coming months prior to

notification. The media strategy will allow us to be more proactive in communication.

4. Communication update

Over the past month the following media releases have been prepared:

- Update on the timeframe as per the previous Policy Committee report, confirming the plan change will be notified by May 2019;
- Informing the public of the Community information sessions being held for the Cardrona.

5. Revised timeframes

In accordance with timeframe set out in the report to Policy Committee on the 1 August, the project team are continuing to work towards the key milestones. The next key milestone being the completion of technical reports in December 2018.

6. Recommendation

That Council:

- 1) **Receive** this report.
- 2) **Note** this report.

Endorsed by: Tanya Winter
Director Policy Planning and Resource Management

Attachments

1. Memo to the Chief Executive regarding existing Allocation Limit for the Manuherikia.
2. Communication and Engagement Plan.

10.2. Minimum Flows for priority catchment - scope and process and overview of Regional Plan Water Review

Prepared for: Policy Committee
Report No. PPRM1827
Activity: Governance Report
Prepared by: Lisa Hawkins, Senior Policy Analyst
Date: 6 September 2018

1. Précis

Over the past few years Council has embarked on a process of setting minimum flows for the Manuherikia, Cardrona and Arrow Catchments. The process originally started under three different plan changes, and in May this year all three catchments, and the residual flows plan change were combined into one plan change, the Priority Catchments Minimum Flow Plan Change (Plan Change). At the time of combining the catchments together, staff identified the need to undertake a full review of the Regional Plan Water (Water Plan) to ensure that ultimately the policy framework was fully compliant with the National Policy Statement for Freshwater Management (NPSFM). This report clarifies the process and scope of the Priority Catchments Minimum Flow Plan Change and sets it in the context of a broader Water Plan Review.

2. Background

2.1. Priority Catchments Minimum Flow Plan Change Scope

An existing framework exists within the Water Plan to set minimum flows for catchments as a tool to sustainably manage water within the Otago region. As such, Council has over time set minimum flows for catchments through a series of plan changes. The Council commenced separate plan changes for the Manuherikia, Arrow and Cardrona catchments over the past 5 years. Early in 2018, staff presented an approach of combining these plan changes into one to Council across two workshop sessions (April and May). At these sessions, Council provided direction that it was comfortable with the process presented and the key reasonings for the approach.

Key elements of this approach are set out below:

- The Water Plan contains a framework for setting Minimum Flows, with Minimum Flows already set for the following catchments (or parts of) in Schedule 2A of the Water Plan – Welcome Creek, Kakanui, Waianakarua, Trotters, Shag, Leith, Taieri, Luggate, Lake Hayes, Waitahuna, Pomahaka, Waiwera and Lake Tuakitoto. Of the three catchments, Manuherikia is the only catchment where an existing Minimum Flow is specified (820l/s at Ophir). That minimum flow is to be reviewed as part of this plan change. Reasoning for this is set out in this section as part of the summary for the Manuherikia catchment.
- The work undertaken to date on the catchments has been informed by science technical reports prepared by the Council, often referred to as the Blue Books. The Blue Books provide a base understanding of the hydrology and ecology aspects of each catchment. They provide an initial indication of suitable flows that will support a variety of aquatic habitats that might be present in the catchment with additional reports currently being prepared in support for notification. The information presented in these reports continues to be refined through the plan change process, along with other key inputs such as

economic, social and cultural assessments. The relevant Blue Books, approved by Council, are set out below:

- Update of scientific information for the Arrow catchment: 2012-2017, published December 2017
 - Update of scientific information for the Cardrona catchment: 2011-2017, published September 2017
 - Management flow for aquatic ecosystems in the Manherikia River and Dunstan Creek, published February 2017
- Reviewing primary allocation is not part of this plan change (further explanation provided in section 3.1.4 of this report).
 - The three catchments that form part of the plan change are at different stages of preparation and the draft numbers that have been presented to the community to date are informed by various levels of specialist input (see Table 1).

The draft numbers will be refined as further technical work is prepared. All technical input required is expected to be completed by the end of 2018. A summary of each Catchment is set out below.

- *Arrow* A draft minimum flow at Cornwall Street is suggested at 800 litres per second. This level is similar to the lowest flows experienced in 2015/16. A minimum flow at this level provides for habitat retention for trout¹, as well as managing the growth of nuisance algae. These were both important values identified by the community during the values and options consultation. In addition, a supplementary minimum flow of 1050 l/s is proposed. All technical reports which inform the minimum flow limits have been completed for the Arrow catchment.
- *Upper Cardrona* – A draft minimum flow at Mt Barker is proposed at 700l/s (summer) and 2,000 l/s(winter). A draft supplementary flow of 3,100l/s is also proposed.

The Cardrona River has three distinct reaches:

- A neutral reach located upstream of the Mt Barker flow monitoring site, in the part of the catchment referred to as the upper catchment.
- A losing / drying reach located between Mt Barker flow monitoring site and SH6, where surface flow is lost to the Wanaka Basin-Cardrona Gravel Aquifer; and
- A gaining reach located downstream of SH6, where the Cardrona River receives inflows from Wanaka Basin Cardrona Gravel Aquifer.

The draft minimum flow at Mt Barker proposes to manage the important values that exist in the Upper Cardrona including aquatic ecosystems, natural character, amenity values, cultural values and recreation values.

¹ Trout are flow demanding species therefore provision for their habitat supports a range of species including aquatic invertebrates and native fishes.

The summer and winter minimum flows recognise the need to maintain flow variability across seasons, and important aspect of natural character of this river. Social, economic and cultural reports are yet to be completed for the Upper Cardrona, and when completed will inform the decision to finalise a minimum flow for notification.

- *Manuherikia* – A draft range of minimum flow limits, have been provided for three flow sites within the Manuherikia catchment:
 - 400 to 600 l/s at Dunstan Creek
 - 1500 to 1750 l/s at Ophir
 - 1250 to 1600 l/s at Campground

These numbers have been informed by hydrology and ecology work that has been completed through the development of Council's Blue Book. This report, and continued investigations, indicate the following concerns with the current minimum flow set at Ophir.

