

Freshwater Leaders Group meeting 19 November 2018

Front & Center Conference Rooms 9.30 – 5 pm

Attendees: John Penno (Chair), Mandy Bell, Stephanie Howard, Gary Taylor, Tom Lambie, Dr Hugh Logan, Graeme Gleeson, Marnie Prickett, Dr Marc Schallenberg, Alison Dewes, Allen Lim, Lees Seymour

Apologies from Traci Houpapa, Bryce Johnson, Nicola Shadbolt and Corina Jordan

Welcome and introduction

Discussion of meeting minutes from previous meeting.

1. Some Group members expressed concern that some matters discussed in the meeting on 23 October were not recorded in full due to the minutes drafting style. Others felt that a collated version does not record different viewpoints adequately. The Group discussed how best to record differences of opinion in the minutes and whether full (verbatim minutes) should be prepared. This option was not supported.
2. It is important that, where consensus is not reached, different views should be recorded accurately because Kahui Wai Maori (KWM) and the Science Technical Advisory Group (STAG) will rely on these minutes to guide their work. The chair noted that while minutes need to be checked for accuracy, correcting minutes is not an opportunity to re-litigate points.

Matters arising: The use of economic analysis

3. The chair reported on a conversation with Minister Parker about the use of economic analysis of options by the Group. This led to further discussion of the issue. Key reported points from the Minister were that:
 - there was limited benefit in using economics to further test the decision to take immediate action to stop further decline in fresh water quality, and then take longer term action to see water quality improve to target levels over time. This was a political decision that had been made.
 - FLG should be open to considering economic analysis when considering options to ensure that changes are made in an efficient way. STAG should not constrain its work with economic analysis
 - the Minister identified previous work that he thought was useful case studies in considering some of the issues in front of the FLG.
 - final recommendations to Ministers will be accompanied by an impact statement prepared by officials that will consider economic outcomes of decisions and therefore we should be considering these as part of our deliberations.
4. The Group discussed the role of economic studies, noting that these are sometimes done by singular interests with points to prove; however, it may be useful from time to time to commission studies that take a full and independent view of the costs and benefits of options. Some members raised concerns that economic analysis should not be used to override environmental considerations stating this can happen when environmental benefits are not well understood and more easily quantifiable benefits such as financial costs are used.
5. The Group agreed that where possible, economic analysis must take a full system approach valuing where possible environmental services, and the costs of fresh water degradation over time rather than focusing only on the costs to an industry, group of businesses, or

individual. Economic analysis would be used on a case by case basis and that as we proceed, we would further discuss the issue as part of considering information we were presented with, or as part of commissioning any work we may need done.

- **Action** MfE to put previous economic studies on the portal

How have freshwater issues arisen?

6. The Group discussed past behaviours, policy decisions, and institutional arrangements that have resulted in the current poor state of freshwater. It agreed it would be useful to know what features of the current system, policies and interventions have worked (or not) and reasons for this. Group members suggested some useful documents to read that may provide a good background.¹ There was a brief discussion about whether someone could complete a summary of reports like this. The reports will be put on the portal and if a summary is required MfE will look at providing it.
 7. The Group noted that it might be worth asking KWM why the system has failed and what can be done to improve it.
- **Action** Ministry for the Environment to post reports on the portal (see footnote)

Update from Primary Sector Council

8. Stephanie provide a brief update on the Primary Sector Council. The council has a general and ambitious work programme that includes looking at climate change and biophysical limits, changing markets, and technological challenges around the development of 'clean protein.' The Primary Sector Council will be focusing on:
 - a. National capacity and education
 - b. Value add – moving production from volume to value
 - c. Taiao – delivering framework for sustainable land use change.
9. A recent [report](#) stated that Europe should reduce emissions by 74%, livestock by 50% and N use by 60% to protect the environment and meet greenhouse gas limits. The vision for New Zealand's food and fibre sectors is to make reductions now and Lincoln University is doing systems analysis to identify where NZ needs to go and how to get there.

At Risk Catchments presentation

MfE staff members: Annabelle Ellis, Jo Armstrong, Oscar Montes and Jo Burton.

10. MfE staff gave a presentation on the At Risk Catchment (ARC) project. The presentation noted that:
 - a. MfE is focussing on the ARC project to gain an understanding of what is and what isn't working to protect and improve water quality. The project is working to identify approximately ten At Risk Catchments to identify a few quick wins while demonstrating techniques that can be scaled up and extended across the country.
 - b. Funding is limited so there are a limited number of catchments that can be worked on in the first tranche. It is intended that work will be done at a community/hapu level.

