AUCKLAND BUSINESS CHAMBER SUBMISSION ON THE NATIONAL DIRECTION FOR FRESHWATER DISCUSSION DOCUMENT

INTRODUCTION

1. The Auckland Business Chamber appreciates the opportunity to make a submission on the Government’s discussion document on national direction for freshwater.

2. Address for service:
   - To Chamber Chief Executive, Executive Assistant at Email: Personal details removed

3. The Auckland Business Chamber has a significant corporate membership, including many small-medium businesses that expect their views to be forcefully represented in this Submission.

4. The Chamber is dedicated to the strengthening of Auckland's status as New Zealand's pre-eminent commercial, industrial and communications region and to assisting its development as a desirable environment for its 1.7 million citizens. To this end, the Chamber has sought to establish a partnership relationship with central and local government organisations to help achieve shared delivery of these objectives for Auckland.

CONTEXT

5. The Chamber notes that the Government has proposed extensive changes to rules and regulations for freshwater management in New Zealand.

6. The “Essential Freshwater” discussion document states that freshwater quality has deteriorated seriously over recent decades. Government has known about this since 2004 but the problems are not yet under control and urgent action is needed.

7. Government wants water quality materially improving within five years, and to restore them to a healthy state within a generation. Government proposes:
   - To reduce the amount of pollution (nitrogen, phosphorus, sediment, E.coli and other contaminants) entering the waterways of cities and farmers;
   - New requirements to make “real change” as quickly as possible but which must be “practical and enduring” – they need to be science-based, predictable, understood by the public, and underpinned by effective regulation and enforcement.

8. A message from Ministers acknowledges that many farmers have already started addressing the degradation of New Zealand's rivers – “This good work will be built on, with a focus first on catchments where the risk of further damage is greatest”.¹

¹ See “Action for healthy waterways,” discussion document, page 5.
9. We believe this improvement in freshwater quality by farmers and growers is reflected in the recently released MfE Environment Aotearoa 2019 report that five out of eight water quality attributes showed a majority of improving trends from 2008 to 2017.

10. Despite these positive trends, however, the Government is nonetheless requiring farmers to make dramatic changes to their operations.

11. Under the ‘Essential Freshwater’ programme, these changes include:
   - An amended National Policy Statement on Freshwater Management (Draft NPS – FM);
   - The creation of a new National Environment Standard (NES) for freshwater;
   - A new regulation requiring stock exclusion from water bodies; and
   - Increased compliance costs.

12. The changes also include improving how freshwater is managed in urban environments, including measures to protect streams from land reclamation, and the Three Waters Review of drinking water, wastewater and stormwater services – to ensure drinking water is adequately protected and safe to use, and wastewater and stormwater are managed in environmentally sustainable ways.

13. The Chamber agrees that more work is required to halt a decline in water quality and/or to restore waterways to a healthy state within a generation, but believes the process needs to be improved, especially to recognise and encourage the work of communities (regional councils and farmers) that have already set improved limits and targets.

KEY SUBMISSION POINTS

14. Our first concern relates to the publication of new ‘draft’ National Policy Statement (NPS), National Environment Standard (NES) and stock exclusion regulations on the Ministry for the Environment website, independently of the “Essential Freshwater” discussion document.

15. Both the regulations and discussion document give the impression that farming faces wholesale change, and which will result in a significant reduction in livestock numbers or a shift to forestry and/or higher costs.

16. For example, the new proposed NPS for Freshwater Management is proposing strict new limits for nitrogen and phosphorus across New Zealand. As stated in the regulation, to meet these will require a 27% reduction of Nitrogen losses in the average catchment, while some parts of New Zealand will be faced with reductions of over 80%.

17. A concern is that that standards have been set before and independently of the opportunity to provide feedback on the discussion document.

18. Some regions already have strict and complex requirements about water, set under the NPS (2011) and affirmed over a number of years through RMA hearings involving submissions, including assessments of social and economic implications.

19. Will these communities have to relive a time-consuming and costly process? With changes proposed to the RMA, there is concern that previously consented farming will no longer comply?
20. We are also particularly concerned about the proposed 'interim controls' that effectively prohibit profitable land use change for at least the next five years.

21. Farmers will be restricted under these interim controls until their regional council has put a plan in place (see below). While the controls are in force farmers will have no ability to adapt to changing market demands or diversify their farming system.

22. On the other hand, some of the new regulatory changes will have to be implemented immediately or by 2025, meaning some farmers will have to implement changes to their systems much more rapidly than they might otherwise be planning for.

Current and future challenges to water supplies and wastewater treatment – the need for a “holistic, water cycle” approach

23. Two key challenges for water and wastewater service providers are the potential impacts of climate change and population growth. These are having significant impacts on Watercare’s operations within the Auckland region.

24. These challenges are not appropriately recognised within the Draft NPS-FM. Climate change is only mentioned in the context of setting target attribute states (clause 3.9). There is nothing in the objective and policies directing regional authorities to plan for the impacts of climate change and population growth in managing freshwater resources.

25. The Government should encourage, and enable water and wastewater service providers should be encouraged to adopt a whole “holistic, water-cycle approach” for their infrastructure planning. This would facilitate development of innovative solutions in response to the increasing pressures of climate change and population growth.

