

Routeburn Track, Te Anau, New Zealand (April, 2016)



Submission

Submission on the consultation on next steps for fresh water
April 2016

20 April 2016

Freshwater Consultation 2016
Ministry for the Environment
PO Box 10362
Wellington
New Zealand 6143

To whom it may concern,

Next steps for fresh water: Consultation document (April 2016)

Please accept the following letter and attachments as the McGuinness Institute's submission on the consultation on next steps for freshwater.

I would appreciate the opportunity to be heard in support of this submission.

Kind regards,



Wendy McGuinness
Chief Executive
McGuinness Institute

Attachments:

1. *Think Piece 22: Proposal for the Creation of an Oceans Institution* (November 2015)
2. *Report 10: One Ocean: Principles for the stewardship of a healthy and productive ocean* (March 2015)
3. *Working Paper 2015/01: Ocean Management in New Zealand: Findings from a structured discussion* (January 2015)
4. *Working Paper 2013/01: Notes on the New Zealand King Salmon Decision* (May 2013)
5. *Think Piece 16: New Zealand King Salmon: Was it a good decision for New Zealand* (March 2013)

About the McGuinness Institute

The McGuinness Institute was founded in 2004. The McGuinness Institute is a non-partisan think tank working towards a sustainable future, contributing strategic foresight through evidence-based research and policy analysis. *Project 2058* is the Institute's flagship project, which includes a research programme that aims to explore New Zealand's long-term future. In preparing this submission the Institute drew largely on the McGuinness Institute's overarching project, *Project 2058*, and in particular our work on *Project One Ocean*. The following is a list of research publications produced for *Project One Ocean*.

- March 2016: *Submission: A New Marine Protected Areas Act*
- November 2015: *Think Piece 22: Proposal for the Creation of an Oceans Institution*
- March 2015: *Report 10: One Ocean: Principles for the stewardship of a healthy and productive ocean*
- March 2015 (draft): *Working Paper 2015/03: Legal instruments of New Zealand's oceans management*
- January 2015: *Working Paper 2015/01: Ocean Management in New Zealand: Findings from a structured discussion*
- March 2014: *Submission: Draft for Consultation: Exclusive Economic Zone and Continental Shelf (Environmental Effects - Discharge and Dumping) Regulations 2014*
- February 2014: *Submission: Draft for Consultation: Exclusive Economic Zone and Continental Shelf (Environmental Effects - Non-Notified Activities) Regulations 2013*
- September 2013: *Submission: Activity classifications under the EEZ Act: A discussion document on the regulation of exploratory drilling, discharges of harmful substances and dumping of waste in the Exclusive Economic Zone and continental shelf*
- June 2012: *Submission: Regulations proposed under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Bill*
- February 2012: *Written responses to questions from committee: Exclusive Economic Zone and Continental Shelf (Environmental Effects) Bill*
- February 2012: *Oral Submission: Exclusive Economic Zone and Continental Shelf (Environmental Effects) Bill*
- January 2012: *Submission: Exclusive Economic Zone and Continental Shelf (Environmental Effects) Bill*

MfE workshops and meetings attended:

- 3 March 2014: EEZ Draft Regulations Workshop
- 27 January 2014: Workshop on proposed EEZ Regulations
- 14 May 2013: EEZ Regulations Workshop

About the Chief Executive

Wendy McGuinness wrote the report *Implementation of Accrual Accounting in Government Departments* for the Treasury in 1988. She founded McGuinness & Associates, a consultancy firm providing services to the public sector during the transition from cash to accrual accounting. From 2003–2004 she was Chair of the NZICA Sustainable Development Reporting Committee and became a fellow chartered accountant (FCA) in 2009. In 2004 she established the Institute in order to contribute to a more integrated discussion on New Zealand’s long-term future.

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Introduction

As part of the Institute's *Project One Ocean*, we have primarily undertaken work relating to oceans governance. Many of the lessons we have learnt throughout our research and engagement in this area are applicable to fresh water. In this submission on the 'consultation on next steps for fresh water' we set the context and issues highlighted in a local case study, and then outline key recommendations. In addition to our *Project One Ocean*, the Institute is beginning to enquire for our *Project LivestockNZ*, which we will start later this year. *Project LivestockNZ* will look to explore a new narrative for livestock farming in New Zealand – one that moves towards a more robust and ethically sound way of doing business, while at the same time delivering better environmental and social outcomes for all. We look forward to following the outcomes of this consultation to help provide context for our future research.

Setting global context

The Millennium Project published *2015–16 State of the Future* in 2015, which outlines the trajectory of our futures given current trends, and highlights challenges and opportunities – where we need to act. Using a series of international Delphi surveys and global scanning systems, The Millennium Project has identified 15 global challenges, the second of which relates to global access to fresh water: *How can everyone have sufficient clean water without conflict?* It explains that 'an additional 2.3 billion people have received access to safe drinking water since 1990 – an extraordinary achievement – but this still leaves 748 million without this access. Water tables are falling on all continents, and nearly half of humanity gets its water from sources controlled by two or more countries.'¹ New Zealand needs to be a global leader in protecting and granting access to fresh water.

