

Policy and Planning Committee

Tuesday 5 June 2018

10.30am

Taranaki Regional Council, Stratford



Agenda for the meeting of the Policy and Planning Committee to be held in the Taranaki Regional Council chambers, 47 Cloten Road, Stratford, on Tuesday 5 June 2018 commencing at 10.30am.

Members	Councillor N W Walker	(Committee Chairperson)
	Councillor M P Joyce	
	Councillor C L Littlewood	
	Councillor D H McIntyre	
	Councillor B K Raine	
	Councillor C S Williamson	
	Councillor D L Lean	(ex officio)
	Councillor D N MacLeod	(ex officio)
Representative Members	Ms E Bailey	(Iwi Representative)
	Councillor G Boyde	(Stratford District Council)
	Mr J Hooker	(Iwi Representative)
	Councillor R Jordan	(New Plymouth District Council)
	Mr P Muir	(Taranaki Federated Farmers)
	Councillor P Nixon	(South Taranaki District Council)
	Mr M Ritai	(Iwi Representative)

Apologies

Notification of Late Items

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Closing Karakia and Karakia for kai

Agenda Memorandum

Date 5 June 2018

**Memorandum to
Chairperson and Members
Policy and Planning Committee**



Subject: Confirmation of Minutes – 24 April 2018

Approved by: A D McLay, Director-Resource Management

B G Chamberlain, Chief Executive

Document: 2060340

Resolve

That the Policy and Planning Committee of the Taranaki Regional Council:

1. takes as read and confirms the minutes of the Policy and Planning Committee meeting of the Taranaki Regional Council held in the Taranaki Regional Council chambers, 47 Cloten Road, Stratford, on Tuesday 24 April 2018 at 10.35am
2. notes the recommendations therein were adopted by the Taranaki Regional Council on 15 May 2018.

Matters arising

Appendices

Document #2042235 – Minutes Policy and Planning Committee

Minutes of the Policy and Planning Committee Meeting of the Taranaki Regional Council, held in the Taranaki Regional Council Chambers, 47 Cloten Road, Stratford, on Tuesday 24 April 2018 at 10.35am.



Members	Councillors	N W Walker	(Committee Chairperson)	
		M P Joyce		
		C L Littlewood	<i>(attended via ZOOM audio/visual)</i>	
		D H McIntyre		
		C S Williamson		
		D L Lean	(ex officio)	
		D N MacLeod	(ex officio)	
Representative Members	Ms	E Bailey	(Iwi Representative)	
	Councillor	G Boyde	(Stratford District Council)	
	Mr	J Hooker	(Iwi Representative)	
	Councillor	R Jordan	(New Plymouth District Council)	
	Mr	P Muir	(Taranaki Federated Farmers)	
	Councillor	P Nixon	(South Taranaki District Council)	
	Mr	M Ritai	(Iwi Representative)	
Attending	Messrs	B G Chamberlain	(Chief Executive)	
		A D McLay	(Director-Resource Management)	
		G K Bedford	(Director-Environment Quality)	
		M J Neild	(Director-Corporate Services)	
		G C Severinsen	(Policy and Strategy Manager)	
		P Ledingham	(Communications Officer)	
		R Ritchie	(Communications Manager)	
		S Tamarapa	(Iwi Communications Officer)	
		Mrs	H Gerrard	(Science Manager)
		Mrs	K van Gameren	(Committee Administrator)
		Mrs	F Mulligan	(Iwi Representative)
Mr	J Clough	(Wrightson Consulting)		
Mr	A Bunn	(Information Technology Officer)		

One member of the media.

Apologies	The apology from Councillor B K Raine was received and sustained.
Notification of Late Items	There were no late items of business.

1. Confirmation of Minutes - 13 March 2018

Resolved

THAT the Policy and Planning Committee of the Taranaki Regional Council

1. takes as read and confirms the minutes and confidential minutes of the Policy and Planning Committee meeting of the Taranaki Regional Council held in the Taranaki Regional Council chambers, 47 Cloten Road, Stratford, on Tuesday 13 March 2018 at 10.40am
2. notes that the recommendations therein were adopted by the Taranaki Regional Council on 10 April 2018.

Joyce/Nixon

Matters Arising

There were no matters arising.

2. New Zealanders' view of the primary sector

- 2.1 Mr G C Severinsen, Policy and Strategy Manager, spoke to the memorandum introducing a research report commissioned by the Ministry for Primary Industries on urban and rural New Zealanders' views of rural New Zealand and the primary sector. The report was published in October 2017 which repeated a similar benchmark study undertaken in 2008.

Recommended

That the Taranaki Regional Council:

1. receives the memorandum *New Zealander's views of the primary sector*.

Williamson/McIntyre

3. NIWA Study of riparian management and freshwater health, quality and swimmability in Taranaki

- 3.1 Mr G K Bedford, Director-Environment Quality, spoke to the memorandum presenting the background and findings of a report the Council commissioned the National Institute of Water and Atmosphere (NIWA) to undertake, 'Analysis of stream responses to riparian management on the Taranaki ring plain' (NIWA, April 2018). Mr Bedford provided a presentation in support of the agenda item.

Recommended

That the Taranaki Regional Council:

1. receives the memorandum *NIWA Study of riparian management and freshwater health, quality and swimmability in Taranaki*

2. receives the independent draft report *Analysis of stream responses to riparian management on the Taranaki ring plain*, (NIWA, March 2018), and notes it is innovative and leading edge in terms of its timeframes, spatial scope and findings
3. notes the findings of the report with particular reference to the strong correlation between the implementation of riparian management and improved stream health and reduced *E coli* levels; the lack of correlation between increasing riparian interventions and any evidence of a change in attainment of the NPS-FM swimmability criteria; the very high rate of attainment of swimmability in Taranaki if assessed against EU criteria instead of NPS-FM criteria; and the absence of any correlation between nutrient trends and macroinvertebrate community health trends
4. notes the report's findings highlight the potential dangers of a 'one size fits all' problem analysis and solution imposition to water quality interventions at a national level
5. notes that the findings of the report are available to inform the Council's position in matters of freshwater quality management policies and interventions, at regional and national level.

Williamson/MacLeod

Councillor C L Littlewood left the Policy and Planning Committee meeting at 11.30am.

4. LAWA: Release of analysis of water quality trends at national and regional level

- 4.1 Mr G K Bedford, Director-Environmental Quality, spoke to the memorandum advising the Committee of the release of results for trend analysis of freshwater quality at national level for the most recent 10 year period, on the LAWA (Land Air Water Aotearoa) website. The analysis provides trends at both national and regional data levels, and the memorandum also presents the 10 year trends in a suite of water quality parameters for the Taranaki region.

Recommended

That the Taranaki Regional Council:

1. receives the memorandum *LAWA: Release of analysis of water quality trends at national and regional level*
2. notes the trend data and commentary presented in the LAWA analysis.

Lean/Williamson

5. Regional plan alignment with National Environmental Standard for Plantation Forestry

- 5.1 The memorandum advising the Committee of the findings of a review into regional plan rules to ensure alignment with the National Environmental Standard for Plantation Forestry (NES-PF) was received and discussed.

Recommended

That the Taranaki Regional Council:

1. receives the memorandum on the *Regional plan alignment with the National Environmental Standard for Plantation Forestry*
2. notes NES-PF requirements for the Council to review and amend any regional rules that duplicate or conflict with the NES as soon as practicable after 1 May 2018
3. notes that officers have completed a review of regional rules in relation to the NES-PF and agrees to amend relevant regional plans to ensure alignment with the NES.

Lean/Williamson

6. Interim review of the efficiency and effectiveness of the Regional Air Quality Plan for Taranaki

- 6.1 Mr A D McLay, Director-Resource Management, spoke to the memorandum introducing a report entitled *Interim review of the Regional Air Quality Plan for Taranaki – Evaluation of appropriateness, efficiency and effectiveness* that gives effect to the *Resource Management Act 1991*.

Recommended

That the Taranaki Regional Council:

1. receives this memorandum and attached report *Interim review of Regional Air Quality Plan for Taranaki – Evaluation of appropriateness, efficiency and effectiveness*
2. notes that the Regional Air Quality Plan for Taranaki continues to be relevant, efficient and effective
3. agrees that no immediate changes to the Regional Air Quality Plan for Taranaki are required.

Joyce/Nixon

7. Public Excluded

In accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987*, it is resolved that the public is excluded from the following part of the proceedings of the Policy and Planning Committee on Tuesday 24 April 2018 for the following reason/s:

Item 8 – Hill country sustainable management programme

THAT the public conduct of the whole or the relevant part of the proceedings would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, commercial activities or negotiations.

Walker/Williamson

There being no further business, the Committee Chairperson Councillor N W Walker, declared the open meeting of the Policy and Planning Committee meeting closed at 11.50am.

Confirmed

Chairperson

_____ **N W Walker**

Date

5 June 2018

Agenda Memorandum

Date 5 June 2018



**Memorandum to
Chairperson and Members
Policy and Planning Committee**

Subject: Update on submissions to the Proposed Coastal Plan for Taranaki

Approved by: A D McLay, Director – Resource Management

B G Chamberlain, Chief Executive

Document: 2045607

Purpose

The purpose of this memorandum is to update Members on submissions to the *Proposed Coastal Plan for Taranaki* (Proposed Plan) and to outline the process from here.

Executive summary

- Pursuant to the *Resource Management Act 1991* (RMA) the Taranaki Regional Council (the Council) has commenced the formal review process involving the release of the Proposed Plan.
- The Proposed Plan was the culmination of a comprehensive pre-plan notification engagement process, involving early engagement, consultation on position papers and technical reports and the earlier release of a Draft Plan. The pre-plan consultation resulted in many changes to the proposed plan, including those made as a result of iwi consultation.
- The Proposed Plan was publicly notified for submissions on 24 February 2018. The deadline for submissions was 27 April 2018.
- 61 submissions have been received. The submitters represented a broad range of individuals and organisations from across New Zealand with the Council also making a submission.
- Officers have commenced a preliminary analysis of the 61 submissions. Many submissions indicate support for the overall content and management approach contained within the Proposed Plan with a number of submissions requesting that certain provisions be retained. However, there have also been many requests for change.
- Key issues and themes to emerge through submissions relate to Plan provisions addressing: integrated management; coastal management areas and the coastal environment boundary; use and development; recognition of regionally important infrastructure; the identification of tangata whenua principles, values and sites of significance; the protection of surf breaks, and the protection of indigenous species
- Officers are currently summarizing the decisions sought by submitters. In accordance with the first schedule of the RMA, Council will in due course give public notice of the

availability of a summary of decisions requested by persons that made submissions on the Proposed Plan.

- Following receipt of further submissions, officers will commence pre-hearing discussions and consultation to potentially work through issues raised. The advantages of this engagement and working through issues constructively with submitters prior to any hearing should reduce the number of issues that submitters may wish to present at a hearing of submissions.
- A hearing panel can only include those who have been accredited under the Making Good Decisions programme of which the Council has three.

Recommendations

That the Taranaki Regional Council:

1. receives the memorandum on the *Update on submissions to the Proposed Coastal Plan for Taranaki*
2. notes and endorses the Council's submission on the *Proposed Coastal Plan for Taranaki*
3. notes 61 submissions have been received on the *Proposed Coastal Plan for Taranaki*
4. notes that officers have commenced the analysis and summary of submissions.

Background

Pursuant to the *Resource Management Act 1991* (RMA) the Taranaki Regional Council (the Council) is responsible for promoting the sustainable management of the coastal marine area (CMA) of the Taranaki region and is required to prepare a Coastal Plan. The CMA refers to the 'wet bit' of the coast. Its landward boundary is the mean high water mark and it extends seaward to 12 nautical miles (22 km). Beyond this is the Exclusive Economic Zone, which is managed by the Environmental Protection Authority (EPA), based in Wellington.

Taranaki's 'rule book' governing the coastal marine area is under review. The current Coastal Plan was prepared and made operative on 1 October 1997. The Plan was the first prepared under the RMA.

As Members are aware, the Council has commenced the formal review process involving the release of a *Proposed Coastal Plan for Taranaki* (the Proposed Plan) for public submissions. The Proposed Plan, was publicly notified on 24 February 2018, with the deadline for submissions being 27 April.

The Proposed Plan was the culmination of a comprehensive pre-plan notification engagement process, involving early engagement, consultation on position papers and technical reports and the release of a Draft Plan. Early engagement with stakeholders has generally paid dividends for this Council in reducing the time and cost of the formal plan process under the RMA and further developing relationships with stakeholders. The pre-plan consultation resulted in many changes to the proposed plan, including those made as a result of iwi consultation.

The Proposed Plan was also forwarded to a wide range of key stakeholders and other interested parties including those who had previously commented on the Draft Plan, tangata whenua, district councils, major consent holders, oil and gas sector groups, Department of

Conservation, other government departments, and non-government organisations with an interest in coastal matters.

The submissions

Through the public submission process, 61 initial submissions were received on the Proposed Plan. The submitters represented a broad range of individuals and organisations from across New Zealand. The majority of submissions were Taranaki based, however, 26 submissions came from individuals or organizations based outside of Taranaki, among which were submissions from Government departments, industry groups and national environment groups. Of the total submissions, 11 represented local iwi/hapu, 10 represented central or local government agencies, 10 represented organizations/social groups, 20 came from corporate/business entities and 10 came from individual members of the public. To date, 41 submitters have so far indicated a desire to be heard regarding their submission.

Submissions have been made by members of the Policy Committee and organisations Members represent. Those Members will not be able to be involved in the consideration of submissions process.

Of note, attached to this item, is the Council's submission on the Proposed Plan. This submission was prepared to address three issues identified by officers subsequent to the public notification of the Proposed Plan. These related to:

1. amendment to Rule 1 of the Proposed Plan relating to stormwater discharges into water or on to land in the coastal marine area (CMA) to refer to threshold values that trigger controls under *Hazardous Substances and New Organisms Act 1996* (which, in turn, are based on internationally recognised measures) that trigger a requirement to prepare a contingency plan and secondary containment.
2. amendment to Rule 26 of the Proposed Plan relating to exploration or appraisal well drilling within the Open Coast and Port management areas to clarify the type and duration of occupation allowed for the associated activity in the Open Coast and Port coastal management areas.
3. amendment to Schedule 2 of the Proposed Plan to align the mapping of Outstanding Natural Character Areas with those mapped by the South Taranaki District Council through their district plan review and correct a minor discrepancy noted between the respective plans and thereby promote better integrated management within the wider coastal environment.

Officers have undertaken a preliminary analysis of the 61 submissions. Many submissions indicate support for the overall content and management approach contained within the Proposed Plan with a number of submissions requesting that certain provisions be retained. However, there have also been many requests for change, some of which are to clarify the meaning of current provisions or to add further context and others which seek deletions from or additions to specific provisions of the Proposed Plan.

Key issues/themes to emerge so far are:

- Integrated management: a number of submitters commented on integrated management across the coastal environment, including potential linkages with other legislation, other policy directions, including the NZCPS, and other organisations.

- Coastal management areas: some submitters sought amendment to or the addition of new coastal management areas and/or for the Council to map the extent of the coastal environment boundary landward of the CMA.
- Use and development: many submitters commented on use and development, including the 'appropriateness' or otherwise of certain use and development activities, including network utilities, oil and gas exploration and production and seabed mining.
- Regionally important infrastructure: there was significant support for recognising certain activities as being nationally and regionally significant to the social, economic and cultural well-being of people and community in the region.
- Tangata whenua principles, values and sites of significance: a number of submitters provided specific comments relating to the recognition and provision of tangata whenua principles in Plan provisions, the identification and protection of sites of significance, methods of implementation, and the application of mātauranga Māori.
- Surf breaks: there was strong support but also some opposition for Plan provisions addressing the protection of surf breaks in the region, including the designated Significant Surfing Area.
- Indigenous biodiversity: there was significant support for Plan provisions addressing the protection and enhancement of indigenous biodiversity. However, a number of submitters sought amendments seeking higher levels of protection and or the mapping of significant indigenous biodiversity.
- Rules: Mixed views relating to the level of control for rules allowing, controlling or prohibiting specific activities in the CMA.

Process from here

The First Schedule of the RMA sets out a formal statutory process that the Council must follow for the review of the Coastal Plan.

Officers are currently summarising and analysing the submissions and expect to present a summary of submissions to the next Policy and Planning Committee (17 July). In accordance with clause 7(1) in schedule 1 of the RMA, the summary of submission will be publicly notified and any cross-submission (or 'further' submission) called for.

Following receipt of further submissions, officers will commence pre-hearing discussions and consultation to potentially work through issues raised. The advantages of this engagement and working through issues constructively with submitters prior to any hearing are demonstrated by previous plan development processes not resulting in any appeals.

Submitters will be requested to:

- confirm their original intention not to be heard; or
- consider officer's preliminary recommendations for change to the Proposed Plan and if satisfied with those changes, withdraw their request to be heard; or
- request an opportunity to engage in pre-hearing discussions, with the option of either requesting to be heard at a hearing or withdrawing their request to be heard at a later date.

Following pre-hearing consultation and discussions the 'Report on Submissions' (as amended by Officers following pre-hearing consultations) will be distributed to all submitters prior to the hearing of submissions. This allows all submitters to be informed of

the further changes proposed as a result of the pre-hearing discussions, and to enable all submitters to consider these changes in light of their own submission and the need to attend the Taranaki Regional Council Hearing.

The Council will provide an opportunity for every person who makes a submission and who request to be heard to present their views in person to a Hearings Committee. A Hearings Committee will then consider all submissions. Only Committee members or other accredited persons under the Making Good Decisions programme can be considered when selecting a Hearings Committee. Only 2 members of the Policy Committee are accredited (Cr Walker and Cr Joyce). (Members of the Consents and Regulatory Committee are accredited). The Hearing Committee will be comprised of members with expertise in the matters raised by submitters who wish to be heard.

A Hearing Committee report will be considered by Council. This report will contain the deliberations and recommendations of the Hearing Committee on all submissions. The Council's decisions on the matters raised (in the submissions) will be publicly notified. Any person who made a submission on the Proposed Plan may appeal Council's decisions to the Environment Court.

Decision-making considerations

Part 6 (Planning, decision-making, and accountability) of the *Local Government Act 2002* has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the *Act*.

Financial considerations—LTP/Annual Plan

This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Biosecurity Act 1993*.

Iwi considerations

This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices

Document number 2027203: Taranaki Regional Council submission on the Proposed Coastal Plan for Taranaki

13 April 2018

Document: 2027203

Taranaki Regional Council
Private Bag 713
Stratford

Attention: Basil Chamberlain

Submission on the Proposed Coastal Plan for Taranaki

This document is the Taranaki Regional Council's submission on the *Proposed Coastal Plan for Taranaki* (the Proposed Plan). This submission is made by the Chief Executive of the Taranaki Regional Council acting under the delegated authority from the full Council.

The Taranaki Regional Council seeks the following relief:

1. That the Taranaki Regional Council amends Rule 1 of the Proposed Plan relating to stormwater discharges into water or on to land in the coastal marine area (CMA) to refer to threshold values that trigger controls under *Hazardous Substances and New Organisms Act 1996*.