- The values in the lower reaches of the river are not addressed by the Ophir minimum flow, although there is a voluntary minimum flow at Campground¹ of 900l/s. However, the voluntary limit results in poor habitat retention for flow demanding and riffle dwelling species. This is reflected in approximately 60% of mayfly habitat and 34% of the food producing habitat compared to what would be available at naturalised 7-day MALF. Further, flow records show that 900l/s is often not achieved in the lower reaches. For each of the last five years, flows have dropped below 900l/s with the low flows under 500 L/s in two of these years.
- The 820l/s minimum flow that applies to water takes in the upper reaches above Ophir only provides for approximately one third of the desirable habitat from a sports fishery and from an ecological perspective in order to seek to safeguard aquatic life and natural ecosystem processes. Further, flow data shows that 99% of the time flows at Ophir are above 1,100l/s or higher. Hence the River provides habitat retention above that which would be achieved at 820l/s. The aquatic community observed and sampled at and upstream of Ophir is not reflective of the 820l/s minimum flow but of higher summer flows between 1,100 and 2,000 l/s, which is due to river conveying stored Falls Dam water.

In addition to the habitat values present in the Manuherikia, irrigation and water reliability have been identified as key values from the community. As the catchment is modified and the nature of water use complex, further work is being done on the hydrology through the development of the NIWA built TopNet² and CHES model³. This will provide Council with a water reliability model. Ecology assessment will be reviewed in light of the work from NIWA.

¹ This is not a requirement in the Water Plan.

² TopNet – is an hourly rain-runoff model, driven by climate observations. It can determine the daily natural freshwater surface water flows within the catchment for each reach.

³ CHES – Cumulative Hydrological Effects Simulator used to provide information on long term reliability of stream water, to assist in the assessment of the effects of a proposed change in minimum flow limits.

Social, economic and cultural reports are also yet to be completed for the Manuherikia catchment but are underway. As these reports are finalised the minimum flow limit will be defined to provide a final figure for notification.

- *Residual Flows* – The provision to set residual flow conditions on consents already exists within the Water Plan. Feedback from Stakeholders and the consents team has prompted a review of these provisions to ensure they are effective and efficient. We are currently seeking cultural input from Iwi on the proposed changes to the existing policies.

Table 1: summary of catchments

Catchment	Draft Minimum Flow	Technical work to come
Arrow	800l/s 1050 l/s (supplementary)	N/A
Cardrona	700l/s (summer) 2000 l/s (winter) 3,100 (supplementary)	Social Economic Cultural
Manuherikia	400 – 600 l/s Dunstan Creek 1500-1750 l/s Ophir 1250 – 1600 l/s Campground	Water reliability Economic Social Cultural
Residual Flows	N/A	Cultural

2.2. Including the Lower Cardrona in the Plan Change

The setting of a minimum flow for the Lower Cardrona River is currently outside of the scope of this Plan Change. This section of the catchment was excluded from the Plan Change originally as the timeframes for necessary groundwater science was scheduled to be completed beyond the original notification timeframe of 31 August 2018. The timeframe with this work and a notification date of May 2019 are now aligned. Various stakeholders, including the community and Iwi, have been advocating for widening the scope of the Plan Change to include the setting of minimum flows for the Lower Cardrona.

Technical investigations into the groundwater and surface water hydrology of the Lower Cardrona show that flows in the Lower Cardrona below SH6 are primarily sustained by groundwater inflows from the Wanaka Basin Cardrona Gravel Aquifer (WBCGA). Therefore, the management of the Lower Cardrona is likely to require a combination of the following “management tools”:

- a minimum flow at the Confluence flow monitoring site in Schedule 2A of the Water Plan.
- a maximum allocation limit (MAL) for the WBCGA in Schedule 4A of the Water Plan.

Attached (attachment 1) to this report is a memo setting out these considerations in detail, along with the options available to address the Lower Cardrona. The preferred option is to:

- Widen the scope of the Priority Catchments Minimum Flows Plan Change to include the management of surface water and groundwater in the Lower Cardrona. This provides a holistic approach to the management of interconnected water resources, while also achieving cost efficiencies for ORC (and stakeholders) by removing the need to undertake a separate plan change for managing the Lower Cardrona at a later date.

3. Proposal

Set out below is the current process and program of work for both the Priority Catchments Minimum Flow Plan Change and a review of the Water Plan.

3.1. Priority Catchment Minimum Flow Plan Change

3.1.1. Purpose and process

As presented previously to Council and the community, the reason for progressing a plan change now to set Minimum Flows for these three catchments is to provide consistency and further guidance in the Water Plan for the transition of Deemed Permits to RMA Consents. All three catchments have a number of Deemed Permits which will expire in 2021. Whilst it is acknowledged that this plan change will only address one element required to set Environmental Flows and does not address allocation or over-allocation as per the NPSFM, it will provide a limit in the Water Plan which will safeguard values in the catchments during periods of low flow as the transition from Deemed Permit to RMA consents occurs.

By setting a Minimum Flow for each catchment, a consistent restriction would apply to all existing consents, and those being granted through the replacement deemed permit process. Alternatively, without a minimum flow in place, consents may be granted but will require a review at a later date to insert a minimum flow when one is set or a minimum flow can be considered as each consent is being assessed.

The current timeframe for this process aims to notify the plan change by May 2019.

3.1.2. Policy framework

This plan change builds upon the existing framework for setting Minimum Flows in the Water Plan. However, it also takes direction from higher order documents such as the Otago Regional Council Regional Policy Statement and the National Policy Statement for Freshwater Management (NPSFM).

3.1.3. Proposed Regional Policy Statement (PRPS)

The Proposed Regional Policy Statement is substantially through the statutory review process and must be given regard to through this plan change. With the PRPS now being at the appeals stage, staff consider that significant weight can be given to the PRPS. None of the appeal matters are of relevance to minimum flows. We note that the PRPS gives effect to the NPSFM. The development of the plan change is being prepared to be consistent with key objectives and policies¹ of the PRPS which require:

- The use of resources sustainably to promote economic, social and cultural wellbeing.
- Functions and values of ecosystems to be maintained or enhanced where degraded.

¹ The relevant objectives and policies are – Objective 1.1 and 3.1 and Policy – 3.1.1.

- Safe-guard life-supporting capacity of water to maintain or enhance aquatic ecosystem health, natural functioning of rivers, habitat of trout and amenity of landscape values.

