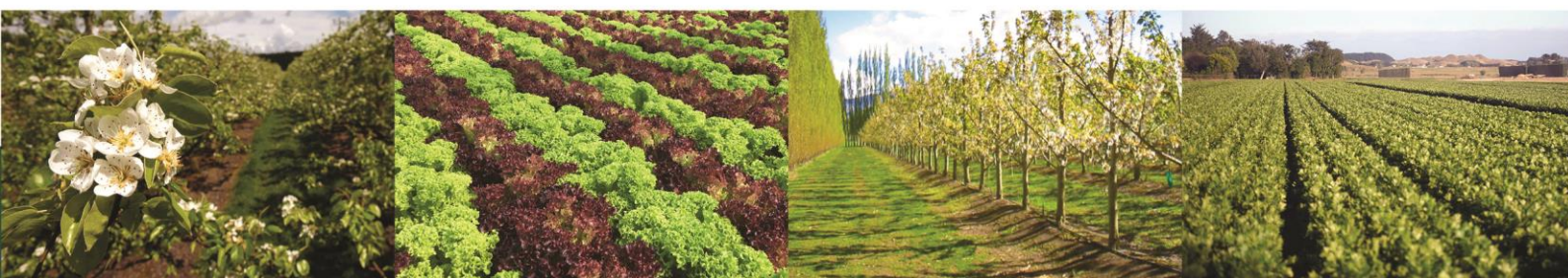


SUBMISSION ON Watercare's EPA Application to take from Waikato River

26 March 2021

TO: Environmental Protection Authority

NAME OF SUBMITTER: Horticulture New Zealand



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Introduction

Horticulture New Zealand (HortNZ) thanks the Environmental Protection Authority (EPA) for the opportunity to submit on Water's application to take from the Waikato River.

HortNZ could not gain an advantage in trade competition through this submission.

We wish to be heard in support of our submission and would be prepared to consider presenting our submission in a joint case with others making a similar submission at any hearing.

The details of our submission and decisions we are seeking from the EPA are set out below.

Executive summary

HortNZ are generally not opposed to Watercare's application to take 150MLD from Water River. Williamson Water and Land Advisory (WWLA) were commissioned to undertake a review of the application and overall concur that the Waikato River is the most logical option. In addition, a number of consents ahead of the queue have been withdrawn or amended which will increase available water if this consent is granted.

HortNZ has had informal discussions with Watercare regarding the sharing of unused consented takes. HortNZ would seek that this be included as a condition of consent should the application be granted.

We also take the opportunity to discuss the wider planning framework relating to water takes in the Waikato Regional Plan (WRP). While beyond the scope of the application, it is relevant given impacts on future water use should the application be granted and the need to recognise the importance of irrigation water to protect highly productive land and New Zealand's supply of affordable fresh fruit and vegetables.

If Watercare's application and all applications in the queue are granted, it is understood that the remaining allocation for the Waikato Catchment over the next 35 years will be less than 18,793m³ (WWLA). This allocation could reasonably be consumed within a short timeframe by projected growth in Waikato Region. However, this growth will also result in an increased demand for water to sustain the increased demand for food.

Relief sought:

1. We seek a consent condition committing Watercare to working with agricultural and horticultural irrigators and Council to enable sharing of any unused take, until such time as that take is required for municipal use.
2. We seek the following matters be included in the 2022 scheduled review of water-take provisions in the WRP:
 - A review of the allocation framework:
 - The method for determining allocation is deemed to be particularly conservative compared to other parts of the country. Review of this method is necessary to ensure allocation provisions are meeting current needs (i.e. protecting water quality and the balance between managing highly productive land and urban growth).
 - Detailed investigations of the river ecology and associated wetlands to enable review of the allocable flow in the river downstream of the Huntley Power Station.
 - Guidance on the weighting applied to criteria for assessing groundwater connections in order to provide more certainty for water users.

We would be interested in working with Council to assist in any research, information requirements or policy development. If the EPA see fit, we would appreciate direction to Council in considering the issues and matters raised in this submission.

Background to HortNZ

HortNZ was established on 1 December 2005, combining the New Zealand Vegetable and Potato Growers' and New Zealand Fruitgrowers' and New Zealand Berryfruit Growers Federations.

HortNZ advocates for and represents the interests of 5000 commercial fruit and vegetable growers in New Zealand, who grow around 100 different crop types and employ over 60,000 workers. Land under horticultural crop cultivation in New Zealand is calculated to be approximately 120,000 hectares.

The horticulture industry value is \$6.39 billion. It should also be acknowledged that it is not just the economic benefits associated with horticultural production that are important. The rural economy supports rural communities and rural production defines much of the rural landscape. Food production values provide a platform for long term sustainability of communities, through the provision of food security. The essential service that horticulture provides has been further highlighted through the Covid-19 response.

HortNZ's purpose is to create an enduring environment where growers thrive. This is done through enabling, promoting and advocating for growers in New Zealand.