Reasons: Rule 1 relates to a permitted activity rule whereby stormwater discharge activities in the CMA that do not come within or comply with the rule are discretionary activities and require a resource consent. As currently written, Rule 1 excludes industrial and trade premises that "...use or store hazardous substances". The definition of 'hazardous substances' is very broad and includes many normal day-to-day items and products such as detergents, household cleaners etc. As a result, Rule 1 is likely to unnecessarily capture all industrial or trade premises – regardless of quantities and risk to the environment. The relief sought seeks minor amendments to Rule 1 and the inclusion of a schedule that identifies those hazardous substances of a type and of a quantity that warrant regulating through the resource consents process. A revised rule and schedule should be based on threshold values set out by the Environmental Protection Agency under the *Hazardous Substances and New Organisms Act 1996* (which, in turn, are based on internationally recognised measures) that trigger a requirement to prepare a contingency plan and secondary containment.

2. That the Taranaki Regional Council amends Rule 26 of the Proposed Plan relating to exploration or appraisal well drilling within the Open Coast and Port management areas to make minor amendments to the wording of the description of the activity.

Reasons: Rule 26 relates to a controlled activity rule which includes several activities associated with exploration or appraisal well drilling. As currently written, Rule 26 includes associated activity (b), which refers to any occupation of space in the common marine and coastal area associated with the exploration or appraisal well drilling activity. The current wording omits the words "temporary exclusive" and should be amended to reflect the wording contained in Rule 27, which reads "... temporary exclusive

occupation of space in the common marine and coastal area.” The relief sought seeks minor amendments to Rule 26 to insert the omitted words at the beginning of sub-clause (b) prior to the word “occupation”. This amendment will provide clarification of the type and duration of occupation allowed for the associated activity in the Open Coast and Port coastal management areas.

3. That the Taranaki Regional Council amends Schedule 2 of the Proposed Plan to align the mapping of Outstanding Natural Character Areas with those mapped by the South Taranaki District Council through their district plan review.

Reasons: The Taranaki Regional Council liaised closely with South Taranaki District Council in the identification of Outstanding Natural Character Areas for inclusion in our respective coastal and district plans. Minor discrepancies have been noted between the respective plans and granting the relief will promote better integrated management within the wider coastal environment.

4. That the Taranaki Regional Council identifies and makes all consequential amendments to the Proposed Plan to give effect to those changes sought by submitters, and agreed to through this Plan review process.

Reasons: The Taranaki Regional Council notes that in response to specific relief sought by (and granted to) other submitters, there are likely to be consequential amendments required to be made to other parts of the Proposed Plan. The relief sought recognises that the Proposed Plan should be read as a whole unit and that changes to one part of that unit can have implications for other parts of the Plan. It is not always possible to chart these consequential amendments in advance. The relief also recognises that submissions may overlap and that the most effective and efficient means of dealing with that situation may be to make an amendment in a form that is different to the submissions received.

5. That the Taranaki Regional Council audits the Proposed Plan for internal consistency and readability after the consideration and incorporation of the matters contained in the other submissions received by the Council and that all necessary inconsequential amendments be made.

Reasons: The Taranaki Regional Council notes that minor amendments may be necessary to ensure that the full effects of amendments made in response to matters contained in submissions are considered and that amendments are not simply made on an *ad hoc* basis. The relief includes making any minor editorial changes to improve the readability of the Proposed Plan (but not to change policy intent) or to correct minor typographical errors.

The Taranaki Regional Council does not wish to be heard in support of its submission.

Yours faithfully
BG Chamberlain
Chief Executive

per: AD McLay
Director – Resource Management

Agenda Memorandum

Date 5 June 2018



**Memorandum to
Chairperson and Members
Policy and Planning Committee**

Subject: ***Our Land 2018: National environment
report from Ministry for the
Environment/Stats NZ***

Approved by: GK Bedford, Director – Environment Quality

BG Chamberlain, Chief Executive

Document: 2051923

Purpose

The purpose of this memorandum is to present to the Committee, the main findings and observations from the report '*Our Land 2018: Data to 2017*', recently released by the Ministry for the Environment and Stats NZ, together with a brief commentary by Council officers. The 'At a Glance' (including an Executive Summary) report is attached to this memorandum, while the full report is available at <http://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/Our-land-2018.pdf>

Executive summary

The reports under discussion is one of the ongoing six-monthly series that the Ministry for the Environment and Stats NZ (formerly Statistics New Zealand) are obliged by the Environmental Reporting Act 2015 to prepare and release publicly. In doing so, they are able to use any data or information from a wide range of sources. The environmental domain reports are to be regular, robust and reliable reports that provide comprehensive information on specific aspects of the environment of New Zealand. They are intended to not only inform, but also to provide the evidential basis for subsequent better decision-making on environmental management.

The *Our Land 2018* report is the first specific report to be prepared on New Zealand's land and soil resources. It is constructed around two main themes – the state of New Zealand soils (soil quality, soil erosion, and soil biodiversity) and the state of New Zealand's biodiversity and ecosystems. The report found that there had been significant shifts in land use over the past two decades.

A number of significant gaps in data were also identified in the report.

Recommendations

That the Taranaki Regional Council:

1. receives the memorandum *Our Land 2018: National environment report from the Ministry for the Environment/Stats NZ*
2. notes the release by the Ministry for the Environment/Stats NZ of the report referenced in the memorandum.

Background

The Ministry for the Environment (MfE) and Stats NZ have recently released their sixth report in its Environmental Reporting Series, this time covering the land domain, following earlier reports on air quality, the marine environment, fresh water, atmosphere and climate change, and a general overview of the country's environment as a whole.

These reports are intended to give a reliable and independent national statement concerning New Zealand's environment. They are to be published at six-monthly intervals, covering five 'domains': marine, fresh water, atmosphere/climate, land and air, with a sixth report to be an omnibus report across all domains. Biodiversity is to be integrated into each domain report as appropriate.

The obligation for the two government ministries to prepare the reports comes from the Environment Reporting Act 2015.

The reports are based on a framework of pressure and influences, state and changes in state, and impacts and effects (the ecological, economic, social, and cultural consequences of changes in the state of the environment).

As has been noted to this Committee previously by officers (most recently at the 21 November 2017 meeting of this Committee when discussing the *Atmosphere and Climate* domain report), one direct and inevitable consequence of this model is that it sets out problems and issues without any reference whether or how these are being addressed (i.e. the 'responses'). The Council has previously taken issues with this framework, as it notably omits any reference to, or description of management interventions or outcomes, and that further, the 'pressures' discussion tend to highlight predominantly, the negative pressures and consequences i.e. threats and problems, rather than any counterbalancing or advantageous drivers of environmental quality and enhancement.

MfE's argument for taking this approach is that any discussion of interventions and their effectiveness would be subjective and open to political slant and bias. The Council's strong view is that a discussion of management activities and measures of their effectiveness or otherwise can be every bit as objective and independent as any other data. The consequence is that while negative effects of human activities are being reported freely and fully, positive effects of human activities are not. It is noted that councils within New Zealand and countries around the world routinely report on environmental quality using a 'pressure-state-response' model. It is again suggested that this alternative framework provides a more comprehensive and meaningful reporting mechanism for assisting public understanding of what is happening within the natural environment.

Key findings of report

The presentation of the full report is accompanied on the MfE website by an 'At a Glance' document (which also contains an Executive Summary), and a link to the Stats NZ website where technical datasets are available for anyone interested in the data itself.

The land report is the first report focused solely on land in the environmental reporting series begun in 2015.

The attached 'At a Glance' document encapsulates the main points contained within the report. The report is constructed around two main themes:

- the state of New Zealand soils (soil quality, soil erosion, soil biodiversity); and
- the state of New Zealand's biodiversity and ecosystems.

The report also describes three pressures that can have a concentrated effect at specific points, namely mineral extraction, waste disposal and contamination of land, but it notes that the lack of national datasets to support reporting of change over time precludes the report reaching specific findings in these areas.

The main overall finding in the report is that our soil resources and the state of our biodiversity and ecosystems are continuing to decline.

In terms of the state of New Zealand soils, the report concludes that both the quantity and quality of soil are affected by soil erosion and the intensification of agriculture. Statistics taken from the report show that:

- of the 192 million tonnes of soil estimated to be lost each year, 44% comes from exotic grassland;
- five out of seven indicators of soil quality (pH, total carbon, total nitrogen, mineralisable nitrogen and bulk density) were largely within target range, but two – phosphorus (an indicator of soil fertility but where excess levels can enter waterways and trigger nuisance aquatic plant growth) and macroporosity (with low values indicating soil compaction) – were of concern as more than 48% of tested sites were outside target range for these two indicators; and
- sites under more intensive land uses, such as dairy, cropping and horticulture and dry stock grazing, were more frequently outside target range for these two soil quality indicators.

With regard to the last bullet point above, some 51% of tested dairy sites had excess soil phosphorus and 65% of tested dairy sites were below the target range for macroporosity.

When it comes to indigenous biodiversity and ecosystems, the report concludes that these continue to be under threat. The main findings were:

- there was continued loss of indigenous land cover with the ongoing loss of indigenous forest cover, indigenous shrubland and tussock grassland continuing to threaten indigenous biodiversity;
- coastal and lowland ecosystems that were once widespread (including wetlands) continued to decline in extent;

- nearly 83% (285 of 344 taxa) of land invertebrates classified in the threatened species system were either threatened or at risk of extinction, and the status of 11 species declined; and
- predation and plant-eating by pests, as well as disease and weeds, continued to threaten indigenous biodiversity. Predatory animals (particularly rodents, mustelids and possums) are a major cause of species decline. Diseases such as kauri dieback and myrtle rust, also pose a serious risk to biodiversity.

There was a bright spot for indigenous biodiversity in that 20 bird species had improved their conservation status; however, for more than half of these species their status improvement was dependent on intensive conservation management.

The report found that there had been significant shifts in land use over the past two decades that had created pressures on our land resources. This included a reduction in the area of land in agricultural production but an increase in the proportion of farmland used for dairying (42% between 2002 and 2016) and a decrease in the area in sheep and beef farming (a 20% reduction over the same time period). There has been continued intensification of farming, including a shift in the past 15 years to higher stocking rates, especially for dairying. The report finds that a 10% expansion in urban areas has come with an accompanying loss of some of our most versatile land.

A reduction in the area of land in agricultural production has been derived from the Agricultural Production Census run by Stats NZ, which has shown a drop from 13.4 million hectares of land in agricultural production in 2002 to about 12.6 million hectares in 2012, a drop of about 7%. This has been largely the result of a decline in pastoral farming for sheep and beef and an increase in exotic forest planting, with urban expansion and lifestyle block development also contributing.

The increase in the proportion of farmland used for dairying was most pronounced in Canterbury and Southland.

The report notes that climate change is already affecting New Zealand's land systems and that we can expect 'severe effects on land and human systems from long-term changes and increased frequency of intense rainfall events.' Some of the effects noted in the report include changes to the suitability of land for horticulture and agriculture, pressure on indigenous ecosystems, with increased threats from pest invasions, increased vulnerability to erosion, sedimentation of waterways and wildfires through to increased risk of rainfall and drought events.

Rising sea levels and related storm surges will increase the frequency, severity and extent of coastal flooding and erosion threatening low-lying infrastructure, cultural sites and habitats.

Finally, the report finds that there are significant gaps in the data that limit the analysis in the report. These data gaps are outlined in the data sources and limitations section of the full report.

Discussion

There is little in the report that is new with a number of the national indicators, for example on threats to our indigenous biodiversity and soil quality that are well known. As with previous reports in the Environmental Reporting Series, it is somewhat disappointing that

this report continues to report only on human activities that have a negative impact without explicitly recognising and reporting on positive interventions that are addressing the changes. This bias in reporting remains of concern to Council staff and has been commented on before.

The Council undertakes comprehensive, region-wide state of the environment monitoring of soil quality, soil erosion and soil biodiversity as well as Taranaki's terrestrial biodiversity and ecosystems. These monitoring programmes enable the Council to determine not only the state of soils and of biodiversity in the region, but also any indication of trends in quality and hence to evaluate the effectiveness of the Council's policies and interventions.

The *Our Land 2018* report is not an accurate indication of the state of soils or of biodiversity in Taranaki or of the interventions that are seeing improvements in many of these areas.

Soil quality

The Taranaki Regional Council has been conducting 5-yearly surveys of soil quality at representative sites across the region since 1995. Analysis and assessment of results in regard to soil health and productivity, including comparisons against national guidelines for optimal soil condition, is undertaken by Manaaki Whenua-Landcare Research. The most recent survey was undertaken in 2017, and officers have just received the draft report. Officers are yet to review the report, and so a detailed presentation and commentary on its findings will be provided at the next Committee meeting rather than herein. However, key points are noted below.

The key regional issues to emerge from the Landcare Research work relate to compaction of soils subject to animal grazing (on both dairying, and more particularly on drystock lands), higher than target (i.e. excess) nitrogen and phosphorus levels in dairy soils, and low nutrient levels (with sub-optimal productivity) in hill country and forestry soils. The report notes that these aspects of soil quality can generally be reversed by appropriate land management practices. The environmental risk of compaction in conjunction with excess levels of nutrients is that of run-off to waterways; it has been noted elsewhere to the Council that stream health is improving and concentrations of nutrients in Taranaki's waterways are if anything reducing.

Biological diversity in most soils was consistent across the region, with evidence of decreased ecological activity only in soils used for cropping. No issues of concern were found with cadmium levels, with bio-available forms orders of magnitude below 'total' concentrations, which were themselves well below guideline values used to indicate a potential issue. While there is no clear trend in soil cadmium on a regional basis, if anything concentrations are reducing overall. Plateauing or reducing concentrations have been noted at a number of sites elsewhere in New Zealand. Superphosphate use and the concentration of cadmium in superphosphate have both been declining, with guidelines prepared by the Cadmium Working Group in 2011 also contributing to low levels of cadmium in soils.

The report noted that soils in Taranaki overall show patterns in quality similar to those observed in other regions.

The Council has been liaising with land managers and offering information and advice on good land management practices to address the issues.

The results of this latest round of state of the soil environment monitoring will be a timely input into the review of the *Regional Soil Plan for Taranaki*.

Contamination of land

This Council was one of the first in New Zealand to actively pursue identification and where necessary interventions to promote identification and remediation of potentially and actually contaminated properties on a regional scale across multiple land uses. As a result of this management approach, there are no contaminated sites in Taranaki- that is, properties where contamination (if present at all) exceeds the appropriate guidelines or standards for that land use. The Council holds a comprehensive database of all sites where information has been gathered and assessed. This information is routinely reported via summary environmental reporting, and is publicly available down to individual property level via the Council's website. It has also been made available upon request to MfE.

While the MfE report suggests that nationally there are many contaminated sites still to be identified, and that there is no national dataset, these issues do not apply within the Taranaki region because of early proactive work by the Council.

Soil erosion

With regard to soil erosion issues, Members are familiar with our voluntary Sustainable Land Management Programme, which offers a comprehensive property planning service backed up by regular advice and information, in conjunction with tree planting schemes on erosion-prone land. The emphasis of the programme is on the inland hill country where sustainable land use in accordance with the physical limitations of the land is the primary focus.

The programme has been highly successful with about 67% of privately owned land in the hill country now covered by a Council-prepared farm plan. The implementation rates for our hill country plans are very high at around 90%.

A 2012 monitoring report undertaken by Landcare Research on behalf of the Council shows that over 87% of the land area in the hill country is being used sustainably and the trend over time has been increasing land use sustainability in the hill country. Consistent with the findings of MfE's national report *Our Land 2018*, we are seeing a reduction of land being used for sheep and beef farming and an increase in land being used for exotic forestry, and in Taranaki, land retirement.

This is another area where the Council is looking to commission its latest state of the environment monitoring report, which will provide an update of our 5-yearly reporting of progress in Taranaki in addressing soil erosion issues. Again, this will provide an essential input into the review of the *Regional Soil Plan for Taranaki*.

As an aside, Members will be aware that the Council has been successful in securing funding from the Provincial Growth Fund, to develop a business guide to tree planting on Taranaki hill country farms. The \$250,000 project will fill an information gap by providing a portal to allow farmers to access up-to-date information on all aspects of tree planting to enable them to make informed decisions. Further initiatives are underway to access funding that would see an acceleration of tree planting in the hill country.

Biodiversity

On biodiversity issues, we are seeing some significant gains being made in Taranaki. The most significant threat to our native plants and animals and the ecosystems that support them is predation by pests, whether pest animals or pest plants.

Overall indigenous vegetation cover in Taranaki is high – at approximately 40% of the total land area of the region – and this compares very well with other regions. Over the last decade Taranaki has lost some indigenous vegetation mainly through conversion to other land uses, but this has been small, and is consistent with the findings of *Our Land 2018*. Furthermore, over this time period we have seen the creation of new areas of indigenous vegetation in Taranaki, for example riparian and wetland plantings.

The condition at managed sites has however, been improving over time. The condition of habitat across the region is more important for biodiversity outcomes overall, than the small losses in extent that we have been seeing in the last ten to 15 years or so in Taranaki. The key to biodiversity enhancement is to better manage our important biodiversity sites that are slowly degrading with pests, stock incursion and climate change etc.

The Council has invested heavily over many years in landscape-scale pest management programmes such as the self-help possum control programme and the biodiversity programme, which targets the bulk of our resources to engaging with landowners to help protect key native ecosystems. Members will be aware that the Council is looking to substantially increase its efforts in biodiversity management through a joint commitment with central government to a predator-free Taranaki by 2050.

The Council is also taking a leading role in Wild for Taranaki, a consortium of local community groups, non-government organisations and central and local government agencies, who are focused on protecting and enhancing Taranaki's indigenous biodiversity. These initiatives are a serious attempt by local government and others in Taranaki to address New Zealand's biodiversity issues within current resourcing and other constraints. The Council has on a number of occasions, called on central government to take greater responsibility for protecting New Zealand's biodiversity, including adding substantially to New Zealand's border control measures.

A boost in funding for biodiversity protection and enhancement would likely see some progress in reversing the trends highlighted in the *Our Land 2018* report.

National policy statements

One of the immediate outcomes from the release of the *Our Land 2018* report was the announcement by the Minister for the Environment that he has directed officials to start work on a possible national policy statement under the RMA on protecting New Zealand's versatile land and high-class soils. This was in fact, a matter of national importance under the former Town and Country Planning Act 1977 but was removed when the RMA was enacted in 1991.

The Minister's response was to findings in the report that there had been an expansion of 10% in urban areas between 1996 and 2012, many of which lie in areas of highly versatile land.

There is a likelihood of a proposed national policy statement on biodiversity being released later in the year. This has been proposed for a number of years now but work on progressing it has stalled for a number of reasons including whether regulation to require landowners to protect areas on their land or management advice and assistance is the best way forward.

Data gaps

Our Land 2018 acknowledges that there are significant gaps in knowledge that prevent the presentation of a complete picture of the state of our land resources. These are in areas of data coverage, trends over time, consistency and scale, as well as in our understanding of the impacts on social, cultural environmental and economic wellbeing. Nationally consistent information on land use change is needed.

Areas where there are specific gaps include the state of New Zealand soils (in terms of soil erosion, soil health and soil biodiversity) although in Taranaki, we do have good long-term trend information on these soil metrics.

Indicators of the state of New Zealand's biodiversity is patchy with limited information on habitat quality, species status and threats.

