SUBMISSIONS ON ACTION FOR HEALTHY WATERWAYS

For: Lowe Corporation Limited
Date: 31 October 2019

1. **The Submitter**

Lowe Corporation Limited (LCL) is a privately held company with businesses, subsidiaries and partnerships in the rendering, hides & skins, farming industries and conservation. LCL and its partners export hides, skins and other animal by-products throughout the world and is the largest processor of animal hides and skins in New Zealand. This output is achieved through the efforts of some 225+ staff at five plants throughout New Zealand.

LCL is a large organisation of great value and is a key player in New Zealand’s export industry. 95% of the production is bound for export markets.

The Submitter invests millions of dollars into the local community, especially in the Hawkes Bay. For example, LCL is the principal sponsor of the Lowe Corporation Rescue Helicopter.

Andrew Lowe, Managing Director of the Submitter, jointly owns and manages New Zealand’s largest privately funded wildlife sanctuary on 2,500ha at Cape Kidnappers and Ocean Beach in Hawkes Bay. The vision for Cape Sanctuary extends beyond 50 years to restore the coastal communities of land and sea birds, reptiles and invertebrates that would once have existed on the peninsula. The project aims to achieve nationally significant species conservation gains within a highly modified farming and multi-use landscape including forestry, tourism and recreation.

We welcome the opportunity to submit on the Action for Health Waterways – Discussion Document (“Discussion Document”) and more particularly:

2. Proposed National Environmental Standards for Freshwater (“Draft Standards”); and
3. Draft Stock Exclusion Section 360 Regulations (“Regulations”)

2. **Fundamental Concept – Te Mana o te Wai**

Given that the concept of “Te Mana o te Wai” is a fundamental concept in this Draft Statement there should be a clear concise exhaustive definition of that this means to enable its application by all New Zealanders (as stated in the Discussion Document).

The Draft Statement states that the concept of “Te Mana o te Wai” can only be achieved after:

- involvement of iwi and hapū in freshwater management;
- identifying and reflecting tangata whenua values and interests;
- engaging with tangata whenua and communities;
- application of mātauranga Māori; and
- ki uta ki tai.

Whilst we agree that these concepts are important, it is unrealistic that the above could be undertaken by all users the Draft Statement trying to protect Te Mana o te Wai, eg individual farmers, small
business owners. The above concepts can be quite complex in themselves and it must be recognized that these requirements will add complexity, cost and time to users of the Draft Statement. This would divert resources away from achieving the stated objectives of the Draft Statement and place cultural requirements above that of the health and wellbeing of waterbodies and freshwater ecosystems and the essential health needs of people.

It is submitted that reference to the above bulleted concepts in section 1.5 should be deleted. These are sufficiently and more appropriately dealt with in Part 3 – Subpart 1 clause 3.2 as follows:

“(2) Every regional council must give effect to Te Mana o te Wai in implementing this National Policy Statement and may include:

a) adopting the priorities set out in the hierarchy of obligations;

b) providing for the involvement of iwi and hapū in freshwater management and identifying and reflecting tangata whenua values and interests;

c) engaging with tangata whenua and communities to identify matters that are important to them in respect of waterbodies and their catchments;

d) enabling the application of broader systems of values and knowledge, such as mātauranga Māori, to the health and wellbeing of waterbodies and freshwater ecosystems;

e) adopting an integrated approach, ki uta ki tai, to the management of waterbodies and freshwater ecosystems; and

f) other things as determined locally.”

In addition it is submitted that the concept of “ki uta ki tai” should also be exhaustively defined in the Draft Statement, as opposed to ‘referring’ to an approach which may or may not be defined elsewhere.

3. Policies

The policies stated in section 2.2 are seen as a whole. There is already a specification of the priorities in section 2.1. The policies in section 2.2 will be read considering these priorities and policy 13 should be amended as follows:

“Policy 13: Communities are enabled to provide for their economic wellbeing while managing freshwater in a manner consistent with Te Mana o te Wai and as required by the national objectives framework and other requirements of this National Policy Statement.”

If this change is not accepted, then all policies should have this deleted text replicated.

It is submitted that “hierarchy of obligations” be a defined term or at least refer to section 2.1.

4. Water Quality - Bottom Lines for Nutrient Pollution

Lowe Corporation generally supports setting instream limits for dissolved inorganic nitrogen (DIN) and dissolved reactive phosphorous (DRP) as clear bottom lines will provide businesses with greater certainty. However, these should be science-based and reflect the local conditions of that waterway.
A defined nationally applicable bottom line does not give Councils any ability to provide for the hierarchy of objectives in the Draft Statement. It must be recognised that the health and wellbeing and the health needs of people will differ from waterbody to waterbody. Likewise, the needs for social, economic, and cultural wellbeing will also differ. A “one rule fits all” bottom line does not recognise this.

Freshwater attributes should provide for freshwater ecosystem health which reflects the characteristics of the waterbody in its catchment context, and account for natural variation and conditions such as erosion, nutrient levels, geology, geomorphology, and land type and cover. These attributes should be informed by the best available science, and where uncertainty exists, should be precautionary, both environmentally, and how they are applied and mandated by these proposals.

We note that the water quality upstream of a particular discharge may be already higher than the proposed limits. It is not clear how this is to be addressed in the Draft Statement and how councils will allocate these concentrations between discharges.

It is proposed to set new bottom lines for the following in rivers:

- nitrogen at an annual median of 1.0 milligrams per litre of dissolved inorganic nitrogen;
- phosphorous at an annual median on 0.018 milligrams per litre of dissolved reactive phosphorous; and
- ammonia toxicity of 1.30 milligrams per litre.

