



POLICY COMMITTEE AGENDA

Wednesday 30 January 2019

3:30 pm, Council Chamber,
Level 2 Philip Laing House, 144 Rattray Street,
Dunedin

Membership

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

Disclaimer

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

For our future

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1. APOLOGIES

2. LEAVE OF ABSENCE

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

7. PRESENTATIONS

8. CONFIRMATION OF MINUTES

Recommendation

That the minutes of the meeting held on 29 November 2018 be received and confirmed as a true and accurate record.

Attachments

1. Policy Minutes 28 Nov 2018 [8.1.1]

9. ACTIONS

Status report on the resolutions of the Policy Committee

Amendment 2 (National Environmental Standards for Plantation Forestry) to the Regional Plan: Water for Otago	13/06/2018	b) Make Amendment 2 (NES Plantation Forestry) operative from 1 July 2018.	OPEN
Draft Biodiversity Strategy Feedback	13/06/18	<i>That a paper on implementation be brought to the Policy Committee in the next 2-3 months</i>	Strategy out. Reference group meeting to be held before end of year and bring the next stage to Policy Committee in 2019
Minimum Flow Plan Change Update	01/08/18	<i>That the CEO engage an appropriately qualified facilitator to help consultation associated with Priority Catchments Minimum Flows and</i>	In process. Facilitator has been arranged for community engagement. Further discussion to be held in item 10.4 of the agenda.

		<i>Residual Flow Plan Change. (Mrs Gardner advised this action was in process, with a facilitator to be appointed.)</i>	
Biodiversity Action Plan	17/10/18	Approve the draft Biodiversity Action Plan in Attachment 2 for consultation with iwi and key stakeholders before a final draft is brought back to this committee for approval on 28 November 2018.	
Final regional swimming targets	29/11/18	That Council publish the final regional swimming targets to the Council website by 31 December 2018.	CLOSED Published on 30/11/18
Options for resolution on Priority Catchments Minimum Flow	29/11/18	That Council undertake a targeted community consultation meeting regarding the three options listed in the report	On Agenda
Clutha Natural Character and Recreation	29/11/18	That the following reports are made publicly available: <i>Clutha River/Mata-au Catchment Recreation Values Assessment (RG&A), Natural Character, Riverscape & Visual Amenity Assessment (BM Ltd.).</i>	To be made available shortly Made available on 06/12/18

10. MATTERS FOR NOTING

10.1. Director's Report on Progress

Prepared for:	Policy Committee
Report No.	PPRM1862
Activity:	Governance Report
Author:	Anita Dawe, Acting Manager Policy
Endorser:	Tanya Winter, Director Policy Planning and Resource Management
Date:	18 December 2018

PURPOSE

- [1] This 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.

EXECUTIVE SUMMARY

- [2] The Directors Report focuses on emerging issues and these are presented at the front of the report. Some issues raised may be in their infancy, such as Central Government legislative changes that are signalled, and some will be a policy/planning project update that doesn't yet warrant a separate report.

STAFF RECOMMENDATION

That the Council:

- 1) **Notes** the report.

BACKGROUND

Emerging Issues

- [3] Government officials are currently refining a draft National Policy Statement for Indigenous Biodiversity (NPSIB). A formal public consultation on this will commence in mid-2019. Staff have also been invited to attend a workshop on the draft NPSIB in Wellington on 13 February 2019. The draft NPSIB will build on the Report of the Biodiversity Collaborative Group (BCG report). A summary and analysis of the potential implications of the BCG report is in a separate report on this agenda.
- [4] In December 2018, the Parliamentary Commissioner released a report entitled *Overseer and Regulatory Oversight: Models, Uncertainty and Cleaning up our waterways*. The purpose of the report was to explore the use of Overseer within the regulatory setting to understand how it assists with the management of diffuse nutrient pollution. A full

analysis of the report, and its implications for Otago, will be brought to the March Committee meeting.

- [5] A report on Climate change, including a summary and implications of the Intergovernmental Panel on Climate Change 2018 report, will also be brought to the March meeting.

Responses to external policies, plans etc

- [6] Council has a cost centre for time spent on submissions to Central Government and providing input and feedback to ensure District Plans' properly give effect to the RPS, and proposed RPS. As noted last month, this budget is currently overspent. Council has appealed several provisions in the Dunedin City 2GP, and as a consequence, this trend will continue. The staff time against this project is in line with anticipated budget forecasts. Consultants are continuing to assist with the QL District Plan appeals, and mediation has already occurred in January. Further mediation will be scheduled for the remainder of the financial year, as well as full Environment Court hearings.
- [7] Preliminary information from MfE also suggests that external central government consultations will continue to increase.

Dunedin City Council District Plan Review (2GP) Decisions

- [8] Staff have identified that some decisions on the 2GP primarily in relation to natural hazards and heritage are not consistent with the pRPS which has resulted in an appeal being lodged. The timeframe for lodging s274 (parties to appeals) notices ends today (30 January 2019) and staff have been assessing appeal notices to determine whether ORC needs to become a party to those appeals.

Proposed Regional Policy Statement

- [9] Given that the Otago RPS is now partially operative, staff are working on a workshop to consider the implications of the operative provisions.
- [10] The remainder of the RPS will be able to be made operative once all outstanding appeals have been resolved. That will not occur this financial year due to the High Court hearing on the Port topic, which has been set down for 5 and 6 June 2019.
- [11] The Environment Court is yet to release a decision on the Mining and Indigenous Biodiversity Offsetting topic, and consent orders for Chapter 3 and the implementation section are also still with the court.