The effects of climate change on land resources is another area where New Zealand lacks knowledge. For example, there are still uncertainties in understanding how global climate change models translate to the New Zealand context. Better 'downscaled' models specific to New Zealand will help improve understanding of key challenges such as sea-level rise and extreme events.

Expert reaction

A variety of expert comment on the report is available on the Science Media Centre website <https://www.sciencemediacentre.co.nz/2018/04/19/mfe-reports-on-changes-to-nzs-landscapes-expert-reaction/>. A summary is provided below.

Dr Anne-Gaelle Ausseil of Landcare Research, although commenting that there isn't anything new in the report, says the value is in bringing together datasets and reporting change over time. She highlights important data gaps in the report including the need to improve our knowledge on how we use land and how land use impacts on economic, social and cultural values. Landcare Research is working with a number of stakeholders to fill these gaps, including by leading large-scale research programmes on high quality soil mapping, soil health, erosion and sediment and land cover data.

David Fleming from Motu Economic and Public Policy Research, states that the report is a key document that will enable better understanding of New Zealand's challenges but concludes that our 'soils and water streams are increasingly being menaced by human activity.' This is a general statement and is clearly not correct when for example, water quality is shown to be improving on a national scale (refer to LAWA report in the Policy and Planning Agenda of 24 April 2018). The *Our Land 2018* report, in fact provides no sense of whether soils and water are being 'increasingly menaced' or whether we are succeeding in reducing pressures that still exist. This is a weakness in the reporting process that does not address responses or interventions.

Mr Fleming also argues that without consistent national integrated data sources it will be very hard to track future environmental conditions and the effects of policies and programmes intended to reduce human impact. While this comment may apply at the national level, in Taranaki we have had extensive soil quality, land use, land cover, biodiversity and water quality monitoring in place for more than two decades that provide a very good basis for trend monitoring and analysis of the effectiveness of our policies.

One example provided is the 'shocking lack of rural waste data' especially in an expanding dairy industry (the report refers specifically to Canterbury). In Taranaki by contrast, we have very good data on rural waste. We have completed rural waste surveys and run several rural waste collections; we have our annual dairy farm inspections and programmes to promote rural wastes recycling. We also have regional rules governing rural waste disposal and dumping.

Dr Pierre Roudier, a scientist with Landcare Research draws attention to significant gaps in monitoring data including data on land cover, land use and soil health.

Dr Rich McDowell, principle scientist with AgResearch, and Chief Scientist for the Our Land and Water national science challenge, comments that the report does not provide insights into the trends in relation to soil quality and how land use, and intensity of that use contributes. The Council has such trend information going back twenty years.

Dr Ken Hughey, Chief Science Advisor with the Department of Conservation, comments that we need more information on biodiversity protection outside of public conservation land. He cites habitat fragmentation and habitat quality and wetland protection as needing more attention. The Council has programmes for these areas.

Perhaps the most telling comments have come from Murray Petrie, a Senior Research Associate with the Institute of Governance and Policy Studies at Victoria University who believes that there are numerous weaknesses in the Environmental Reporting Act itself when judged against international good practice for environmental reporting.

Mr Petrie believes the Act should be amended to require reports to cover the underlying drivers of environmental outcomes (to help formulate responses) with breakdowns of data by regional and local authority area to reveal where problems are greatest and to promote accountability for regulation under the Resource Management Act. He believes that forward-looking data on risks and outlooks to identify priorities need to be provided. He also believes that there should be a commentary on the effectiveness of government policies to date, to improve cost-effectiveness together with a requirement for the government to respond to each synthesis report stating its assessment, priority environmental outcomes with strategies, targets and milestones, plus progress reports – see:

<https://www.sciencemediacentre.co.nz/2018/04/19/mfe-reports-on-changes-to-nzs-landscapes-expert-reaction/> .

Many of these comments have been made previously by the Council.

Decision-making considerations

Part 6 (Planning, decision-making and accountability) of the *Local Government Act 2002* has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the *Act*.

Financial considerations—LTP/Annual Plan

This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Attachment

Document 2053594: Our Land 2018 – At a glance



>> New Zealand's Environmental Reporting Series



Our land 2018

DATA TO 2017

AT A GLANCE

newzealand.govt.nz

Our land at a glance

This is the first report focused solely on land in the environmental reporting series begun in 2015.

Our land 2018 reports on the state of the soil, and the state of indigenous biodiversity and ecosystems. The aim is to provide an overview of condition, and changes over time, to support decision-making at all levels of society.

This page presents a snapshot of the top-level findings. It is followed by an executive summary.

- **Land is fundamental to human life, and central to the environmental system we depend on.** The decisions we make and the actions we take affect not just the land, but also water, oceans, air and atmosphere, and the life they support.
- **There have been significant shifts in land use in the past two decades.** These include:
 - expansion in urban areas (a 10 percent increase between 1996 and 2012), and accompanying loss of some of our most versatile land
 - reduction in the area of land in agricultural production (7 percent decrease between 2002 and 2012)
 - increase in the proportion of farmland used for dairy (42 percent increase in area between 2002 and 2016), and a decrease in the area in sheep and beef (20 percent reduction between 2002 and 2016)
 - continued intensification of farming, including a shift in the past 15 years to higher stocking rates, especially for dairy.
- **The quantity and quality of soil are affected by erosion and intensification of agriculture:**
 - of the 192 million tonnes of soil estimated lost each year, 44 percent comes from exotic grassland
 - while five out of seven indicators of soil quality were largely within target range, two indicators present concern, as more than 48 percent of tested sites were outside target range for those properties
 - one indicator is for phosphorus content in soil, which when too high can have negative impacts on water quality; the second indicator is for macroporosity (which is part of the soil's physical status and when too low is an indicator of compaction), which can have negative impacts on water quality and production
 - sites under more intensive land uses, such as dairy, cropping and horticulture, and dry stock, were more frequently outside target range for these two soil quality indicators.
- **Indigenous biodiversity and ecosystems continue to be under threat:**
 - there was continued loss of indigenous land cover
 - coastal and lowland ecosystems continued to decline in extent
 - nearly 83 percent (285 of 344 taxa) of the land vertebrates classified in the threatened species system were either threatened or at risk of extinction, and the status of 11 species declined
 - predation and plant-eating by pests, as well as disease and weeds, continued to threaten indigenous biodiversity.
- **There is a bright spot for biodiversity – 20 bird species have improved conservation status.** The status improvement for more than half of these bird species was dependent on intensive conservation management.
- **There are significant gaps in the data that limit the analysis in this report.** Filling these gaps would support better decision-making. This is particularly important for our key economic asset – the soil, and the underlying environmental services that biodiversity and ecosystems provide.

Executive summary

What is at stake – why do soil and biodiversity and ecosystems matter?

The biodiversity and ecosystems above and below the ground sustain every aspect of life in Aotearoa New Zealand. They provide our life-support systems and the foundation of our economy and society.

Land underpins the country's top two export earners: primary production and tourism. In 2016, land-based primary production (agriculture, horticulture, and forestry) earned \$35.4 billion (half of the country's total export earnings of \$70.9 billion), while international tourism expenditure in New Zealand was \$14.7 billion. In the same year, land-based primary production's share of total gross domestic product (GDP) was 3.7 percent, while tourism's share was 5.7 percent.

Land ecosystems are central to all human life: they provide air, water, and food for survival, and insulate us from natural forces such as flood and fire. The land is important for other aspects of being human too: it provides a connection to place and history, and a space we play and learn in. It is where we define culture, express spirituality, and anchor memory and identity.

These together make up the 'ecosystem services': benefits that people derive from the natural world. This is a dependency clearly expressed in te ao Māori: a world view "defined by relationships between people, land, water, flora, fauna, and inhabitants of the spiritual world – all bound together in a web of mutual responsibility" (Waitangi Tribunal, 2011). This has a central tenet, that human well-being is directly connected to the state of the land:

Te toto o te tangata he kai, te oranga o te tangata he whenua.

While food provides the blood in our veins, our health is drawn from the land.¹

Aotearoa New Zealand's biodiversity has particular significance. Many of our indigenous species, particularly our animals, come from old lineages. A large proportion of these indigenous species are endemic – they are internationally distinctive and important to global biodiversity. If these species are lost to the world, they cannot be replaced.

The most recent survey of our land cover shows that just under half of the land area is covered by natural cover types like indigenous forest, tussock grassland, scrub and shrubland, as well as water bodies, and bare ground. The other half is made up of modified land cover types such as exotic forests and grasslands, cropland, and urban areas. What is known about the condition of these areas, and how they have changed over time, is summarised in the next section.

The current state of biodiversity and ecosystems, and the soil

The findings of the *Our land 2018* report show that the state of our biodiversity and ecosystems and our soil resources is continuing to decline.¹

¹ The selection of the report's top findings was based on these criteria: spatial scale of impact to natural systems; magnitude of change; scale of impact on culture, recreation, health, and the economy; and irreversibility or long-lasting effects of change.

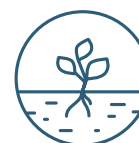
Indigenous biodiversity and ecosystems continue to be under threat

- There is continued loss of indigenous land cover. Between 1996 and 2012 there was a net loss of 31,000 hectares of tussock grassland, 24,000 hectares of indigenous shrubland, and around 16,000 hectares of indigenous forests, through clearance, conversion, and development. Although these areas represent a small proportion of each land cover type, the ongoing loss continues to threaten indigenous biodiversity.
- Coastal and lowland ecosystems that were once widespread (including wetlands) continue to decline in extent. Almost two-thirds of New Zealand’s rare and ‘naturally uncommon’ ecosystems are threatened.
- Of the taxa that are assessed in New Zealand’s threat classification system, nearly 83 percent (285 of 344 taxa) of indigenous land-based vertebrates are either threatened or at risk of extinction. This affects taonga species.
- The conservation status of seven bird species, three gecko species, and one species of ground wētā is worsening. The conservation status of 20 bird species is improving – more than half of them are dependent on intensive conservation management.
- Except for some offshore islands and fenced sanctuaries, exotic pests are found almost everywhere in New Zealand. Predation and plant-eating by pests, as well as disease and competition from weeds, continue to threaten indigenous biodiversity.



The quantity and quality of soils are affected by erosion and intensifying agriculture

- New Zealand has naturally high rates of erosion, due to a combination of steep terrain, rock and soil types, and climate. Erosion can be accelerated when tree cover is removed. Erosion models comparing soil loss to water with land cover types show 44 percent of the soil that enters our rivers each year comes from pasture (exotic grassland). This is equivalent to 84 million tonnes of soil out of the 192 million tonnes estimated lost each year.
- Soil monitoring programmes in 11 regions across the country between 2014 and 2017² show that results for 83 percent or more of tested sites were within target range for five of the seven indicators (pH, total carbon, total nitrogen, mineralisable nitrogen, bulk density). However, the remaining two indicators give reason for concern.



² These programmes are run by 12 of the 16 regional and unitary councils in New Zealand. In this reporting period only 11 councils provided data for analysis.

³ New Zealand’s Environmental Reporting Series: Our land 2018 at a glance

- More than 48 percent of tested sites were outside the target range for two indicators of soil quality: phosphorus content (an indicator of soil fertility) and macroporosity (a measure of how many pore spaces there are in the soil, which is an indicator of the soil's physical status).
- Of tested sites, 33 percent had soil phosphorus levels that were too high. Excess phosphorus can travel into waterways through erosion and run-off, where it can trigger growth of unwanted plants and reduce water quality.
- Of tested sites, 44 percent were below the target range for the macroporosity soil indicator (indicating soil compaction). Soil compaction makes soil less productive, and can reduce soil biodiversity and restrict plant growth. As compaction impedes drainage, it can also result in increased greenhouse gas emissions from urine on soils, and an increased amount of phosphorus and eroded soil reaching waterways.
- Sites under more intensive land uses, such as dairy, cropping and horticulture, and dry stock, were more frequently outside the target range for these two soil quality indicators. In particular, 51 percent of tested dairy sites had excess soil phosphorus and 65 percent of tested dairy sites were below the target range for macroporosity. Some horticultural and cropping sites also had high phosphorus levels (37 percent) and low macroporosity levels (39 percent). Drystock sites also had low macroporosity levels (41 percent).



The state of the land is central to the wider environmental system

Changes to the state of the soil or biodiversity and ecosystems have major effects on other parts of the environmental system. This is particularly the case 'downstream' in freshwater and marine environments, but also in air and atmosphere. The connections and interdependencies within indigenous ecosystems are central to the life-giving services they provide, and declines in biodiversity reach across all aspects of the physical environment. The close interrelationship between different environmental 'domains' is illustrated by the wider effects of changes in soil quantity and quality.

Environmental impacts of soil degradation

Land	Fresh water	Marine	Atmosphere & climate	Air
Soil quality changes can put added pressure on indigenous plant species and raise opportunities for invasive species.	Water quality and the ecological health of rivers, streams, and lakes can be degraded when eroded sediment, contaminants, and nutrients enter waterways.	A reduction in survival rates of many species and the loss of important marine habitats occurs when eroded sediment reaches estuarine and coastal areas.	Soil is a major carbon sink. Land use change can cause the soil carbon stock to increase or decrease, especially if there is a disturbance of the topsoil as in agriculture and production forestry. When a land use change decreases the soil carbon stock, carbon dioxide, a greenhouse gas, is emitted to the atmosphere. When a land use change increases the soil carbon stock, carbon is removed from the atmosphere.	Dry, bare soil can be eroded by wind, suspending particles in the air and causing respiratory issues, dust nuisance, and loss of fertile soil.
Erosion damages infrastructure such as fencing and roads on farms, and when it occurs, can cause significant impacts to roads, housing, and infrastructure (such as water pipelines).	Compacted soils are often slow draining, which can lead to more sediment and nutrients moving off the land and affecting waterways.		Soil carbon is an indicator of soil organic matter, which is important in supplying and retaining nutrients for plants and farm production and reducing the amount of nutrients leached to water.	
Erosion reduces the amount and quality of soil, leading to reductions in plant and animal productivity.	Sediment that enters waterways can build up in river channels leading to an increased flooding hazard and risk to infrastructure such as bridges.		We have limited understanding of the relationship between erosion and the storage/release of carbon.	
Reductions in soil quality can limit plant growth leading to reductions in animal productivity.			Soils that are wet or compacted are likely to have increased emissions of nitrous oxide, a greenhouse gas.	

What is putting pressure on our land

Human use of land has always had an impact on the environment. What has changed in our lifetime is the extent and intensity of this impact as population increases and technology and society change.






Our land 2018 presents a view of measurable change in the pressures that affect soil and biodiversity and ecosystems. The findings reflect the pressures of human activity in combination with the physical processes of geology and climate. In 2018, the accentuating effects of major earthquakes and climate change have particular relevance.

To gain a view of the overall pressures on land, and on the soil in particular, *Our land 2018* focuses on recent changes in land use (changes in extent, activity type, or intensity), across these major land use types: conservation, forestry, agriculture, and urban. It also reports on three pressures that can have concentrated effect at specific points: mineral extraction, waste, and contamination.

To understand the decline in indigenous biodiversity and ecosystems *Our land 2018* looks at the effects of human activities in terms of habitat loss, habitat degradation, and species loss. The focus is on changes in the extent and distribution of indigenous land cover and ecosystems; and the effects of habitat fragmentation; and pests, weeds, and disease.

These pressures on land can have a compounding effect, as in many wetland areas. Wetland ecosystems continue to decline in extent, after already declining to about 10 percent of their pre-human extent. This habitat loss can result in habitat degradation through fragmentation. Fragmentation can increase the proportion of vulnerable 'edge habitats' and can also result in species isolation, making populations more vulnerable to chance events.

Our human activities, accentuated by recent natural disasters and climate change, are putting pressure on soil and indigenous biodiversity and ecosystems

- While there has been little change in the total exotic grassland area between 2002 and 2012, there was a reduction in the total agricultural land in the same period. The total area recorded in the Agricultural Production Census dropped from approximately 13.4 million hectares in 2002 to about 12.6 million hectares in 2012, a decrease of 7 percent, mainly in pastoral farming land for sheep and beef. 
- Overall, the main shifts in land cover between 1996 and 2012 were from exotic grassland and shrubland to exotic forest, some conversion in the opposite direction, and a 10 percent expansion of urban land. Cropland expanded in area between 1996 and 2002 and more so between 2002 and 2008. 
- Agricultural intensification includes a shift in the past 15 years to higher stocking rates (especially for dairy). 
- At the same time, land under dairy increased to 2.6 million hectares in 2016 (42 percent increase from 2002) and the area under sheep and beef farming decreased to 8.5 million hectares (a 20 percent drop). This shift from sheep and beef farming to dairy farming was most pronounced in Canterbury and Southland.
- Urban expansion is reducing the availability of some of our most versatile productive land. Studies based on changes in land cover indicate that between 1990 and 2008, 29 percent of new urban areas were on some of our most versatile land. Fragmentation can also be a pressure on urban fringes: in 2013, lifestyle blocks occupied 10 percent of New Zealand's most versatile land. This may block future options for agricultural production.
- Change in land cover, historic and recent, is a key pressure on our biodiversity and ecosystems. The remaining indigenous vegetation cover is mostly in hilly and mountainous areas, with only small fragments in lowland and coastal environments. This is not representative of the full range of indigenous ecosystems and habitats.
- Pressures from human activity and exotic invasive species can degrade habitat quality, through modification and fragmentation – making indigenous species more vulnerable to the effects of pests, weeds, and diseases. 
- Predatory animals (particularly rodents, mustelids, and possums) are a major cause of species decline. Browsing animals (including possums, deer, and goats) can damage indigenous forest, and invasive insects and weeds can out-compete indigenous species. Diseases, such as kauri dieback and myrtle rust, also pose a serious threat to biodiversity. 
- Earthquakes, particularly those in Canterbury and Marlborough in the last decade, have had long-lasting impacts across those regions and nationally. The earthquakes have had profound effects on individual and community well-being, landforms, natural systems, and built infrastructure, and have created substantial economic and land management challenges.

- Climate change is already affecting New Zealand's land systems. We can expect severe effects on land and human systems from long-term changes and increased frequency of intense rainfall events. These effects include challenges to productive systems (shifts in the suitability of land for horticulture and agriculture), pressure on indigenous ecosystems (with exacerbated impacts from pest invasions), increased vulnerability to erosion, sedimentation of waterways, and wildfires, through increased risk of rainfall and drought events.
- Rising sea levels and related storm surges will increase the frequency, severity, and extent of coastal flooding and erosion, while also threatening low-lying infrastructure, cultural sites, and habitats. They may also increase the risk of seawater intrusion to groundwater.



The report has only a partial view of changes in the extent and intensity of other key human activities that put pressure on soil and biodiversity and ecosystems (including tourism, mineral extraction, waste disposal, and contamination of land). These are described, but the lack of national datasets to support reporting of change over time precludes the report reaching specific findings in these areas (see below).

What we need a clearer view of

The Environmental Reporting Act 2015 requires the Ministry for the Environment and Stats NZ to report on the **state** of the environment, the **pressures** affecting its state, and how these **impact** on aspects of environmental and human well-being. The impacts considered include ecological integrity, public health, economy, te ao Māori (the Māori world view), culture, and recreation.