3.1.4. NPSFM

This plan change is consistent with Objectives B1 and B5 of the NPSFM relating to water quantity. However, as the plan change does not address allocation it does not give effect to Objectives B2 and B3. Further, the Council has not taken a wider freshwater management unit approach to identifying values and setting objectives, limits and targets, as set out under policies CA1 – CA4.

Set out below is a summary of the existing approach to these areas:

- Allocation (Objectives B2 and B3)

Meeting these objectives would require a review of the existing allocation framework in the Water Plan. This review would need to apply across Otago and is not just specific to the three catchments subject to this plan change. Given the significance of what these objectives require, Council needs time to have that conversation with the community and key stakeholders. We also need more time to gather appropriate data and analysis to support technical investigations, to ensure the conversation is robust and useful in order to seek community and stakeholder input.

Whilst Council are undertaking the work to ensure we address allocation and over-allocation across Otago, there may be a need to grant consents and consider the replacement of deemed permits for a shorter period. This is to ensure that Council are confident that any effects of water takes are no more than minor, and to ensure that where catchments may be determined as being over-allocated in the future that this does not continue. Review conditions have constraints and may not provide a sound alternative because they cannot terminate a consent, change a consent duration and must have regard to the use and viability of the activity supported by the consent. Significantly, there is no framework in place in the Water Plan to demonstrate how Council will phase out over-allocation over a defined timeframe.

The issue of allocation has been specifically raised in the context of the Manuherikia catchment. The existing framework within our Water Plan, includes Policy 6.4.2 and Schedule 2A where an allocation limit of 3,200l/s is set for the catchment. As this allocation limit forms part of the operative Water Plan, Council must observe, and to the extent of its authority, enforce the observance of the Water Plan (S84(1) of the RMA). Section 84(2) of the RMA provides that *no waiver of sufferance or departure from a policy statement or plan, whether written or otherwise, shall unless authorised by this Act, have effect in so far it is contrary to subsection (1)*. Changing this part of the plan would require a plan change process in its own right, including consultation. It is not an option to disregard and not enforce it.

Stepping away from matters within a policy statement or plan can be the subject of litigation as seen in the case of Wellington Fish and Game Council and Environmental Defence Society Vs Manawatu-Wanganui Regional Council NZ EnvC37[2017].

- Freshwater Management Units (Policies CA1 – CA4)

The process set out in the NPSFM to address the National Objectives Framework, is not being applied to this plan change. Policies CA1 – CA4 require Council to identify Freshwater Management Units (FMUs), develop freshwater objectives for both water quality and quantity with the community and stakeholders, and ensure the compulsory values are set at or above the national bottom line. As with the process to deal with allocation, implementing policies CA1 – CA4 needs to occur across the whole region, and not just specifically to the catchments that are part of this plan change.

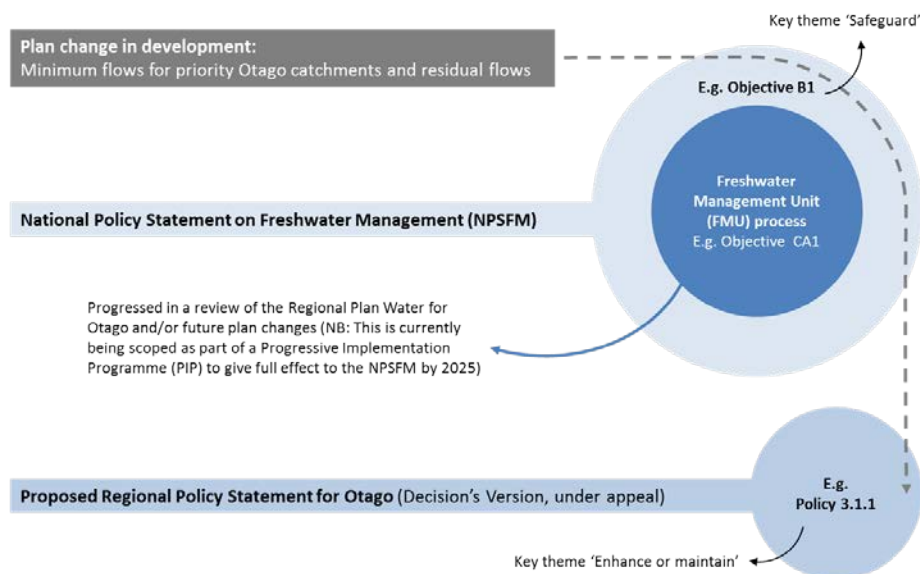
Following a more recent analysis by staff of the existing Water Plan, it is clear that it does not give full effect to the NPSFM, as is required under the RMA. This is a change to the earlier Council position where it believed the Plan to give effect to the NPSFM. In order to understand the impact of this, staff have commenced a review to determine the level of work required to implement the mandatory process set out in CA1-CA4. However, these initial investigations have highlighted the need to build supporting technical data and analysis before we can make progress on more detailed policy work.

As set out above, ensuring the Water Plan is fully compliant with the NPSFM, requires a comprehensive review of the Water Plan. Such a review is beyond of the three catchments part of the Priority Catchments Minimum Flow Plan Change.

Council has given the direction that setting the minimum flows for these catchments is a priority for the deemed permit renewal process. If we were to take an approach of giving effect to the NPSFM as a whole for this plan change, this could not be achieved within the time period required for the deemed permit renewal process. And, as set out above, it would need to be undertaken as part of the broader review of the Water Plan to give effect to the NPSFM.

As it is, the Priority Catchments Minimum Flow Plan Change demonstrates how Council, over a staged approach, will meet the requirements of the NPSFM. The figure below sets out how we consider the plan change will assist the Council in its broader review of the Water Plan, in a way that does not compromise Council’s ability to undertake the broader review.

Policy Framework Approach for the Priority Catchments Minimum Flow Plan Change



3.1.5. Progressive Implementation Plan (PIP)

As part of making the Water Plan compliant with the NPSFM Council is required to prepare a PIP which sets out how Council proposes to implement the NPSFM by 2025. Council are required to give public notice of its PIP by the 31 December 2018. Council will be required to approve the PIP prior to it being publicly notified.

The preparation of the PIP is currently underway, and in its draft form identifies a number of key tasks including establishing FMU's, undertaking a gap analysis of the Water Plan, a stocktake of a supporting work program, and consultation needed with the community. Initial planning indicates that undertaking this work will take us through to notification of a necessary plan change, as part of a full Water Plan review, by 2025.

