

LAND AND WATER FORUM

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5 April 2011

Hon Nick Smith, Minister for the Environment

Hon David Carter, Minister of Agriculture and Forestry

Dear Ministers

You will recall that in July 2009 you asked the Land and Water Forum to design a reform of the way freshwater is managed in New Zealand. When we reported to you at the end of August 2010, you welcomed our report and asked us to take it around the regions of New Zealand and discuss it with communities. During October-November 2010 and February-March 2011 we therefore held a series of 18 regional engagements which were attended by around 1200 people. We also discussed our report and its recommendations with a variety of other groups and institutions. We were assisted by your officials, who took notes of the regional discussions, which we have posted on our website, www.landandwater.org.nz.

In this letter we outline the way in which we engaged with communities, summarise the responses that we heard, note a series of issues that we wish to highlight and offer the Forum's views on sequencing and implementation of our recommendations.

We have now concluded the second task that you asked us to perform. We are grateful for your confidence and for the support that you and your officials have given us in carrying it out. It was a great privilege to talk to communities around the country. We were impressed by the breadth of their knowledge, the depth of their concern about water, and their generosity and openness in coming to meet us. We hope that you will find this report useful in considering your plans for water reform. We suggest that for reasons set out in the attached papers the Forum may be well placed to assist you in implementing them once your direction is set.

Engagement Process

We began each workshop with a short briefing of the Forum's report by a range of Small Group members, followed by a discussion with participants in smaller groups facilitated by Forum members. The discussion groups allowed participants to offer their own views and ideas, and raise issues stemming from the Forum's report.

The engagements were attended by a high number of farming leaders, leaders from other industries (for example, horticulture, viticulture, forestry), regional council chairs and chief executives, mayors

and councillors, many regional and district council staff, local environmental leaders, representatives of iwi interests, as well as many interested members of the public.

It is difficult to do justice in a few words to the depth and breadth of the contributions made during the course of the 18 engagements. The discussions were eager and cordial. The meetings had vitality and a diversity of perspectives which made Forum members conscious of the particularities of each region, and the strength of the various engagements on water issues that occur. A thematic summary of the views expressed at the 18 regional engagements is attached as an appendix to this letter. We promised those who came to our meetings that we would tell them what we had concluded as a result of listening to them, so I propose to send them in due course a copy of this letter and its attachments.

Response to the Forum's Report

We did not expect or seek unanimous agreement with the Forum's recommendations. Participants however recognised the need for change and did not in general disagree with the direction we proposed. There was a strong sense that the recommendations sketched out the middle ground and that it was time for action – implementation was needed and needed quickly. It would be a big job: the 'devil is in the detail'. There was some anxiety what the details of standards, limits and targets, or alternative allocation systems, might look like, and what the implications of that might be for water users and water interests of all kinds. Some matters – allocation, water services management - are clearly 'works in progress' and a range of people made it clear that they were keen to be involved in the future work. Many expect that the Forum will continue to be engaged. There was support for collaboration but eagerness by some to get more details on how it worked.

The Forum has now discussed this feedback. We do not think that the Forum's recommendations require amendment as a result though we expect that the views and ideas we heard will continue to influence the way that they are implemented. We believe they show that there is widespread political and community support for the general direction of the report and the implementation of its recommendations.

Implementation of the Forum's Report

At a meeting with members of the Small Group of the Forum on 10 February 2011, the Minister for the Environment noted that any views that the Forum had on implementation, in particular sequencing of the recommendations and reforms, would be welcome.

A copy of a paper on implementation of the Forum's recommendations is attached. The main points from that paper are:

- The Forum's recommendations are an integrated package. Any sequencing of implementation needs to respect the coherence of that package

- We recommended a National Policy Statement (NPS) on Freshwater as a key instrument but it will not do the job on its own. A range of supporting processes are essential, some of which will need to be put in place through regulation (such as National Environmental Standards) or statute, and some through the establishment of good practice by users and regulators alike. The attached papers set out the range of items required to underpin an NPS.
- Apart from the development of an NPS and NESs, there is a range of other areas where action needs to start straight away. These include the development of a national strategic approach to water management, the preparation of legislation on a range of matters, further work on allocation and the use of market mechanisms for allocating assimilative capacity, and water services management.
- While we recognise that there may not be legislation this year, we hope that the timeframe and sequencing of the overall reform package is released as part of any government response to the Forum's recommendations.
- The implementation process will take time, but councils, industry, stakeholders and iwi can move ahead with their changes and programmes without prejudice to further measures. They need not wait for central government action to begin to make progress.
- A reform of this nature is a considerable undertaking. It will need to draw on the capacity of not only government and local government, but also of iwi, the whole range of water users, and NGOs. Scientists, economists and social scientists will need to contribute.

Collaboration

A major theme of the way that the Forum worked, its recommendations, the engagements, and the implementation of the Forum's recommendations, is collaboration. One of the common questions has been how collaboration is defined – what is a collaborative process? It may be useful to you to get a sense of some Forum views of the underlying basis for a collaborative approach. I attach a short paper that sets this out.

Land and Water Forum's role

The implementation of any comprehensive water reforms like those recommended in the Land and Water Forum's report is a complex task and one that is likely to continue for several years. It will necessarily involve the wide range of players discussed in the attached papers – central government, regional councils, territorial local authorities, iwi, land and water users.

All the parties involved in the Land and Water Forum – including both the participants and the government – have invested substantial amounts of time and money in the venture. Equally, they have received considerable dividends, not only the ones that they hoped for – consensus on the way forward – but also some that they may not have expected, both through the building of trust and

though initiatives stemming from the Forum but taking place beyond it. In short, the investment the parties made has paid off and is continuing to do so, even in informal ways.

There is however a risk that if the process of water reform reverts to the old methods of doing business - central government consultation with various stakeholders and groups of stakeholders - the cohesion that the Forum has developed will be lost and its consensus and collaborative spirit will evaporate.

We think that this would make the process of implementation more contested, less certain and slower. It would also be very likely to make the outcome much less satisfactory. All the experience of the past decade, and the experience of the Forum itself, suggests that good outcomes are ones in which a group of stakeholders work creatively with each other to produce solutions acceptable to them all. It is engagement with each other not opposition to each others' ideas that brings clever solutions. The trust and goodwill that it generated constitute one of the Forum's most important outcomes and we have only begun to harvest the benefits.

The collaborative experience is worth building on, not only because all the parties to it have invested in it so heavily, and not only because it fuels other collaborative initiatives. It is also worth building on because it is essential to the success of an implementation process which must involve a whole range of stakeholders whose cooperation and creativity is vital.

We believe that the Forum could continue to play a useful role in support of the Government's reform programme and that it could add value in a variety of areas, including through work on limits and targets, allocation, water services management, preparing the ground for a national strategy in advance of the establishment of the Land and Water Commission, and providing a periodic source of feedback to the government on water reform. Any further contributions would of course need to be carefully defined and scoped. The Forum would also need to make changes to the way it works, and we are considering what they might be. In the meantime, we would very much like to talk to you about the possibilities.

Yours sincerely

Alastair Bisley
Chair
Land and Water Forum