HortNZ's Resource Management Act 1991 Involvement

On behalf of its grower members HortNZ takes a detailed involvement in resource management planning processes around New Zealand. HortNZ works to raise growers' awareness of the Resource Management Act 1991 (RMA) to ensure effective grower involvement under the Act.

The principles that HortNZ considers in assessing the implementation of the RMA include:

- The effects based purpose of the RMA;
- Non-regulatory methods should be employed by councils;
- Regulation should impact fairly on the whole community, make sense in practice, and be developed in full consultation with those affected by it;
- Early consultation of land users in plan preparation;
- Ensuring that RMA plans work in the growers interests both in an environmental and sustainable economic production sense.

Horticulture in Waikato Region

The current state

Waikato contains a range of fruit and vegetables. The most prominent including:

- Potatoes
- Onions
- Carrots
- Asparagus
- Tomatoes (indoor)
- Brassicas (broccoli, cauliflower and cabbage)
- Kiwifruit
- Berryfruit
- Apples

The Waikato Region plays an important role in local and national food supply¹. This is due to a unique supply of high class soil (Land Use Capability 1 – 3, noting soil quality is only relevant for outdoor horticulture), large areas of unfragmented rural land and proximity to markets and key transport routes, including export ports in Auckland and Bay of Plenty.

Food security

Population growth not only increases demand on housing supply, it also generates and necessitates an increased demand on food supply. There is a general assumption that New Zealand is the land of plenty and we will always have enough locally-grown food to feed our population, supplemented by imported food where there is demand.

But things are changing fast. Highly productive land is being squeezed by rapid growth. Increasing urbanisation places additional pressure on, and competition for, the natural resources and infrastructure which contribute to the productive capacity of rural land.

Current projections around New Zealand's expected population increase and annual food volumes available for consumption in New Zealand show that domestic vegetable supply will not be able to sustain our future population consumption needs.² When supply is short and

¹ Particularly, Tuakau, Pokeno, Aka Aka, Te Kohanga, Onewhero and Pukekawa which form part of the 'Pukekohe Hub'. Deloitte 2018 <file:///C:/Users/Lucy.Deverall/Downloads/deloitte-pukekohe-food-story-final-report2.pdf>

² Horticulture New Zealand. (2017). *New Zealand domestic vegetable production: the growing story*. <http://www.hortnz.co.nz/assets/Media-Release-Photos/HortNZ-Report-Final-A4-Single-Pages.pdf>

demand high, prices are subject to wide variations. This can make healthy food unaffordable for many New Zealanders and often hits vulnerable communities the hardest.

The role of water and highly productive land

The value of highly productive land to New Zealand is of increasing importance. This has been recognised at a national level through the Proposed National Policy Statement on Highly Productive Land. Highly productive land is also critical to the supply of fresh food including fruit, vegetables, meat and dairy. In particular, horticulture is limited in where it can locate, requiring high soil quality of LUC 1 – 4. Outdoor commercial vegetable production requiring LUC 1 – 3.

There are a number of factors that contribute to the productive capacity of highly productive land. Reliable access to good quality water is the most critical component. Even with the presence of quality soil, if there is no ability to access water, the land is not productive.

Water has a vital role in the quality and yield of crop or pasture. Water is not only critical to nourish and grow plants. It also assists in managing uptake of nutrients. For instance, too much water could result in higher discharge rates due to soil disturbance and as the plant has not had time to absorb nutrients. Too little water can also result in higher discharge rates as wilted plants have difficulty absorbing nutrients. Low water supply can also result in a reduction in yield, which then results in a reduced nutrient uptake also.

A reduction in yield as a result of low water supply has direct implications on the supply of fresh food for New Zealand's local communities.

Irrigation affords the ability to improve efficient use of water through managing the timing and quantity of water applied. Horticultural irrigation has not been limited by the NES FW and is in fact horticultural land use change is recognised in the Climate Change Commissions draft recommendations 2021 as a means of reducing emissions. However, the area of land that can be used for commercial vegetable production has been significantly constrained by the Waikato Plan Change 1³ (PC1) and the Proposed Waikato District Plan⁴.

These limitations, coupled with the increasing recognition of a need to protect domestic food supply highlights the importance of encouraging efficient water use. A proactive approach to allocation reform within the Regional Plan presents an opportunity for much needed improvements in the use/allocation framework.

Watercare's application

In principle, we are not opposed to the application to take 150MLD from the Waikato River. Since the application was called in by the Board of Inquiry, Waikato Regional Council have

³ Currently in the early stages of the appeals process.

⁴ The proposed Waikato District Plan proposes to rezone around 60ha of highly productive land which is currently used for commercial vegetable production. This area of land forms part of the Pukekohe Hub which is recognised as having a significant contribution to New Zealand's domestic food supply (<https://www2.deloitte.com/content/dam/Deloitte/nz/Documents/Economics/deloitte-pukekohe-food-story-final-report2.pdf>). While 60ha may not seem significant in area, given the limited supply of highly productive land suitable for commercial vegetable production this is likely to have a significant impact on the supply of fresh vegetables.

advised that a number of applications ahead of the queue have been amended or withdrawn. This has allowed an additional 181MLD available for future allocation.