As such, undertaking the mandatory work required through the NPSFM (establishing FMUs, setting minimum flows and allocation limits will not occur prior to the deadline for Deemed Permits.

3.2. Overview of a Water Plan Review

As identified above, to ensure the Water Plan is NPSFM compliant a review at a region wide level is needed. In addition to the requirements under the NPSFM, the Water Plan is now over 14 years old and is overdue for review as required by s.79 of the RMA.

The most efficient approach will be to undertake a full Water Plan review, which would include ensuring the plan is compliant with the NPSFM and other national requirements such as the soon to be released National Planning Standards, the National Policy Statement for Renewable Electricity Generation, the National Environment Standards for Sources of Drinking Water, and the National Environment Standards for Plantation Forestry. Consideration should also be given as to how the review of a Water Plan will fit with the reviews of existing plans such as Air, Waste and Coast, and whether there is a need for the development of a Land Plan to support an updated Water Plan.

As outlined earlier, we have begun an initial work plan which has considered the draft PIP for the NPSFM and requirements of the other plans identified above. Undertaking a project of this size is significant for Council, which will require additional resource. The work plan will also include budget implications going forward. The initial work plan indicates that majority of the next 2.5years will be spent largely gathering supporting documentation and analysis before drafting a new plan can commence. This is with the aim to notify a Proposed Water Plan by 2025.

3.3. Implications of not proceeding with the Minimum Flow Plan Change for Priority Catchments

The following implications are likely to occur if this plan change does not continue according to the current process, and rather is addressed through a full Water Plan Review and notified after 2021:

- No catchment wide minimum flows will be in place in the plan for these catchments to safeguard the values of the rivers during periods of low flow as we transition from Deemed Permits to Resource Consents. This is with the exception of the Manuherikia where the existing 820 l/s as it applies above Ophir will apply to all replacement consents.
- When a Minimum Flow is subsequently set in the Water Plan, all consents will need to be called in to reflect the catchment wide minimum flow.

- Short term consents at the time of replacement may still need to be considered as allocation will not have been dealt with by 2021.

4. Recommendation

- a) *That Council approves the scope of the Minimum Flows Plan Change for Priority Catchments, with a focus (on an interim basis recognising recommendation 3 below) relating to accommodating the transition from deemed permits to resource consents until Council gives full effect to the NPSFM. The scope is set out below:*
- *Sets minimum flows for the catchments of Arrow, Cardrona and Manuherikia to provide consistency for the transition from Deemed Permits to RMA consents and make associated consequential changes to the plan.*
 - *Updates residual flow policies within the Regional Plan Water.*
 - *Incorporates the Lower Cardrona into the plan change.*
 - *Ensures all necessary technical and specialist work is completed prior to notification.*
- b) *That the plan is notified by June 2019.*
- c) *That planning for a review of the Regional Plan Water continues and a work program is prepared for Council approval, including the Progressive Implementation Plan for National Policy Statement for Freshwater Management compliance by 31st December 2018.*

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

Attachments

1. Memo on Lower Cardrona

11. MATTERS FOR NOTING

11.1. Director's Report on Progress

Prepared for: Policy Committee
Report No. PPRM1821
Activity: Governance Report
Prepared by: Tanya Winter, Director Policy Planning and Resource Management
Date: 27 September 2018

1. Précis

This directorate report contributes toward the following Strategic Priorities from the Long-Term Plan 2018 -2028:

- Maintain and enhance the natural environment
- Resilient communities that are engaged and connected to the Otago Regional Council
- Future focused – readiness for change, proactive approach and risk focused.

2. Policy Responses

2.1 National Policies, Strategies and Plans

The following were received over the period to 17 August 2018:

Agency	Number	Document
LGNZ	1	Climate Change Project discussion paper

The following responses were made over the period to 17 August 2018:

Proposal	Response Type	Issues
Minister for the Environment	Submission	ORC submitted on the Draft National Planning Standards. The submission supported the standards in principle but outlined some practical issues in terms of scope of regional councils' and the RMA hierarchy of documents. The submission also highlighted the costs involved in implementing the standards and requested an extension of timeline for their implementation, especially for the Regional Policy Statement.

Ministry for the Environment	Submission	ORC's submission on the Zero Carbon Bill supported in principle but advocated that further information is needed for options on which gases are to be targeted and how an emissions budget will work. ORC supported adaptation provisions and outlined the progress ORC is making in this area.
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2.2 Territorial Authority District Plan Changes and Reviews

The following summarises the current situation regarding changes and reviews of District Plans:

District or City	Change or review	Current situation
DCC	2GP: District Plan Review	Notified: 2015 Hearings completed: Nov 17 Decisions due: late 2018
CODC	Review pending	Proposed to notify review late 2018
QLDC	District Plan Review	Stage 1 of 4: Notified: 12 February 2016 Stage 1 decisions released 7 May 2018. Stage 2 notified 23 November 2017. Submissions closed 23 February 2018 ORC has appealed the decision on Stage 1, specifically the Subdivision and Development and Natural Hazards chapters, as the decision appears to not give effect to the proposed Regional Policy Statement. Furthermore, under section 274 of the RMA, ORC has joined several appeals of other parties where those appeals are of interest/concern to ORC. In one instance, ORC as a s274 party has met with Gibbston Valley Station (GVS) to discuss concerns about GVS's appeal. The meeting outcome identified, to both parties satisfaction, how ORC's concerns might be resolved.
WDC	Review pending	Stage 1: Initial consultation underway Proposed Notification: 2018
CDC	Plan changes 39 – 41 Residential and Industrial Zoning	ORC has had pre-(re)notification discussion with Calder Stewart of its plans and how these may be

	areas for Balclutha, Stirling and Milton. Further review pending of PC41 (Milton)	relevant to ORC. Awaiting CDC re-notification of PC41.
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2.3 Territorial Authority and Regional Council Resource Consent Applications

The following were received over the period to 17 August 2018:

Agency	Number	Document
DCC	2	Resource Consent application
CODC	1	Resource Consent application
QLDC	1	Resource Consent application

The following responses were made over the period to 17 August 2018:

Proposal	Response Type	Issues
None.		

