

Summary of NPS Freshwater

To: All Shareholders

From: Eva Harris, Environmental Manager

Date: October 14, 2019

Re: Summary of NPS Freshwater

Summary

The Government has recently released a number of documents for consultation related to improving water quality in New Zealand.

These include:

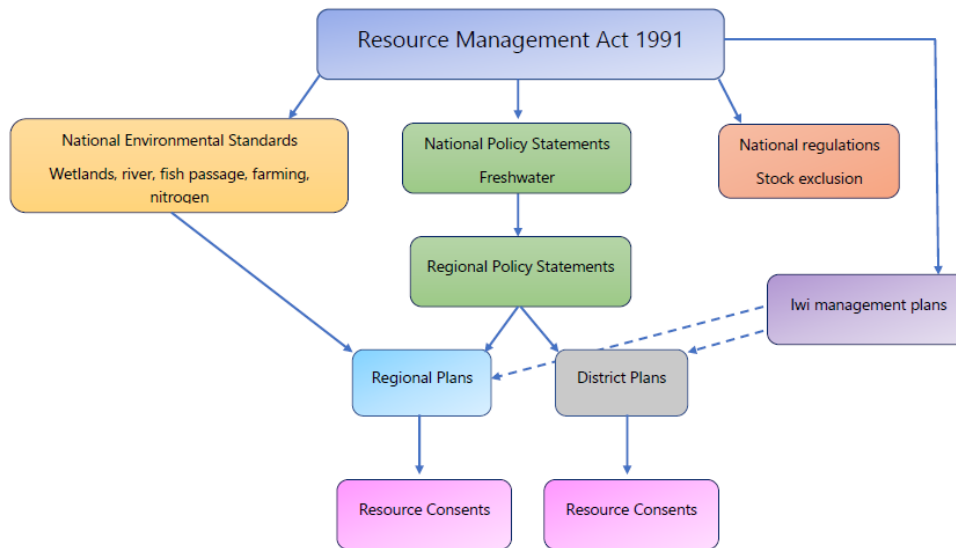
- National Policy Statement (NPS) for Freshwater
- National Environmental Standards (Intensification, wetlands, fish passage)
- National Environmental Regulations (Stock Exclusion)
- Proposed amendments to the Resource Management Act

The Ministry of the Environment are currently consulting on these proposals, with submissions due by **31st October 2019**.

If you would like to know more about what these changes mean for you, please review the summary below and/or contact me on 027 550 0129 or eva@irrigo.co.nz.

In a Nutshell

The Government has proposed a number of changes to improve ecosystem health and swimability of our waterways. Some of the changes are through the NPS, which will filter into regional plans and rules. Other are proposed through a National Environmental Standard or Regulation, which override existing rules and consents and take immediate effect (see hierarchy of planning docs below).



The proposed freshwater reforms mostly roll out what we do here in Canterbury already, including:

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| <ul style="list-style-type: none"> ✓ FEPs ✓ Implementation of Good Management Practice ✓ FEP Audits ✓ Limits on intensification ✓ Stock Exclusion ✓ Controls of feedlots and stock holding areas | <ul style="list-style-type: none"> ✓ Protection of Wetlands ✓ Enhancement of fish passage ✓ Water quality bottom lines, including new limits for sediment, <i>E.coli</i> and phosphorus ✓ New controls for stormwater and wastewater overflow ✓ Adaptive management approach |
|--|---|

We support these provisions and it's important we let them know what works well.

Other things they are proposing to include are:

- ✗ 1ppm DIN water quality bottom line
- ✗ 5m average setback for fencing of waterways
- ✗ Consents for intensification in Canterbury

We have some concerns about these provisions and have summarised what these might mean for you below. We are particularly concerned about the lack of economic analysis on the impact of the 1ppm DIN limit in mid-Canterbury.

How can I make a submission?

The Ministry of the Environment are currently consulting on these proposals, with submissions due by **31st October 2019**.

You can email a written submission to: consultation.freshwater@mfe.govt.nz or you can use the MfE online portal available here:

<https://submissions.mfe.govt.nz/consultations/essential-freshwater-f483240c-4b48-4713-aaaa-539915e31f4e/make-a-submission>

DairyNZ and IrrigationNZ have prepared submission templates you can use. I strongly recommend you submit on these provisions using these templates, with an emphasis on that these proposals mean for you and your business. Alternatively, you can let us know what you think and we can include your feedback in our own submissions.

