

New Zealand introduces bottom lines for freshwater management

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Drivers for freshwater management

In 2011, against growing concern about the declining availability and standard of freshwater in New Zealand, the Minister for the Environment issued a National Policy Statement for Freshwater Management (2011 NPS).

National policy statements are issued under the Resource Management Act 1991 for matters of national significance. The Minister for the Environment can use a national policy statement to direct regional councils on how to manage resources and activities, either through regional and district plans or when considering resource consent applications.

The 2011 NPS directed councils, through their regional plans, to set limits on the amount of water that could be taken from, or contaminants that could be discharged to, fresh water in order to maintain or improve freshwater quality in their region. The 2011 NPS was always intended to be amended to provide more direction to councils in consistently applying its requirements.

National bottom lines for freshwater management introduced

In 2014 the Minister for the Environment issued a replacement National Policy Statement for Freshwater Management (NPS). The NPS introduced a national objectives framework that directs how councils set objectives, policies and rules about fresh water in their regional plans. Councils must establish freshwater management units (FMU) across their regions and identify the values (eg irrigation, swimming) that communities hold for the water in each FMU.

The NPS provides for *ecosystem health* and *human health for recreation* as compulsory national values which must be included in regional plans. The NPS includes nationally-set minimum acceptable states for these two values, called *national bottom lines*.

Having established FMUs, councils must gather water quality and quantity information on an FMU to assess its current state and decide the water quality objective or goal (grouped into A, B or C bands) for each value the community has chosen based on, amongst other things, the implications for resource users and the community.

In order for this process to work, the NPS requires councils to account for all water taken out of FMUs, as well as the sources of contaminants going into them. They must collect data and assess all water takes (including those permitted by regional plan rules, stock/domestic water and unauthorised takes) and all sources of contaminants. This will provide councils and their communities with information to understand the impacts of freshwater objectives before they are set in regional plans, including whether an FMU is over-allocated, or if there is room for further allocation.

Councils must maintain or improve water quality within their region and cannot set an objective below a national bottom line unless:

- The water quality is naturally below the bottom line (for example a native bird colony nesting in a river bed causing high *E. coli* levels downstream)
- Significant existing infrastructure (such as hydro-electric power stations) means water quality is below the bottom line¹ or
- On a transitional basis.

Key implications

There are several *potential* benefits from the NPS, including:

- **Increased community engagement**, with communities being involved from the outset in developing plans that consider and reflect community interests in respect of each FMU
- **Reduced scope for legal challenge** - specifying the level of contaminants that must be managed to achieve national bottom lines² for ecosystem health and human health for recreation 'settles the science', thereby reducing the scope of challenge through the plan development process

- **Greater transparency** as to the state of New Zealand's freshwater resource through the outputs of the accounting process - used wisely, this could be a positive for our exporters
- **Improved water quality** - however, it will be up to councils, in consultation with their communities, as to whether they decide to improve water quality or maintain the status quo.

There are also challenges accompanying the NPS. Councils must consider the costs involved when they make choices about how and over what timeframe they act to achieve their freshwater objectives. Councils also face costs establishing systems to account for the water taken out, and the contaminants (especially for diffuse discharges) getting into fresh water.

The setting of FMUs will be challenging. FMUs should reflect common objectives for the waterbody or bodies within it, so that representative monitoring sites can be readily established. FMUs should be hydrologically socially and culturally coherent enabling communities and iwi with common interests and values to contribute to common objectives.

Councils must have accounting systems by August 2016 and must amend their regional plans to give effect to the NPS by 2030. Significant users of freshwater resources should monitor councils as they amend their regional plan to reflect the NPS (eg whether new limits imposed affect business), and get involved in the process.

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¹ The relevant Schedule to enable this exception is yet to be completed.

² Or objectives that are above bottom lines (eg within A or B bands) if a council chooses.

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