There are significant gaps in data coverage, consistency, and scale that limit the analysis in *Our land 2018*. These gaps also limit the options available to better represent current and future pressures, change over time, and links between state and impact, as well as a more complete range of impacts. The data gaps are outlined in the Data sources and limitations section in the full report.

Find out more

Read the [full report](#). See [Environmental indicators Te taiao Aotearoa: Land](#) on Stats NZ's website.

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Agenda Memorandum

Date 5 June 2018



**Memorandum to
Chairperson and Members
Policy and Planning Committee**

Subject: New Zealand Fish Passage Guidelines

Approved by: AD McLay – Director, Resource Management

BG Chamberlain, Chief Executive

Document: 2041430

Purpose

The purpose of this memorandum is to introduce the New Zealand Fish Passage Guidelines prepared by the National Institute of Water and Atmospheric Research (NIWA) and the Department of Conservation (DOC) in partnership with the New Zealand Fish Passage Advisory Group, and to recommend that the guidelines be taken into account by this Council when promoting fish passage in Taranaki.

A media release on the Guidelines can be found at <http://www.mfe.govt.nz/news-events/doc-and-niwa-release-fish-passage-guidelines> while the full Guidelines document can be downloaded from the NIWA website <https://www.niwa.co.nz/freshwater-and-estuaries/research-projects/new-zealand-fish-passage-guidelines>

A presentation on the Council's current fish passage programme will be given at the meeting.

Executive summary

The guidelines set out best-practice approaches and minimum design standards for providing fish passage based on current knowledge.

The guidelines provide design suggestions with accompanying photographs, diagrams and tables for common types of fish barrier including culverts, weirs, and other structures. Options for remediation of existing structures (including removal) are given a separate chapter in the guidelines. A number of case studies on remediation are included.

There is also a chapter on built barriers i.e. barriers that are built with the intention of limiting or preventing the movement of certain fish species for example, to prevent access for exotic or invasive species to protect refuges for native species.

The guidelines are a timely and useful addition to the Council's toolbox in promoting good fish passage management in Taranaki and will add positively to the Council's current programmes on fish passage in Taranaki.

Recommendations

That the Taranaki Regional Council:

1. receives the memorandum *New Zealand Fish Passage Guidelines*; and
2. notes that the guidelines will provide a useful tool for this Council in further promoting good fish passage management in Taranaki.

Background

According to the guidelines document there are about 50 native freshwater fish species and 10 sports fish species in New Zealand. Many of the native species are found only in New Zealand and are therefore of significant biodiversity value both nationally and internationally. Freshwater fish are also highly valued in New Zealand due to their status as taonga and kai for Māori, and because of their importance for a range of cultural, recreational and commercial uses and values. Well known examples include whitebait, eel (tuna) and trout.

Around one-third of New Zealand's native freshwater fish are diadromous i.e. they spend some part of their lives at sea which means that they need free access to and from freshwater habitats to successfully complete their life-cycles. In Taranaki, the proportion is much higher with 15 of the 18 native freshwater fish species spending part of their life-cycle at sea. Physical barriers such as dams, culverts and weirs can restrict or completely prevent the migration of some of these species, interrupting access to habitats essential for supporting different stages of their life-cycle, for example breeding, rearing, feeding and refuge.

For many native fish species, protecting connectivity between habitats is as important as protecting the habitats themselves.

In 2001, the Council compiled an inventory of known or potential barriers to fish passage in Taranaki entitled *Dams, Weirs and other barriers to fish passage in Taranaki*. Over time, the Council has worked with the owners of the structures or other stakeholders to investigate and/or resolve the barriers registered in the inventory, including 'orphaned' structures or those associated with an historical activity for which no one now has responsibility.

The Council's operative *Regional Fresh Water Plan for Taranaki* contains rules that require structures in river and lake beds do not restrict the passage of fish. New culverts or other barriers to fish passage are required to make adequate provision for the installation of fish passes as a standard condition of consent and appropriate inspections are carried out to ensure compliance.

For older structures where no one has responsibility for the structure and the structure presents a barrier or a potential barrier to fish passage, the Council's preferred option is to seek to have the barrier removed, provided there are no significant adverse consequences from the removal. There are a number of these 'orphaned' structures in Taranaki. Some of these have historic value.

The guidelines have been developed to assist infrastructure designers and managers, councils, iwi and local communities with a better understanding of fish passage requirements and practical solutions.

Discussion

The guidelines set out best-practice approaches and minimum design standards for providing fish passage based on current knowledge and will be a useful resource for the Council to promote when seeking to have fish passes installed on barrier structures in Taranaki's rivers.

The guidelines are based on the principle that good fish passage design achieves the following general objectives:

- Efficient and safe upstream and downstream passage of all aquatic organisms and life stages resident in a waterway with minimal delay or injury.
- A diversity of physical and hydraulic conditions are provided leading to a high diversity of passage opportunities.
- The structure provides no greater impediment to fish movements than adjacent stream reaches.
- Continuity of geomorphic processes such as the movement of sediment and debris.
- Structures have minimal maintenance requirements and are durable.

The guidelines do not cover all aspects of structure design and should be used in conjunction with other standard design procedures and technical guidance. For example, the guidelines do not cover fish passage requirements at large dams (greater than 4 metres in height) or non-physical barriers to migration such as degraded water quality.

The guidelines concede that as knowledge of the life cycles of fish species improves and with advances in engineering the guidance around best-practice approaches to fish passage will also improve.

The guidelines also acknowledge that good fish passages design is site-specific and must be based on local conditions and circumstances. However, the guidelines state that the general principles of good fish passage design set out in the guidelines should provide a basis for developing suitable infrastructure designs in the majority of situations most regularly encountered in New Zealand.

The guidelines provide practical design suggestions with accompanying photographs, diagrams and tables for common types of fish barrier including culverts, weirs, and other structures. Options for remediation of existing structures (including removal) are given a separate chapter in the guidelines. A number of case studies on remediation are included that provide information and guidance about attempts to improve a variety of different types of fish passage barriers throughout New Zealand.

There is also a chapter on built barriers i.e. barriers that are built with the intention of limiting or preventing the movement of certain fish species for example, to prevent access for exotic or invasive species to protect refuges for native species.

The Council now has a programme underway with the first stage being a systematic and comprehensive identification and evaluation of barriers to fish passage, which will then lead to a prioritisation of interventions. Staff will make a presentation to the Committee on the Council's current work in fish passage management in Taranaki.

The guidelines are a timely and useful addition to the Council's work in promoting good fish passage management in Taranaki.

Decision-making considerations

Part 6 (Planning, decision-making and accountability) of the *Local Government Act 2002* has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the *Act*.

Financial considerations—LTP/Annual Plan

This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Agenda Memorandum

Date 5 June 2018



**Memorandum to
Chairperson and Members
Policy and Planning Committee**

**Subject: Deep South National Science Challenge:
Climate Adaptation Ambassadors'
Workshop**

Approved by: AD McLay, Director – Resource Management
BG Chamberlain, Chief Executive

Document: 2048926

Purpose

The purpose of this memorandum is to introduce a research project being undertaken as part of the Deep South National Science Challenge to steer research on climate change adaptation through to policy and action via a network of 'climate adaptation ambassadors'.

The first of several workshops on this topic was held recently in Wellington on 4 May 2018 to explore the connection between research and decision-making in local government and further develop the concept of 'climate adaptation ambassadors'.

Background information on the workshop and on the Deep South National Science Challenge itself can be found at <http://www.deepsouthchallenge.co.nz/news-updates/climate-adaptation-ambassadors-workshop-steering-research-through-policy-and-action>

Executive summary

The Deep South National Science Challenge is a collaboration between Crown Research Institutes, universities and research providers designed to bring together new research approaches to determine the impacts of a changing climate and to feed this into planning and decision-making in the public and private sectors and within local communities. There is regional council sector representation within associated advisory and stakeholder groups. The Challenge leaders have acknowledged the need to provide for research knowledge transfer to uptake and inclusion within policy, with regional councils central to the latter.

The Wellington workshop focused specifically on the connection between research on climate change and decision-making on adaptation in local and regional government via a network of 'climate adaptation ambassadors'.

Mr Gray Severinsen, Manager of Policy and Strategy, has been appointed the Council's contact point on climate change issues.

Common themes that emerged from the Wellington workshop were:

- A need for clear national policy guidance, including a national adaptation strategy;
- Specific focussed actions and opportunities to move from concept to implementation (e.g. a workshop or an ongoing series of workshops);
- Better coordination and integration across and between government agencies, science and policy processes, including specific attention to transition issues;
- Communication and community engagement, acceptance and willingness to change is at the core of the problem; and
- Funding adaptation strategies and implementation – who pays?

The Wellington workshop was the first of several to be held throughout 2018. Feedback from these events will inform a second phase in 2019.

Recommendations

That the Taranaki Regional Council:

1. receives the memorandum *Deep South National Science Challenge: Climate Adaptation Ambassadors' Workshop*;
2. notes that the workshop was the first of several to be held during 2018 which will lead to a second phase of research in 2019; and
3. notes that Mr Gray Severinsen, Manager Policy and Strategy, has been appointed the Council's contact point on climate change issues.

Background

The Deep South National Science Challenge is a collaboration between Crown Research Institutes, universities and research providers designed to bring together new research approaches to determine the impacts of a changing climate and to feed this into planning and decision-making in the public and private sectors and within local communities.

The Deep South National Science Challenge, which has Cabinet approval, is to enable New Zealanders to adapt, manage risk and thrive in a changing climate. It recognises that climate science can be complex and overwhelming and not always used effectively in policy and planning processes.

There is regional council sector representation within associated advisory and stakeholder groups. The Challenge leaders have acknowledged the need to provide for research knowledge transfer to uptake and inclusion within policy, with regional councils central to the latter.

An independent Governance Board appointed by the collaborative parties of the Deep South National Science Challenge and led by NIWA, has decided on five inter-linked programmes and some 38 projects to connect science with society and thereby achieve its Mission of enabling New Zealanders to adapt to and manage the risks of climate change. The five programmes (which are outlined in more detail on the Deep South National Science Challenge website) are:

- **Vision Matauranga** – contributing innovative, practical and sustainable climate adaptation solutions for Māori and all New Zealanders;

- **Engagement** – helping New Zealanders to make decisions informed by climate science and to inform Deep South Challenge research;
- **Impacts and Implications** – improving our understanding of the likely impacts of climate change to support decision-making about and adaptation to climate change;
- **Earth System Modelling and Prediction** – developing and utilising the New Zealand Earth System Model to produce improved projections of climate change; and
- **Processes and Observations** – improving our understanding of the global climate system by observing processes in Antarctica, the southern ocean and the atmosphere.

The 'Engagement' programme is the one that has given rise to the first climate ambassadors' workshop held in Wellington on 4 May 2018. The Council was represented at the Workshop by Mr Gray Severinsen, Manager Policy and Strategy, who has been appointed the Council's contact point on climate change issues.

Similar workshops will be held in Auckland, Christchurch and Dunedin throughout 2018. Feedback from these events will inform a second phase in 2019. In this way, the Deep South National Science Challenge hopes to build a community of climate ambassadors who can support local and national communities to engage and adapt to climate change.

Discussion

Under the purpose and principles of the Resource Management Act 1991 (RMA), section 7 (Other matters) this Council is required to have particular regard to the effects of climate change in making policy, and in consent decisions (but excluding coastal and discharge consents, except to the extent of supporting the use and development of renewable energy – section 104E).

The Regional Policy Statement for Taranaki (RPS) contains region-wide policy on responding to the effects of climate change (see section 7.2 of the RPS). The stated objective is:

'To avoid, remedy or mitigate the adverse effects on the Taranaki environment arising from climate change.'

In line with local government's role in climate change, Policy 1 of the RPS deals specifically with adapting to the effects of climate change. It states:

'Avoid or mitigate adverse effects on the environment arising from climate change by recognising and providing for:

- (a) the development and protection of the built environment and infrastructure in a manner that takes into account the potential effects of rising sea levels and more variable and extreme weather patterns;*
- (b) adaptation within agriculture, forestry, and other primary industries to reduce the adverse effects of climate change on the use of natural and physical resources;*
- (c) a potential increase in biosecurity risks to primary production and biodiversity values;*

and

- (d) possible adverse effects on ecosystems including those with conservation and biodiversity values and on public health.'*

The RPS also contains policy on mitigating climate change but recognises that this is being addressed at a national level and that local government functions in relation to mitigation have been restricted under the RMA. However, it promotes actions that are in accordance

with local government functions and which fall within New Zealand's national policy framework.

Nevertheless, the Council's primary responsibilities in relation to climate change are in adapting to the effects of climate change. While there will be implications for a number of Council functions, the effects of climate change will be particularly significant for district councils in planning for their physical infrastructure assets, land use planning and civil defence planning and emergency response etc.

The current Government is set to expand New Zealand's responses to climate change issues in future and so attendance at the workshop was a timely opportunity to explore further the transfer of knowledge from research to policy and action and the development of a community of 'climate ambassadors'.

The Wellington workshop focused specifically on the connection between research and decision-making in local and regional government.

This first workshop was an opportunity to share expertise and experience and to learn from other practitioners in climate science, local government and business. Presentations were given on the impacts and implications of climate change; implementing adaptation; navigating the policy landscape and engagement strategies. One keynote speaker gave a presentation on the Clifton to Tangoio Coastal Hazard Strategy 2018, a practical case study of community-based decision-making in Hawkes Bay. The emphasis throughout the day was on enabling knowledge transfer from research to policy and action.

Common themes that emerged from throughout the day were:

- A need for clear national policy guidance, including a national adaptation strategy;
- Specific focussed actions and opportunities to move from concept to implementation (e.g. a workshop or an ongoing series of workshops)
- Better coordination and integration across and between government agencies, science and policy processes, including specific attention to transition issues
- Communication and community engagement, acceptance and willingness to change is at the core of the problem. There are many types of engagement but it is essential to have a good plan. Providing a sound context for climate change policy/action is important.
- Funding adaptation strategies and implementation – who pays?

Overcoming scientific uncertainty about the nature and extent of climate change and the long lead times involved was an issue for many. Others maintained that an iterative process involving regular monitoring and reappraisal of new climate information, early signals and triggers (decision points), community engagement and monitoring of social, cultural and economic change would assist in this process.

The Government's proposed Zero Carbon Act (which could also extend to issues around adaptation) as well as the proposed Climate Commission would also be important considerations in any future climate adaptation initiatives adopted by local government.

In the meantime, some guidance material had recently become available, for example, MfE's *Coastal Hazards and Climate Change* guidance for local government and *Adapting to Climate Change in New Zealand: A Stocktake Report from the Climate Change Adaptation Technical Working Group* (both reported to the Policy and Planning Committee at its meeting held on 30 January

2018). Further guidance was on the way, for example, the Climate Change Adaptation Technical Working Group's second report is due for release in May 2018.

The workshop was part of an ongoing research project being undertaken by Victoria University. During the Wellington workshop (and subsequent workshops to be held in 2018), researchers will record opinions, comments, questions and discussions from those attending (as well as the presenters) to better understand what information on climate impacts, implications and engagement is required by end users, researchers and scientists in New Zealand. The research will also evaluate the effectiveness of these workshops to share climate change knowledge and its ability to create a network of climate ambassadors.

Decision-making considerations

Part 6 (Planning, decision-making and accountability) of the *Local Government Act 2002* has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the *Act*.

Financial considerations—LTP/Annual Plan

This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Agenda Memorandum

Date 5 June 2018



**Memorandum to
Chairperson and Members
Policy and Planning Committee**

Subject: Second quarterly monitoring report on urban development indicators for New Plymouth District

Approved by: A D McLay, Director – Resource Management
BG Chamberlain, Chief Executive

Document: 2051571

Purpose

The purpose of this memorandum is to introduce the second Quarterly Monitoring Report on Urban Development Indicators for the New Plymouth District. This report gives effect to one of the required elements of the *National Policy Statement on Urban Development Capacity* (NPS-UDC).

Executive summary

- The NPS-UDC came into force on 1 December 2016 and requires local authorities in high-growth urban areas to monitor and plan for urban housing and business development capacity. Statistics NZ assessed New Plymouth and Whangarei as high-growth urban areas in late 2017.
- This Council and the New Plymouth District Council are collaborating to complete the four deliverables, while recognising that core land use planning and management is the responsibility of New Plymouth District Council.
- The attached second Quarterly Monitoring Report has been prepared by New Plymouth District Council on behalf of both councils. The report monitors and records key indicators of house prices, housing affordability and housing development in the New Plymouth district. The report also includes information on business land and floor space.
- In the short time since the first report was completed, only minor new information has been identified. The key findings of this second report are therefore largely similar to the first report.
- The Quarterly Monitoring Report will inform preparation of three-yearly housing and business development capacity assessments (HBAs), the setting of minimum targets, and preparation of a regional future development strategy (FDS).
- The original high growth councils had a one year period between completing their HBA and completing their FDS. However, although the deadline for New Plymouth and Whangarei districts' HBAs was extended until June 2018, the FDS deadline was not

similarly extended. New Plymouth district and this Council recently wrote a joint letter to the Minister, Hon David Parker, in support of one written by Whangarei District Council to request an extension of timeframe to complete their FDS.

Recommendations

That the Taranaki Regional Council:

1. receives the memorandum *Second quarterly monitoring report on urban development indicators for New Plymouth district*;
2. notes that the second Quarterly Monitoring Report has been prepared by the New Plymouth District Council and gives effect to district and regional council requirements under the NPS-UDC; and
3. notes that both councils have written to the Minister to request an extension of the timeframe for completion of the Future Development Strategy.

Background

As reported in March 2018, the NPS-UDC was gazetted on 3 November 2016 and came into force on 1 December 2016. It requires “local authorities” (i.e. regional, as well as district councils) to monitor and plan for housing and business development capacity in urban environments. Ensuring sufficient “development capacity” also became a matter of national significance pursuant to recent amendments to the RMA.

New Plymouth district’s status was re-classified from a “medium-growth” to a “high-growth” urban area in 2017, along with Whangarei district. This assessment will be reviewed in December 2018. The re-classification requires the councils to undertake four deliverables:

- quarterly monitoring reports on urban development activity and price efficiencies;
- three-yearly housing and business development capacity assessment (the HBA);
- agree and set minimum targets for sufficient feasible development capacity for housing; and
- a future development strategy (the FDS) which must demonstrate sufficient, feasible urban development capacity in the medium¹ and long term².

This Council and the New Plymouth District Council are collaborating to complete the four deliverables, while recognising that core land use planning and management is the responsibility of New Plymouth District Council. The HBA is due in June 2018 and the FDS is currently due in December 2018.

The second Quarterly Monitoring Report for New Plymouth District has now been prepared, and is attached, separate to this Agenda. Outlined in the remainder of the memorandum is a summary of the report’s key findings.

¹ *Between 3 and 10 years.*

² *Between 10 and 30 years.*

Quarterly monitoring report

The second report's indicators cover the first quarter of 2018³ and summarise information on:

- prices and rents for housing, residential land and business land, by location and type, and the changes in these prices and rents over time;
- the number of resource consents and building consents granted for urban development relative to the growth in population;
- indicators of housing and rental affordability; and
- business indicators including supply of business space.