DairyNZ's information is available here:


<https://www.dairynz.co.nz/environment/in-your-region/essential-freshwater-package/>


IrrigationNZ's submission template is available here:

https://www.irrigationnz.co.nz/News/Advocacy/Attachment?Action=Download&Attachment_id=599



There are also a large number of summary and technical documents which support this proposal - you can view them all here: <https://www.mfe.govt.nz/consultation/action-for-healthy-waterways>.

Key Proposals – Things which will affect you

Provision	What it Means	Good, Bad or Ugly?	Who is Affected	Our Opinion	Proposed Alternative
<p>1ppm DIN target</p>	<p>Dissolved Inorganic Nitrogen (DIN) measures nitrogen in surface water from all sources (nitrate, nitrite and ammonia). DIN is a useful measure for surface water as it looks at the total amount of nitrogen available to pest plants in waterways.</p> <p>The government are proposing a new national bottom line of 1 ppm, which is a reduction from the current limit of 6.9 ppm for nitrate and aimed to improve ecosystem health.</p> <p>Regional councils will need to review their regional plans to include this as a target and set the timeframes to achieve it.</p>	<p>Good</p> <ul style="list-style-type: none"> • Rakaia, Ashburton and Rangitata rivers already meet targets • Should have minimal direct impact for AFIC, BCI (North), and Greenstreet • ECan can set timeframes • Likely long timeframes to adjust in the most impacted areas. <p>Bad</p> <ul style="list-style-type: none"> • Expect indirect impacts on community from reduced spending power in Hinds Plains and Rangitata South • Expect limits to be reviewed for groundwater in time • RSIL springs currently ~ 5-7ppm DIN • RSIL - expect further nitrogen reductions beyond PC7 <p>Ugly</p> <ul style="list-style-type: none"> • Hinds River and drains currently ~ 10-15 ppm DIN • Groundwater fed springs = entire catchment needs to reduce N losses • 80% reductions in DIN beyond 2035 targets • Farm systems will ultimately need to convert to low N-loss systems, e.g. forestry 	 <p>Hinds Plains</p> <p>Rangitata South</p> <p>Rest of Mid-Canterbury</p>	<p>✓ DIN as an attribute to measure surface water quality</p> <p>✓ Only applies to <u>surface</u> water</p> <p>✗ Setting a standardised limit of 1 ppm DIN for every waterway</p>	<p>Option 1: Exception Accept 1 DIN, with a higher limit for waterways which meet certain criteria. This could be included in the NPS as a list of criteria or specifying the waterways which meet the exception.</p> <p>Option 2: Classification Set DIN limit based on type of waterway system E.g. alpine rivers have a lower DIN limit than highly modified drains</p>

Provision	What it Means	Good, Bad or Ugly?	Who is Affected	Our Opinion	Proposed Alternative
5m stream setback	The NPS has proposed an average 5m setback, with 1 m minimum both sides of an Accord ¹ waterway by 2021 for higher risk land and activities and 2023 for other land uses and lower risk land.	<p>Good</p> <ul style="list-style-type: none"> • Stock exclusion and riparian planting is very effective at reducing contamination to surface water • If riparian areas planted with natives, there will be significant benefits to biodiversity • Focus on “stock exclusion” i.e. not just fencing • Smaller waterways managed through FEPs • Most shareholders not impacted by these rules <p>Bad</p> <ul style="list-style-type: none"> • Ultimately applies to all properties with cattle, irrespective of risk <p>Ugly</p> <ul style="list-style-type: none"> • Existing fencing will need to be moved by 2035, if not enough buffer • Effectively retires an average 10 m of land for the entire length of a waterway 	 <p>Extensive sheep and beef</p> <p>Existing fence, less than 5 m</p> <p>Unfenced waterways, with cattle grazing</p> <p>Stock water races, irrigation races</p>	<p>✓ Support stock exclusion</p> <p>✓ Support property average setback</p> <p>✗ Standardised setback distance, irrespective of risk</p> <p>✗ Moving existing fencing, when it is already sufficient</p>	<p>We propose:</p> <ul style="list-style-type: none"> - An average of 5m is replaced with “sufficient” set-back, determined by the risk profile of a property (e.g. slope, soil type, land use, rainfall intensity, run-off potential etc) - Properties with existing fencing with at least 1m average setback not required to move fence until they are due for replacement.