Lowe Corporation is deeply concerned that these limits have been set without transparent scientific analysis on the actual environmental impact on New Zealand rivers.

These proposed limits will have a major impact on the Submitter’s operations. To meet these standards, it is possible that all processing sites will require full mechanical treatment plants, as even where wastewater goes to Council trade waste treatment, the limits will eventually feed back to the processor. Where there are already treatment plants (as is already the case where processors are discharging to river or onto land) these may require significant new upgrading.

As most of Lowe’s discharge is into Council systems, calculating the requirements for any onsite treatment is difficult. Lowe will require transparency from Council regarding the concentration levels at the ultimate receiving sites and how the Council intends to allocate its available limits. Without this information Lowe cannot have any business certainty and take appropriate action required to protect freshwater.

Lowe strongly recommend that the proposed limits be revisited. They do not take into account the quality of the waterway upstream. The DRP limit in particular is excessively tight and far exceeds existing limits applied by regional councils in consenting. The proposed DRP limit is unlikely to achieve better environmental outcomes while creating significant economic costs. The limits have to be based on the scientific understanding of the environmental impact on that waterway and balanced with the economic cost.

The comments of the Regional Sector Water Subgroup in the Discussion Document are noted: there should be further assessment of implications and in catchments requiring improvement implementation and changing practice will take time.

It is submitted that Mahinga Kai and Tangata Whenua Value should be included in Appendix 1B. Inclusion in table 1A puts cultural requirements at the same priority as the health and wellbeing of
waterbodies and freshwater ecosystems and the essential health needs of people and is therefore inconsistent with the Draft Statement's stated priorities.

Appendix 1B still represents a compulsory list of considerations and therefore gives appropriate and sufficient protections.

Proposal 2 is not supported as again it puts cultural requirements at the same priority as the health and wellbeing of waterbodies and freshwater ecosystems and the essential health needs of people and is therefore inconsistent with the Draft Statements stated priorities.

5. **Environmental Flows and Levels and Take Limits**

Lowe has significant concerns regarding the requirements in part 3 of the Draft Statement and the comments in sections 5.11 and 5.12 of the Discussion Document relating to setting environmental flows and levels and identifying take limits.

Water takes are of significant importance to the Submitter and a of critical importance to the processes and products produced. There should be provision to protect existing consented takes (and renewals of the same) to preserve business certainty and support the significant investments that have been made relying on these.

6. **Water Quantity – Real-Time Reporting of Water Use**

Whilst Lowe supports the real-time reporting of water use in larger consents, it is submitted that there is little benefit in requiring all water take consents to have telemetry. The benefit of low use real time data is likely to be limited. However, the costs to both the Council of management of the setup and process of such data and to consent holders of installation and data transmission are likely to be significant.

7. **Better Managing Stormwater and Wastewater**

Lowe supports greater clarity on expectations regarding waste and stormwater consents. However, it would stress that any requirements must have sufficient regard for the context in which these discharges occur.

Lowe submits that any waste and stormwater requirements should be science-based standards. Meeting environmental and public health risks can be reasonably quantifiable and based in science. However, social/cultural “risks” such as community and Maori cultural values are not based on scientifically quantifiable outcomes. Ensuring how these non-science-based social/cultural values are determined should be done transparently.

Lowe has concerns that the Risk Management Plans (“RMPs”) as described in 7.2 of the Discussion Document are envisaged being used for many other issues beyond just risk management to ensure environmental standards are being met.

Section 7.2 also proposes additional measures, including greenhouse gas emissions and energy use, air quality, and others. Many of these are irrelevant to protecting water quality and may impose unnecessary and excessively bureaucratic requirements on processors.

Meeting “a wide range of community expectations” or “community satisfaction with the network” by the processor needs to be balanced by ensuring RMPs are achieving basic environmental objectives without excessive bureaucracy.
RMPs should be intended to meet transparent environmental outcomes. There is a risk that using RMPs as a vehicle to meet vague “wide range of community expectations” will make RMPs bureaucratic and onerous. For this reason, Lowe does not agree with the proposed scope of the RMPs.

It is also submitted that all documentation required by Councils in trying to achieve stormwater and wastewater objectives are streamlined as much as possible. Often there is duplication required between regional Councils and City Councils for consenting requirements. This results in unnecessary time and resource being invested into drafting and managing the documentation, and not the stormwater and wastewater issues the requirements are seeking to address.

8. **Improving Farm Practices**

Lowe has a direct interest in both ensuring supply of livestock is maintained, as well as that that livestock is produced in an environmentally sustainable way to meet increasing customer demands for sustainable food and by-products. While we generally support the ambition of the proposals for cleaner freshwater, we nevertheless are very concerned that the proposed rules will lock in current levels of discharge and lock-in existing land uses. This approach effectively rewards high intensity, high discharging systems (particularly high N leaching systems), while penalising low intensity, low input, and low discharge systems that work within the physical environment of the farm.

One of the cornerstones of New Zealand’s extremely productive farming systems has been flexible land use, as farmers rapidly shift production according to market signals. The proposals run counter to that. The proposals effectively let farming systems with high levels of discharge off the hook, while preventing low discharging systems from changing. This prevents farmers from maximising their production within environmental limits. Farms that meet environmental limits should be able to farm flexibly.

Constraining low intensity farm systems will limit their capability to achieve the goals of the proposal or meet the additional costs of compliance. This would significantly disadvantage responsible farmers and proactive custodians of the land who have already sought out and achieved environmental innovations.