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Ministry for the Environment
Electronic letter: consultation.freshwater@mfe.govt.nz

To Whom it May Concern

ŌPŌTIKI DISTRICT COUNCIL, ACTION FOR HEALTHY WATERWAYS SUBMISSION

Thank you for the opportunity to provide comment on the documents associated with the Essential Freshwater consultation. We appreciate your agreement to extend the deadline to allow our submission to be considered.

Council broadly supports the Bay of Plenty Region Joint Submission, however, Ōpōtiki District Council also wishes to provide a separate submission on points of interest to this district. In preparing this submission, Council has liaised with Lyn Riesterer, Ōpōtiki District Council Mayor but has not had time to work with the other newly-elected councillors.

We provide some background information relating to the Ōpōtiki district before providing some comments on the Essential Freshwater Package.

Background
The district of Ōpōtiki is located in the Bay of Plenty region on the north-east end of the North Island of New Zealand. It is made up of an area of 3,105 square kilometres, accounting for around 25% of the total land mass of the Bay of Plenty region. It is the second biggest district in the region, second only to Whakatane (4,442 square kilometres).

According to 2018 Census data, the population of Ōpōtiki stands at 9,276 people. The Ōpōtiki district accounts for just 3% of the total population of the Bay of Plenty region.

The population of the Ōpōtiki district is mostly rural, with just 46% of the population living in urban areas, the lowest of any district in the region and compares against a regional wide average of 84% of the population living in urban areas.

Geographically, much of the region, with the exception of urban coastal areas and farmland, is covered by native and exotic forest. The nearest major town to Ōpōtiki is Whakatane, around half an hour’s drive west.

The Ōpōtiki district has among the highest levels of deprivation in New Zealand, it features at the wrong end of many statistics – unemployment, median household income, benefit numbers, rate of home ownership, health etc. Of all ratepayers in New Zealand, the Ōpōtiki District has the lowest ability to pay.
Comments on Essential Freshwater Package

Whilst there are a number of elements of the package that are supported (as set out in the Bay of Plenty Region Joint Submission), our Council would like to raise specific concerns about the lack of details around changes proposed in respect of three waters. Additionally, we are concerned about the costs of implementing the proposals, and question whether these have been properly understood and documented. We also wish to raise issues of conflicting national policy agendas.

Three waters - Absence of details

In respect of the proposals in relation to three waters, there is very little to comment on. Whilst we support good practice and are working toward achieving improvements across the board, until we know the timing and detail of what is being asked to be achieved, we cannot tell if the proposals are achievable or affordable.

That said, the intention of some of the provisions relating to stormwater in particular, cause us significant concern. Whilst we regularly apply regulation and mitigation to avoid stormwater flooding of buildings, avoiding flooding of property is much more difficult. In the Ōpōtiki township, the ground water levels, soil type and altitude mean that avoiding stormwater flooding of property, is much more difficult here than elsewhere. Requirements around the monitoring of stormwater discharges is also concerning, as in some places, it is impossible to measure due to the volume of water involved, nor is it possible to pinpoint one particular activity as being solely responsible for any change in water quality due to levels of dilution. In our experience, a case by case assessment is necessary in order to determine the practicalities of monitoring requirements. A one size fits all national standard is unlikely to provide for the nuances that exist in each and every situation.

Cost of implementing the proposals

In order to implement the proposals, there will be increased costs to our council, increased costs to the regional council and increased costs to water users. All of these costs are passed on to ratepayers and we are concerned about the effect of these costs on the economy of our district and our district's ability to do business in future. The cumulative impact of the proposals on small rural districts requires analysis in relation to compliance, opportunity and direct costs.

Whilst much of the responsibility for implementing the proposals will fall to the Regional Council, we know that ratepayers in our district struggle to manage the costs of doing business, including the costs associated with complying with regional council requirements. The Bay of Plenty Regional Council applies a strict user pays policy when determining rates and fees and charges, which gives little consideration to ability to pay. We also know that the cost of doing business in our district is relatively higher than the cost of doing business elsewhere. Much of our district, particularly areas up the East Coast, are small, relatively isolated populations with higher transportation costs, and less people available to undertake work. This results in less competition and higher costs, increasing the overall cost of doing business.

By way of example, it is expected that proposed additional monitoring of stormwater discharge overflows is likely to generate a workload equivalent to one additional full time staff member. One additional staff member in this district represents a 1-1.5% rate rise (approximately). Furthermore, it is estimated that the cost of amending our district plan in response to the proposals would cost approximately $500k - 7% of our annual rate take.

We are concerned that the cost implications of the proposals have not been comprehensively considered, nor have the effects on different locations and communities been properly measured. The regulatory impact statement provided with the package is not comprehensive and does not take account of cumulative impacts of the proposals. We are also concerned that assumptions are made
around cost that do not take into account the unique characteristics of our small rural districts such as ours. Like costs, benefits also need to be assessed at the local level. Much of our district is undeveloped due to it being within the conservation estate or within Māori ownership. The costs and benefits associated with the proposals in these areas, will be different to the costs and benefits in other parts of New Zealand, especially developed areas. Until the full implications of the proposals are understood, it is impossible to conclude that the environmental benefits would justify those costs.

We have also seen many examples in the past of Government imposing new levels of regulation without fully considering the implications for delivery or providing sufficient levels of funding to support the regulation. This was highlighted recently in the Productivity Commission’s Draft Report on Local Government Funding and Financing (see Section 4.3). The speed at which this package has moved thorough the public consultation phase, and lack of involvement of local government in its drafting (particularly at the district council level), once again demonstrates a lack of understanding by central government about the effects of national regulation.

Conflicting national direction

The Government has established a Provincial Growth Fund to accelerate the development of New Zealand’s regions, with emphasis on areas of historical challenge. The Government has indicated that the Eastern Bay of Plenty is among its highest priorities and one of the identified areas for investment in economic growth is ‘high value horticulture, focused around deprived communities from Waiau Bay to Te Kaha’1. Horticulture development and associated projects are reliant on irrigation. The opportunity to realise the productive capacity of this highly productive land has not been realised in the past due to constraints on the use of Maori land.

The Government needs to be mindful that introducing additional restrictions on irrigation will have an impact on the ability of iwi to develop horticulture along the East Coast. This in turn will have a negative impact on the economic and social prospects for the Ōpōtiki District. The water quality effects of converting land from one very low intensity land use to another low intensity land use will be negligible at a broader scale. As such, the draft provisions, create unnecessary barriers to development that could be seen as contrary to the Government’s economic development objectives for regional New Zealand.

Conclusions

Given the significant repercussions of this package, we would request that any decisions be delayed to allow full and proper consultation to be carried out with local government (particular district councils) and more detailed consideration to be given to the economic impacts of the proposals in all areas.

Yours faithfully

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CHIEF EXECUTIVE OFFICER

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