



# Waikato regional freshwater discussion

## Matapaki wai māori ki Waikato

### WEATHER BRINGS WATER USE INTO FOCUS

The current El Niño weather pattern is predicted to deliver drought conditions to parts of our region. This once again highlights the reliance the Waikato region has on water – not only to meet our daily needs, but also the needs of our predominantly pastoral economy.

This is a good time to check if our system of allocating and using water is up to the job, particularly as expectations of our regional water resources are greater than ever and new information on future climate conditions suggests our current squeeze will continue to increase.

### DISCUSSION DOCUMENT ON TRACK

The freshwater discussion document is on track for public release following approval of the draft by the council during its meeting in late February.

It will:

- bring together information about the current state of and pressures on our water resources, and ongoing issues with regard to water management
- recognise our need to gain more knowledge of the way the water bodies interact across the region
- acknowledge the aspirations of iwi and hapū of the region
- identify new ways to better manage water sustainably, equitably and profitably into the future.

### IS REGULATION ALONE THE BEST WAY TO MANAGE WATER?

Regulation plays a role in the direct allocation of water and has been effective in improving water quality through the management of discharges from point sources.

But is regulation alone the best way to continue managing fresh water?

Future influences on freshwater are indirect and coming from intensification of land use activities and land use change. New tools will be looked at to help minimise these effects.

We've also identified the value of monitoring the outcome of management decisions, giving us a picture of how successful these previous decisions have been. However, current models and the information to support them don't provide projections of economic or environmental conditions as a result of current management decisions. We need to develop models for this job. To help us, we've commissioned two pieces of work.

- Looking at the range of potential policy tools not currently available to us, but that will allow us to incentivise and support changes in the way the region's water is used. This work has been done by Sapere Research Ltd.
- Modelling our understanding of future demand, future conditions and ways of connecting the future use of the region's water with environmental, social and economic outcomes. This work has been done by Market Economics Ltd.

## DIRECTIONS

The Resource Management Act gives regional councils the ability to use regulation, either by regional plan as a permitted activity or by consent. These have been effective for the management of direct uses – that is takes, diversions, instream uses or point source discharges into water bodies.

We now need to focus our management efforts on further efficiency of direct uses and the indirect influences on water bodies – that is diffuse or non-point source discharges of contaminants, for example from intensive land use. Regulation is not always the most appropriate way of managing this. Additionally, the timing of the use is important to consider and may prompt consideration of storage to allow water take at times of plenty for later use during times of scarcity.

We need to look for a suite of tools that reward land and water uses having a positive effect on the region's water resources and provide a disincentive for land and water uses with negative effects. This will need to recognise that land and water use are not independent and that water quality is influenced not only by the amount of contaminants entering the system, but also by the amount of water in it.

## FINDINGS FROM THE RESEARCH

### A suite of tools to ensure best use of water

Sapere Research Limited found that when there is sufficient water to meet all current demands (including environmental 'demand'), there is little need to worry about its efficient allocation; all the potential values of water can be achieved.

Once limits are reached, different uses of water begin to compete with each other to use it. The management of water resources then becomes a question of ensuring that water can move to its 'best' use. What tools can achieve this?

Resource management frameworks are often a combination of regulatory and market-based tools. Economic instruments provide an opportunity to achieve objectives and reduce compliance costs and potentially the costs to the regulator. These instruments comprise a group of policy tools that create an economic signal to resource users. Incentives can be created by:

- affecting the price signals resource users face
- constraining quantities that may be taken or used
- creating markets where there were none.

These instruments are most effective when people face different cost structures and have different needs. This allows the market to direct resources to where they are valued the most.

## Modelling future water demand

Better information about how much water we have, how much of it is being used and where, and of what quality it is will help us to plan and manage for the best use of water now and in the future.

Market Economics Limited found that connecting environmental and economic information using models is being attempted in many parts of the world. This water accounting and modelling has not yet reached the level of sophistication in New Zealand that will allow us to project the impact of future demands and the environmental and economic results of using different policy and management.

Technology and modelling expertise is progressing to a point where this is more achievable. However, there's no guarantee we'll get the new tools we seek, so in the meantime we are looking to develop databases and models that will make better use of information to support current management activities, as well as allow for a transition to a new framework when the time comes.

## WHAT'S NEXT?

Once the discussion document has been released in March, we look forward to receiving your thoughts on how possible changes to managing the region's freshwater resources will allow sustainable, equitable and profitable future uses.

### February

Discussion document approved by council

### March

Launch of discussion document

### March/April

Feedback period – discussing the issues and seeking feedback from the public and stakeholders

### May

Council considers feedback and develops proposed freshwater strategy

### June

Council adopts freshwater strategy