- ¹ MfE Catchment management report from 2010
- EDS Report looking at capture of public institutions
- Simon Upton's speech at the recent river awards
- LAWF Reports
- MfE report on councils performance
- MfE freshwater domain report
- Peter Gluckman's April 2017 report
- PCE Reports on water quality

- c. The project will provide information for targeting national regulation, such as a National Environmental Standard, and investment such as the Billion Trees programme.
11. There was concern from some members that the ARC project would be a drain on Central Government resources when MfE should be focusing on national regulation through a NES or NPS. The view was expressed that the programme should target catchments where action to date has failed and central government intervention is needed. LAWf report recommended this approach.
12. There was general support for the ARC Project as a transitional approach to look at where national regulation is required to 'hold the line', and to partner with communities in specific catchments and achieve early success that would demonstrate to other catchments what change is possible. The ARC Project is also an opportunity to develop a new culture around water with how regional and central government and communities work together, providing consistent messages and not overselling what is actually achievable (especially where water has significantly degraded).
13. There was a discussion on whether the first tranche of catchments are the right catchments to focus on. The Minister wants to see change within five years but if a bottom up approach starting with communities isn't taken then stakeholders may not get on board. The general feeling was that if the Minister wants quick wins he needs to start with catchments where people are keen and willing. The Group noted that where communities are keen, the regional council should be working with them already. There is a risk that the project could spend too long identifying the correct catchments rather than getting on with it and getting stuck in.
14. There was some concern among Group members that councils are involved in deciding which catchments are at-risk as councils could be contributing to issues in some regions and may not willingly self-identify or acknowledge their role in creating harm. It is important to identify which issues have been caused by system failures and which ones are decision making failures. If people already agree on the causes then MfE's effort may be wasted. That some problems could be fixed nationally with the proposed NES means taking an individual catchment focus risks doing the assessment work twice.
15. It was noted that rural areas and water are constantly discussed however urban waterways are significantly degraded and have significant pressures from tourism and housing. The Group asked how these could be incorporated into the project. For example new partnerships with central, regional government and communities working together.
16. Members noted that Central Government could provide stronger direction to councils in the use of farm plans and consents for intensification. Some Group members noted that there were quick successes possible through helping develop and deliver farm assurance programmes similar to the one that ECan operates. It would also be good to give these programmes more teeth in terms of compliance monitoring.
17. The Group wanted to know what funding was available as that would change their consideration of what was an at risk catchment. More funding would allow larger interventions. They also wanted it to be clear why each catchment was nominated and by whom.
18. There was support for compiling approaches due to pressures on resources, also request when finalising catchments to focus on catchments where central government involvement is required and to work with local government. This must sit alongside other work which needs to be done at the same time. The project is a combination of doing the difficult things that require central government intervention while working with the willing for fast results.

19. The Group noted that the important message is: At risk catchments are important but they are not the only ones where work needs to be done.
 20. The Group supported the intent of the ARC project but questioned what was actually up for discussion by the Group. Is the Group's role just to assist with steering the project or are they able to change whole approach?
 21. The Group agreed that the At Risk Catchment work and an NES was the right approach, but that the project needed more funding. The Group support writing to the Minister recommending an increase in funding for the project. It was noted that the project needs to link with other work such as biosecurity, pest control and climate change in order to ensure an effective coordinated approach.
- **Actions:**
 - I. The ARC team to present an update at the next meeting
 - II. The Group to write to the Minister requesting more support for the ARC and other Freshwater Taskforce projects.

Improving management practices for rural land

Presentation from MfE staff John Doorbar, Gerrard Willis, Jennie McMurrin, Irene Parminter

MfE staff gave a presentation on a programme of work to improve management practices for rural land. The programme includes work on: stock exclusion, intensification, winter grazing, risky activities and farm plans/good management practice. The presenters noted that specific GMPs are unlikely to be regulated by MfE, as MfE is looking at farm plans for inclusion in regulation and requiring a continual improvement process.

22. The Group gave feedback that for the approach to work there needs to be:
 - strong compliance (auditing) and enforcement system behind them: some members noted that high numbers of farmers are laggards, and the problem is enforcement of regulations .
 - Clear communications: key messages include that:
 - GMPs are there to clear up low hanging fruit not fix all problems they are not a silver bullet but should be the minimum standard to operate at a social level.
 - GMPs are supposed to be a minimum standard not a target to be met: the Group felt that this needs to be clearly communicated and people need to understand that in certain areas GMP may not be enough to achieve water quality improvements. In these areas land use change may need to be controlled.
 - be targeted to an activities' risk profile as it is important that farmers know what they are doing and why.
 - Tell a good story that adds value to the sector and the community. The Group felt that farmers must expect GMPs to change as the science becomes clearer and community expectations change.
23. Group members expressed some concerns:
 - that the (21) GMP principals in the Good Farming Practices Action Plan were developed by primary industry and not specific enough
 - GMPs should apply to urban environments as well
 - Mandatory farm plans are seen as a better way of improving water quality as they provide for continuing improvement.
24. Some in the Group noted that ECan has codified GMP which took 5 years, and while the process is not perfect it's getting there in Canterbury. GMP let ECan understand where the problem issues are and now land use consents are required in these areas. This means that ECan can now concentrate on catchments where the risks are.