2.4 Other Proposals

Proposal	Response Type	Issues
CODC – Notice of requirement	submission	CODC is seeking designation for a new water treatment plant on reserve land adjacent to Clyde dam look out. No issues for ORC.

2.5 Other Responses

Proposal	Response Type	Issues
None		

2.6 Emerging matters

2.6.1 Balmoral Developments (Outram) Limited v Dunedin City Council

As agreed during mediation, the application has been provided to ORC for comment on an update of its stormwater management plan for both the consented subdivision, and the plan change proposal, which was appealed by ORC. ORC have reviewed that information and have requested further discussion with the applicant to resolve outstanding concerns before it undertakes work on its stormwater management system.

2.6.2 Skyline Enterprises Limited

A submitter on the proposal has requested to the Environment Court that he be allowed to cross examine other expert witnesses on the matter of fire hazard, an issue he does not believe has been addressed sufficiently. The Environment Court is considering allowing this request and ORC is awaiting a date for the hearing to be reconvened.

3. ORC: Policy, Plans and Strategies

3.1 Review of Regional Policy Statement

Fifteen Consent Orders have now been signed off by the Environment Court, with four consent orders still outstanding.

All of the outstanding orders are with the court. The two substantive appeals – on mining and indigenous biodiversity, and ports, are awaiting decisions from the Environment Court. The Court has provided no indication as to when those decisions may be released. There is potential that these matters could be appealed to the High Court on points of law only.

Due to the uncertainty around the Environment Court decisions on the two substantive appeals, work is now underway to make the proposed RPS partially operative. It is anticipated that a recommendation will be made to Council by 1 November this year to do this. Once the PRPS is fully operative, it will be used to shape future plan reviews, and an implementation plan will be developed to support this.

3.2 Review of Water Plan and NPSFM 2014 (amended 2017)

There is currently work underway to analyse the existing Water Plan and identify where it does and does not give effect to the NPSFM 2014(amended 2017). This report will assist with setting the foundations for the full review of the Water Plan, which will be programmed to commence in the next few years.

3.3 Biodiversity and Air Quality Implementation Plans

The Policy Committee approved both the Council's biodiversity strategy "Our Living Treasure/Tō tātou Koiora Taoka" and the Air Quality Strategy, at its meeting on 13 June 2018. The committee requested that reports on the implementation of each strategy be brought back to the Policy Committee in the next two to three months. Work on these plans is underway to ensure they will be brought to the 17 October committee round.

3.4 Review of Coast Plan

There is currently work underway to analyse the existing Coastal Plan against the New Zealand Coastal Policy Statement. Similar to the Water Plan, this will provide the starting point for the Coastal Plan review in the future.

3.5 Stormwater and wastewater

The review of the Water and Coast Plans' provisions for stormwater and wastewater is in progress. A more detailed analysis of options is expected to be completed by the end of December 2018.

The outcomes of the review will be integrated into a full review of the Water Plan.

3.6 Lower Waitaki Plains Aquifer

The Technical Committee considered a science report into the Lower Waitaki Plains Aquifer on 1 August 2018. This report outlined that additional work would be required to understand the source of the *E.coli* levels in the monitoring bores.

There is still an outstanding resolution from 27 June 2018 to the Policy Committee that recommended not proceeding with a plan change at this time. A decision on how to

progress the Lower Waitaki Plains Aquifer will therefore need to be made and internal discussions are currently underway to ensure continued progress, with the aim of presenting further information to the 18 October Committee meeting. A further meeting has been scheduled with representatives from the LWIC in late September to talk through potential options.

4. Water Quantity Plan Changes

4.1 Development of the Proposed Plan Change for the Clutha River/Mata-Au minimum flow

The draft reports – ecological, land and riverscape, and recreational assessment – are currently being reviewed by staff, with the intention that they are presented to the relevant Committees for noting in October.

4.2 Development of Proposed Plan Change 5A Lindis Integrated water management

The Environment Court has agreed that the parties proceed to a combined hearing for both the minimum flow plan change, and the Lindis Catchment Group resource consent application to replace existing Deemed Permits. The application, the section 87F recommending report, all submissions received on the application and all evidence-in-chief prepared by the ORC (respondent), and the Lindis Catchment Group (appellant) were filed with the Environment Court in June 2018.

The Environment Court has set the following timetable:

- 14 September 2018: Any evidence-in-chief for the s274 parties on both proceedings (Plan Change 5A appeal and resource consent application) must be lodged and served;
- 5 October 2018: Any rebuttal evidence must be lodged and served;
- 26 October 2018: Any expert conferencing and joint witness statements to be completed; and
- 5 – 12 November 2018: hearing in Cromwell. (If further time is required the Environment Court will tentatively set aside 19 – 21 November 2018.)

4.3 Minimum Flow Plan Change Manuherikia, Arrow and Upper Cardrona, and residual flows

See separate agenda item.

5. Recommendation

- a) *That this report be noted.*

Endorsed by: Tanya Winter
Director Policy, Planning and Resource Management

Attachments

Nil

11.2. Report on Land and Water Forum advice May 2018

Prepared for: Policy Committee
Report No. PPRM1822
Activity: Governance Report
Prepared by: Anita Dawe, Manager Policy and Planning
Date: 31 August 2018

1. Précis

The aim of this paper is to provide a summary of the LAWF report, which proposes a number of recommendations that, if adopted by Central Government, would have a range of implications for the work programme of the ORC.

2. Background

The Land and Water Forum (LAWF) was established in 2009 to bring together a range of stakeholders consisting of industry groups, electricity generators, environmental and recreational NGO's, iwi, scientists, and other organisations with a stake in freshwater and land management. The LAWF is joined by central and local government participants to develop a common direction for freshwater management in New Zealand, and to provide advice to the Government.

Since its inception, the LAWF has produced four substantial reports and a number of other public documents. The reports from LAWF have resulted in changes to the National Policy Statement for Freshwater Management, including the introduction of the National Objectives Framework.