Application of Draft NPS-FM to drinking water supply reservoirs and wastewater treatment ponds

26. Drinking water supply reservoirs and wastewater treatment ponds impound water behind an artificial structure, creating an artificial waterbody. The draft NPS-FM appears to apply to these waterbodies, because of the broad definitions used for “freshwater”, "water", "waterbody and "lake". This appears to be unintended?

27. We are advised that the water quality within water supply reservoirs can deteriorate as result of two naturally occurring processes – the trapping of sediments and nutrients and thermal stratification. This can occur even with receiving catchments of high-quality native bush, therefore management options are severely limited. Therefore, should the draft NPS-FM apply to drinking water supply reservoirs and wastewater treatment ponds?

Proposal to develop a NES for Wastewater

28. An NES for Wastewater Discharges and Overflows is proposed to provide standardised minimum requirements for wastewater discharges and overflows. While the principle of “standardisation” can be supported in principle – its wholesale application needs to be treated with caution.
29. The minimum standards in the NES will need to be carefully developed to ensure they are appropriate and fit for purpose. A “one size fits all” approach to minimum requirements is therefore unlikely to be appropriate. In relation to wastewater networks, applying standardised requirements that apply across wastewater networks as a whole (rather than to individual discharge and engineered overflow points only) may be beneficial. These could include standards for frequency of overflows on a network-basis, and technical standards for network-wide sampling, monitoring and reporting to improve the consistency and quality of data available.

Proposals to amend the NES for Sources of Human Drinking Water

30. The obligations on regional and territorial authorities for managing risks to source waters are proposed to be strengthened through amendments to the NES for Drinking Water.

31. Many would support the approach of providing direction in the NES on setting “water source risk management areas”, to spatially define the areas of land to which the NES would apply. However, the ability to apply a “bespoke” approach must also be enabled, where the water supplier has sufficient data to show the default water source risk management areas are not appropriate.

Other more “technical” points

32. As noted above, the water reforms proposed are complex and technical, requiring specialist review.

33. For example, we question the proposal to mandate telemetry as to measuring water use every 15 minutes and transmitting this – starting with consents of 20 litres per second or more. What benefit would this bring?

Role of regional councils – key to success?

34. This complex proposal is tasking regional councils with an entirely new regulatory system to implement and manage, undermining the regional planning processes which are underway in most regions.

35. The considerable implementation and compliance costs will be met by the ratepayer or direct compliance costs to farmers.

36. While the Chamber agrees that further improvements are needed, we are concerned that the proposals as set out fail to capture the goodwill, efforts and investment of the farming community and some regional councils to make the best progress.

37. Although the first NPS for Freshwater Management was begun in 2011, it has not been properly implemented by regional councils – some have been inconsistent, others slow while some have strict and complex regulations about water.

38. As stated in the discussion document, Government propose introducing a new freshwater planning process that will require councils to have new plans in place no later than 2025.

39. What will be different? According to the discussion document, it will be “better, faster, more nationally-consistent freshwater plans and implementation.” (See discussion document, p.11)
40. We say that to get a different result will require all regional councils to lift their game – be better resourced, business-like, professional and outcome-focused.

41. The Chamber supports appointment of an independent national body to provide oversight of freshwater management implementation; to encourage councils and keep them focused on the task. (See discussion document, p.19)

**Mixed messaging – won’t help?**

42. Despite the considerable information in the discussion document on benefits and costs (see section 10.2, pps 86-89), a question asked on the topic at a stakeholder meeting drew the response that essentially ‘this is a consultation process, we haven’t done the cost/benefit analysis – you tell us how it will affect you in a submission’.

43. This response highlights one of the biggest concerns around this consultation process to date - the inconsistencies appearing between what is being said (by the Ministers and MfE officials), what is in the discussion document and what is in the draft regulations and rules.

44. Our read of the discussion document and advice is that the collective Essential Freshwater package of reforms will affect all agricultural sectors, both directly and indirectly, and has implications for businesses in service towns and communities.

45. This process is not consultation as normal. MfE have done a road show, we get one chance to submit on the complex regulations and then a handpicked panel will advise MfE and the Minister what they think. There are no hearings, there is no opportunity to look at any amended documents. The next time we see these documents after our submissions they will be regulations that are in force.

46. The proposals will place a considerable cost burden on both farmer communities and regional councils, without clear evidence of countervailing benefits. The new NPS and NES requirements introduce a range of new planning, policy, consenting and auditing requirements – meaning regional councils will have to become fully informed of the rules and farmers will have to get costly consents for many existing activities.

47. These costs will inevitably lead to both an increase in rates and additional direct costs to landowners, particularly given intentions to allow for councils to charge fees for the monitoring of permitted activities.

48. A number of the proposed regulations appear to have extremely costly or impractical requirements, particularly the implementation timeframes. The proposed timeframes do not provide a reasonable period for the significant capital and operating investment required.

**CONCLUDING COMMENTS**

49. The Government is implementing policies to combat climate change, protect biodiversity, provide for sustainable urban development while protecting productive land for food growing, plant the right trees in the right places, and reduce waste. There is a lot happening, and a lot to consider.
50. We note that Government has committed substantial funding for support programmes for farmers, regional councils and their communities to upskill in respect of what is required in delivery of the proposed Freshwater NES.

51. Our suggestions to the discussion document on national direction for our essential freshwater are put forward in the positive spirit of continuous improvement to our freshwater. We look forward to their inclusion in the finalised document and regulations.

Personal details

Chief Executive

9 October 2019