31 October 2019

Dear Sir/Madam

ACTION FOR HEALTHY WATERWAYS: A DISCUSSION DOCUMENT ON NATIONAL DIRECTION FOR OUR ESSENTIAL FRESHWATER

SUBMISSION BY VENTURE Taranaki

Venture Taranaki acknowledges the substantial work that has gone into Action for healthy waterways: A discussion document on national direction for our essential freshwater and welcomes this opportunity to comment on the Government’s Essential Freshwater proposals.

Venture Taranaki is the Regional Development and Promotion Agency for the Taranaki Region – whose mission is promote investment in Taranaki, support and enable enterprises, promote the region as a great place to learn, live, work, play, visit, and create, and contribute research and thought leadership to support the regional economy and its ability to support the well-being of the region’s people and environment.

Venture Taranaki is a politically and commercially neutral Council-controlled organisation of the New Plymouth District Council, with stakeholders including the Stratford District Council and South Taranaki District Council. It is the Regional Partner for several government programmes in the Taranaki region, such as the delivery of Callaghan Innovation Grants and Capability Vouchers.

Venture Taranaki is the coordinator of:

- Taranaki 2050 Roadmap, which has been developed through a co-design process involving our communities and Central Government and focuses on a low emissions vision and pathway for Taranaki. The food and fibre value chain is an integral part of this strategy. For more information on the Taranaki 2050 Roadmap click here.

- Tapuae Roa, the regional economic development strategy and action plan for Taranaki, which is a collaborative effort between our local Councils, Ngā Iwi o Taranaki, the region’s business leaders and the New Zealand government. Tapuae Roa is focused on unlocking the best opportunities for regional economic growth and on enabling the ongoing success of the Taranaki region. ‘Food Futures’ is a key priority within both the Strategy and the Action Plan. For more information on Tapuae Roa click here.

EXECUTIVE SUMMARY

Venture Taranaki, and indeed many in the Taranaki community, share the importance of being good guardians of our environment. This was reinforced throughout the Taranaki 2050 Roadmap.
development process, which placed the protection of Taranaki’s unique environment as a central aspiration for the people of the region. We share the stated aim of the ‘Essential Freshwater – Action for healthy waterways’ package, which seeks to prevent further degradation of waterways and ensuring rivers and streams are brought back to good health.

As it currently stands, the proposed Freshwater package includes a series of comprehensive and complex proposals to help New Zealand achieve its freshwater targets. On initial assessment, whilst we appreciate, share and understand its intent, we have identified several issues and concerns.

1. The ‘one size fits all’ input blanket measurement approach fails to account for catchment type and regional/geographic variation.
2. The proposal would impose significant additional costs and changes on our community without necessarily leading to substantial freshwater benefits or other environmental gains.
3. The proposed requirements could undermine much of good environmental and freshwater work already underway and proving effective in the Taranaki region, such as the Riparian Management Programme.
4. The resulting impacts of the proposed changes are anticipated to include substantial land use changes - particularly in the South Taranaki District – which could compromise farm viability and have potential impacts on the broader food and fibre value chain, which includes high-value jobs in smaller towns. The impacts could Indirectly impact households, livelihoods and social wellbeing.
5. The scale of the proposed changes have the potential to cause significant resourcing issues for local authorities, including implications for systems and infrastructure, which must be considered.
6. The proposals could restrict the transitional economy work currently well underway in the Taranaki region, an outcome of which is the development of complementary food and fibre enterprises which could enhance the economic, social and environmental fabric of the region and contribute to a lower emissions economy.

BACKGROUND: The Taranaki context

Taranaki has unique geographic and climatic conditions, and an equally distinctive fresh water context. The Taranaki ring plain and coastal terraces are amongst the best agricultural land in New Zealand, offering fertile and free draining soils and reliable rainfall well suited to pastoral farming. The region has a long history of successful farming and food production. Dairy, sheep and beef farming are well established in Taranaki and the region has not seen the intensification experienced in other regions. Over 300 rivers and streams radiate from Mount Taranaki across the ring plain, and the region experiences good rainfall levels.

Taranaki is the nation’s natural protein focal point. The region’s specialty – the creation of natural protein, whether grass to glass, grass to plate or poultry to plate - comprises 90 percent of the region’s food production in employment and GDP terms. This is the highest level in New Zealand, the second highest on a per capita basis and third highest in employment terms for this group.