The Minister for the Environment and the Minister of Agriculture have written to the LAWF and outlined that their priority is to avoid further water quality degradation, with a request for the LAWF to consider the effects that interim limits may have, and to also provide advice on what can be done between now and 2020 to prevent further water quality deterioration. The Ministers also indicated that stronger national direction around allocation of nutrient and sediment loads by catchment was required, to facilitate faster implementation at a regional level. This would involve understanding how best to allocate nutrients and sediment loads by catchment, in order to achieve fairness between existing and capital investment and undeveloped land, while meeting science-based bottom lines, and how to implement this without having the same policy debate region by region. The primary focus for the Ministers' is on nitrogen, but also better sediment management, rather than just focusing on allocating sediment loads. The current LAWF report is therefore genesis of the Phase 3 work and responds to the Ministers' letters on managing within limits, further population of the National Objectives Framework and review of overall changes to water policy and implementation (full report available here - <http://www.landandwater.org.nz/includes/download.ashx?ID=151946>). A full list of recommendations and their status (either implemented, partially implemented, minor progress or not implemented) is hyperlinked in section 3 below.

3. Proposal

At a high level, the report notes that a motivated effort at a national level is required to improve water quality – through better coordination and deployment of resources, recommended to be delivered through a new Land and Water Commission. In addition, the report notes that iwi rights and interests in freshwater creates uncertainties in the management system. The LAWF recommend this be addressed and resolved between the Crown and iwi to ensure the cost and time burden does not fall elsewhere.

National Level Actions to prevent further degradation

The report notes that there are a few national level actions that, if implemented, would quickly work to preventing further water quality degradation. These actions are:

(1) Ensuring, and being satisfied, that at – risk catchments have an effective plan-of-action in place. Where this hasn't happened, or plans are inadequate, the Government should act, using tools already available to it.

Implication for ORC: Central Government has the ability to direct regional councils to prepare a plan (including a plan change or variation) under s25A RMA. This could cut across any existing work plans and result in significant resourcing issues.

(2) Improving how the RMA and NPSFM is being applied around the country – especially protecting wetlands and outstanding freshwater bodies; how and when the requirement to maintain and improve water quality applies; how certificates of compliance are used and addressing situations where consents collectively add up to limits being exceeded.

Implication for ORC: These issues would be helpful to have additional clarification before the full Water Plan review, and limit setting process commences in Otago. As part of limit setting, supporting work is required and this includes identifying outstanding freshwater bodies, and the significant values of wetlands.

(3) Changing the NPSFM and the National Objectives Framework (as recommended in earlier LAWF reports). This includes things such as plan agility under the RMA, to ensure Good Management Practices (GMP's) can be included into plans and updating GMP's does not require an extensive First Schedule process; the establishment of a Land and Water Commission; allocation of water should start at the boundaries of the water body – surface or ground; allocative and dynamic efficiency directives; mandatory collaboration for rural water projects over a certain size.

Implication for ORC: There are a significant number of recommendations made by the LAWF, any of which could have implications for the full plan review. A full list of recommendations and their status (implemented, not done, partially completed) is available at

<file:///C:/Users/anitad/AppData/Local/Microsoft/Windows/INetCache/IE/U7ME7ELU/Rec%20by%20rec%20analysis%20-%20April%202016.pdf>

(4) Ensuring everyone – both rural and urban – is using good standards specific to their sectors in land management practices.

Implication for ORC: This recommendation could result in a changing focus for non-regulatory intervention and support on farm and across urban resource users. It may also require consideration of land management controls, which will occur as part of the broader Water Plan Review process to give effect to the NPSFM. If considered necessary, they could be regulatory or non-regulatory interventions.

In addition to the recommendations that the LAWF believe could be quick wins for water quality improvement, there are several other key themes or recommendations which are summarised below.

Key Issue 1: Central Government must provide strong leadership on fresh water

The LAWF have, since 2009, been recommending strong Central Government leadership through an independent Land and Water Commission. This recommendation

is reiterated again. The report notes that the LAWF believe the need for such a commission is more urgent as water degradation continues and as freshwater reform and implementation has occurred in a fragmented and piecemeal fashion. The requirement for Councils and the Courts to interpret the policy framework has resulted in a complex process with little effective oversight.

The Commission would be responsible for implementing many of the key recommendations in the report, including the development of a Freshwater Management Implementation strategy, that clearly sets out a detailed roadmap of the various phases of the water reforms, and how they fit together.

One of the roles of the Commission would be to ensure a national view is submitted to all regional plan hearings and water management frameworks. This, in itself, would provide a level of consistency that is currently lacking.

Implication for ORC: A Land and Water Commission may provide useful direction for ORC and reduce the likely future judicial burden associated with appeals. More streamlined implementation guidance has the potential to ensure a faster process.

Key Issue 2: Resolution of iwi rights and interests

The report outlines that the lack of resolution of iwi rights and interests is a critical gap in the management of freshwater. This issue is creating uncertainty, for existing water users, and for the development of nutrient allocation processes going forward. The lack of resolution is considered to be an impediment to an enduring and durable freshwater management framework.

Implication for ORC: Any resolution of iwi rights and interests that provides iwi with ownership rights will have significant implications for all water users. Current indications are that ownership will not be advocated for by Central Government. It is important for this to be resolved by Central Government prior to significant progress on limit setting to ensure the limit setting process is not diverted to address iwi rights and interests.

Key Issue 3: Avoiding further degradation

While various different reporting mechanisms indicate that water quality is highly variable across the country, there is also a range of responses by Councils, and varying speeds with which intervention is occurring.

The report outlines a need to take greater action in at risk catchments, which are defined in the report as those where:

- There is a clear decline in water quality in the catchment or downstream receiving waterbody; or
- Where the water resource is under pressure from existing or anticipated future land use change, leading to a likely decline in water quality; or
- Where the waterbody is vulnerable to irreversible detrimental change, and urgent action is needed.

Measurement against the National Objectives Framework would be one method to determine decline. The report suggests that if Councils have not properly prioritised higher risk catchments for planning, Ministerial intervention can and should occur.

Part of this aspect of improvement is closing loopholes and addressing some areas where there is a lack of clarity in the RMA, and NPSFM. These areas include addressing

the policy gap in relation to wetlands. Currently the preservation of the natural character of wetlands is a matter of national importance under the RMA (a s6 matter) and protecting the significant values of wetlands is an obligation under the NPSFM, however there are no policies to support or implement these goals. Wetlands are still being completely or partially lost as land use intensifies in rural areas and urban growth pushes into the periphery.

Other loopholes relate to both the requirement to maintain or improve overall water quality in FMU's, and the need to monitor and take action on MCI, only being required to be implemented when values, objectives and limits have been set in regional plans. The NPSFM allows these processes to occur up until 2025, or 2030 in some circumstances, which leaves a very real likelihood of continued and progressive decline for some time yet.