¹ Accord waterway = greater than 1m wide and deeper than your redbands

Provision	What it Means	Good, Bad or Ugly?	Who is Affected	Our Opinion	Proposed Alternative
Intensification Limits	<p>The Government has proposed “hold the line” rules which immediately prevent intensification of land, unless it can be demonstrated there will be no increase in pollution from the property. It will mean you may need a resource consent to:</p> <ul style="list-style-type: none"> - Increase irrigation, arable or hort production by 10 ha or more - Convert to dairy - Increase area of winter grazing <p>These rules will only apply until a regional council has implemented a plan to align with the NPS.</p>	<p>Good</p> <ul style="list-style-type: none"> • Canterbury already has rules which control these activities • Schemes with consents already have limits on these activities <p>Bad</p> <ul style="list-style-type: none"> • Unclear if scheme discharge consents cover these rules or if shareholders need additional consents <p>Ugly</p> <ul style="list-style-type: none"> • Not much ugly here 	 <p>?? Not clear if applicable</p>	<p>✓ Support temporary provisions to control intensification where are none</p> <p>✗ Not clear if these rules apply in Canterbury</p>	<p>We propose these rules are amended to exclude Canterbury as we already operate under rules which control these activities.</p>
Farm Plans and Audits	<p>Proposal for all farms to have a Farm Environment Plan by 2025, which are then regularly audited.</p>	<p>Good</p> <ul style="list-style-type: none"> • FEPs are good practice and proven to improve water quality when implemented • FEP content same as already required in Canterbury <p>Bad</p> <ul style="list-style-type: none"> • Proposed FEPs only prepared by “Certified FEP Planner” • Lots of FEPs and audits, but not many people to do it = increase costs <p>Ugly</p> <ul style="list-style-type: none"> • Not much ugly here either 	 <p>Schemes</p> <p>Individuals</p>	<p>✓ Support standardised FEPs and audits</p> <p>✗ Need longer lead in time to build capacity in the industry</p>	<p>We support this approach, but are concerned about the availability of suitably qualified people to roll this out.</p> <p>We propose the timeframes for FEPs are extended to 2030, with shorter timeframes for higher risk catchments and that FEPs can be completed by Farmers themselves or people who are not certified.</p>

Other Proposals – Things that may affect you

Proposal	What it Means	Who Is Affected	Support/Oppose
Controls on Winter Grazing	Document proposes either nationally-set standards (which are complicated and will be difficult to implement), or industry-set standards, e.g. limits on pugging depth, setback requirements from waterways	Winter grazers, particularly on heavier soils or whom have waterways	Support – proposal follows Good Management Practice expected in Canterbury
Controls for Feedlots, feedpads and other stock holding areas	Proposed feedlot, feedpads and other stock holding areas need consent where animals are held for more than 30 days a year. Not much of an issue in Canterbury as consent is often required anyway.	Anyone with a stockyard or feedpad, which doesn't discharge into effluent system.	Support
National requirements for fish passage	Will affect development and management of weirs, culverts, and tide flap gates to enable fish migration (trout, salmon, and migratory native species such as whitebait species). These provisions are likely to be similar to what is already required in Canterbury.	Anyone with waterways on their property	Support
Ensure no further loss of wetlands	Regional councils must identify all existing natural inland wetlands, monitor and protect them, and enable restoration. Restrictions to be placed on activities affecting other inland and coastal wetlands – drainage, damming, diversion, water takes, reclamation, bed disturbance, clearance of indigenous vegetation. These provisions are likely to be similar to what is already required in Canterbury.	Anyone with identified wetlands on their property	Support
Ensure no further loss of streams	Offsetting to be an absolute last resort if all potential possibilities to avoid, remedy, or mitigate adverse effects have been ruled out. Will apply to water takes, reclamation, and piping.	Anyone with waterways on their property	Support
New sediment, DRP and E.coli targets	New limits aim to improve ecosystem health and are generally appropriate. The DRP limits will be challenging to meet in some catchments, but not in Mid-Canterbury.	Unlikely to be an issue for Mid-Canterbury	Support DairyNZ's approach
Telemetry of water takes to be mandatory	Currently only need water meter, not telemetry.	Mostly not an issue, except; - Poor reception - Complex consents (e.g. schemes)	Support in Part – propose exceptions are allowed on a case by case basis where telemetry is impractical