Dairy, sheep and beef farming, specialist agricultural services and extensive value-add food processing account for more than 10,000 jobs in the Taranaki region. Taranaki is home to 10 percent of New Zealand’s dairy land, 10 percent of the national dairy herd, and over 9 percent of our nation’s milk production. The region also supports sheep and beef farming in its inland hill country.
Globally significant food production facilities are domiciled in the region including four dairy processing plants whose economic contribution in the past year surpassed the combined total revenue generated by Kathmandu, DB Breweries and Auckland Airport. These facilities provide 1,700 jobs across a range of skill sets ranging from food processing to food technicians including the fleet of over 50 tanker drivers who collect milk from farms in Taranaki and neighbouring regions. Dairy exports from Taranaki farms go to 110 countries on 6 continents and value-add products produced in the region include butter and cheese as well as high-grade pharmaceutical lactose for use in products such as asthma inhalers.

Taranaki also operates as an important red meat processing hub, servicing both the region and the lower North Island. The region produces beef and value-add meat products such as the beef patties for major national and international fast food companies and specialist products for export, such as beef jerky, as well as a range of high-quality bio-extracts.

The food and beverage sector directly creates one in four jobs in Taranaki. Furthermore, new opportunities to leverage the region’s abundant raw materials and natural resources have been identified which could lead to even more farm and post-farmgate jobs.

A need for good quality water is integral to Taranaki’s economic and regional development foundations, and consequently to the region’s goals for social, economic and environmental wellbeing. Further, high quality water supply is central to the region’s just transition to a low emissions economy.

While the vision of Action for Healthy Waterways is positive, specific proposals and changes to freshwater legislation and management have raised some concerns for the Taranaki region. These are outlined below:

- **Farm viability**
  The nutrient and sediment limits as proposed in the document will likely lead to large scale farming changes and substantial disruption to the existing structure of farming and the community, especially in South Taranaki. A report commissioned by the Taranaki Regional Council has estimated there are approximately 1,000 farms in the southern ring plain and that an estimated three-quarters of the catchments will exceed the Dissolved Inorganic Nitrogen (DIN) limits proposed in the document. That analysis indicated that the potential costs to achieve the necessary reductions, if they can ever be achieved in real-world terms, could range from $50,000 to over $100,000 annually per farm, depending on farm specifics.

  The report found a potential overall mitigation cost for South Taranaki farms in the vicinity of $46m - $60m annually. The impacts on operating profit could lead to many farms becoming insolvent, with significant associated declines in land values, local economies, and community wellbeing. The potential benefits to water quality and the ecological health of our waterways to be achieved from such blanket and wholesale changes are neither automatic nor clearly evident, and do not appear to be based on scientific evidence.

- **Systems and infrastructure**
  The proposed changes to freshwater legislation and management could also have direct implications for local government-related public-good water and waste-water assets and

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systems. The timing of consultation has straddled the local body elections. This coupled with the condensed time frame for response and lack of detail behind the proposal, will limit an informed response. The proposed changes may necessitate investment which could impose additional costs on ratepayers.

• **Effective existing programmes, investments and goodwill**

The simplified blanket approach overrides the reality that regions, catchments and waterways are naturally variable, even in the absence of human activities, and that fresh water ecosystems are often complex environments with multiple drivers working in differing ways in different locations. This is especially relevant on the Taranaki ring plain, given the large geoclimatic effects of our Mounga, particularly in regard to precipitation and regular waterway flushing events.

For many years the Taranaki community has invested in localised and fit-for purpose environmental and fresh water infrastructure, systems, policies, and initiatives to maintain and enhance its water quality, which include both regulatory and non-regulatory initiatives. Long-standing state of the environment monitoring has demonstrated these are leading to the maintenance and continuing improvement and enhancement of the region’s fresh water quality.

The one-size fits all proposal would override such successful initiatives as those developed in Taranaki, including the internationally renowned riparian management programme where, since the 1990’s, landowners and farmers on the Taranaki ring plain and coastal terraces have voluntarily protected rivers, streams and wetlands, collectively planting over 5.6 million plants and erecting 13,000km of fencing.

Core to its uptake is the collaborative commitment between the Taranaki Regional Council and individual farmers to develop bespoke fencing and planting plans to ensure the most effective intervention for good fresh water and sustainable farm management, that is tailored to the specific catchment type, location and farming operation. This has fostered high levels of trust, acceptance, credibility and uptake and is leading to significant environmental gains.

The stock exclusion and set back distances proposed in the freshwater package for fencing of stock (from wetlands and waterways) would potentially require Taranaki farmers to tear out and reposition thousands of metres of fencing on each farm for no meaningful or measurable additional benefit.