High risk land activities

25. The Group discussed whether the activities identified as high risk are the right set for getting the changes needed and the desired improvements. Key issues discussed were:
- The economics used and how these take into account externalities and long-term costs and benefits.
 - Modelling shows that changing practice is more profitable but farmers are not changing their practices: does this mean that their belief systems are holding them back? If so then the government will need to use regulation in conjunction with economic information to drive farmer's behaviour.
 - Winter cropping could be regulated in a way similar to irrigation companies who hold consent for a collective of farmers or it could be done individually with Regional Councils, however this could be more difficult. Could do catchment Groups and use the social side (such as the Group) to regulate activities. Farmers will need time to learn and adapt if farming tools are taken away from them (such as forage crops)
 - Human and animal welfare issues need to be considered as they are important and interconnected with the environment – i.e. if animals don't have shade they will stand in streams to cool off.
26. The Group noted that this is a difficult project but things that are identified as being detrimental will need to be regulated, however regulations will need to give people enough time to adapt to change.
- **Action** Because there is a lot to think about some members wished to continue this discussion at a later meeting as well as having the opportunity to submit in writing, especially before it goes to Ministers. – MfE to arrange further discussion at the January meeting.

Stock Exclusion

27. The Group noted that exclusion needs to cover both waterways and critical source areas. In some areas excluding stock from all waterways is too difficult/expensive. Some in the Group supported industry-led farm environment plans (FEP) and industry-led good practice (e.g. dairy accord and defined waterways), but noted that many in the Sheep and Beef sector do not have FEPs. The Group stated that costs make it hard to ask S+B to do it for all waterways but considered options to support change, including:
- a. FEP based on risk: some members were concerned that most dairy farms can use some form of stock exclusion but not dry stock farms and that farms will be closed due to cost
 - b. applying a catchment approach should be taken, as in some areas headwaters are the most important area to protect, the current draft regulations don't address this
 - c. ensuring stock exclusion is equal to that required on dairy farms
 - d. having stock units per ha (e.g. 18 stock units) or kilos of stock per ha (e.g. 1000kg) to target where stock exclusion is required
 - e. using FEP to communicate compliance with rules, and
 - f. having flexible riparian buffers to appropriately target risks.
28. The Group noted that getting stock exclusion to work will take time and may be expensive. It is important to focus on the right animal in the right place. The project should also look at land use change and what effect this has. It maybe that a farm system change/reset is needed. Technological changes may have benefits but are still a way off. Regulators will need to understand the causes of contamination (e.g. could be birds).

Intensification

29. The Group discussed work underway to examine the effect of land use intensification on water quality. Issues raised by some members included that:
- a. any rural land use intensification should require a consent and that the use of FEPs could help make the consent process easier.
 - b. widespread concern that OVERSEER isn't good enough for regulations: some members felt that since the existing OVERSEER system doesn't work the government should either invest in making the system work better or start again with a bespoke system.
 - c. restrictions on intensification need to be linked to water quality (for example, places like Marlborough and Cromwell where intensification of land has negligible discharge to water could be adversely impacted).
 - d. grandfathering limits flexibility for development on underdeveloped land and should be avoided.
30. The Group discussed placing a national ban on intensification. Some asked if a national ban on intensification should be temporary or permanent as even temporary would have a big impact. Some members noted that low intensity farmers don't want to be subsidising high intensity farmers. Further, some of the Group noted that the protection of biodiversity should be dealt with through tools other than limits on intensification. It was noted that intensification is ok in some places but not others. A ban on intensification would mean that Maori land would not be able to be used more intensively.
31. The Group noted that there is a willingness to support restrictions on certain catchments until allocation is sorted but this needs to be done gradually.

NPS-FM Proposals

32. The Group identified some areas requiring clarification including urban catchments should be included in restrictions and whether estuaries are included in the NPS-FM (noting that councils have to consider estuaries as receiving environments, specifically for nutrients).
33. The Group asked if the NOF had been developed so that no site would fail. Officials replied that 3% of sites fail and that they do not know what this number would be under a new NPS-FM as MfE doesn't know what numbers will be in it.
34. Members noted that the National Policy Statement for Freshwater Management may need another National Objectives Framework that works better with limit setting processes such as with Macroinvertebrate Community Index (MCI) and Dissolved Oxygen. MCI is a requirement but also a trigger. Second framework needs to be of similar or equal value of things we want to measure through attributes such as MCI or ecological health.

Meeting for 6th and 7th December

35. The 7th will be a shared meeting with other Groups. Early outlook invites will be sent out for this.
36. Suggested that date for January meeting is after the 21st. at the next meeting will also try to set dates for the next 6 months.