An overview of the emerging proposals to improve three waters regulation, as a basis for targeted testing with subject matter experts and stakeholders.
The Three Waters Review

• The Three Waters Review is a cross-government initiative – led by Department of Internal Affairs, working with the Ministries of Health and Environment

• The Review has two key workstreams:
  – The immediate priority is the overarching shape and form of the regulatory arrangements for the three waters services: drinking water, wastewater and stormwater
  – How we deliver three waters services is part of a longer conversation with local government, and options will be considered late in 2019

• We are testing emerging proposals to reform regulatory arrangements, through a series of targeted workshops

• Cabinet will consider policy proposals to improve the regulatory arrangements for all three waters in mid-2019

• If any policy proposals are taken forward, further work will be required to develop legislation before it is considered by Parliament

• The usual select committee submissions process would then follow

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The Three Waters Review and the Essential Freshwater programme

• The proposals in these slides are focused on the three waters regulatory system.

• There is a broader Essential Freshwater programme that is focused on safeguarding Te Mana o Te Wai – the health of the water, ecosystem and people, led by the Ministry for the Environment.

• It is focused on creating an integrated freshwater management system that ensures all discharges and water users are contributing to improved water quality and ecosystem health.

• The Three Waters Review is aligned to this work, but is much more specific, and focuses on addressing immediate concerns about the safety of drinking water, and the environmental performance of wastewater and stormwater systems.

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Purpose of this workshop

• We are here to test and inform our early thinking
• These are emerging proposals; they have not been considered or adopted by the Government
• Your experience and insights will help us develop proposals that we can put forward to Ministers for further consideration
• Specifically we want to use your expertise and perspectives to:
  – Confirm that our understanding of the problems with the three waters regulatory system includes the issues that matter to you and your community
  – Identify whether our emerging proposals are likely to address those issues and what might be missing
  – Identify how the proposals could affect you and your community
## Structure for the day

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
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<tbody>
<tr>
<td>5 min</td>
<td><strong>Welcome</strong></td>
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<tr>
<td>40 min</td>
<td><strong>Overview of the proposals</strong></td>
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<td>The Three Waters Review; our early thinking; and emerging proposals to address the problems and issues that affect drinking water, wastewater and stormwater</td>
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<tr>
<td>40 min</td>
<td><strong>Breakout session</strong></td>
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<td>Break into smaller groups to discuss the proposals and consider key questions</td>
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<tr>
<td>20 min</td>
<td><strong>Refreshment break</strong></td>
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<td>35 min</td>
<td><strong>Breakout session continues</strong></td>
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<tr>
<td>30 min</td>
<td><strong>Plenary session</strong></td>
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<td>Report back from breakout session, and wider discussion</td>
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<tr>
<td>10 min</td>
<td><strong>Wrap up</strong></td>
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<td>Closing remarks and next steps</td>
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*NOT GOVERNMENT POLICY*
The three waters are an interrelated system providing essential public services.
The three waters system is critical for the wellbeing of New Zealanders

BUT

we cannot always be confident that drinking water will be safe to drink, and that acceptable environmental outcomes are being achieved

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Māori and the three waters

• Māori have communicated their broad and varied interests in the three waters system, including upholding Te Mana o te Wai
• Wai is wai – water and the environment are interconnected, what we do in one area will have consequences for another
• Our starting point is that Māori interests include:
  – Treaty partnership, given the cultural significance of water and the impact of stormwater and wastewater on taonga waterways
  – Iwi, hapū and whānau as self-suppliers of water, particularly for marae, papakāinga and rural communities
  – As mana whenua over particular regions and waterbodies
  – As members of, or represented by, co-management and co-governance entities agreed through Treaty settlements
  – As members of communities that receive poor quality or no three waters services
• It is important we understand the reality for Māori facing three waters issues and incorporate Te Ao Māori in any decision making

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Problems with the three waters regulatory system

- Fragmented regulatory system and poor coordination between related responsibilities and actions at local, regional and central government levels
- Failure to reflect community and iwi/Māori values and expectations
- Unclear roles and responsibilities
- Weak, and sometimes no, accountability for outcomes
- Variable capability across providers and regulators to achieve good outcomes and do what is required of them
- Insufficient system oversight, compliance, monitoring and enforcement
- Lack of assistance and support to meet compliance requirements
- Poor information to citizens and communities

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EMERGING PROPOSALS FOR A NEW DRINKING WATER REGULATORY SYSTEM
Drinking water system failure

• Current regulatory regime for drinking water is failing
• Havelock North Inquiry – a clear pathway to address the issue in a comprehensive way
Addressing drinking water safety
A twin track approach

**Immediate** improvements to the current regime
- Urgent and minor changes to the Drinking Water Standards
- Strengthening Water Safety Plan requirements
- Urgent amendments to the Health Act (currently being considered by Parliament)
- Review criteria for Drinking Water Assessors
- Drinking Water Advisory Group