As in the first report, information from other high-growth urban areas around New Zealand is included, for comparative purposes. The housing affordability data is based on the national affordability benchmark developed in 2013 by the Ministry of Building Innovation and Employment.⁴ No new housing affordability data is available until May 2018.

The report confirms continuing housing and business trends as per the previous report. Key findings from the second report are as follows:

- *Housing*: New Plymouth district has experienced an increase in house price over the short to medium term but average house price have remained consistently lower when compared with other 'high' growth areas such as Whangarei and Nelson. The increase over ten years averages out to 3.4% per annum. The average price of an empty section in New Plymouth is just over \$220,000.
- *Land value* as a percentage of capital value has been slowly increasing over the past nine years. The higher ratio indicates that land is more valuable relative to the buildings that occupy it. This increase is less than a one per cent increase per annum. The main rise in land values across the New Plymouth District is due to a proximity to specific amenities such as the beach or city centre, or a property with sea views.
- *Build cost*: The average build cost in the New Plymouth district, over the past ten years, has increased an average of around 3.6% per annum. This is lower than the other three comparative medium to high growth districts.
- *Residential Rents*: Residential rents have increased over the past ten years, on average around 2.8% per annum. The overall increase in rent is less than that of house prices. The report states that rents are expected to continue to increase in the long term. In 2017, average rents were cheaper than for comparative cities (this has not always been the case).
- *Housing affordability* has improved over the last ten years by 11.2%. This is due to a combination of low interest rates, wage growth and slower house prices inflation helping to improve buyer affordability. While the improvement in housing affordability is positive, it remains quite high. For example at March 2016, 72% of first-home buyers in New Plymouth could not comfortably afford a typical 'first-home' priced house.
- *Residential price efficiency*: These indicators—the price-cost ratio indicator and the rural-urban value differentials—were included for the first time in the second report:
 - The price cost ratio indicator shows the proportion of house prices that is related to

³ Where the latest data is available, otherwise for earlier periods.

⁴ The national affordability benchmark is the amount of income the median New Zealand household had after paying for their housing costs in June 2013. This is assessed as residual income of \$662 per week for a one-person household, plus \$331 per additional adult and \$199 per child. The benchmark was calculated using data from Statistics New Zealand's Household Economic Survey, and is adjusted for inflation. 2013 was chosen as the base year as it was a Census year. The national affordability benchmark will be rebased periodically.

construction and land costs in the New Plymouth district. This shows the degree to which the supply of land and development opportunities are constrained relative to demand. A price-cost ratio of 1.5 or more means that land costs exceed 1/3 of the total house price. A higher ratio may indicate insufficient land supply, an impact due to a surge in house prices, or illustrate the extent of a lag in the supply of houses. New Plymouth has consistently stayed below the 1.5 threshold which suggests that the supply of land, and development opportunities, have kept up with demand.

- The rural-urban value differentials have been calculated by comparing the values of residential land 2km either side of the boundary between urban and non-urban zones, after removing non-regulatory factors affecting land values. If the value of land jumps where the zone changes, and the differential is above 1, this may indicate that zoning and/or other regulations are constraining urban development capacity. New Plymouth's differential is just over 1.61 times the value of rural land next door or \$92 more per square metre. NPDC notes that its revised district plan provisions are anticipated to result in a drop in the urban-rural ratio.
- *Rental affordability:* Even though the cost of rent has increased, rental affordability has improved overall in New Plymouth. This is because the rental increase over time has been fairly small and lower than that of house sale prices and other affordability factors, such as wage growth and other housing costs.
- *Residential subdivision consents:* The number of residential subdivision applications over the previous ten years has varied slightly with a drop during the 2011-2013 period. One of the more obvious changes in the short term is the increase in larger lot subdivision (>10 estimated lots). The number of applications with more than two lots will help with affordability and house price sales as it makes building a new house more accessible.
- *Employment and growth:* While over the medium term there have been gains in employment growth and GDP in the New Plymouth district, in recent times these gains have been offset by a decline against both indicators. GDP per capita indicator is of interest because it provides an understanding of changes in average income, which is a key factor in the housing affordability measures.
- *Industrial zoned land:* The data for this indicator is still being constructed, however, New Plymouth had a substantial amount of vacant industrial land available in 2015 and this has not changed significantly over the past two years.
- *Capacity within existing and new built facilities – industrial and commercial/office:* These indicators are still under construction and will be addressed in future quarterly reports.
- *Commercial consents per square metre:* After an increase during the period between 2014/2015, commercial consents dropped slightly during 2017. More information will be incorporated into future quarterly reports.
- *Industrial zone differentials:* Current monitoring does not indicate a shortfall of industrial land, however, expanded monitoring of these indicators and other datasets will be incorporated into future quarterly reports.

As indicated in the previous report, a copy of the attached and future reports will be maintained on the both Councils' websites.

Other work

Council officers continue to work and liaise closely with New Plymouth District Council regarding our mutual responsibilities under the NPS-UDC. The development of the HBA, which is informed account the quarterly reports is in progress. Development of the HBA also requires consultation with key stakeholders.⁵ New Plymouth District Council anticipate the first HBA report will be prepared by the end of June 2018.

Minimum targets for housing are due to be agreed between both councils by the end of December 2018 and will be included in the Regional Policy Statement and the District Plan.

The development of a FDS will need to be commenced shortly. The FDS is informed by the quarterly monitoring reports, the HBA, and the minimum targets – as well as by other relevant district and regional strategies and plans, government policy, and direction instruments. Development of the FDS will be subject to a consultation process that complies either with Part 6 of the LGA or Schedule 1 of the RMA and must be adopted by 31 December 2018.

The original high growth councils–Auckland, Tauranga, Hamilton, Queenstown and Christchurch–had a one year period between completing their HBA and completing their FDS. However, although the deadline for New Plymouth and Whangarei districts’ HBAs was extended until June 2018, the FDS deadline was not similarly extended. Whangarei District Council recently wrote a letter to the Minister, Hon David Parker, to request an extension of timeframe to 31 June 2019 for both the New Plymouth and Whangarei districts to complete their FDS. New Plymouth district and this Council have jointly written a similar letter to the Minister, in support of that request, in order to deliver a quality strategy for the future growth of New Plymouth district.

Decision-making considerations

Part 6 (Planning, decision-making and accountability) of the *Local Government Act 2002* has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the *Act*.

Financial considerations—LTP/Annual Plan

This memorandum and the associated recommendations are consistent with the Council’s adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

⁵ Including Iwi authorities, property development sector, significant land owners, and social housing providers.

Iwi considerations

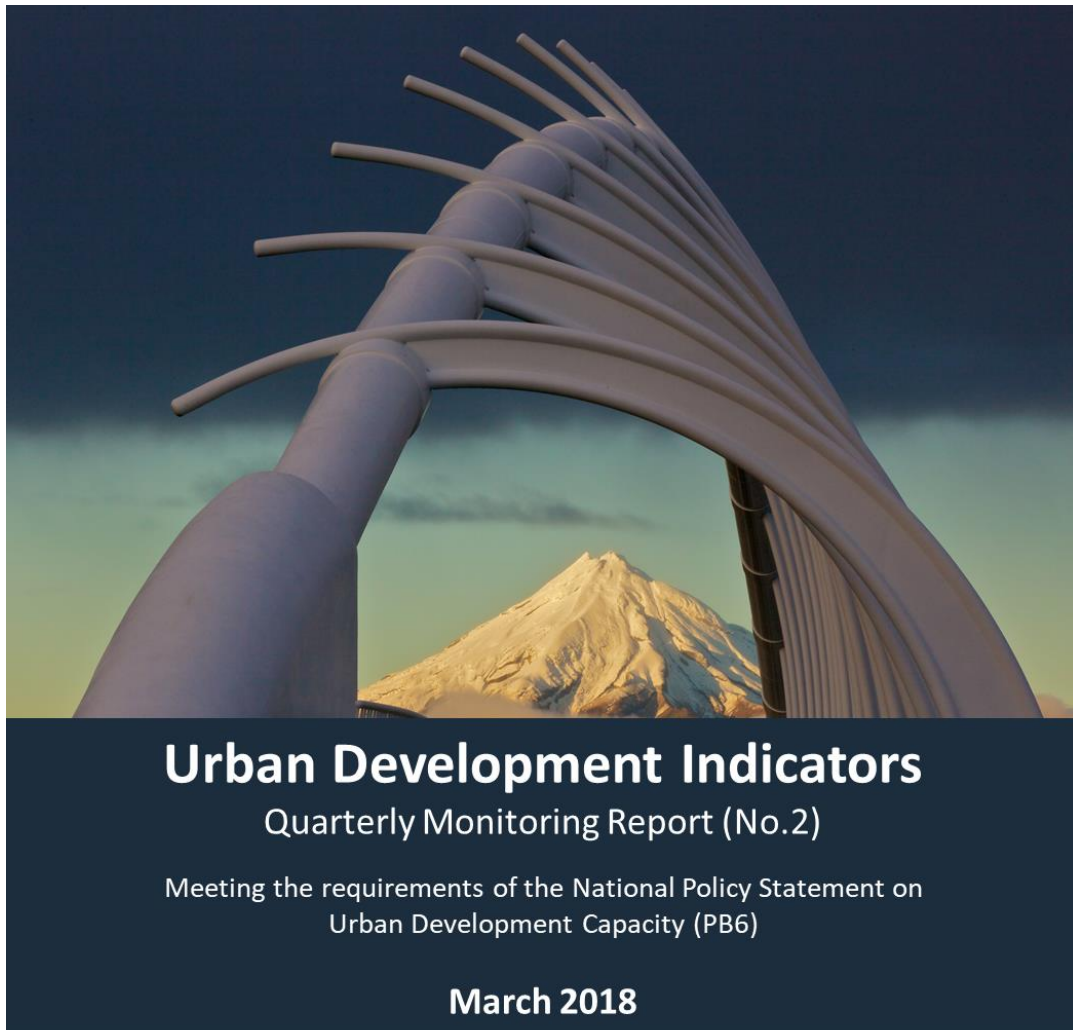
This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

Document #2029021: Quarterly Monitoring Report on Urban Development Indicators for New Plymouth, March 2018, Report No. 2



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Executive Summary

This report provides an overview of New Plymouth housing and business development capacity for the March 2018 quarter. As such, the report uses a selection of nationally agreed indicators and is designed to meet the monitoring requirements of the Government's *National Policy Statement on Urban Development Capacity* (NPS-UDC), which requires local authorities to be well informed about urban development activity and outcomes.

The report is the second of its kind and reviews statistical indicators of house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space for the New Plymouth district. Analysis of the statistics is included to provide a qualitative overview of the monitoring results and their impact on Taranaki.

Summary of findings:

- New Plymouth expected to be a medium-high population growth district. This assessment will be reviewed in December 2018.
- Housing: In general all the indicators in this group have increased with the exception of the housing affordability measure, which has improved. This leads us to believe that while the cost of building or buying a first home in New Plymouth has increased, it is less than the rate of affordability¹.
- Rent has continued to increase but the rate of change has decreased, therefore renting has become more affordable in the past ten years.
- Subdivisions: The increase in subdividable lots and residential consent applications has naturally given rise to an increase in the number of dwellings.
- Business sector growth: Notwithstanding a recent short term drop in business sector growth, over the medium term there has been growth in the business sector.
- Business Indicator Group 2: These indicators are still being developed due to the challenges involved in securing data sources.

¹ As determined by MBIE's national affordability benchmark developed in 2013, which is the amount of income the median New Zealand household had after paying for their housing costs in June 2013. The 2013 national affordability benchmark is residual income of \$662 per week for a one person household, plus \$331 per additional adult and \$199 per child.

Introduction

The *National Policy Statement on Urban Development Capacity* (NPS-UDC) was introduced by the Ministry for the Environment (MfE) in 2016 and requires the Council to assess housing and business demand and capacity across the district. They have newly defined New Plymouth District as medium-high growth (i.e. projected to grow by more than 10 per cent from 2013 to 2023).

As a result, the NPS-UDC requires the New Plymouth District Council and Taranaki Regional Council to provide sufficient development capacity for the New Plymouth district to meet demand over a 30-year period, including 15 - 20% additional development capacity to ensure there is competition in the housing and business markets.

Both the New Plymouth District Council and Taranaki Regional Council recognise that affordable housing is important for people's well-being. For lower income households, high housing costs can leave households with insufficient income to meet other basic needs. Expenditure on housing is a major component of household spending and a key factor in the assessment of housing affordability.

To determine the required level of development capacity to meet the estimated population growth for the New Plymouth district, the NPS-UDC requires the New Plymouth District Council and Taranaki Regional Council to:

- Undertake quarterly monitoring of market indicators, and use indicators of price efficiency (Policies PB6 and PB7). This report gives effect to that requirement.
- Prepare housing and business development capacity assessments (HBAs) on at least a three-yearly basis which forecast demand and "feasible" development capacity, and the likely take-up of capacity (Policies PB1 to PB5). HBAs will be informed by the quarterly monitoring of market indicators with the first being due June 2018.

Purpose

The purpose of this report is to review, for the quarter ending March 2018, indicators of house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space for the New Plymouth district.

The report seeks to ensure that the New Plymouth District Council, and Taranaki Regional Council, are well-informed about demand for housing and business development capacity, urban development activity and outcomes in the New Plymouth urban area, and to fulfil the requirements of Policy PB6 in the NPS-UDC. The report summarises monitoring information for a range of indicators on a quarterly basis, including:

- prices and rents for housing, residential land and business land, by location and type; and the changes in these prices and rents over time;
- the number of resource consents and building consents granted for urban development relative to the growth in population;
- indicators of housing and rental affordability; and
- business indicators, including supply of business space..

Scope and structure of quarterly report

The second quarterly report contains updated residential and business indicators for the March 2018 quarter. The residential baseline indicators are comprised of five groups. These are:

- Housing.
- Rentals.
- Price Efficiency.
- Housing affordability.
- Provision of new houses.

The business baseline indicators are comprised of three groups. These are:

- Employment and growth.
- Supply of business space.
- Price Efficiency.

The indicators are presented in groups to help better identify and understand trends, which will assist in developing an overall picture on the impacts of each indicator for New Plymouth District. For each indicator, the data is shown in a graphical format along with an explanation on what the indicator shows, and the identified source for the data. For the second quarterly report, the data for each indicator is from 2007 to 2017. The housing affordability measure indicators have not changed, as no new data is available until May 2018, when it is due to be updated by the Ministry of Business, Innovation and Employment (MBIE).

The report, for comparative purposes, includes information on some other medium-high growth urban areas to help understand general trends around New Zealand. Locations selected for the purposes of this report are of similar size and growth as New Plymouth District.

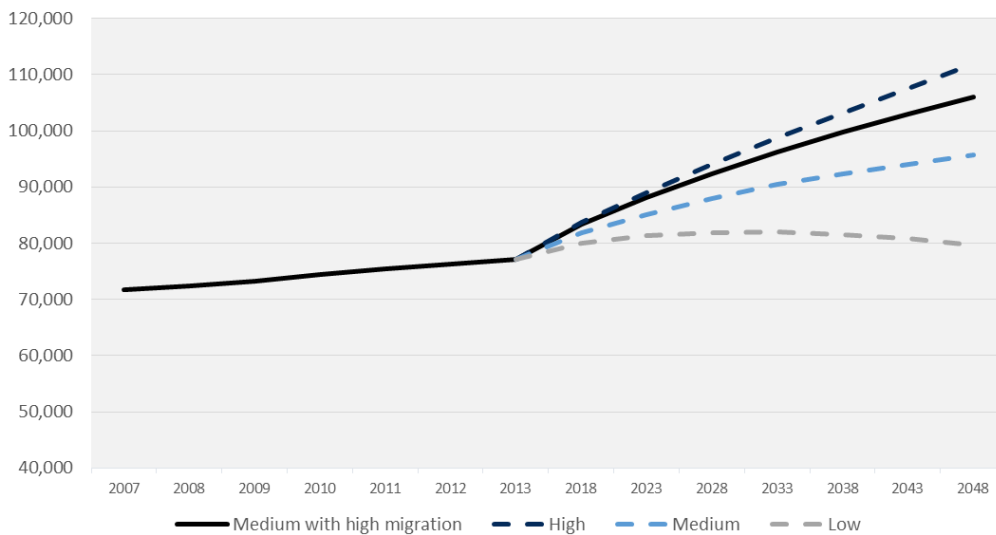
Overview of population growth in the New Plymouth District

The New Plymouth District is situated in the wider Taranaki region and covers an area of 2,205 square kilometres, including both rural and urban areas. One of the resource management issues facing the district is planning for growth and development, whilst ensuring that the needs of the community are met and adverse effects on the environment are avoided, remedied or mitigated.

For the purposes of this report, all of the indicators relate to the wider New Plymouth District area. In the future it is intended to develop monitoring to report on specific urban areas and suburbs.

Statistics New Zealand predict that there will be high population growth in the New Plymouth District over the next ten years. The population is projected to grow from an estimated 83,400 in 2018 to 92,400 in 2028, and to 106,100 by 2048. This equates to growth of 22,700 (27.2%) and will include people with a wide range of social, housing, environmental and economic requisites.

New Plymouth District Population Growth



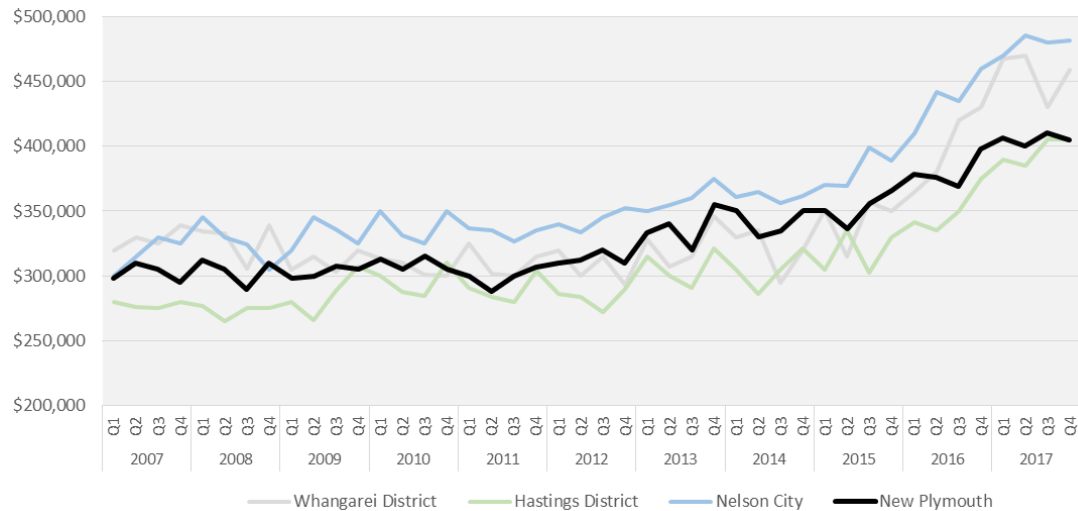
Source: Statistics New Zealand

Residential Indicators

This section summarises information sourced from MfE, the MBIE UDC-Dashboard and Statistics NZ which provides available information on residential trends on supply and demand, and has been supplemented by specific local authority measures of housing capacity.