Environment Court Hearing Plan Change 5A (Lindis: Integrated Water Management)

- [12] The Environment Court hearing commenced on 7 November 2018. The Court adjourned on 15 November 2018 and has resumed on 28 January 2019 in Cromwell, for three days to hear further evidence on social and recreational impacts and planning matters. The hearing is scheduled to be completed on 31 January and 1 February 2019 in Queenstown.

- [13] During the November hearing, the Environment Court issued an order directing ORC to consult with the parties to the proceedings and all persons who hold rights to take water from the Lindis River by the Tarras, Ardgour, the Point and Beggs-Stacpoole Races on additional changes to PC5A. These additional changes seek to ensure that the environmental outcomes envisaged under the galleries scheme combined with a minimum flow of 550 l/s and a PAL of 1,639 l/s are achieved by prohibiting any take and use of water from Lindis by these four races upon the expiry of the water permits that authorise the taking of water via these races.
- [14] The parties consulted on these additional changes were asked to provide feedback to ORC by 30 November 2018. Fourteen written responses were received, ten of which were in support of the additional changes.
- [15] On 14 December 2018 ORC advised those parties consulted that a statement that supported the new provisions was to be provided to the Court. These provisions will result in the addition of a rule and policy in the Water Plan to prohibit the use of the races after, and upon, the expiry of the water permits that authorise the taking of water via these races.
- [16] The Environment Court has directed that any party, or affected landowner, may lodge a submission with the Court either opposing the proposal, supporting it, or suggesting amendments to it, by 18 January 2019.

Mediation on the Queenstown Lakes Proposed District Plan

- [17] The Decisions version of Stage 1 of the Proposed District Plan (PDP) was notified on 7 May 2018. The Council appealed some of the provisions in Chapter 28 Natural Hazards on the basis that they did not fully give effect to the proposed Regional Policy Statement (the relevant provisions are now operative). The Council is also a Section 274 party to 37 other appeals on Stage 1 of the PDP. Mediation is to take place on 16 and 17 January. Council staff and representatives are attending this mediation.
- [18] Staff attended a mediation on Chapter 33 Indigenous Biodiversity and Chapter 34 Wilding Trees as a Section 274 party from 3 to 7 December in Queenstown. Agreement was reached on many, but not all appeal points at this mediation.

Attachments

Nil

Appendix 1: Regulatory Responses

1.1 National Plans, Policies, Strategies

The following were received over the period to 21 December 2018:

Agency	Number	Document
None.		

The following responses were made over the period to 21 December 2018:

Proposal	Response Type	Issues
None		

1.2 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	<p>Decisions version of the 2GP was released on 7 November 2018.</p> <p>The period for appeals closes 19 December 2018. ORC has lodged an appeal, focusing primarily on natural hazard matters.</p> <p>Staff are now assessing other appeals to determine whether we should become a party (under section 274 of the RMA) to any appeals and must be completed by 31 January 2019.</p>
CODC	Review pending	ORC staff will seek an update from CODC in early 2019.
QLDC	District Plan Review	<p>Stage 1 of 4: Notified: 12 February 2016</p> <p>Stage 1 decisions released 7 May 2018.</p> <p>Stage 2 notified 23 November 2017.</p> <p>Submissions closed 23 February 2018</p> <p>ORC has appealed the decision on Stage 1, specifically the Subdivision and Development and Natural Hazards chapters, as the decisions do not give effect to the proposed Regional Policy Statement. Furthermore, under section 274 of the RMA, ORC has joined several appeals of other</p>

		parties where those appeals are of interest/concern to ORC.
WDC	Review pending	Stage 1: Initial consultation underway Proposed Notification: ORC will be seeking an update from WDC in early 2019.
CDC	Plan changes 39 – 41 Residential and Industrial Zoning areas for Balclutha, Stirling and Milton. Further review pending of PC41 (Milton)	ORC has had pre-(re)notification discussion with Calder Stewart in relation to its plans and how these may be relevant to ORC. Awaiting CDC re-notification of Plan Change 41.

1.3 Territorial Authority and Regional Council Resource Consent Applications

The following were received over the period to 21 December 2018:

Agency	Number	Document
DCC	3	Resource Consent application Issues: development, tree removal
DCC	1	Notice of Requirement – Mosgiel community and recreation area, Peter Johnson Park area.
QLDC	4	Resource Consent application Issues: Subdivision and commercial developments of small to medium scale

No other responses were made, nor proposals received over the period to 21 December 2018.

10.2. Report of the Biodiversity Collaborative Group on a National Policy Statement for Indigenous Biodiversity

Prepared for: Policy Committee
Report No. PPRM1865
Activity: Governance Report
Author: Julia Briggs, Policy Analyst and Rachael Brown, Senior Policy Analyst
Endorser: Tanya Winter, Director Policy, Planning & Resource Management
Date: 10 January 2019

PURPOSE

- [1] This report provides a summary of the Report of the Biodiversity Collaborative Group (BCG) on a draft National Policy Statement for Indigenous Biodiversity (NPSIB) and discusses potential implications for the Council.