Other gaps include a requirement to protect the significant values of outstanding freshwater bodies, but there is no policy to support their identification, no methodology for identifying them and no process to support their protection.

There are also issue with the intent of the 'maintain and improve' requirement. Amendments to the NPSFM in 2017 were intended to introduce clarity and outline that the requirement applies to each attribute within an FMU however the interpretation is still varied, which delays implementation.

The huge variety in the way and the scale at which FMU's are being set is also cause for concern. There is debate (and in fact the policy intent seems to support) around whether water quality can decline provided it stays within the band that it currently measures against (effectively managing to the lowest point possible), and there are difficulties with monitoring and measurement.

Other implementation issues include the requirement to issue Certificates of Compliance for activities that are permitted in plans. This has seen a gold rush of consent applications prior to an allocation regime being introduced via a plan change. In addition, consents granted under the existing operative provisions continue to have effect until reviewed by a Council, and reviewing consents is inherently a timely, costly, and frustrating process, which is seldom used.

As a result of these concerns, the LAWF has recommended that each regional council should identify at-risk catchments as a matter of urgency, that the NPSFM be amended to set a nationally consistent criteria and identification process for defining the extent of wetlands and establish criteria for defining and assessing the significant values of wetlands; the NPSFM be amended to provide for no further loss or degradation of wetlands; that the NPSFM be amended to bring forward the requirement under Objective A2 that overall water quality is maintained or improved; that the NPSFM be amended to strengthen the MCI monitoring and action requirements; the NPSFM be amended to set out criteria for defining the characteristics of outstanding freshwater bodies ; more clarity around maintain and improve; to ensure that once an allocation limit is reached, a prohibited activity status is triggered to close off the resource from further allocation; and to review the use of Certificate of Compliances and Councils' ability to review consents.

Implications for ORC: The implications for ORC are less than for other regional councils in relation to these issues, as resolution of them in the near future would assist with the limit setting process for Otago. Other regions further through the limit setting process may be more adversely affected as there is the potential that any changes made could undermine existing processes.

Key Issue 4: Implementing Good Management Practice Now

In the freshwater management context, the purpose of implementing GMP is to manage contaminant losses to fresh water and contribute to Te Mana o te Wai. GMP is seen as an integral tool to ensuring, once limits are set, that resource users can stay within those limits.

One of the key patterns around the country in fresh water management is a reluctance to adopt GMP in advance of the limit setting process – if such mitigations will result in reductions, people would prefer to wait and get ‘credit’ for those mitigations, rather than investing in them prior to the limit setting process. This inevitably delays improvements that could otherwise be made.

Even implementing GMP alone, without additional mitigations or systems change is fraught as resource implications, lack of audit and monitoring frameworks, and a lack of appropriately skilled people slow the implementation and limit the effectiveness.

Recommendations from the LAWF in relation to GMP include central government , in partnership with industry and stakeholders must construct and implement a national policy instrument (NES and/or regulation) that defines GMP in rural and urban environments and which has sector specific practices and minimum standards to be applied across New Zealand for common activities that pose an environmental risk; the development of auditing, monitoring and reporting frameworks, requirement for farm plans to implement GMP, ensuring such a system enables flexibility, innovation and adaptation, and includes review provisions to allow for review and update.

In addition, they have recommended that regional councils model the contribution GMP will make to meeting freshwater objectives and identify additional actions and mitigations to ensure achievement of those objectives, where GMP alone is not sufficient.

To support this, a centralised co-ordinated development of a science programme to determine the effectiveness of mitigations is proposed with the programme working on a rolling basis as new technology and information is available.

Potential implications for ORC: Support for the adoption of GMP's across all industries is critical for freshwater quality however additional information and modelling is necessary to understand gains that may be made in real time. There is the real potential that any gains from implementing GMP are eroded by increases in productivity and efficiency, without any more intensification in both the urban and rural sectors. The implementation of GMP alone is unlikely to be sufficient to see improvements in water quality, and systems and /or land use changes are likely to be required to see benefits.

Key Issue 5: Managing Sediment

Currently there are no attributes or national bottom lines in the NPSFM for sediment, and the science base is less developed and less certain than for some other contaminants. Despite this, there is evidence that certain practices and mitigation are effective at reducing sediment losses and that farm management style plans focusing on soil conservation and erosion control programmes are effective at reducing sediment losses.

Implementing such programmes is resource intensive, and Councils are seen to lack the resources and skilled staff to manage the existing work. Concerns are that, while soil conservation processes are voluntary, not enough will be done.

Some high-risk practices in terms of sediment loss include stock access to waterways; intensive winter grazing, hill country cropping, building tracks, roads and culverts, cultivation, and drainage management.

Complicating sediment controls further, national regulation in the form of the NES for Plantation Forestry, make high risk forestry activities easier and their frequency and extent will likely increase.

There are other government initiatives such as the Billion Trees Programme which are seen as having the ability to serve multiple purposes – soil conservation, erosion control, carbon capture, ecosystem health, biodiversity and employment.

One of the recommendations in relation to sediment management is to develop numeric indicators for estuaries which are often the downstream receiving environment. This would assist with better management and allocation.

Implications for ORC: There are a significant number of estuaries in Otago, with most major river systems having an estuarine interface. These include (not exhaustive) the Waianakarua River, Shag, Kakanui, Waitati, Leith, Kaikorai, Catlins and Clutha River and Toko Mouth. In essence, estuaries cover the length of the Otago Coast and play an important part in managing freshwater quality. Imposing numeric indicators is likely to have implications in terms of compliance monitoring and increasing demands for additional monitoring.

Making GMP mandatory is likely to have implications for consents and compliance, as there would be a corresponding increase in applications and compliance action.

Key Issue 6: Managing nitrogen contamination through the allocation of nitrogen discharge allowances

The report notes that allocation is an inherent part of our limits-based system and a lack of tools to account adequately for contaminant sources across catchments is a serious weakness.

The goal across regions, and the country, is to develop an allocation system that is fair, that gives effect to Te Mana o te Wai and maximises social, economic and environmental outcomes. Such a culmination may, in some instances require land use change, or at the least, systems change.

