Dear Alastair

Land and Water Forum – Deliverables Sought by the Government Over the Next Three Years

Thank you for the Land and Water Forum’s continuing work in supporting the reform of the way that freshwater is managed in New Zealand. The Forum has played a vital role in enabling a shift in freshwater policy that could not have been contemplated a decade ago. The changes being made by the Government as a result of the Forum’s recommendations will have a profound and lasting impact on the availability of freshwater for community, cultural and economic purposes, while respecting the environmental values in freshwater that are common to all New Zealanders.

The Government has made good progress in putting in place policies that provide the foundation for improved water management by implementing Forum recommendations. Regional councils are building experience in implementing the new water management system, particularly around collaborative processes. The combination of the requirement to set water quality and quantity limits in catchments within a nationally defined framework, local authorities having to account for water takes and the sources of nutrients and contamination for all water bodies, a clear process for setting limits, and expectations around monitoring of progress are huge steps forward. They would not have been possible without the consensus that the Forum forged and held with considerable effort over the past few years.

We recognise, however, that there is more to do if we are to successfully transform water management and meet the goals that New Zealanders aspire to.

Managing Within Limits

Foremost among these is the need for all of our communities to manage within the limits that they set for the water bodies in their areas. This is important for Iwi/Hapu in various catchments and integral to ensuring that their rights and interest in freshwater are addressed as the Crown has undertaken to do. The wider community is also interested in ensuring that freshwater is used as effectively as possible to provide for the full range of community values.

This will be no easy task and will require communities to make decisions that, in addition to setting limits, they have not confronted before. We think that communities need help making these decisions. The National Objectives Framework advocated by the Forum is a model that will help communities focus on those aspects of the limit setting process that relate to their values with less replication in each region of the science that informs limit setting. At the same time, the approach ensures that national values are considered as well.
An approach that helps communities to think through managing within limits, including allocation, rather than a nationally determined solution seems most likely to address catchment and Iwi specific issues. We would like the Forum to advise us by September 2015 on the best way to maximise the economic benefit of fresh water while managing within water quality and quantity limits, including when and how much resource is allocated, building on the Forum’s earlier recommendations and experience of regional councils.

To support managing more effectively within limits, we would also like the Forum’s views on the policy design of mandating dairy stock exclusion from waterways by 1 July 2017.

The Government also recognises that provisions could be needed to manage the transition from the current regime to any new arrangements. We would like advice from the Forum about how best to do this in the context of a consensus view of how to effectively manage within limits. This advice could explore mechanisms by which headroom could be created, or other tools such as land retirement, and timeframes for transition. In that context, we valued the Forum’s insights about the Freshwater Clean Up Fund the Government put in place in 2011. We think that the Forum will have similarly useful views on the provisions that may be required to transition to new arrangements.

**Further Populating the National Objective Framework Objectives and Attributes**

There is also unfinished work on the National Objectives Framework. The Government is committed to including additional objectives and attributes in the National Objectives Framework. This work is already underway. The National Objectives Framework Reference Group has been valuable in shaping up the initial Framework. We would like the Reference Group to continue that work. The work of the National Objectives Framework Reference Group should be reviewed by the Land and Water Forum and advice provided to Ministers, in conjunction with officials.

**Progress with Developing and Implementing a New Water Management System**

In 2017, implementation of the new direction for water management that the Forum prompted will be substantially under way. We see significant value in having the Forum providing advice to the Government about the progress being made to implement a new water management system in New Zealand, testing the extent to which the assumptions the Forum made about the system in the work that began in 2009 are still valid and to make recommendations about further changes needed to improve system effectiveness. This will benefit from experience gained by regional councils in implementing the NPS-FM to date. The Forum’s work in this area will not require you to reconsider previous work but may address any gaps or unforeseen implementation challenges. This is not intended to be an audit of each Regional Council’s implementation of the NPS-FM.

**Timing and Issues to be Considered by LAWF**

In earlier advice to us on collaborative processes you have made clear that achieving a consensus depends, among other things, on having clear deliverables and timeframes. The attached work programme does this. It is also timed to fit with the Government’s consideration of these issues, including ongoing engagement with Iwi on water management.

The Government is primarily interested in Forum’s consensus view about the issues on which advice has been sought through this work programme. That consensus sends a powerful signal from the community to us about the direction of travel for these complex policy issues. Where consensus is not reached, we rely more heavily on officials’ advice and our own soundings in the community to make decisions.
There may be other issues that the Forum wishes to provide a view to the Government about. As a self-appointed and autonomous group the Forum is able to consider any matters it wishes. However, the Government wishes to see the deliverables produced in the timeframes specified. For the Government, advice on other issues is of a lower priority than the deliverables sought.

**Funding**

Collaboration is an important part of the way the Government would like to see the resource management system in New Zealand operate. The Forum has led the way with this.

In that light, the Government expects funding to be provided at an appropriate level to the Forum and have asked officials to provide advice on this following consultation with you. This funding will include interim funding to allow work to commence without delay.

**Conclusion**

The Forum has done valuable work for the community and has made a real difference in improving the way we manage water in all of the catchments in New Zealand. There is more to do and we welcome the Forum’s support in doing that.

Yours sincerely

Hon Dr Nick Smith  
Minister for the Environment

Hon Nathan Guy  
Minister for Primary Industries