EXECUTIVE SUMMARY

- [2] On 25 October 2018, the BCG released its report which includes a background report, a draft NPSIB and recommendations for complementary and supplementary measures to maintain and enhance indigenous biodiversity.
- [3] The BCG is a stakeholder group established by the Minister for the Environment to develop national level policy for indigenous biodiversity in the face of ongoing decline and an urgent need to reverse this trend.
- [4] The draft NPSIB focuses on terrestrial environments (including wetlands) and does not include specific policies relating to freshwater or coastal environments. The BCG propose that criteria for identifying Significant Natural Areas (SNA) should apply to marine environments and that urgent work is required to develop:
- approaches and criteria for identifying SNA in freshwater environments; and
 - policies for the management of SNA in marine environments.
- [5] The draft NPSIB is broadly consistent with the Council's proposed biodiversity work programme as set out in the draft Biodiversity Action Plan. Allocating resourcing through annual and long term plan processes to implement the Biodiversity Action Plan will prepare the Council for implementing the NPSIB.
- [6] The draft NPSIB by the BCG will inform the Government's development of a refined draft NPSIB intended for release for public consultation from July to September 2019. The Council will make a submission at this time.
- [7] Successful implementation of policies in the draft NPSIB would require significant investment by the Council. However, given the vital contribution of indigenous species and ecosystems to current and future community wellbeing and ecosystem services, the cost of not halting the continued decline of our biodiversity is likely to be much higher.

RECOMMENDATION

That the Committee:

- 1) **Note** this report.

BACKGROUND

- [8] On 25 October 2018, the BCG released its report¹ which includes a background report on key issues and the rationale for objectives and policies in the NPSIB, a draft NPSIB and recommendations for complementary and supplementary measures to maintain and enhance indigenous biodiversity.
- [9] The BCG is a stakeholder group² established by the Minister for the Environment to develop national level policy for indigenous biodiversity in the face of ongoing decline and an urgent need to reverse this trend. Its report is the product of an 18-month collaborative process - recommendations were reached by consensus and where this was not possible, parties' respective positions are noted. The BCG received technical advice and input from government departments, tangata whenua, landholders, infrastructure providers, industry groups, environmental groups, academics and others, to ensure a robust evidence-based approach to policy with outcomes that are inclusive, effective and enduring.
- [10] The draft NPSIB will inform the Government's development of a refined draft NPSIB to be released for public consultation from July to September 2019. The Council will make a submission during the consultation period.
- [11] The draft NPSIB focuses on terrestrial environments (including wetlands) and does not include specific policies relating to freshwater or coastal environments. While there are already provisions in the National Policy Statement for Freshwater Management and the New Zealand Coastal Policy Statement relating to indigenous biodiversity, the BCG identified several gaps in the current framework where further work is required to protect indigenous biodiversity in freshwater and coastal environments.
- [12] The BCG propose that criteria in the NPSIB for identifying Significant Natural Areas (SNA) should apply to marine environments and that urgent work is required to develop:
- approaches and criteria for identifying SNA in freshwater environments; and
 - policies for the management of SNA in marine environments (for inclusion in the draft NPSIB released for consultation).

¹ Biodiversity Collaborative Group (2018). *Report of the Biodiversity Collaborative Group*. Biodiversity (Land and Freshwater) Stakeholder Trust, Wellington. Accessed 7 January 2019 at: https://www.biodiversitynz.org/uploads/1/0/7/9/107923093/report_of_the_biodiversity_collaborative_group.pdf

² The core members of the BCG are the Royal Forest and Bird Protection Society of New Zealand Incorporated, Federated Farmers of New Zealand Incorporated, the New Zealand Forest Owners Association, Environmental Defence Society Incorporated, a representative of the Iwi Chairs Forum through the Pou Taiao Iwi Advisors Group, and representatives from infrastructure industries. Local and central government representatives were involved as active observers and workshops were also held with territorial authority representatives.

- [13] The draft NPSIB is broadly consistent with the Council's proposed biodiversity work programme as set out in its draft Biodiversity Action Plan¹. The draft NPSIB would require the development of a regional biodiversity strategy developed, owned and implemented in partnership with mana whenua, other stakeholders,² identification and mapping of SNAs and other biodiversity values, including those of mana whenua, and monitoring of and reporting on regional biodiversity indicators. Each of these are also proposed in the Council's draft action plan

Summary of the BCG Report and Analysis of Issues

Part 1. Background report: Key issues and rationale for a NPSIB

- [14] The RMA requires councils to maintain biodiversity, however there is a lack of clarity as to how to achieve this objective. The NPSIB will provide much needed and improved direction to regional and territorial authorities regarding how to provide for indigenous biodiversity in their plans and related activities.
- [15] The BCG received evidence on pressures, state and trends that informed their decisions and recommendations. The evidence highlighted:
- significant data gaps;
 - only small fragments of indigenous vegetation remaining in lowland and coastal environments;
 - that between 2001-2016, 214 wetlands were lost primarily to pasture conversion; and
 - that two thirds of rare and naturally uncommon ecosystems are threatened.
- [16] The key issues the draft NPSIB seeks to address are:
- halting the continued decline of indigenous biodiversity;
 - improved clarity in relation to leadership and roles in indigenous biodiversity management; and
 - increased consistency in how the same issues are addressed across the country.

Part 2. Draft National Policy Statement for Indigenous Biodiversity

- [17] There are six objectives in the draft NPSIB each relating to a key issue identified in the background report.