Setting local context

Ashburton District Council is in the process of selling the rights to extract up to 45 litres of water per second until 2046 from the town's aquifers.²

Not only are the consequences of this decision detrimental to a drought-prone town, but it is also inconsistent with proposals of this consultation including – economic use of fresh water: good management practice. Ashburton District Council has been working entirely behind closed doors –

¹ Glenn, J. C., Florescu, E., and the Millennium Project Team. (2015). *2015–16: State of the future*. Washington, United States: The Millennium Project.

² Murphy, Sally. (2016, April 4). Council to sell rights to bottled water company. *Radio New Zealand (RNZ)*. Retrieved April 18, 2016 from <http://www.radionz.co.nz/news/regional/300624/council-to-sell-rights-to-bottled-water-company>

without public consultation – which is of growing concern. The lack of public approval and any consultation process to reach this decision to sell public water indicates poor management, process and council accountability. The council has also refused to publicise information about the deal and swore councillors to secrecy due to the commercial sensitivity of the deal.³

The deal would be different if Mayor Angus McKay had the local iwi Ngāi Tahu behind him. Instead, Ngāi Tahu chair Mark Solomon stated ‘the Resource Management Act Amendment Bill before Parliament proposed councils work more cooperatively with iwi on resource planning. The council appears to be operating in a manner more fitting with the recent past. We think it is time for the Ashburton District Council to take account of the shift towards more participatory resource planning.’⁴

This action by the Ashburton District Council is inconsistent with one of the proposals of this consultation – Improve iwi/hapu participation in freshwater governance and management. In addition, ‘improving Māori relationships in freshwater decision-making’ is also an objective of the ministers evident in their opening message in the consultation document.⁵ Mark Solomon is advocating for a more inclusive model of public consultation and iwi participation in planning and decision-making.

This timely New Zealand case study highlights there is room for improvement in how the public engage in the processes around fresh water management. To this end we discuss four recommendations that we believe would help New Zealand become a more innovative, integrated and effective manager of our waters.

Recommendations

1. Create a Minister of Water

There needs to be more coordination around policy decisions regarding water. The creation of a Minister of Water would provide a central figure for dealing with policies relating to New Zealand water – this would include our fresh water and oceans. From the Institute’s experience – in

³ Sherwood, S. & Mitchell, C. (2016, April 4). Outrage at plan to sell 40 billion litres of Canterbury water, but dairy farms use more. *Stuff.co.nz*. Retrieved April 18, 2016 from <http://www.stuff.co.nz/business/78524014/Ashburton-councillor-attacks-plan-to-sell-40-billion-litres-of-Canterbury-water>

⁴ Murphy, Sally. (2016, April 4). Council to sell rights to bottled water company. *Radio New Zealand (RNZ)*. Retrieved April 18, 2016 from <http://www.radionz.co.nz/news/regional/300624/council-to-sell-rights-to-bottled-water-company>

⁵ Ministry for the Environment (MoE). (2016). *Next steps for fresh water: Consultation document*, p. 4. Wellington, New Zealand: Ministry for the Environment.

discussion with our oceans community when researching for *Report 15* and *Think Piece 22*, and through engaging with the government – we see that this space requires a coordinated approach.

The proposed minister and the lead agency, the Ministry for the Environment, would act as the interface between the public and central government making it easier for the public to know who is responsible and which agencies relate to which question and application processes. Clearer leadership in this space will help smooth management and foster public engagement.

2. Create an Oceans Institution as a framework for water policy

The 30 perspectives in *Report 10* (attached) and our discussion in *Think Piece 22* (attached) explain why we need to create an Oceans Institution. New Zealand is part of an interdisciplinary oceans community of diverse committed stakeholders, all of whom are eager to engage with each other to discuss issues facing New Zealand's oceans governance. An Oceans Institution will create an integrated space to interact, engage, and share issues and policy affecting all New Zealand's waters.

In the current landscape there is no independent place for these discussions to take place. This proposed institution would focus on chronicling the narrative (sharing data, information and strategic knowledge about our oceans) and stewardship (collating and integrating information to inform all stakeholders and suggest effective and durable public policy making). This would create a space for collaboration and creativity, enabling policy to be developed with stakeholders over time and providing New Zealanders with durable public policy that delivers certainty and trust.

At present, we have many effective institutions that are operating in this space, but no one independent institution that brings research and policy together to explore common ground, record lessons learnt, describe existing conflicts and identify emerging issues in a considered manner. It would not take over or replace any of the institutions or instruments that are already in existence but would instead be a central institution, connecting the large number of organisations and stakeholders that have an interest in New Zealand's oceans.

