

CENTRAL LEADERSHIP

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Policy

Water New Zealand believes that there is a need for greater central government leadership on water policy as the current fragmented situation is not conducive to the long-term sustainable management of New Zealand's fresh water. Greater direction and leadership and clearer and more integrated regulatory frameworks would create a more unified approach amongst the varied and diverse players within the field of water management. Consistency in strategic leadership is vital for long term sustainability and affordable access to water for economic, social, cultural and environmental purposes.

Explanation

Fresh water is a finite resource. Across the globe it is coming under increasing pressure as human populations grow. New Zealand possesses an abundant water resource which by international standards is subject to little pressure.

As one of the few developed countries that is a net food exporter, New Zealand's competitive economic advantage lies in its abundant water resources, along with its temperate climate and relatively fertile soils.

Pressures however are building. They include:

- a long term trend towards declining water quality as a result of intensification of land use in both rural and urban settings;
- competing demand for water in some regions with no agreed hierarchy to guide regulators in allocation of the resource;
- a first-in, first-served allocations system that is no longer sustainable in areas where the resource is under pressure;
- over allocation of available water in some regions;
- limited ability to transfer unused water between consent holders;
- regional and local government operating in a policy vacuum resulting in widely differing interpretation and inconsistency in application of available statutory instruments;
- difficulty in obtaining consents for water harvesting and storage to enable further development of the resource;
- difficulty in applying standards for reticulated potable water supply.

The current governance system for water was put in place prior to these pressures being applied to the resource. It was not designed to cope with them.

The key element missing is centrally led policy direction due to a failure of successive governments to provide sufficient political leadership in this area.

Within the current New Zealand system, water policy is formulated by a number of central government agencies, including, but not limited to:

- the Ministry for the Environment;
- the Ministry of Health;
- the Ministry of Agriculture and Forestry;
- the Ministry for Economic Development;
- the Treasury;

- the Department of Building and Housing;
- the Department of Internal Affairs; and
- the Ministry of Social Development.

Attempts at departmental level for a 'whole of government' approach to water policy have failed, along with the use of the regulatory tools available under the Resource Management Act.

At the local and regional level, 67 separate entities are responsible for three waters infrastructure and land-use planning and development and another 11 are responsible for, among other matters, flood management and water quality.

Fragmentation of water governance and management between 86 agencies serving a population of 4.4 million people is not conducive to the effective and integrated management of such a crucial resource.

These institutional arrangements have resulted in inconsistency in local management practices, widely differing costs for many water users, variable compliance requirements and continuing regional differences in RMA implementation practice. In addition, the multiplicity of water entities has led to both duplication and increasingly serious capacity issues, particularly for smaller utilities.

New Zealand is one of the few western countries that does not employ a central agency for water. A more robustly designed model giving effect to centrally led policy direction would produce more sustainable management of this vital resource.

A greater focus on national leadership will assist in raising the awareness of the value of water and the critical role it plays in our society and economy.