

18 December 2020



Minister D Parker and
Minister D O'Connor
Parliament Buildings
Wellington

Our Reference: A616940

Dear Ministers

When you were here to meet with the Council in September you asked me to write and explain my views about what else is needed, in addition to the regulatory framework, to achieve water quality outcomes in Southland.

Recent science work has shown that a significant reduction in contaminants is required to achieve the required outcomes for our water ways and estuaries. The size of the reduction is still being finalised, but it is clear it is significant, and beyond what can be achieved through regulation and good practice alone.

To achieve this transformation, regulation and good practice will need to be supported by a combination of farming system change, catchment scale intervention (e.g. creation of significant wetlands) and agricultural innovation. We have begun working towards this transformation and are keen to work more closely with central government to enable the innovation that will expedite the required changes.

Our aim is to encourage farmers in this region to begin reducing contaminants before regulations require them to. Then, to ensure they are supported to continue innovating and improving environmental outcomes.

Our approach is to work with farmers to demonstrate that reduction in the contaminant-loss footprint through innovation at a farm scale is possible, while maintaining a productive, viable business. We believe this approach will drive support for the purpose and detail of the regulations; improve levels of compliance; minimise the costs associated with enforcement; and lead to the earliest improvement in the region's freshwater bodies and estuaries.

Our first step is to socialise the gap between the current state of freshwater bodies and estuaries and the values and objectives that the Southland community and iwi have identified as their environmental bottom line. The draft reports underpinning those values and state and gap information were approved by Council for socialisation late last month. It is essential for change that there is widespread understanding of the issues the region faces and acceptance of the numbers that need to change in terms of contaminant reduction.

2020 12I - Ministers Parker & O'connor

For now
& our future



Our People Water and Land programme, which is a joint programme with Murihiku runanga, is leading this work. It has a two-pronged approach – regulatory and non-regulatory. This is particularly important in Southland because our primary sector is a significant part of our regional economy. The Regional Forum, established as part of the programme, has a key role to play in bringing the productive sector on a journey to enable Southland farmers to be innovation-focused and regulation-ready by the time the proposed Southland Water and Land Plan is operative. (The plan is currently in the appeals process in the Environment Court.)

In addition to the People Water and Land programme, we are trialling how best to reduce contaminant load at a catchment-scale through the Waituna project – ICOLL like estuaries, have always been part of our work programmes and freshwater management units.

The Waituna project is a joint venture with Awarua runanga, DOC, Fonterra and Fish & Game, and is supported through the Freshwater Investment Fund. We are three years into this five-year project, having purchased and created land buffers around the lagoon, developed local farm environment plans and begun work on the construction of wetlands on the buffer properties purchased around the lagoon. We are looking to scale-up the Waituna project across the region in the next three years. We will be seeking further Freshwater Investment Fund support to do this.

The next plank of our strategy is to encourage early adoption of changes to farm systems and innovation in mitigation techniques to reduce contaminants at farm-scale before the proposed Southland Water and Land Plan is operative. To do this we need to tackle the perception that early investment in farm-systems change is an undue risk to productivity.

We are working with Thriving Southland to identify early adopter farmers in this region who are willing to try new on-farm technologies. We want those early adopters to provide proof-of-concept that demonstrates a move towards the freshwater values and objectives we developed in partnership with iwi and the community over the past three years, while maintaining high levels of productivity.

Those early adopters are generally the thought-leaders in their communities and we believe they can be highly influential in bringing along a number of farmers willing to change their farming practices within the next three years.

Essential to enabling this initiative is for the Council to remove a key barrier to early adoption by ensuring that those farms that have acted early to reduce their contaminant loss footprint are credited for the percentage reduction when the regulations finally take effect. We are working on the rules required for such a credit system in this region right now.

Where more work is needed, however, and where we want to work closely with Government, is in the area of identifying and accelerating the development of technologies that will sustain or improve production systems in order to incentivise change.

We are unsure that there is a clear enough link between the current nation-wide science investment and the imperative to improving water quality outcomes while maintaining the farming sector's productivity. This is a matter, not only for Southland but for the country as a whole.

We want to encourage farmers who are motivated to take the risk of trialling new technologies. However, we need to ensure that quality technologies exist for them to adopt and that science modelling available is sufficiently robust to measure the loss of contaminants at farm-scale.

We are aware of trials such as the recent DairyNZ plantain work and the projects underway in the "Our Land and Water" national science challenge. However, there is an urgent need for the national science challenge to pick up the pace on identifying practical and commercially viable alternatives for farmers at a local scale. We encourage the Government to consider whether current investment in the development of on-farm technology is at the right level, on the right track and proceeding quickly enough. With Government freshwater regulations coming into force, we see the need to ensure the productive sector can sustain its contribution to the economy and meet its regulatory obligations. Pragmatic, farm-ready technologies will play an essential part in that.

We also urgently need to be able to better measure the impact of on-farm mitigations such as wetlands, riparian setbacks and bioreactors; mitigations which will improve both freshwater and estuarine outcomes. Investment in this type of farm-scale modelling is within the scope of the "Our Land and Water" national science challenge, but needs urgent prioritisation.

It is also desirable that information about the scale and scope of innovation currently in development across the country's science sectors is available to all. An exercise to bring together information to promote broad understanding about what technologies will be available and when, would be a good start. We think the Government is best placed to provide that national overview.

In addition to ensuring effective technology is in play, there are a number of other areas where the government is best placed to assist farmers to be early adopters of change and which we could use in our proof-of-concept trial in this region. We can see a place for rewarding measurable improvements in farm contaminant loss with benefits similar to those experienced in the organics sector such as:

1. links to internationally recognised and certified sustainability marques;
2. premium pricing of products from processors supported by NZTE with a sustainability export brand;
3. banking sector acknowledgement of sustainable farming practices as green not brown dollar investments; with the potential to flow through to premium financial products;

4. overseas investment regulations that encourage investment in sustainable farming systems.

We welcome a broad national approach to change that will lead to better outcomes for water quality and help bed-in the regulations. We are eager to assist in any way we can. We are acting to encourage farmers in Southland to improve their contaminant footprint immediately. We want to partner with the Government to pick-up the pace of change by demonstrating that early adoption of farm systems change is viable and effective. We are eager to play our part in ensuring a smooth transition to the new regulations by sharing our experience with other regions and with the Government.

I look forward to discussing these matters with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R A Phillipis', with a stylized flourish at the end.

R A Phillipis
Chief Executive

cc: Martin Workman – Ministry for the Environment
Julie Collins – Ministry for Primary Industries