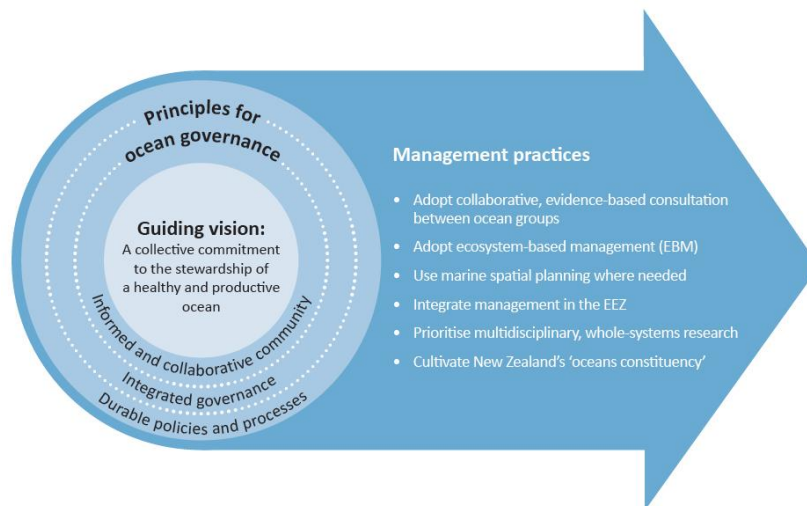
This central landing pad for oceans policy will help develop durable, integrated, collaborative, evidence-based policy before it reaches Cabinet. An Oceans Institution will create a singular, comprehensive voice on ocean policy, through which the government and fresh water community can interact within a straightforward manner. This system will create more meaningful engagement between water communities and policy makers, creating an integrated space to interact, engage, and share issues and policy affecting all of New Zealand's waters. This will ensure we develop a

framework for oceans and fresh water to produce policy that will enable New Zealand to become, as Minister for the Environment Hon Dr Nick Smith stated, ‘a leader in oceans management’.⁶

3. Establish a set of guiding principles to drive public policy

There is a difference between a purpose and a set of principles. The first sets out the problem the legislation aims to resolve (the why), whereas a set of principles guides and drives progress (the how). We believe a set of principles should sit alongside the National Objectives Framework (NOF) to help decisions adhere to the national direction outlined in the consultation document.⁷ Councils will follow these principles and compulsory NOF values to ensure efficient, coherent decision-making. The overall principles proposed in *Report 10: One Ocean: Principles for the stewardship of a healthy and productive ocean*⁸ can also apply to freshwater governance. Figure 1 below illustrated these governance and management principles.

Figure 1: Framework for One Ocean: Collaborative governance within the community of ocean users, government, conservationist and the public⁹



⁶ Smith, N. (2015, October 2). *NZ aims to improve oceans management*. Retrieved April 18, 2016 from <https://www.beehive.govt.nz/release/nz-aims-improve-oceans-management>

⁷ Ministry for the Environment (MoE). (2016). *Next steps for fresh water: Consultation document*, p. 9. Wellington, New Zealand: Ministry for the Environment.

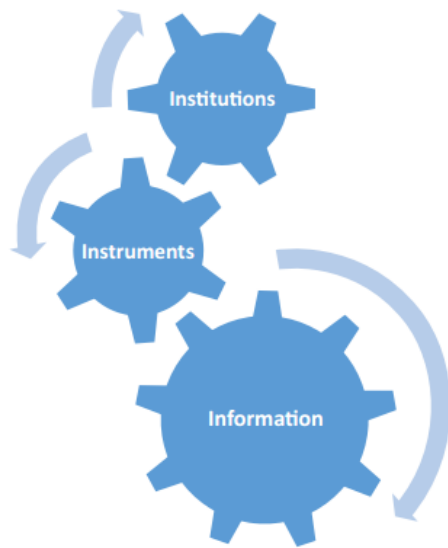
⁸ McGuinness Institute, (2016, March). *Report 10: One Ocean: Principles for the stewardship of a healthy and productive ocean*. Wellington: McGuinness Institute Limited.

⁹ McGuinness Institute, (2016, March). *Report 10: One Ocean: Principles for the stewardship of a healthy and productive ocean*, p.44. Wellington: McGuinness Institute Limited.

4. Establish a strong policy framework

Freshwater policy needs a strong framework to achieve coordinated policy and smooth operations. When confronted with the question – what framework, in particular what institutions, instruments and information, will enable efficient and effective outcomes for freshwater management going forward? – decision makers are still thinking hard about the answer. This framework highlights the alignment needed between Institutions, Instruments and Information in order to complement each other and work together to create an effective system for policy change. Figure 2 illustrates how these should work together and rely on each other.

Figure 2: Three components that bring about change and drive the system in which you operate¹⁰



The principles outlined in recommendation 3 are examples of instruments, and the Oceans Institution would complement existing institutions in the framework. Hence, our recommendations are closely linked, highlighting the importance of providing a space for this dialogue to explore common ground in order to move in the right direction.

¹⁰ TalentNZ. (2015). *Worksheet 4: Illustrate an understanding of the three components that bring about change and drive.* Retrieved April 18, 2016 from <http://talentnz.org/wp-content/uploads/2015/11/20150514-TalentNZ-worksheet-41.pdf>