**Medium term** improvements, as part of the Three Waters Review
- A new regulatory regime for drinking water
- Accountability
- Scope of regulation
- Compliance, monitoring and enforcement
- A dedicated drinking water regulator

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Emerging proposals for drinking water
Problem area one: regulation and obligation

Problem
- 800,000 people receive drinking water from suppliers that are not regulated
- No one has an obligation to supply
- There are currently ‘easy-outs’ for suppliers

Proposed response
- Greatly increase coverage of regulations
  - Everyone included, except single household self-suppliers
- Obligation to supply safe drinking water
- Strong obligations on suppliers
  - No exemptions for affordability

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Emerging proposals for drinking water
Problem area two: risk management

Problem
• Havelock North Inquiry recommended a multi-barrier approach to ensuring drinking water safety: identifying and managing risks, source protection, and treatment

Proposed response
• Drinking water safety plans:
  – Strengthen obligations and requirements on drinking water suppliers to prepare and implement drinking water safety plans
  – Regulator will be responsible for auditing and enforcement
• Protecting source water:
  – New obligations on regional councils to work with drinking water suppliers
  – Stronger obligation to consider source water in consenting decisions
• Treatment of drinking water:
  – Drinking water suppliers will be required to treat drinking water to manage risks to public
  – The only exception will be at the discretion of the regulator, who may exempt a water supplier from residual disinfection if the water supplier can demonstrate that the water is safe through other means

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Emerging proposals for drinking water
Problem area three: accountability

Problem
• There is a lack of accountability in the drinking water system

Proposed response
• A dedicated drinking water regulator, to:
  – provide stronger central government direction, oversight, and support
  – ensure people can meet their obligations and can be held to account
• Review Drinking Water Standards to ensure they are effective and enforceable
• Increase compliance, monitoring and enforcement to hold suppliers to account

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EMERGING PROPOSALS FOR WASTEWATER AND STORMWATER

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Wastewater and stormwater issues

• Wastewater and stormwater networks need to **minimise risks to people and property, while protecting environmental values, and providing for community values and Māori cultural considerations**

• The current regulatory system does not provide assurances that this is always being achieved. Key issues and gaps include:
  
  – Ageing wastewater and stormwater networks that do not consistently achieve good environment performance or meet community/iwi expectations
  
  – Lack of system-wide information on performance of networks and impacts on public and environmental health
  
  – Poor integration between land use planning and stormwater management
  
  – Inconsistent regulatory requirements and enforcement practices
  
  – Some wastewater networks operating on expired consents for long timeframes
  
  – Lack of proactive risk management, planning and investment

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Emerging proposals for wastewater and stormwater (1)

Proposals we are seeking feedback on:

• New national standards for the treatment of wastewater and management of wastewater overflows
• New obligations on wastewater and stormwater network operators to implement a risk management plan
• Nationally consistent monitoring and reporting requirements for wastewater and stormwater networks
• Promotion of national good practice guidelines for stormwater network design and management
• Stronger central oversight and support to ensure regulatory system is achieving the desired outcomes
Emerging proposals (2):
Lifting performance of wastewater and stormwater

• **New national standards** for the treatment of wastewater discharges and management of wastewater overflows
  
  — Regional councils able to set higher standards where needed to meet national objectives for fresh and coastal waters and provide for community and tangata whenua values and interests in freshwater

• **Promote national good practices** for stormwater network design and management, including greater use of stormwater treatment devices and green infrastructure

• Intention is to ensure network operators are adopting industry good practices and minimising risks to public health and the environment, while meeting local community/iwi values

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Emerging proposals for wastewater and stormwater (3): Improving transparency

• New obligations on wastewater and stormwater network operators to implement a **certified risk management plan** that specifies how they will:
  – Operate and maintain networks to meet current and future regulatory requirements; e.g. freshwater objectives and limits
  – Proactively manage risks to public health and environment
  – Address community and Māori cultural expectations for wastewater disposal
  – Support integrated planning of stormwater networks and land-use

• Wastewater and stormwater network operators to report on **nationally prescribed environmental performance measures**, and compliance with national standards

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Emerging proposals for wastewater and stormwater (4): Central government oversight

• Provide national-level leadership and support to:
  – Publish and audit wastewater and stormwater performance information
  – Certify and audit wastewater and stormwater risk management plans
  – Set clear expectations for the monitoring and enforcement of regulatory requirements
  – Support industry training and certification schemes
  – Develop a nationally-coordinated approach for addressing emerging contaminants
  – Commission science and technical advice

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BREAK OUT SESSIONS
Key points for discussion and feedback

• Confirm that our understanding of the problems with the three waters system include the issues that matter to you and your community

• Identify whether our emerging proposals are likely to address those issues and what might be missing

• Identify how the proposals could affect you and your community
PLENARY SESSION