A review of the application undertaken by Williamson Water & Land Advisory (WWLA)⁵ finds that while the options analysis was relatively superficial, overall, the Waikato River option is logical.

Watercare held a meeting with local growers, HortNZ and other water users on 21st January 2021. At this meeting Watercare have indicated there is a willingness to share the unused portion of the Watercare allocation, should it be granted.

Relief sought:

We seek a consent condition committing Watercare to working with horticultural irrigators and Council to enable sharing of any unused take, until such time as that take is required for municipal use.

Additional comments on the water take planning framework:

The following comments are beyond the scope of the Watercare application, but are relevant given the implications of granting consent on the ability of current and future water users to undertake efficient use of water.

If Watercare's application and all applications in the queue are granted, it is understood that the remaining allocation for the Waikato Catchment over the next 35 years will be 18,750m³. This allocation could reasonably be consumed within a short timeframe by projected growth in Waikato Region. However, this growth will also result in an increased demand for water to sustain the increased demand for food.

It is our understanding that the water take chapters of the Waikato Regional Plan (WRP) are scheduled for review in 2022. We take the opportunity to highlight a few areas which we believe to be critical for consideration in this review to ensure efficient use of water for the long-term. In summary, we seek that such a review include:

- A review of the allocation framework:
 - The method for determining allocation is deemed to be particularly conservative compared to other parts of the country. Review of this method is necessary to ensure allocation provisions are meeting current needs (i.e. protecting water quality and the balance between managing highly productive land and urban growth).
 - Detailed investigations of the river ecology and associated wetlands to enable review of the allocable flow in the river downstream of the Huntley Power Station.
- More certainty around the assessment of groundwater connections.

The allocation framework

The WWLA report finds that overall, Waikato Region has a particularly more conservative approach to water allocation than all other North Island Regional Councils. Most others apart from Bay of Plenty use percentages of MALF for both allocation and water shortage

⁵ Attachment A

determinations. Due to such a conservative approach, restrictions in the Waikato have greater potential come on earlier, and the amount allocated in the Waikato is typically smaller (WWLA).

This is of particular concern given prioritisation of takes and the provision for clawback within the WRP.

Policy 18 sets out the prioritisation of activities for which water take is used (Attachment B). As the Waikato River does not have a secondary allocation, all irrigation takes must be within the primary allocation and are therefore deemed to be SW-C. Smaller tributaries feeding into the Waikato River do have secondary allocation and are SW-D priority.

All consent holders have water shortage restrictions imposed on their consent conditions dependent on prioritisation. These are significantly more onerous for irrigation consent holders (50-70% reduction requirements) than other consented takes such as municipal uses, shed wash down and milk cooling (15%)⁶. The importance of water to plants has already been highlighted above. These are significant reductions and have the potential to impact growth and yield, which in turn impact on the supply of affordable fresh food.

Policy 19 provides for a clawback once primary and secondary allocable flow is exceeded (Attachment B). Where exceedance is deemed unlikely to be achieved, any replacement applications are generally to be declined, or granted for lesser volume/duration. Given the conservative allocation and lack of secondary flow, there is greater potential for clawback to be initiated (particularly if the Watercare application is granted).

Given there is no secondary allocation beneath the Huntly Power Station and the conservative allocation, we believe there is likely to be headroom to increase the level of allocation for this part of the river (WWLA).

The WWLA report outlines studies that will be necessary to determine possible allocation scenarios and their effects:

- a) Hydraulics – water level and mean velocity change;
- b) Sedimentation - on bed form processes;
- c) Saline intrusion - extent of landward migration of salinity from the coast;
- d) Aquatic ecology – ecological resources dependent on current flow conditions; and
- e) Other users – coupled with hydraulic to assess impact on physical access to water.

Groundwater connections

The WRP provides a framework for determining the extent of hydraulic connection between aquifer and surface water bodies. Where an aquifer is deemed to be connected to surface water, groundwater takes from that aquifer are assessed as surface water takes. Accordingly, these groundwater takes are then also subject to the same water shortage restrictions as surface water takes referenced above.

The majority of growers are reliant on groundwater takes due to the Food Safety Act which requires a high level of water quality for health and safety reasons. This is of particular concern given the reduction requirements for irrigators and conservative allocation in the Waikato.

⁶ Waikato Regional Plan, Chapter 3.3, Standard 3.3.4.2.7 – How Water Shortage Restrictions Shall Apply

Furthermore, the WWLA report finds that the method for assessing the connectivity of groundwater takes to surface water could be improved to provide more certainty for groundwater users. This could include more direction around the weighting applied to methodologies and criteria provided in the planning framework.

Relief sought:

We seek this feedback be taken into consideration by Council in their review of the relevant parts of the WRP. We would be interested in working with Council to assist in any research, information requirements or policy development. If the EPA see fit, we would appreciate direction to Council in considering the issues and matters raised in this submission.