- [18] *Hutia Te Rito*

Hutia Te Rito (literally, 'to pluck out the centre shoot of flax') is proposed as the foundation underpinning the NPSIB. This concept recognises the inter-related nature of the health of the people, biodiversity, taonga and the wider environment and the importance of recognising and strengthening these relationships if we are to halt the decline of indigenous biodiversity.

¹ A draft Biodiversity Action Plan was discussed by this Committee on 17 October 2018. A final version of the plan will be brought to the Policy Committee in March 2019, once issues around the recruitment of a biodiversity coordinator have been resolved.

² Currently the Council has an organisational biodiversity strategy only.

[19] *Te Tiriti o Waitangi*

Taking account of Te Tiriti principles, including recognising the role of tangata whenua as Kaitiaki and providing for their involvement in the management of indigenous biodiversity and taonga species and ecosystems.

[20] *Maintaining indigenous biodiversity and enhancing ecosystems (by):*

- i. identifying SNA
- ii. maintaining indigenous biodiversity
- iii. enhancing ecosystems, and
- iv. increasing resilience to climate change.

[21] *Integrated and evidence-based management*

Through improving:

- integration and alignment across agencies and geographical boundaries, and
- the scope and detail of information on:
 - indigenous biodiversity, and
 - the actual and potential effects of activities on biodiversity.

[22] *People and partnerships*

Enabling people's wellbeing through use and development while recognising the need for appropriate constraints and the role of people, communities and partnerships in maintaining and restoring biodiversity.

[23] *Wetlands*

Protecting wetlands and their significant values and encouraging their restoration and reconstruction.

Policies of particular interest to regional councils

[24] The NPSIB policies give effect to the above six objectives. As with other National Policy Statements, Council is required to give effect to all relevant provisions. Policies that will require significant resourcing and/or changes to current practice or plans are noted below.

[25] Policy 4: Identification of SNA

- Policy 4.1 requires territorial authorities (city and district councils) to assess all areas of indigenous vegetation and habitat of indigenous fauna according to the criteria in Appendix 1 of the draft NPSIB.
- Policy 4.2 requires regional councils to assess the ecological significance of the whole of the coastal marine area within its region according to the criteria in Appendix 1 of the NPSIB.
- Policy 4.4 requires councils to map and schedule SNA and to identify these in regional and district plans.

[26] Systematic mapping of terrestrial, marine and freshwaters SNA across Otago has not yet been undertaken, however this is proposed in the draft Biodiversity Action Plan. While

this mapping would provide valuable information, it would result in costs that the Council will need to budget for.

[27] Policy 6: Managing effects within an SNA

Policy 6.1 requires territorial authorities and regional councils to work together to manage effects within an SNA in a way that protects its values and ecosystem services and avoids adverse effects. This would require additional resource within the Council, including staff dedicated to biodiversity management and establishing collaborative relationships and understandings with territorial authorities, other stakeholders and tangata whenua.

[28] Policy 11: Managing effects outside SNA

Policy 11.1 recognises that maintaining indigenous biodiversity requires more than protecting SNAs and sets out policies to control cumulative adverse effects. Implementation of this policy would require additional research and resourcing.

[29] Policy 12: Protecting and enhancing wetlands

- Policy 12.1 requires regional councils to identify and protect wetlands in their region that retain ecological integrity.
- Policy 12.4 requires regional councils to promote in their plans enhancement of wetlands that are degraded and reconstruction of historical wetlands where values can be regained.

[30] The Water Plan currently has policies and rules relating to regionally significant wetlands, which have been mapped and scheduled. This policy will require additional work and resource to map, classify, and more actively manage and enhance the wider network of wetlands in Otago.

[31] In addition, the NPSFM requires that the outstanding values of wetlands are protected. While giving effect to the NPSFM, Council will undertake analysis of the existing wetlands against relevant criteria in superior documents.

[32] Policy 13: Managing Taonga

Policy 13.1 requires regional councils to work with tangata whenua to describe taonga and their values and potentially map them. This work is proposed in the Council's draft Biodiversity Action Plan and Otago Runaka have indicated they would like to work with the Council on this. Although some information is known at a high level, mostly in the freshwater context, work in terrestrial areas is limited and further work with additional resourcing would be required.

[33] Policy 14: Protecting highly mobile indigenous fauna

Policy 14.1 requires regional councils to map where highly mobile indigenous fauna are located, educate and encourage protection, and include provisions in plans to avoid, remedy or mitigate adverse effects on the fauna. The Council does not currently hold this information.

[34] Policy 17: Enhancing and restoring through regional biodiversity strategies

Regional councils, in conjunction with territorial authorities, tangata whenua and the community, are to prepare regional strategies with the purpose of promoting landscape-scale enhancement and restoration of the region's indigenous biodiversity. This sets higher expectations than the current requirement to maintain biodiversity.

[35] While the Council has developed an organisational biodiversity strategy, a regional strategy developed in partnership with tangata whenua and other organisations has not yet been developed. This is a goal of the Council's draft action plan, which also contains several actions to enable regional coordination and collaboration.

[36] Policy 18: maintenance, enhancement and restoration of SNAs

Regional councils must promote the maintenance, enhancement and restoration of SNAs and surrounding areas that buffer or connect SNAs through objectives in plans and actions in the regional strategy. This is consistent with the Council's current work and direction, however, an increased focus on enhancement and restoration would require additional resourcing to implement.