Recommendations to the Ministers include:

- Amending the NPSFM to require regional councils to take immediate interim actions to address nitrogen discharges if a catchment or sub catchment has been identified as being 'at-risk' and where nitrogen has or potentially may, contribute to that risk profile;
- Prioritise resources to focus on the greatest risks to water quality and ecosystem health;

- For regional councils to agree, as part of their planning processes, where lower intensity operators may be able to intensify, to facilitate economic opportunities, within catchment limits;

Implications for ORC: The Ministry for the Environment have requested that Councils' provide a list of at-risk catchments. This is likely to shape where the limit setting process will focus initially, and it is important that the identification of risk is a cross -organisational response.

Any Central Government direction in terms of how nutrients should be allocated will be useful as the allocation of nutrients is one of the most contentious parts of the limit setting process.

Key Issue 7: Urban Water Quality

There are multiple issues around urban water quality – from settlement locations predominately in coastal spaces and systems designed to get water to the coast as quickly as possible, under investment in infrastructure renewal, systems now receiving a diverse range of contaminants, and urban growth and associated issues such as green field development and sediment control/runoff issues.

There is also poor understanding at an individual level about contributions to urban water quality issues – things such as hard chemicals being used in dishwashers and washing machines, cars being washed on impervious surfaces and inappropriate discharges to the wastewater system (paint, hair dyes, household chemicals).

Recommendations to Central Government around urban water quality include the development of human and ecological health objectives, values and attributes for estuaries, an evaluation of their costs and benefits; evaluating options for introducing those objectives; amendments to the NPSFM to prevent further losses of urban streams due to urban expansion; development of regulation to specify best practice requirements for earthworks, sediment management and discharges from sediment traps; improved public education and awareness; and standardised consenting requirements for urban wastewater and stormwater systems (including templates, data standards, monitoring and reporting protocols).

Implications for ORC: There are significant potential implications in some of these recommendations. Preventing further losses of urban streams is laudable however it needs to be viewed in a wider context of urban growth pressure. While not an issue for all of Otago, it may create tensions between areas where urban expansion is sought.

Guidance for urban water users has potential to be useful, and support work that Stakeholder Engagement already does.

The Policy team have a workstream underway to look at urban water quality and guidance to support this would be useful.

Complementary Measures

In addition to the above, some previous recommendations made by the Forum have relevance and these are summarised below.

Use collective environmental management schemes

Collective management schemes are emerging around the country and enable sharing of resources, reducing costs to individuals, reducing compliance costs and enabling cross catchment implementation of mitigations such as wetlands, retiring land and developing infrastructure.

Such schemes could be used to act as a store for allocation limits – rather than allocating them on an individual basis, they could be allocated to a CMS and then distributed across the group by the catchment scheme manager.

Science and Information

Better science is seen as necessary to continue the water quality improvement process. Included in this is the development of improved understanding of groundwater, lag times and attenuation and how they vary within regions, improvements in water management data collection and management, ongoing improvement in tools and models to ensure quicker adoption of environmentally responsive land practices, improved understanding about the relationship between in-stream nutrients, flows and aquatic plant growth, improve scenario modelling, improve the ability of economic models to test a wider range of policy tools and behavioural responses, facilitate better understanding of Te Mana o te Wai, accelerate the development of National Environmental Monitoring Standards, protocols around data collection.

Government policy integration

Better integration across Government policy is essential to ensure the best outcomes. The Forum notes that previous policy at times had little or no regard to the NPSFM. One example is the National Policy Statement on Urban Development, where the Regulatory Impact Statement and its guidance made no substantive comment on the NPSFM. The report notes many areas where policy is being developed that has close linkages to water management and where integrated water management should be considered. The National Planning Standards provide an opportunity for all regional councils to consider how they manage resources going forward, and consideration of integrated catchment plans is one of the options available.

Summary

The latest Land and Water Forum Report has the potential to have significant implications for freshwater management across the country. For Otago, much of the uncertainty around the limit setting process means that Central Government direction would provide valuable assistance to our future work programmes. There are also existing work streams underway that would be supported by additional guidance or clarity.

4. Recommendation

That Council:

1) This report be received and noted.

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

Attachments

12. NOTICES OF MOTION

From: Michael Laws | The Message <michael@themessage.nz>

Date: 3 September 2018 at 3:13:14 PM NZST

To: "Sarah.Gardner@orc.govt.nz" <Sarah.Gardner@orc.govt.nz>, "Cr Stephen Woodhead (ORC)" <stephen.woodhead@orc.govt.nz>, "Cr Gretchen Robertson (ORC)"

<Gretchen.Robertson@orc.govt.nz>, "Tanya.Winter@orc.govt.nz" <Tanya.Winter@orc.govt.nz>

Cc: 'Graeme Bell' <graeme.bell@pggwrightson.co.nz>, "Ella.Lawton@orc.govt.nz" <Ella.Lawton@orc.govt.nz>

Subject: NOTICE OF MOTION - Policy Committee, 12 September 2018

Dear CE Sarah & Policy Chair Gretchen

Under s 26.1 of the ORC's Standing Orders, I am formally advising the CE of a Notice of Motion for consideration by the policy committee at its next scheduled meeting of 12 September 2018, that reads thus –

“ For the purposes of ensuring both constructive policy-making and good faith communications with those most likely to be adversely affected by any proposed plan change relating to imposing minimum flows upon the Arrow, Cardrona and Manuherikia catchments;

1. That any proposed minimum flow change follow the full process outlined in the National Policy Statement on Freshwater Management. This to include identifying appropriate Freshwater Management Unit's (FMU's), catchment management objectives, environmental flows and allocation limits;

2. That water allocation limits for the above catchments also be included in any proposed plan change;

3. That the historical Schedule 2A primary allocation limit of 3,200 litres/second for the Manuherikia catchment be disregarded as a policy goal, and the allocation for that catchment be considered only after all the required scientific, hydrology, economic, social and environmental reports are collated.”

I believe that Crs Graeme Bell and/or Ella Lawton will second these recommendations.

I have viewed the draft policy committee paper for 12 September and this Notice of Motion does not contradict the officer's recommendation, which is merely to receive and note the minimum flow report update.

I can prepare a background paper for the consideration of the policy committee, relating to the above Notice of Motion, if requested.

Yours sincerely

Cr Michael Laws
Dunstan Ward

13. CLOSURE