Residential Indicators Group 1: Housing

Indicator 1: Price for housing-dwelling sale price (actual)



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

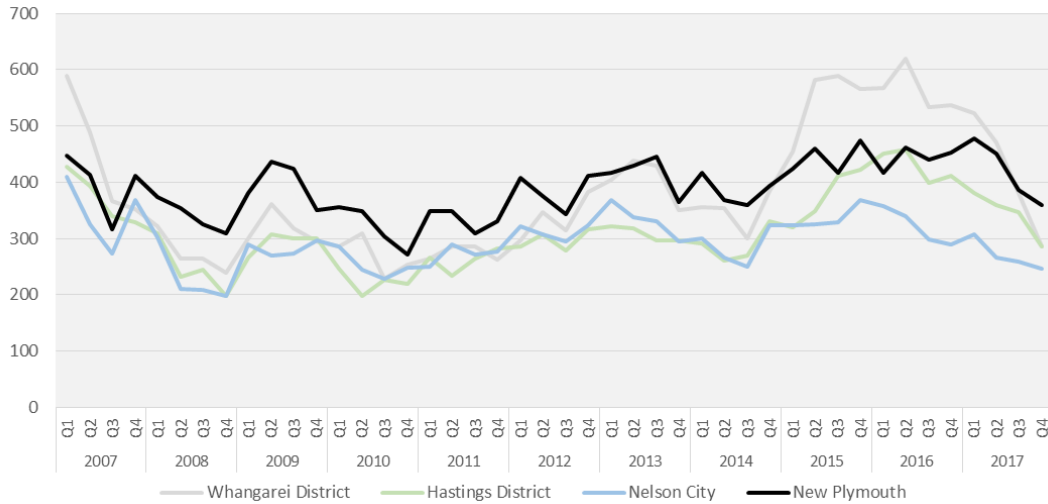
	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Sale Price					
New Plymouth	\$302,300	\$341,300	\$405,300	19% ↑	34% ↑
Whangarei	\$328,400	\$320,000	\$456,700	39% ↑	43% ↑
Hastings	\$277,900	\$304,400	\$396,300	30% ↑	43% ↑
Nelson	\$317,500	\$361,100	\$479,000	33% ↑	51% ↑

Between 2007 and 2017, there has been an increase in house prices across the New Plymouth District – both in the short to medium term. However, compared with other ‘high’ growth areas such as Whangarei and Nelson, New Plymouth average house price has remained consistently lower. The increase in New Plymouth house prices over the ten years averages out to 3.4% per annum. Below is a breakdown of sale prices within the New Plymouth District for different housing types. The average price of an empty section in New Plymouth is just over \$220,000.

New Plymouth District	Number of Sales	Median Sale Value
Houses	320	\$431,500
Apartments	5	\$487,800
Flats	53	\$332,500
Sections	34	\$221,200

Source: Quotable Value, for the three months up to March 2018

Indicator 2: Dwellings sold



Source: MBIE Urban Development Capacity Dashboard, March 2018

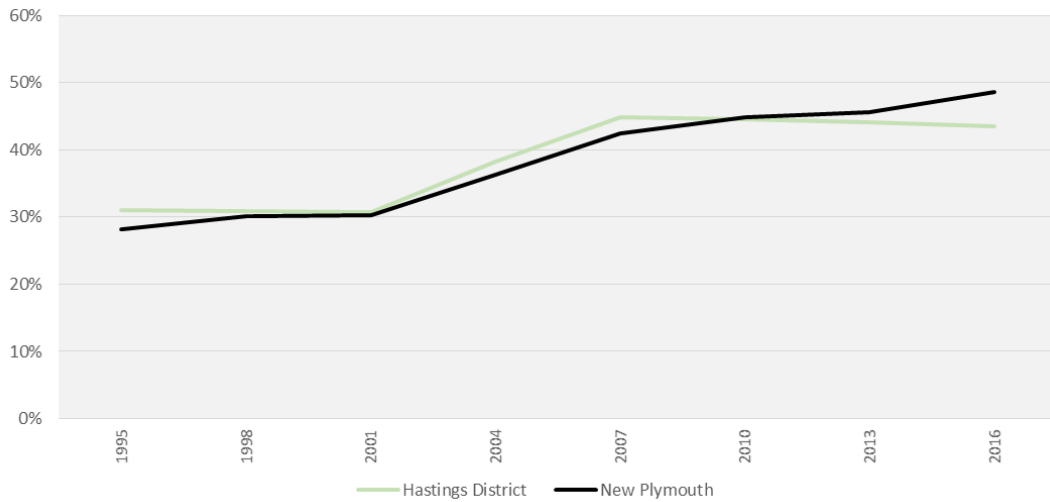
Observations

Dwellings Sold	2006/07	2013/14	2016/17	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	1,590	1,540	1,670	8% ↑	5% ↑
Whangarei	1,800	1,390	1,660	19% ↑	-8% ↓
Hastings	1,490	1,150	1,370	19% ↑	-8% ↓
Nelson	1,380	1,140	1,080	-5% ↓	-22% ↓

On average 389 dwellings per quarter or 1,555 per annum have been sold across the New Plymouth District since 2007. The number of sales per quarter has remained consistently in the 300-500 bracket over the past ten years and no obvious spikes have occurred. The number of sales consistently drop in the fourth quarter of each year which is common in the property market due to the festive season.

Indicator 2 relates to Indicator 1 and the equilibrium between supply and demand of housing in these areas. Generally, the number of dwellings traded in the housing market tends to be positively related to the changes in prices. For example in the event of decreasing or stagnant house prices, the number of dwellings traded tends to decrease. Future quarterly reports will be updated to include new information on supply and demand to identify any emerging trends that might affect the district and future urban capacity.

Indicator 3: Land value as percentage of capital value



Source: MBIE Urban Development Capacity Dashboard, March 2018

Data on land value as a percentage of capital value is provided on a three-yearly basis, when revaluations occur via Quotable Value. Only Hastings data is currently available for comparative purposes.

This indicator shows the proportion of house values that are estimated to be related to land prices at each valuation period. A higher ratio indicates that land is more valuable relative to the buildings that occupy it.

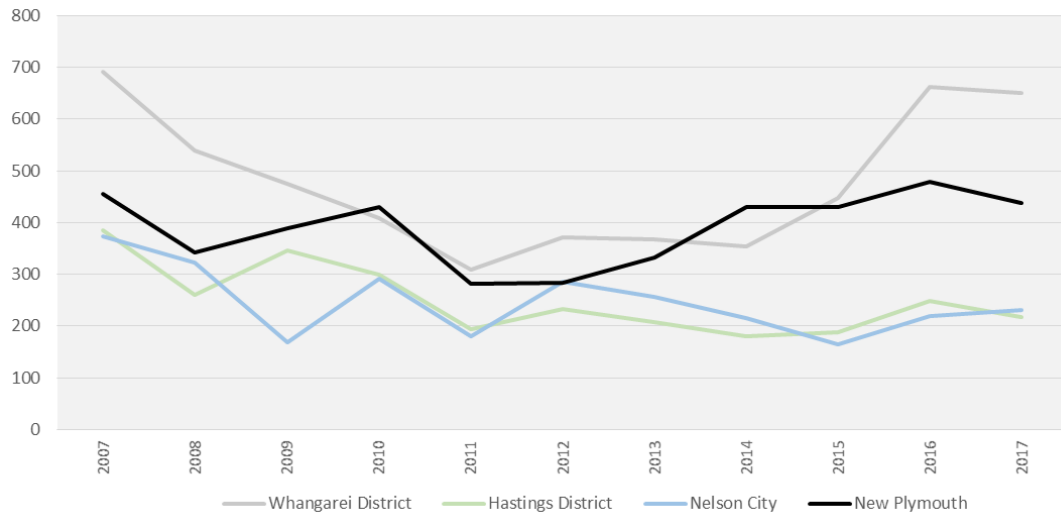
Observations

LV % CV	2007	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
New Plymouth	43%	46%	49%	3% ↑	6% ↑
Hastings	45%	44%	44%	0% ↑	-1% ↓

Land value as a percentage of capital value has been slowly increasing across the New Plymouth District over the past nine years. The higher ratio indicates that land is becoming more valuable over time relative to the buildings that occupy it.

The increase in land value relative to capital value is less than a one per cent increase per annum. The increase is not attributed to decreasing building costs or house sizes (as seen in indicators 5 and 6). To fully understand this increase future quarterly monitoring reports will look further into our current housing stock; their age, land area and type.

Indicator 4: Number of residential building consents



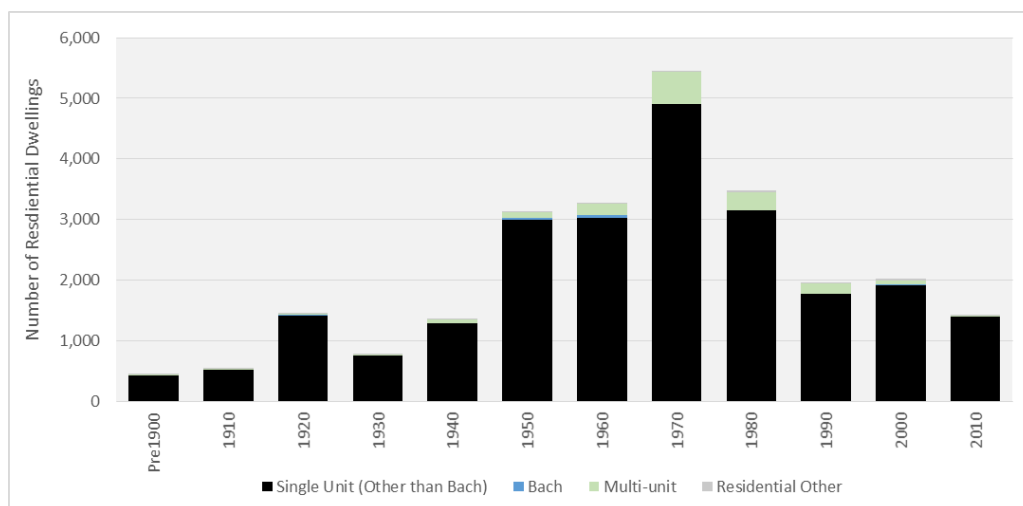
Source: Statistics NZ (InfoShare), March 2018

The number of consents for residential dwellings (classified as dwellings, houses, apartments, townhouses, units and others, retirement villages, flats, units and other dwellings) constructed across the New Plymouth District in a calendar year can be determined up to 2017.

Observations

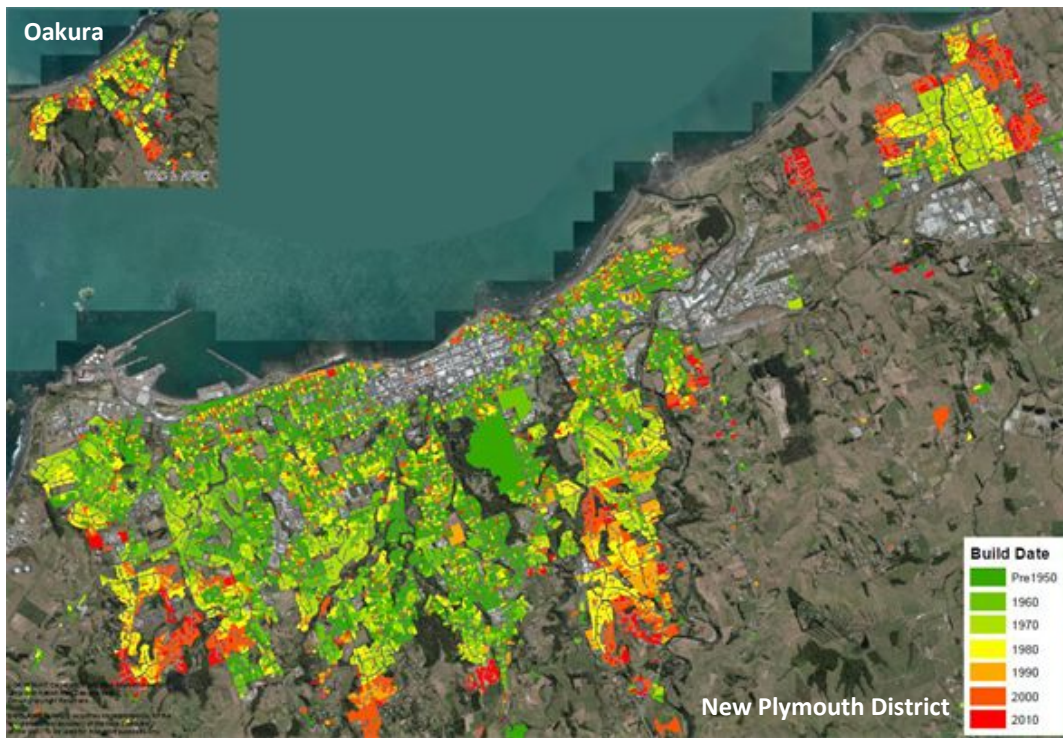
Building consents	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	456	429	438	2% ↑	-4% ↑
Whangarei	692	354	650	84% ↑	-6% ↓
Hastings	384	180	217	21% ↑	-43% ↓
Nelson	373	215	230	7% ↑	-38% ↓

Dwelling build age and type



Source: Quotable Value 2017

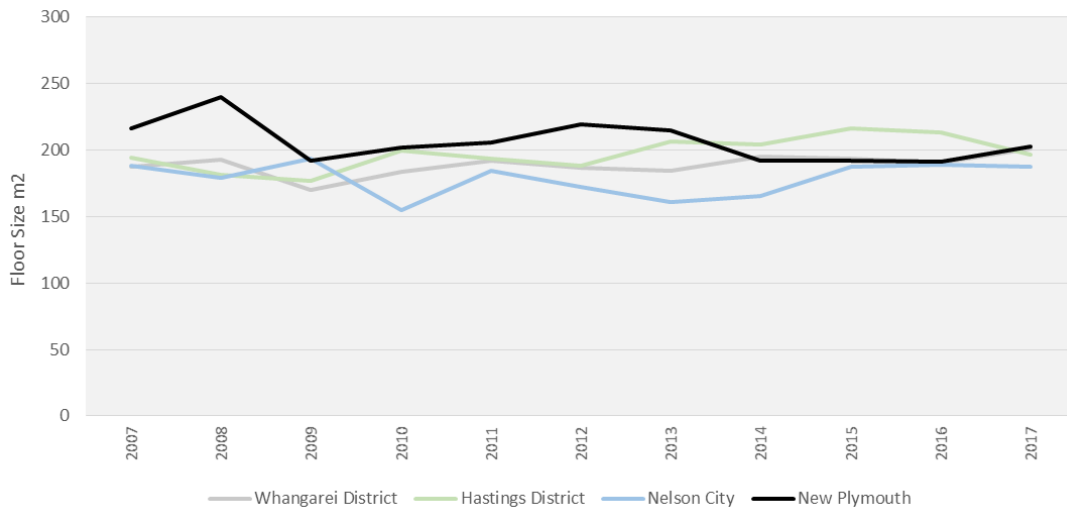
Dwelling build age, by location, up to 2017



Source: Quotable Valuation Data 2017

The number of building consents across the New Plymouth District dropped briefly during 2011/2012 but has increased again in the past five years. New Plymouth District Council has received 400+ consents since 2014 and it is predicted in the Long Term Plan (LTP) for the New Plymouth District Council that 387 houses will be built per annum over the next five years, and 353 houses per annum in the following five years. However according to the NPS-UDC, our planning provides infrastructure and land supply for 464 new houses to be built per annum from 2018-2023, and 424 new houses per annum from 2023-2028.

Indicator 5 –Average Floor Size per Residential Building



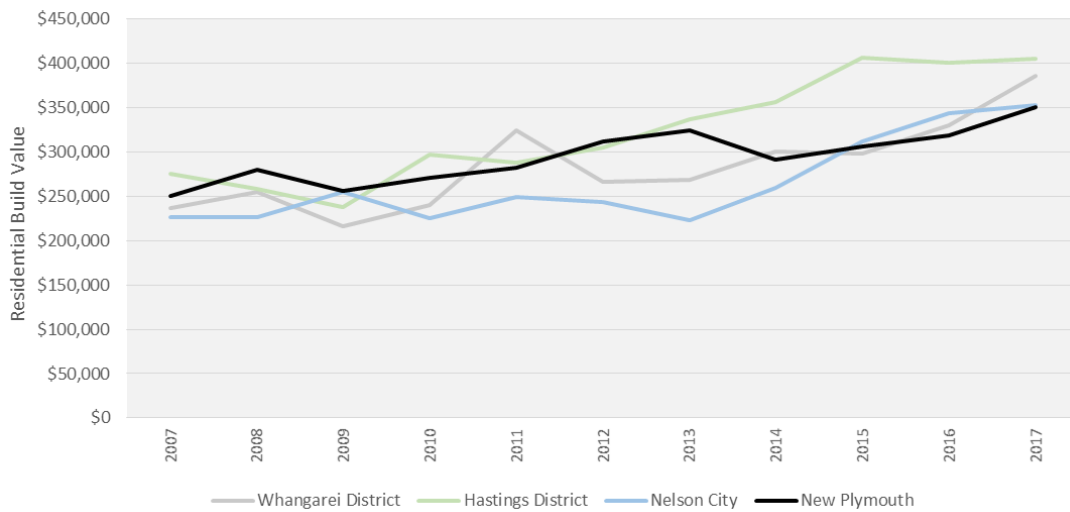
Source: Statistics NZ (InfoShare), March 2018

Observations

Average Floor Size	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	216m ²	192m ²	202m ²	5% ↑	-7% ↓
Whangarei	187m ²	195m ²	201m ²	3% ↑	7% ↑
Hastings	194m ²	204m ²	197m ²	-4% ↓	1% ↑
Nelson	188m ²	165m ²	187m ²	13% ↑	0% ↑

The average house size across New Plymouth District has remained consistently around 200m² in the last ten years. Factors such as building costs, section size, and growth have had little effect on the size of house being built.

Indicator 6: Average value per residential building dwelling consent



Source: Statistics NZ (InfoShare), March 2018

Observations

Average Build Cost \$	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	\$250,000	\$292,000	\$350,000	20% ↑	40% ↑
Whangarei	\$237,000	\$300,000	\$386,000	29% ↑	63% ↑
Hastings	\$276,000	\$357,000	\$406,000	14% ↑	47% ↑
Nelson	\$226,000	\$260,000	\$353,000	36% ↑	56% ↑

The average build cost for residential houses across the New Plymouth District, over the past ten years, has increased at an average of around 4% per annum. The average build cost is lower than the other three comparative districts.