[37] Policy 19: Restoring indigenous biodiversity depleted environments

Regional councils must identify any urban, peri-urban and other heavily modified areas where indigenous cover is below 10 per cent. These 'indigenous biodiversity depleted environments' must have a target of at least 10 per cent indigenous cover with actions and timeframes for achieving targets to be included in regional biodiversity strategies. A focus on urban environments will require the Council to work closely with the relevant territorial authorities.

[38] Policy 21: Monitoring and reporting

This policy will require monitoring and reporting on indigenous biodiversity and SNAs across terrestrial, freshwater and marine domains to national standards. This is consistent with one of the priority action proposed in the Council's draft action plan and will require additional coastal science expertise.

[39] Policy 22: Implementing the NPS

Policy 22 requires regional councils to implement the NPSIB as promptly as reasonably practical, at the latest within six years. Policy 4, identification of SNAs, must be implemented within five years.

Part 3: Complementary and Supporting Measures

[40] The BCG considers that additional changes are required to support the NPSIB to achieve the goal of halting the continued decline of indigenous biodiversity. These are outlined in the third part of its report.

[41] The BCG recommends improved and clarified:

- leadership of indigenous biodiversity management
- support to coordinate the efforts of many
- support for biodiversity on private and Māori land
- monitoring, information and knowledge
- alignment of institutional frameworks, policies and regulatory tools

- compliance, monitoring and enforcement.

ISSUES

[42] The Council, along with other councils in Otago, will require increased capacity and capability to implement the NPSIB. Successful implementation of the policies in the draft NPSIB would require significant investment by the Council. However, given the vital contribution of indigenous species and ecosystems to current and future community wellbeing and ecosystem services, the cost of not halting the continued decline of our biodiversity would be much higher.

CONSIDERATIONS

Policy considerations

[43] The policies on indigenous biodiversity in Chapter 3 of the proposed Regional Policy Statement (pRPS)¹ have the objective to maintain, or enhance where degraded, Otago's indigenous biodiversity and ecosystems. While the pRPS policies are consistent with the draft NPSIB, the latter sets stronger imperative to protect and restore indigenous biodiversity and to identify and map and monitor SNAs across the region in terrestrial, fresh water and marine environments.

[44] The draft NPSIB is broadly consistent with the Council's proposed biodiversity work programme as set out in the draft Biodiversity Action Plan. Staff working on the action plan will continue to engage with the NPSIB as it progresses and to take the direction of the draft NPSIB into account as work progresses.

Financial Considerations

[45] Future annual and long term plan processes will need to be cognisant of proposals in the draft NPSIB. As a first step, allocating resourcing in these documents to implement the Biodiversity Action Plan would enable the Council to lay the necessary groundwork for when an NPSIB comes into effect.

Significance and Engagement

[46] The Council's significance and engagement policy is not relevant as this report is for noting only.

Legislative Considerations

[47] Once the NPSIB has been refined and finalised the Council will be required to implement it. This is likely to require changes to regional plans.

NEXT STEPS

[48] Government officials are currently working to refine the draft NPSIB prior to its release in July 2019 for formal public consultation. Council staff are engaging with officials as they refine the draft NPSIB and the Council will also submit during the consultation.

Attachments

1. Attachment 1 - report of the biodiversity collaborative group **[10.2.1]**

¹ Note that Chapter 3 of the pRPS

10.3. Summary of reports from Environment Bay of Plenty evaluating the effectiveness and impacts of land use mitigations

Prepared for: Policy Committee
Report No. PPRM1866
Activity: Governance Report
Author: Julia Briggs, Policy Analyst and Sylvie Leduc, Senior Policy Analyst
Endorser: Tanya Winter, Director Policy, Planning & Resource Management
Date: 07 January 2019

PURPOSE

- [1] To inform Council of work that other regional councils are undertaking to manage freshwater.

EXECUTIVE SUMMARY

- [2] The Bay of Plenty Regional Council is preparing a plan change to set freshwater quality and quantity objectives and limits for the Rangitāiki and Kaituna – Pongakawa – Waitahanui Water Management Areas.
- [3] The evidence they are collecting as part of this process can highlight some of the investigations ORC will require in its review and development of freshwater objectives and limits in Otago’s Freshwater Management Units.
- [4] This report summarises two reports commissioned by the Bay of Plenty Regional Council assessing the effectiveness, cost-efficiency, and farm-gate economic impact, of on-farm practices to mitigate impacts on water quality¹.
- [5] The transferability of their findings to Otago’s context and the need for ORC to commission similar studies, will be considered as part of the detailed project plan for implementing the NPS-FM.

STAFF RECOMMENDATION

That the Council:

- 1)** ***Receives this report.***

¹ Matheson, L; Djanibekov, U; Greenhalgh, S. 2018. Recommended mitigation bundles for cost analysis of mitigation of sediment and other freshwater contaminants in the Rangitāiki and Kaituna-Pongakawa-Waitahanui water management areas. Final report, forming partial delivery for Milestone 1A. Version 1.3. 48 pages

Matheson, L; Djanibekov, U; Bird, B; Greenhalgh, S. 2018. Economic and contaminant loss impacts on farm and orchard systems of mitigation bundles to address sediment and other freshwater contaminants in the Rangitāiki and Kaituna-Pongakawa-Waitahanui water management areas. Final report, forming delivery for Milestone 2A, 2B, 2C & 2D. Version 1.3. 109 pages