The adoption of the fresh water proposal, particularly as a one blanket approach, would appear to add significantly to costs, not necessarily provide environmental gains, and likely result in the reversal of the goodwill and successful freshwater management outcomes that have been built in the Taranaki region over many years.

• **Value chain and socio-economics**

The resulting land use changes could impact both farming operations and the wider processing and value chain, with repercussions across rural communities. This has the potential to particularly effect smaller townships with a strong economic base in these industries, such as Eltham, Waitara and Kaponga, as well as key service centres such as Hawera and Stratford, due to potential reduction in milk and meat supply from farms (if farms are forced out of production or to scale back significantly).
The significant food processing plants in South Taranaki account for over 2,000 jobs and provide employment for a high proportion of Māori – 20 percent of total employment. These facilities offer economic and job stability, career progression, and upskilling, as well as supporting service industries, all of which are vital to the continued buoyancy of smaller rural communities. For example, 75 percent of all jobs in the small South Taranaki township of Eltham are in dairy and meat processing, as is over 20 percent of employment in Hawera, and 15 percent of all jobs in Waitara.

The region is currently experiencing above average unemployment, exacerbated in the number of young people Not in Training & Employment (NEET)\(^2\). The proposed changes have the potential to negatively impact job and career prospects in the region, further elevating this measure. Flow-on implications could potentially include falling populations and loss of scale for service providers in the region’s towns and households, and indirect implications to spending in local businesses and services as well as impacts on investor confidence.

The added stress and uncertainty generated by such proposals has the potential to adversely impact the collective mental health of Taranaki’s farming and rural communities, potentially elevating already high mental health risk factors that already exists in these communities which the Government is seeking to tackle through different channels.

**Future-focused initiatives and transition**

It is of concern that the Government’s Scientific and Technical Advisory Group, which provided advice on the proposed new limits, was specifically told not to take socio-economic considerations into account. This is particularly concerning given that, as stated above, the proposals potentially have strong socio-economic impacts, intended or otherwise.

Further, the Government has made a firm commitment to ensuring the Just Transition of the Taranaki region to a low-emissions economy, and a comprehensive, collaborative work programme - involving local government, industry, Māori, Venture Taranaki, and unions - is already underway which will deliver the regional development strategies and actions required to shift to a low-emissions economy.

Development of the region’s food and fibre value chain forms a critical component of this work, spanning both the regional development strategy - Tapuae Roa – and the Taranaki 2050 Roadmap. Investigations and potential investments in innovative, high value and complementary enterprises could create farm and post farm gate jobs, innovation, and value from the region’s abundant raw products.

These opportunities include the potential development of speciality crops and other enterprises, the success of which will require water and land use. There is concern that the proposals from Government could limit or restrict such innovations, which in turn, are important in enabling the Taranaki region to transition to a lower emissions future.

\(^2\) New Zealand = 11.1% verses Taranaki at 19.9% - YE June 2019
SUMMARY OF KEY POINTS

Venture Taranaki supports the vision and intent of the Essential Freshwater document, and supports manageable, scientific, well-paced and well-communicated changes to enhance the freshwater of both our region and our nation.

However, we are concerned that the blanket approach does not adequately take into consideration:

- Variances by catchment and region, and their geoclimatic impacts on environment and waterways
- Risks to effective existing multi-partner collaborative programmes
- Risks to current ongoing investments and community goodwill in relation to environmental protection
- Cost-benefit of change – including economic and social wellbeing impacts
- Future developments, value chain transitions and innovations.

Furthermore, there is no clear scientific evidence that the changes proposed will lead to the environmental benefits or gains sought.

WHAT WE ARE SEEKING

In order to ameliorate some of the concerns above, and to support the projects and potential of both the Taranaki 2050 Roadmap and the Tapuae Roa regional economic development strategy, Venture Taranaki submits that:

- MfE undertake a comprehensive re-think of the Essential Freshwater package’s regulatory bottom-lines for fresh water
- A responsible and pragmatic approach be adopted that acknowledges and addresses socio-economic factors and implications
- Flexibility and trust is required to build on the work already completed, based on localised situations and geographical variables
- Existing initiatives that are already working effectively, such as the Riparian Management Programme, are recognised, and a mechanism offered by which such initiatives are further incentivised, accelerated and adopted
- Flexibility and a real-world approach will enable the future development of innovations, new land uses, complementary industries and food production systems.

Venture Taranaki thanks MfE for the opportunity to comment on Action for healthy waterways: A discussion document on national direction for our essential freshwater.

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