Summary on housing indicators for New Plymouth District

	Short Term % Change	Medium Term % Change
1. Dwelling sales price	↑	↑
2. Dwellings sold	↑	↑
3. LV % CV	↑	↑
4. Number of Consents	↑	↓
5. Average floor size	↑	↑
6. Average value	↑	↑

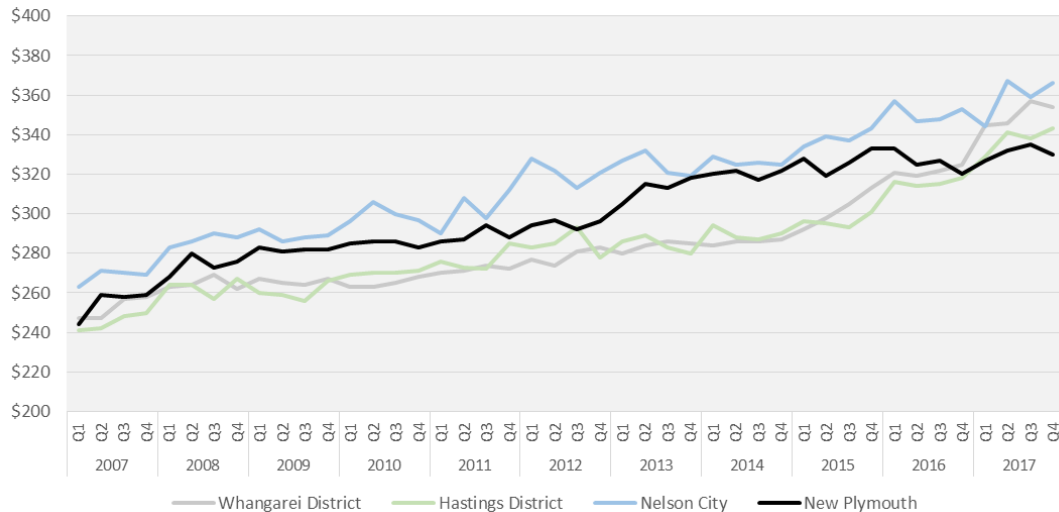
Future quarterly reports will include additional data sources to assist with monitoring the housing market.

In summary, the above housing indicators provide information on the relative 'health' of the property market across the New Plymouth District, including major trends and how they could be influenced by growth and development.

All the housing indicators for New Plymouth District, except consent applications, have increased and consequently the cost of building or buying a home in New Plymouth has become more expensive. The largest increases are in dwelling sale price and building cost. While housing affordability has improved (see below, Indicator 10) the cost of housing remains high.. These trends are expected to continue into the future.

Residential Indicators Group 2: Rent

Indicator 7: Dwelling Rents



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

Average Rent	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	\$255	\$320	\$331	3% ↑	30% ↑
Whangarei	\$252	\$286	\$351	23% ↑	39% ↑
Hastings	\$245	\$290	\$338	17% ↑	38% ↑
Nelson	\$268	\$326	\$359	10% ↑	34% ↑

Rents across the New Plymouth District have increased over the past ten years, on average around 3% per annum. However the overall increase in rent is less than that of house price increases. It is expected that rents will continue to increase in the long term. Of note, in 2017, average rents were cheaper than for comparative cities (this has not always been the case).

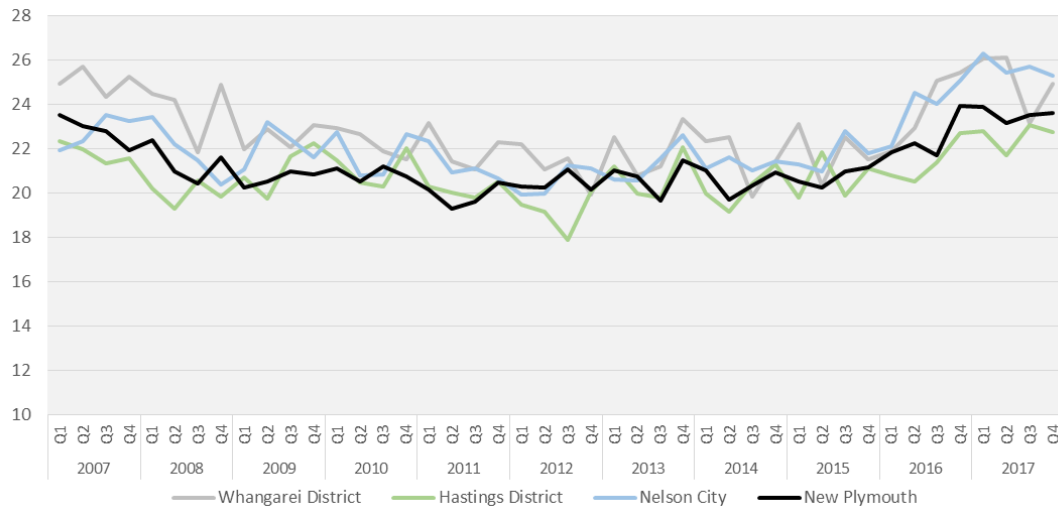
Indicator 8: Rentals per dwelling type New Plymouth

	Suburb	Bonds Received	Lower Quartile	Median Rent	Upper Quartile
One bedroom	Central	38	\$220	\$237	\$253
	Outer	67	\$212	\$243	\$272
Two bedrooms	Central	118	\$274	\$304	\$322
	Outer	211	\$282	\$304	\$334
	Rural	7	\$282	\$300	\$307
Three bedrooms	Central	112	\$340	\$360	\$390
	Outer	275	\$349	\$380	\$401
	Rural	32	\$277	\$335	\$380
Four bedrooms	Central	27	\$365	\$420	\$476
	Outer	65	\$425	\$480	\$568
	Rural	8	\$240	\$340	\$375
Five+ bedrooms	Outer	8	\$427	\$455	\$487

Source: Tenancy New Zealand – Market Rent Data, October 2017

Only a limited data range is available on rentals by dwelling types in New Plymouth and no updated data (from the December quarter report) is available at this time. As new data becomes available it will be included in future quarterly reports.

Indicator 9: Ratio of dwelling sales prices to rent



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

Ratio of dwelling sales prices to rent	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	21.9	20.9	23.6	13% ↑	8% ↑
Whangarei	25.2	21.4	24.9	16% ↑	-1% ↓
Hastings	21.5	21.3	22.7	7% ↑	6% ↑
Nelson	23.2	21.4	25.3	18% ↑	9% ↑

This ratio of dwelling sales prices to the rent in New Plymouth shows a current ratio of 23.6, which indicates that the price of a median house is 23.6 times the mean annual rent paid. The ratio has not changed significantly over the previous ten years. However, while both housing and rentals have increased in New Plymouth, the rate of rental increase has been less. This suggests that it is currently more affordable to rent in New Plymouth than purchase a home.

Summary on rental indicators for New Plymouth District

	Short Term % Change	Medium Term % Change
7. Dwelling rents	↑	↑
8. Rentals per dwelling type	To be developed	
9. Ratio of dwelling sale prices to rent	↑	↑

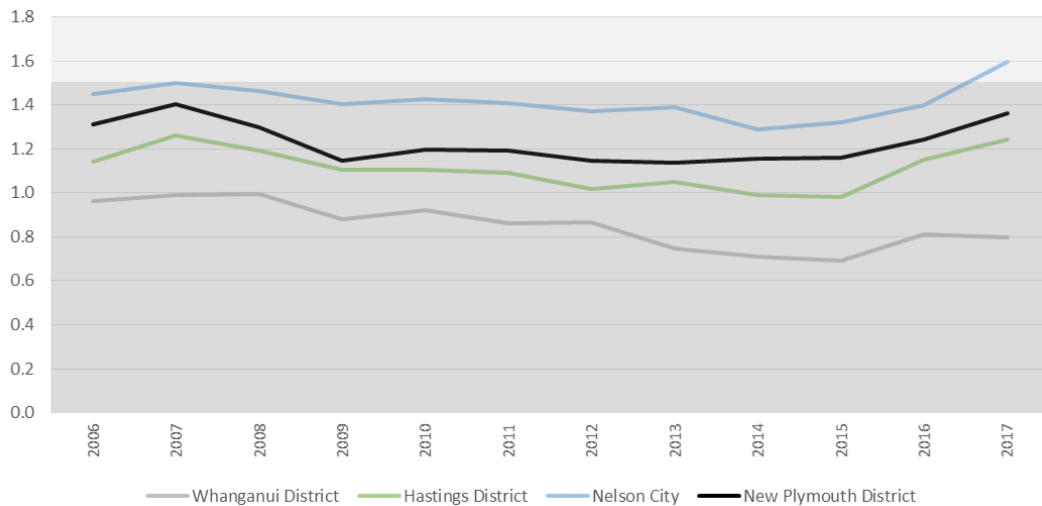
In summary, over the last ten years, the cost to rent and the ratio of dwelling sale prices to rent have increased. The rental increase in New Plymouth has followed a similar pattern of house sale prices but at a slower rate.

Residential Indicators Group 3: Price Efficiency

Indicator 10: Price Cost Ratio

The price cost ratio indicator shows the proportion of house prices that is related to construction and other costs in New Plymouth District. The indicator monitors how much the price of housing is driven by the cost of land, including the degree to which the supply of land and development opportunities are constrained relative to demand.

A price cost ratio of 1.5 or more means that land costs exceed 1/3 of the total house price. A higher ratio may indicate insufficient land supply, an impact due to a surge in house prices or illustrate the extent of a lag in the supply of houses.



Source: MBIE Urban Development Capacity Dashboard, March 2018

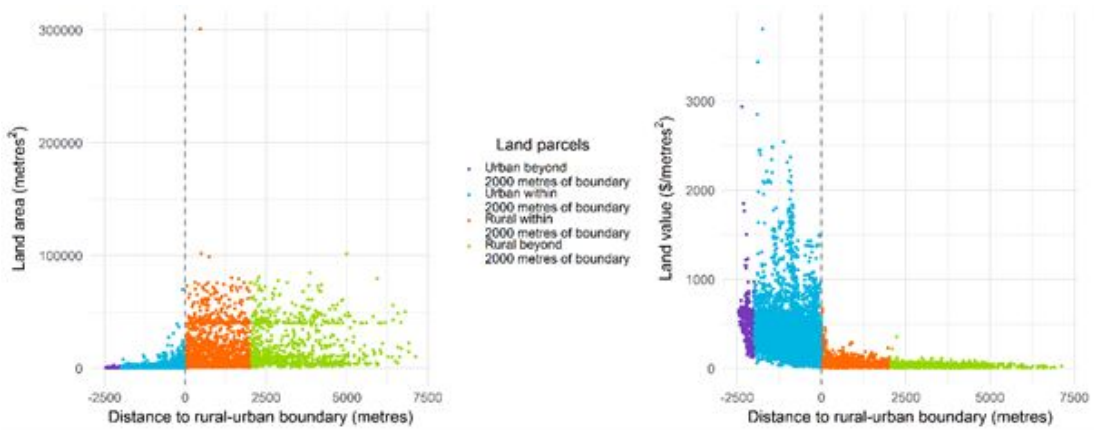
As noted in the graph, aside from Whanganui district, the other three districts have followed a very similar trend in relation to the price cost ratio for housing. New Plymouth has consistently stayed below the 1.5 threshold which suggests that the supply of land, and development opportunities, have kept up with demand.

Indicator 11: Rural-Urban value differentials

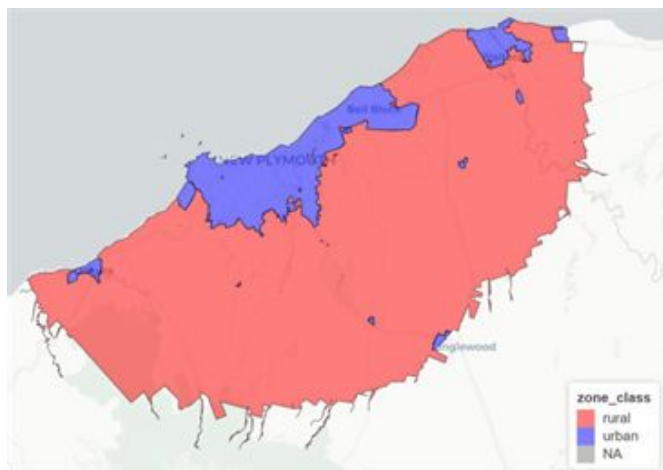
Rural-urban value differentials have been calculated for the New Plymouth District by comparing the values of residential land 2km either side of the boundary between urban and non-urban zones, after removing non-regulatory factors affecting land values. If the value of land jumps where the zone changes, this may indicate that various land-use regulations are constraining urban development capacity. The Rural-urban value differential is a key indicator of whether the District Plan provides sufficient development capacity.

Urban Area	Ratio	Difference (\$/m2)	Difference (\$/600m Section)
New Plymouth	1.61	\$92	\$55,080
Whangarei	2.00	\$80	\$48,064
Nelson	2.06	\$153	\$91,757

New Plymouth: Parcel land values near rural-urban boundary



The scatter plots above show that land area increases and land values drop at the rural-urban boundary. After removing major non-regulatory factors that affect land values, urban residential land close to the rural-urban boundary is worth just over 1.61 times the value of rural land next door, or \$92 more per square meter. A rural-urban differential above 1 signals that zoning and/or other regulations are constraining development capacity enough to increase urban land values.



The New Plymouth District Council is currently in the process of reviewing its district plan, which will affect the areas zoned residential within New Plymouth. The revised Plan provisions are anticipated result in a drop in the urban-rural ratio.

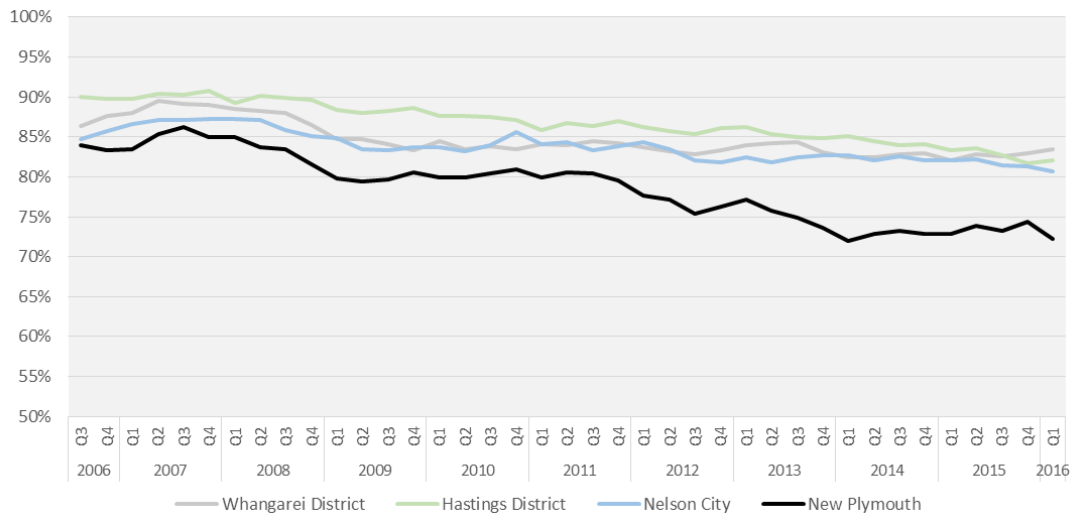
[Summary on price efficiency for New Plymouth District](#)

In summary, the price cost ratio for New Plymouth indicates that the supply of land, and development opportunities, have kept up with housing demands. The report also confirms that land area increases and land values drop at the rural-urban boundary.

The previous two new indicators to the report are supplied by MBIE and MfE to identify current restraints on land availability both within, and bordering, the urban area. They will inform the development of the HBA.

Residential Indicators Group 4: Housing Affordability

Indicator 12: Housing Affordability Measure (HAM) - Buy



Source: MBIE Urban Development Capacity Dashboard, October 2017

HAM indicators provide a picture of housing affordability trends, bringing together the impact of changes in house prices or rents, mortgage interest rates and incomes. For potential home-owning households, HAM Buy calculates what their residual income would be, after housing costs, if they were to buy a modest first home in the area in which they currently live.

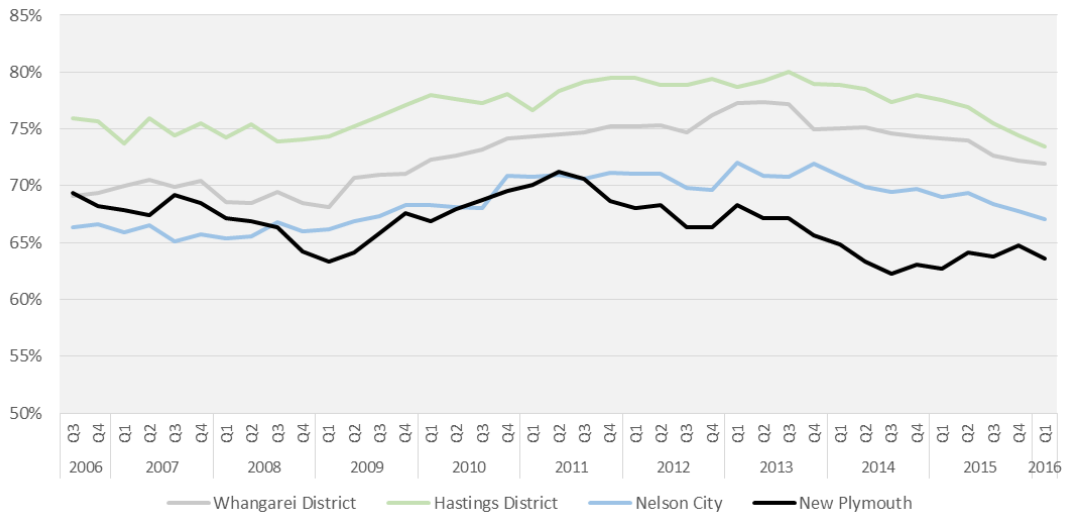
Data for this indicator is only available up to 2016 quarter one. The indicator is published with a one-year lag and hence does not pick up recent trends. No data has been updated for this indicator since the previous report.

Observations

HAM - Buy	2006	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
New Plymouth	84%	74%	72%	1.4% ↓	11.2% ↓
Whangarei	86%	84%	83%	-1% ↓	-3% ↓
Hastings	90%	86%	82%	-5% ↓	-9% ↓
Nelson	82%	82%	81%	-2% ↓	-2% ↓

According to the MBIE HAM Buy indicator, housing affordability has been improving over the past ten years. This is due to a combination of low interest rates, wage growth and slower house prices inflation, helping improved buyer affordability. While the improvement in housing affordability is positive, the level remains high. For example at March 2016, 72 per cent of first-home buyers in New Plymouth could not comfortably afford a typical 'first-home' priced house.

Indicator 13: Housing Affordability Measure (HAM) – Rents



Source: MBIE Urban Development Capacity Dashboard, October 2017

Observations

HAM - Rent	2006	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
New Plymouth	70%	68%	64%	-7% ↓	-9% ↓
Whangarei	70%	77%	72%	-7% ↓	3% ↑
Hastings	75%	79%	73%	-7% ↓	-2% ↓
Nelson	64%	72%	67%	-7% ↓	4% ↑

Even though the cost of renting in New Plymouth has increased, rental affordability has improved over time. This is because the rental increase is fairly small and lower than that of house sale prices and other affordability factors, such as wage growth and other housing costs. Over the last ten years rent has increased but at a slower rate and consequently, affordability has improved.

As mentioned above the housing affordability measure for renting in New Plymouth is lower than that of buying, therefore it is currently more affordable to rent in New Plymouth than purchasing a home. No updated data was available since the previous report for this indicator.