SCOPE AND PURPOSE OF THE REPORTS

- [6] The two reports assess the effectiveness, cost and farm-gate economic impact of “bundles” of practices to reduce nitrogen loss, phosphorus loss, sediment loss, and bacterial contamination, from the following land uses: dairy pastoral, non-dairy pastoral, arable, horticulture, and forestry.
- [7] As a first step, the authors assessed the cost and effectiveness of a wide range of mitigation practices, mostly from literature and their own experience. They then grouped those practices into “bundles”, from the cheaper to the more expensive practices. They developed different “bundles” for each of the land use practices in scope.
- [8] Following on from that work, the authors modelled representative farm and orchard systems in the Rangitāiki and Kaituna – Pongakawa – Waitahanui Water Management Areas to assess the economic impact of implementing the mitigation options individually and in bundles. The economic impact was measured as a variation in the farm’s Earning Before Interest and Tax (EBIT).
- [9] The assessments relied on the OVERSEER and FARMAX models.

FINDINGS

- [10] The authors note that “most of the proposed individual mitigations had relatively modest impacts on annual farm [...] profitability when considered as isolated practices.”
- [11] However, some practices do have significant impacts; including for dairy farming and drystock farming, which are the land uses in the reports most relevant to Otago’s context.
- [12] The most costly mitigation measures for dairy farms are: the development of stand-off pad infrastructure; wetland development; creation of lined effluent storage; substitution of autumn N fertiliser with supplementary feeds and; reducing feed imported in the autumn.
- [13] For drystock farm systems, it is the conversion of steep land to forestry, wetland development, elimination of N fertiliser that supports capital livestock, the incorporation of low N forages into the farm system and gorse management which were the most costly individual mitigation measures.
- [14] Full implementation of all the bundles indicates the greatest that could be achieved within the existing farm systems:

	Dairy farm systems	Drystock farm systems
N loss reduction	44%	14%-35%
P loss reduction	21%	0% - 38%
Greenhouse gas emission reduction	17%	8% - 34%
Variation in farm profitability	- 35%	- 53% to – 183%

DISCUSSION

- [15] The results of this assessment do not necessarily translate directly into Otago's catchments, because of differences in the soils and farming systems between the two regions.
- [16] However, the assessment does provide some indication of what evidence may be required, and is realistic, for the setting of freshwater quality objectives and limits under the NPS-FM.
- [17] In scoping investigations to inform the review of Otago's freshwater quality objectives and limits, ORC will carry out a broader review of what evidence Council needs and how this evidence can be gathered, in view of the available data and the specific water management challenges in the region.

ATTACHMENTS

1. Attachment 2 - Mitigation cost analysis P C 12 (Perrin Ag Landcare Research) Final report **[10.3.1]**
2. Attachment 1 - Mitigation Lit Review and Bundles P C 12 (Perrin Ag Landcare Research) - Final repor **[10.3.2]**

10.4. Summary - November 2018 councillor workshop on NPSFM implementation

Prepared for: Policy Committee
Report No. PPRM1869
Activity: Governance Report
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Date: 9 January 2019

PURPOSE

- [1] The purpose of this report is to provide an overview of the key messages that were received by staff during a councillor workshop on implementing the National Policy Statement for Freshwater Management 2014 (NPSFM) in November 2018. This report may assist with developing a better understanding of the different options that exist for implementing the NPSFM, including developing engagement processes with mana whenua and key stakeholders, setting Freshwater Management Units (FMUs) and identifying Freshwater Objectives, environmental flows/levels and allocation limits.

EXECUTIVE SUMMARY

- [2] A workshop was held on 27 November 2018 to provide the Otago Regional Council's elected members with:
- An understanding of the expectations of Kai Tahu around Iwi involvement in NPSFM implementation processes;
 - An understanding of how the Ministry for the Environment (MfE) can support ORC in undertaking NPSFM implementation processes; and
 - An insight into the experience of three regional councils embarking on this process.
- [3] Key take way messages that staff took from this workshop were:
- Kai Tahu wants to be involved in a meaningful way through the development of a partnership relationship, collaboration in undertaking technical work and participation in decision-making processes.
 - MfE does not prescribe a specific approach to implementing the NPSFM and will continue to assist regional councils in the process of implementing the NPSFM.
 - There will be further changes to legislation for managing Freshwater, but these changes are expected to be in line with the current direction set by the NPSFM 2017.
 - The development of strong relationships with mana whenua and key stakeholders, and agreement on the key issues, knowledge gaps and technical information that will be used to inform the process is likely to increase support for the outcomes.

STAFF RECOMMENDATION

That the Committee:

- 1) **Notes this report**
- 2) **Provides staff with any additional key messages or considerations from elected members.**

BACKGROUND

- [4] On 26 September 2018, the Otago Regional Council (ORC) adopted a resolution that future plan changes for setting minimum flows in three identified 'priority catchments' must follow the full process outlined in the NPSFM Policies CA1 – CA4 and must include identifying appropriate FMUs and setting freshwater management objectives, environmental flows/levels and allocation limits.

