

4.17. Levels of Service Increases

Essential Fresh Water Building Capability and Capacity for Catchment Management

(Report prepared by A Johnson/H Versteegh)

E360-002-002-02

Purpose of report

1. To seek budget approval to provide ongoing funding of Catchment Care Services from 2025/26 to meet the Council obligations under the National Policy Statement for Freshwater 2020 (NPSFM) and the Marlborough Environment Plan (PMEP).

Executive Summary

2. The Essential Freshwater package National Policy Statement for Freshwater (NPSFM), introduced by central government in 2020, and the Marlborough Environment Plan (PMEP) create additional requirements for the Council in respect of freshwater management and protecting ecosystem health.
3. The NPSFM framework makes it mandatory to develop catchment action plans for degraded catchments and their implementation through a proposed farm planning regime.
4. Council has already invested in a catchment care programme, however the majority of the funding for this programme is currently provided by government. It is envisaged that with the current economic climate the government is likely to reduce its current commitment to funding support for on-farm water quality intervention measures, including the contribution towards the Council catchment care staff roles.
5. The need for Catchment Care roles to meet the requirements of the implementation of the NPSFM will continue in the future beyond the current subsidised period and will require a central focus on providing community support and guidance, while setting catchment-based objectives, developing plans, prioritising factors that influence achievement of water quality outcomes and ensuring alignment to policy and regulations.
6. The funding impacts for a continuation of a service if solely funded by Council would require additional Council funding from 2025/26.
7. The impacts on funding have been assessed and where practical it is envisaged the budget implications are introduced over a transitional period to enable capacity building to occur in a sustainable way commencing 2025/26.
8. Council staff will continue to advocate for government assistance for catchment management to help supplement rate funding.

RECOMMENDATION

That Council agree to include in future years' budgets, funding of \$225,000 for 2025/26, \$300,000 for 2026/27 year and \$450,000 from 2027/28 and subsequent years to implement the statutory requirements under the National Policy Statement for Freshwater (NPSFM) and Marlborough Environment Plan (PMEP) for catchment care services.

Background/Context

9. The Essential Freshwater package National Policy Statement for Freshwater (NPSFM), introduced by central government in 2020, and the Marlborough Environment Plan (PMEP) create additional requirements for the Council in respect of freshwater management and protecting ecosystem health.
10. The package included a range of new pieces of law including the revision of the NPSFM, amendments to the RMA and creation of other new regulations around fertiliser use and intensive

winter grazing. These include mandatory requirements around freshwater farm plans providing a mechanism to mitigate on-land effects on water quality.

11. The proposed Marlborough Environmental Plan also sets out a framework that is consistent with the Essential Freshwater package in terms of setting a range of objectives and methods to improve or enhance water quality.
12. The framework provides for the development of Catchment Enhancement Plans for degraded catchments. The Plans are set to prioritise interventions to protect/improve water quality, reduce erosion and sediment production and protect sensitive receiving environments that would improve the economic and social outcomes for communities.
13. The implementation of the framework is predominantly achieved by supporting primary industry and our rural communities to better understand the environmental vulnerabilities and risks at both catchment and local property scale to enable better resilience and improving environmental sustainability.
14. Since 2018 the Council has been investing in a catchment care programme working closely with catchment communities and stakeholders. These programmes have built capability and capacity to help improve water quality as well as fostering trust, good faith and dialogue with the rural community. This has been welcomed by members of that community. The interventions ranged from fencing of water ways, enhancing riparian margins, regulatory interventions to sediment controls on steeper hill country.
15. Central to supporting the community and enabling on-farm and catchment mitigation works has been the role of skilled Catchment Care Officers at Council. The Catchment Care Officers provide technical land management skills, long-term relationship building, conflict resolution and the ability to engage and educate landowners.
16. The catchment care programme has predominantly been supported by central government funding through a range of crown initiatives such as the Jobs for Nature Essential Fresh Water Funding and Hill Country Erosion fund.
17. The majority of this central government funding particularly for catchment based freshwater outcomes is likely to transition to a lower level of investment from the crown by 2027. In fact, many of Councils existing Funding Deeds expire on 30 June 2025.
18. The level of central government investment has provided the community an unequalled opportunity to build capability and improve on infrastructure for many environmental projects including catchment management programmes. However, with less government investment Council cannot be expected to supplement all of the funding.
19. Strategic prioritisation of investment in the future will be necessary. The future state for investing in improving water quality and in-stream values will largely rest with actions delivered by land users and urban communities. Essentially this means that land users will predominantly need to transition into funding most of the mitigation measures with less central (and local) government assistance.
20. The future delivery role for Council will predominantly focus on support and enabling mitigation actions to be effective by providing clear guidance, establishing Catchment Enhancement Plans, setting catchment-based objectives, prioritising factors that influence achievement of water quality outcomes and ensuring alignment to policy and regulations, including the proposed farm planning regulations.
21. The Government has been signalling for some time the need for a collaborative approach to achieving environmental outcomes. Central to this is the provision of catchment care roles that operate as a link between policy and implementation within the community. Essentially the service would provide for coordination and alignment between our regulatory requirements and mitigations required for on-farm or within urban settings.
22. The importance of having dedicated catchment care roles cannot be underestimated. The roles provide a fundamental pathway for building and maintaining community relationships. Providing guidance within the community and empowering environmental actions in catchments. The roles

also help landowners address the complexities of the resource management system (regulatory and non-regulatory), in particular between all domains, e.g freshwater, land, biodiversity, biosecurity and flood protection services.

Catchment Care Funding

- 23. Council currently employs three fixed term catchment care advisory roles. These roles are solely funded by government. The fixed term nature of these roles and the competitive nature of resources nationally has an impact on retention and attracting the right people. The funding for these three positions is in the order of \$450k per year (includes overhead allocation).
- 24. The recruitment and retention of staff on fixed term contracts remains very challenging with staff preferring permanent appointments. Providing permanency requires continuity of funding to ensure that the professional skill sets can be retained.
- 25. Council has an option to fund these catchment care roles supplementing any reduction in government funding. The funding required will have no impact on Council funding until 1 July 2025. The funding required to continue delivering the service without any government support would be;

2025/26	2026/27	2027/28	Ongoing
\$225,000	\$300,000	\$450,000	\$450,000

Option One

- 26. To provide for additional rate funds to continue with the catchment care level of service from 2025/26.

Advantages

- 27. Continuity of catchment care service.
- 28. Retention of existing resources.
- 29. Fulfil the obligations of the NPSFM and PMEP.
- 30. Enhancement of Community relationships.

Disadvantages

- 31. Additional impacts on rates.

Option Two

- 32. Discontinue with the catchment care service.

Advantages

- 33. No additional budget is required.

Disadvantages

- 34. Council will not be able to deliver catchment care services and fulfil its obligations under the NPSFM and PMEP.

Author	Alan Johnson, Manager of Environmental Science and Monitoring
Authoriser	Hans Versteegh, Manager of Environmental Policy, Science and Monitoring