ISSUE

- [5] On 31 October 2018, the ORC approved and adopted a Progressive Implementation Programme (P.I.P), setting out, at a high level, the process steps and associated timeframes for fully implementing the NPSFM. The P.I.P does not prescribe in detail how this implementation process and different approaches and options exist for carrying out the process steps identified within the P.I.P.
- [6] To further outline potential approaches for implementing the NPSFM and to explore the challenges and opportunities associated with individual approaches, a councillor workshop was organised on Tuesday 27 November 2018 to provide the Council's elected members with:
- An understanding of the expectations of Kai Tahu around involving Iwi in NPSFM implementation processes;
 - An understanding of how the MfE can support ORC in undertaking NPSFM implementation processes; and
 - An insight into the experience of three regional councils embarking on this process.

DISCUSSION

- [7] The following paragraphs provide an overview of:
- Key messages received from Kai Tahu around giving effect to the concept of *Te Mana o te Wai* and the role of Iwi in implementing the NPSFM;
 - Key messages received from the Ministry for the Environment (MfE) around how it can support ORC in undertaking NPSFM implementation processes; and
 - An analysis of three case studies of how other regional councils in New Zealand have embarked on the process of giving full effect to the NPSFM.

The Kai Tahu perspective

- [8] The concept of *Te Mana o te Wai* acknowledges the need to protect the mauri of water and wider tangata whenua values. It requires that freshwater is managed in accordance with the principles of *Te Hauora o te Taiao* (the health of the environment), *Te Hauora o te Wai* (the health of the waterbody) and *Te Hauora o te Tangata* (the health of the people).

- [9] Kai Tahu representatives stated that Iwi want to be involved in a meaningful way, through:
- The development of a partnership relationship with ORC, based on the Principles of the Treaty of Waitangi;
 - Increased participation in decision-making processes (e.g. involvement in hearing panels);
 - Collaboration in undertaking the technical work (mātauraka); and
 - Information sharing.
- [10] Resourcing remains an issue for Kai Tahu, and for that reason Kai Tahu prefers a staggered approach to undertaking different work streams, as opposed to carrying out different work packages in parallel.
- [11] Kai Tahu representatives expressed the view that freshwater management needs to:
- incorporate targeted policy to reflect Kai Tahu interests and values
 - consider the allocation needs for ahi kā, mahika kai, and kaitiakitaka
 - provide for the restoration/enhancement of freshwater and associated ecosystems

The MfE perspective

- [12] MfE does not prescribe the approach ORC should take and recognises that the current effects-based approach applied in parts of the Regional Plan: Water for Otago, or a future approach tailored to the unique needs of Otago's communities and environment, does not necessarily preclude compliance with the requirements of the NPSFM.
- [13] MfE representatives recognised that the prevalence of Deemed Permits in many of Otago's water short catchments and the looming replacement of these permits in the run-up to October 2021, has caused ORC to face greater challenges in implementing the NPSFM than many of the other regional councils. The Deemed Permit replacement process however was of interest to the Minister who wants Council to address this in a timely manner, and in a cost-effective way for both ORC and applicants.
- [14] MfE representatives provided the following advice to ORC:
- a. Observe what other regional councils are doing and adopt aspects or approaches that may be suitable within an Otago context.
 - b. Do not delay the process of implementing the NPSFM while waiting for further direction from central government. There will be further changes to legislation, but these changes are expected to be in line with the current direction set by the NPSFM 2017 as opposed to marking a change in overall direction.
 - c. Set timeframes for community consultation and the various other stages of the NPSFM implementation process to avoid process slippage.
 - d. Start with catchments that have immediate needs. Fast action should be focussed on catchments or freshwater bodies that are at risk of degradation.
- [15] MfE will continue to assist regional councils with implementing the NPSFM through the update and publication of guidance documents and regular exchanges between MfE and regional council staff.
- [16] MfE representatives also offered to explore and discuss with ORC alternative options to the conventional RMA Schedule 1 plan change process to give effect to the NPSFM.

Analysis of the experience of three regional councils in implementing the NPSFM

[17] Three Regional Councils presented a summary of their approach to undertaking an NPSFM implementation process for managing freshwater within their regions. These three councils were Environment Southland (ES), Gisborne District Council (DGC, a Unitary Authority), and Greater Wellington Regional Council (GWRC). The table below includes a brief analysis of each of these three case studies.

	FMU setting	Setting freshwater objectives, limits, targets, attributes	Approach to technical work	Overall approach to stakeholder involvement	Take away lessons
ES	<ul style="list-style-type: none"> • FMUs based on multi-variant analysis & physiography (landforms classified according to geologic structures and people's responses to topography, climate, soil and vegetation) • 5 FMUs for the region 	<ul style="list-style-type: none"> • Individual FMUs may contain smaller areas with distinct values requiring specific objectives • Limits can be set at scale of FMU or sub-FMU 	<ul style="list-style-type: none"> • Focus on turning data into knowledge • Four-year work program (land-use, science and economics) prior to values conversation • Pros: Policy development, decision making processes based on comprehensive and completed technical work program. • Cons: Technical work program time consuming and likely to be costly 	<ul style="list-style-type: none"> • Values consultation process builds on past engagement efforts. • Process is strongly driven by Council • Technical work to inform community conversations • Iwi reference group may assist in wider iwi involvement • Pros: Efficient consultation process focused around confirmation of previously identified values rather than starting from scratch. • Pros: Completion of technical work program prior to values consultation allows for informed discussions 	<ul style="list-style-type: none"> • Start with easy FMUs first, and avoid getting stuck early on in difficult ones (especially if resourcing issues) • Learn from early experiences.
GDC	<ul style="list-style-type: none"> • FMU setting based on: <ul style="list-style-type: none"> ➢ values ➢ need to set water quantity and water quality limits • Layered system: Identification of Water Management Areas (catchment scale), comprising different water management units 	<p>Gisborne Freshwater Plan provides for:</p> <ul style="list-style-type: none"> • Regional Objectives and policies (apply to whole region) • Catchment-based policies (apply to specific issues or activities in catchment) • Freshwater limits and targets (set at FMU scale) • Non-regulatory methods (at catchment scale) 	<ul style="list-style-type: none"> • Quality of the technical information held by Council was poor due to longstanding contracting out of monitoring • Requirement to increase quality and amount of technical information by expanding inhouse environmental monitoring capacity 	<ul style="list-style-type: none"> • Freshwater Advisory Groups (FWAG) include representation from Iwi, industry groups, environmental interests, elected RC members and RC and DC staff. • Stakeholder consultation led by FWAG • Cons: FWAG process is time consuming, resource hungry and at times dominated by industry • Pros: Council retains degree of control over process (approach, cost, timing), lot of buy in from stakeholders and high degree of acceptance of recommendations by industry, long process allows water users to prepare for 	<ul style="list-style-type: none"> • Increase efficiency of the process by focussing on potential appeal matters • Allow sufficient time to build relationships, identify and understand the issues and find solutions • Address Iwi values and interests upfront, agree on a common approach • Improve internal capacity (funding, training) • Get the right people in the room

	FMU setting	Setting freshwater objectives, limits, targets, attributes	Approach to technical work	Overall approach to stakeholder involvement	Take away lessons
	(FMUs)			change.	
GWRC	<p>Layered system:</p> <ul style="list-style-type: none"> ➤ Region contains five Whaitua catchments ➤ Each Whaitua catchment can contain several FMU groups ➤ Each FMU group can contain several FMUs <ul style="list-style-type: none"> • The setting of FMU's is based on scientific considerations (non-controversial) 	<ul style="list-style-type: none"> • Objectives for each waterbody (FMU-scale) • Each Whaitua Catchment produces a Whaitua Implementation Plan (WIP) • WIP makes recommendations to the GWRC for: <ul style="list-style-type: none"> ➤ Freshwater Objectives ➤ Limits on water taking, discharges) ➤ Timeframes for achieving objectives/limits ➤ Methods and rules ➤ Projects relating to diverse issues e.g. allocation, efficient water use, and contaminant, sediment and storm water management 	<ul style="list-style-type: none"> • Collaborative approach to Whaitua process carried through in technical work (Large Collaborative Modelling Project: get all scientists to work together) • The work that supports the Whaitua process is based on in-house and external expertise. • In house work programme (esp. area of environmental monitoring) expanded - avoids the risk of Council not having access to the primary data. 	<ul style="list-style-type: none"> • Community-led catchment planning process • Whaitua Committee includes <ul style="list-style-type: none"> ➤ One elected RC member ➤ One member per Iwi authority ➤ One member from each city/district council ➤ Up to 7 community members • Chair appointed from within committee • Whaitua Committee produces a Whaitua Implementation Plan (WIP) • Pros: Whaitua process successful in: <ul style="list-style-type: none"> ➤ establishing a network with community, and removing organisational ties from a community driven process ➤ engaging Iwi ➤ ensuring consistency across the activities carried out by local authorities within the same geographical area. • Cons: The process is very resource intensive (RC staff, cost), time consuming and limits the degree of Council involvement 	<ul style="list-style-type: none"> • Outcomes of Whaitua process (WIP) provides direction for plan change development, but also for a much broader range of council activities, including strategic policy development, infrastructure development, etc. • The process of getting agreement on science and the problems/issues that need addressing appears to provide a very solid basis for future work.

Feedback received during roundtable discussion

- [18] Following the presentations from Kai Tahu, MfE, ES, GWRC and GDC a round table discussion was held. The paragraphs below outline the key messages that were recorded by staff during this session.
- [19] Various workshop participants expressed support for an NPSFM implementation process that is based on partnership with Iwi and builds on a strong relationship with local communities and stakeholders.
- [20] A plea was made to apply a degree of pragmatism and to avoid overcomplicating the process. Considerable progress had already been made in identifying and understanding the key issues facing the region – “don’t reinvent the wheel!”.
- [21] Various workshop participants considered that ORC would benefit from retaining aspects or approaches in our current policy framework of the Water Plan that produce good outcomes for our communities and environment, while also learning from the experiences of other Councils. Consideration should be given to adopting approaches that have proven to be effective elsewhere in the country. Where needed, these could be tailored to an Otago context.
- [22] A good understanding of the issues, the gaps in our current knowledge, and an integrated approach to environmental management (e.g. integration of water quality and quantity) were regarded to be fundamental building blocks. While clear communication of the technical information that informs Council’s strategic direction and actions and strong agreement on the technical information would strengthen the relationships between all parties involved in this process.

CONSIDERATIONS

Policy Considerations

- [23] As this report is for noting only, there are no immediate policy considerations.

Financial Considerations

- [24] As this report is for noting only, there are no financial implications.

Significance and Engagement

- [25] Not applicable.

Legislative Considerations

- [26] Not applicable.

NEXT STEPS

- [27] A follow-up workshop for councillors to discuss different models for collaboration with stakeholders will be organised early in the new year.

Attachments

Nil

11. NOTICES OF MOTION

12. CLOSURE