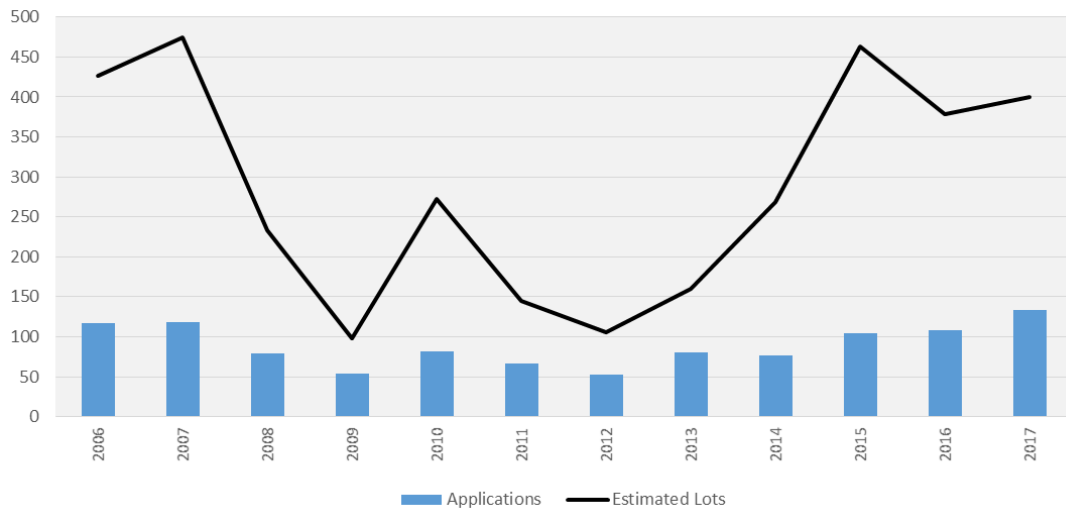
Summary of housing affordability for New Plymouth District

	Short Term % Change	Medium Term % Change
12. HAM - Buy	↓	↓
13. HAM - Rent	↓	↓

In summary, although both house sale prices and rents have increased, both housing affordability measures have improved in the short and medium term. The improvement in affordability may be due to a decline in mortgage interest rates and an increase in household income.

Residential Indicators Group 5: Provision of new houses

Indicator 14: Residential subdivision consents – approved and the number of lots created



Source: NPDC Data, October 2017

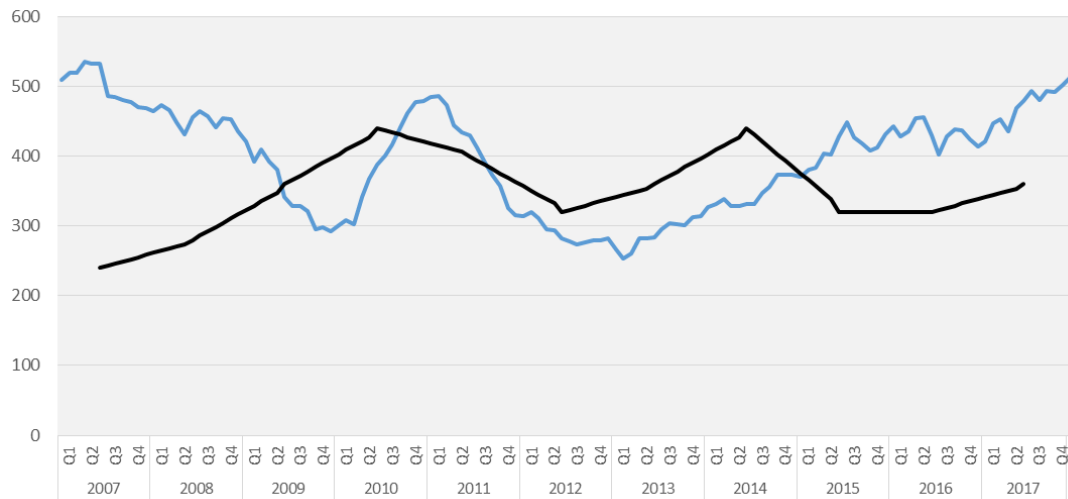
Note: This data will be refined in future reports.

Observations

	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Applications	118	77	134	74% ↑	14% ↑
Estimated number of lots	474	269	400	49% ↑	-16% ↓

The number of residential subdivision applications across the New Plymouth District, over the previous ten years, has varied slightly with a drop during the 2011-2013 period. One of the more obvious changes in the short term is the increase in larger lot subdivision (>10 estimated lots). The number of applications with more than two lots will help with affordability and house price sales as it makes building a new house more accessible.

Indicator 15: New dwellings compared to household growth



Source: MBIE Urban Development Capacity Dashboard. October 2017

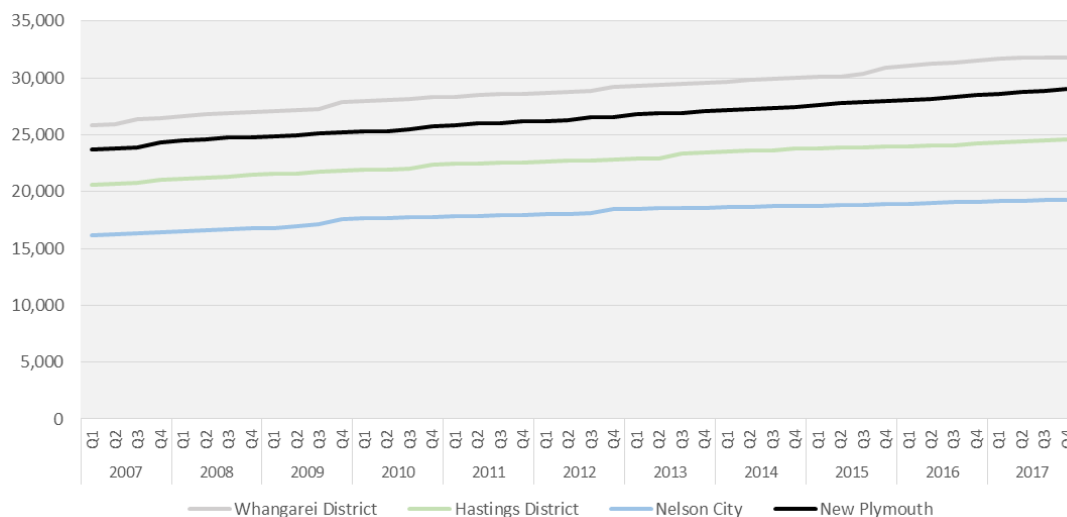
The number of new dwelling building consents across the New Plymouth District is lagged by six months, to account for the time taken from consenting to completion, as recommended by MBIE.

Observations

	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Household growth	240	440	360	-22% ↓	33% ↑
New consents	533	332	473	30% ↑	-19% ↓
% Comparison	45%	133%	76%		

Generally over the past ten years New Plymouth District household growth and new residential dwellings have been consistently on par. During the period from 2012 to 2014 household growth was 133% above the number of consented dwellings, which could have had an effect on the increase in residential sale price and building costs. However, over the last two years, the number of residential consents has caught up with growth, which should assist New Plymouth in maintaining reasonable sale prices and the affordability of buying a home.

Indicator 16: Dwelling stock



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

Dwelling stock	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	23,800	27,400	29,000	6% ↑	18% ↑
Whangarei	25,900	29,800	31,800	6% ↑	19% ↑
Hastings	20,800	23,600	24,600	4% ↑	15% ↑
Nelson	16,200	18,700	19,300	3% ↑	16% ↑

The housing stock has increased in New Plymouth District to mirror the increase in population. The increase has been consistent over the past ten years with no major spikes to indicate a dramatic change.

Summary in the provision of new houses in the New Plymouth District

	Short Term % Change	Medium Term % Change
14. Subdivision consents	↑	↓
15. Growth v. consents	No trend available	
16. Dwelling stock	↑	↑

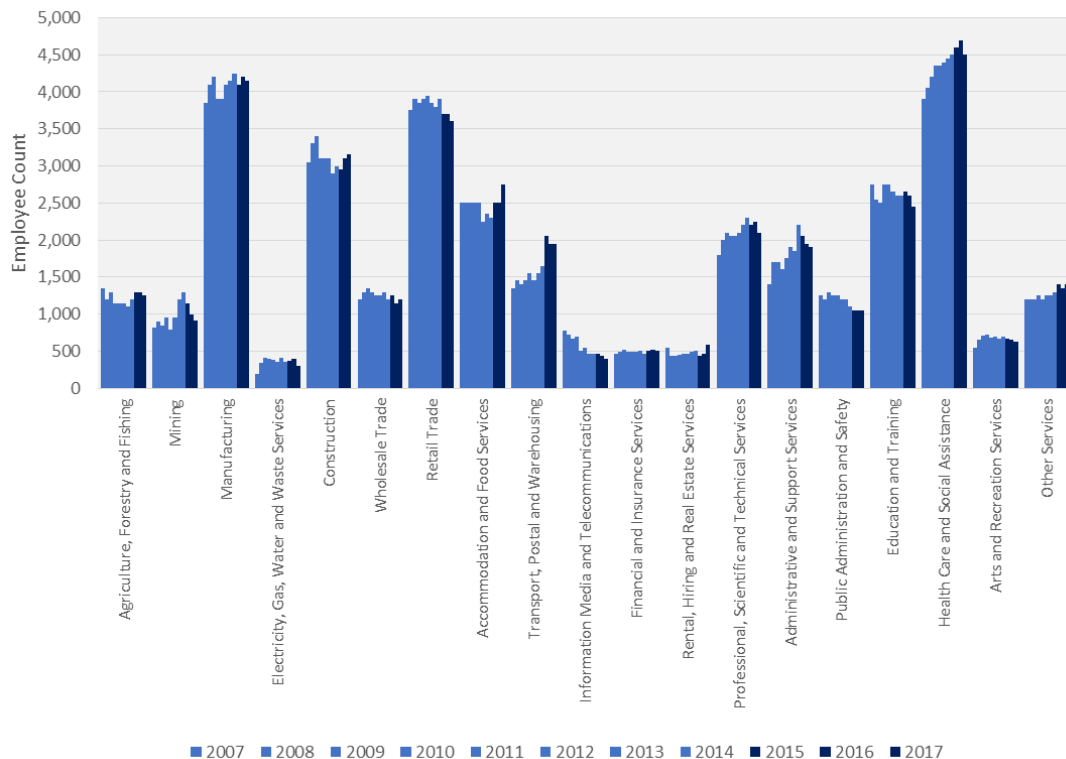
The increase in available subdividable lots and number of residential consents across the New Plymouth District indicates an increase in the number of dwellings. The level of change is evident in the positive changes in both Group 1 and Group 2 Indicators for housing provision.

Business Indicators

This section summarises information sourced from freely available information on business trends and supply and demand, and specific local authority measures of business capacity.

Business Indicators Group 1: Employment and growth

Indicator 1: Employment current economy and recent past



Source: Statistics New Zealand, March 2018

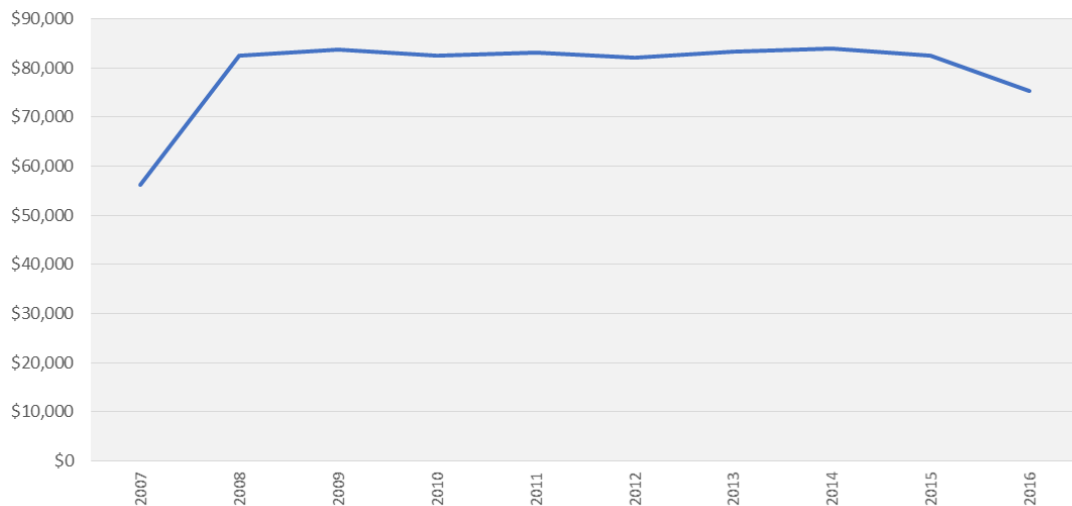
Observations

Employment Growth	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Agriculture	1,350	1,200	1,250	4% ↑	-7% ↓
Retail	3,750	3,900	3,600	-8% ↓	-4% ↓
Healthcare	3,900	4,500	4,500	0% ↑	15% ↑
Construction	3,050	3,000	3,150	5% ↑	3% ↑

In the short term the New Plymouth District has experienced employment growth in agriculture and construction while there was a decline in retail and healthcare remained static. However, over the medium term the biggest growth in employment has been with the healthcare industry. The growth

in healthcare is due to additional rest home and retirement village facilities being constructed in the past few years. Updated data for this indicator was not available for this report.

Indicator 2: Nominal Taranaki GDP per capita



Source: MBIE Regional Economic Activity Web Tool, October 2017

Notes The GDP per capita indicator is of interest because it provides an understanding of changes in average income, which is a key factor in housing affordability. Updated data for this indicator was not available for this report.

Observations

	2006	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
GDP per capita	\$46,997	\$83,217	\$75,222	-10% ↓	60% ↑

Nominal GDP has improved significantly over the long term but there is a slight drop in the short term. Despite the recent drop in GDP, Taranaki still remains ahead of the national average.

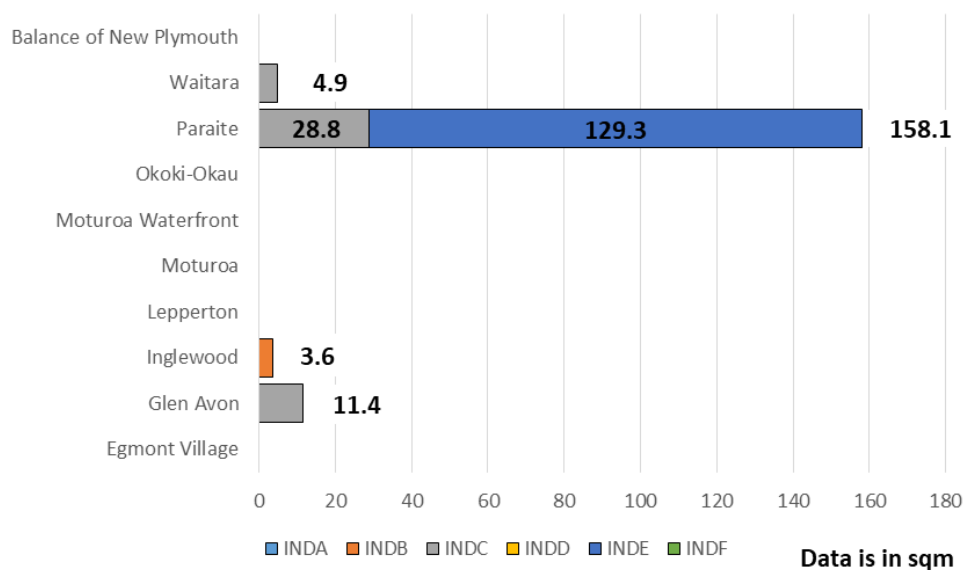
Summary of employment and growth for the New Plymouth District

	Short Term % Change	Medium Term % Change
1. Employee current economy and recent past	↓	↑
2. GDP per capita	↓	↑

In summary, while over the medium term there have been gains in employment growth and GDP in the New Plymouth District, in recent times these gains have been offset by a decline against both indicators.

Business Indicators Group 2: Supply of business space

Indicator 3: Vacant industrial land by location



Source: Property Economics, NPDC July 2016

This indicator is still under construction and will be more fully addressed in future quarterly monitoring reports. In particular New Plymouth District Council is developing data for commercially zoned vacant land. In the meantime, monitoring confirms a substantial amount of vacant industrial zoned land was available for industrial activities in 2015 and this has not changed significantly over the past two years.

Indicator 4: Capacity within existing and new built facilities – retail²

Retail Classifications	Store #	GFA #	Store %	GFA %
Supermarket retailing	7	23,950	1%	15%
Food retailing	53	10,290	11%	6%
Clothing, footwear and personal accessories	65	12,140	14%	8%
Furniture, floor coverings, houseware and textile goods retailing	31	21,390	7%	13%
Electrical and electronic goods	7	4,690	1%	3%
Pharmaceutical and personal goods retailing	13	2,040	3%	1%
Department stores	4	26,640	1%	17%
Recreational goods retailing	22	9,470	5%	6%
Other goods retailing	75	16,050	16%	10%
Food and beverage services	168	25,560	35%	16%
Vacant	31	7,040	7%	4%
	476	159,260	100%	100%

² GFA = Gross Floor Area.

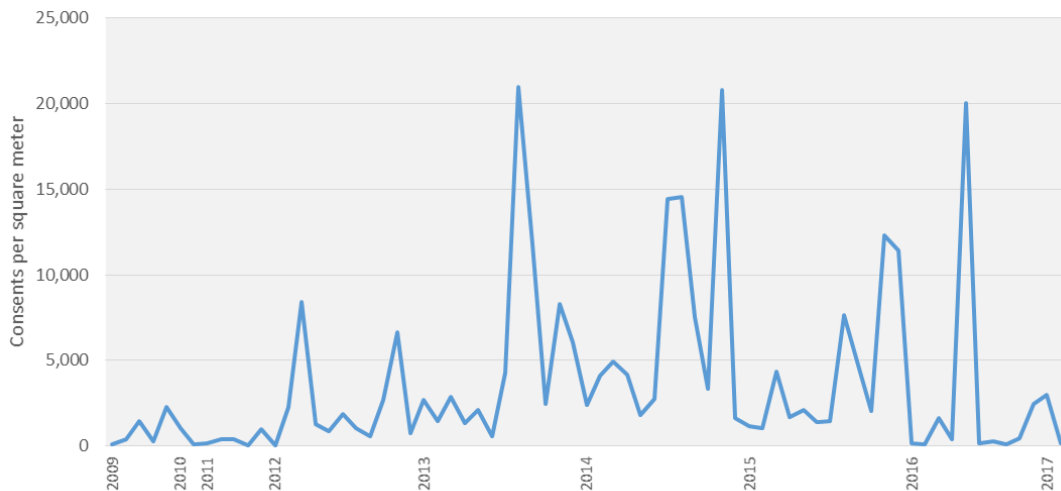
Source: Property Economics, NPDC July 2016

Current vacancy levels in New Plymouth are sub-optimal, totalling 31 stores or 7% of the total retail market by store count. A high prevalence of vacant stores fails to attract shoppers in the quantities that are required to sustain the level of gross floor area provided. A more acceptable level of retail store vacancy from an economic retail perspective in a thriving commercial centre is 5%.

Indicator 5: Capacity within existing and new built facilities – industrial
Under construction – to be addressed in future quarterly monitoring reports.

Indicator 6: Capacity within existing and new built facilities – commercial/office
Under construction – to be addressed in future quarterly monitoring reports.

Indicator 7: Commercial consents per square metre



Source: NPDC Data, October 2017

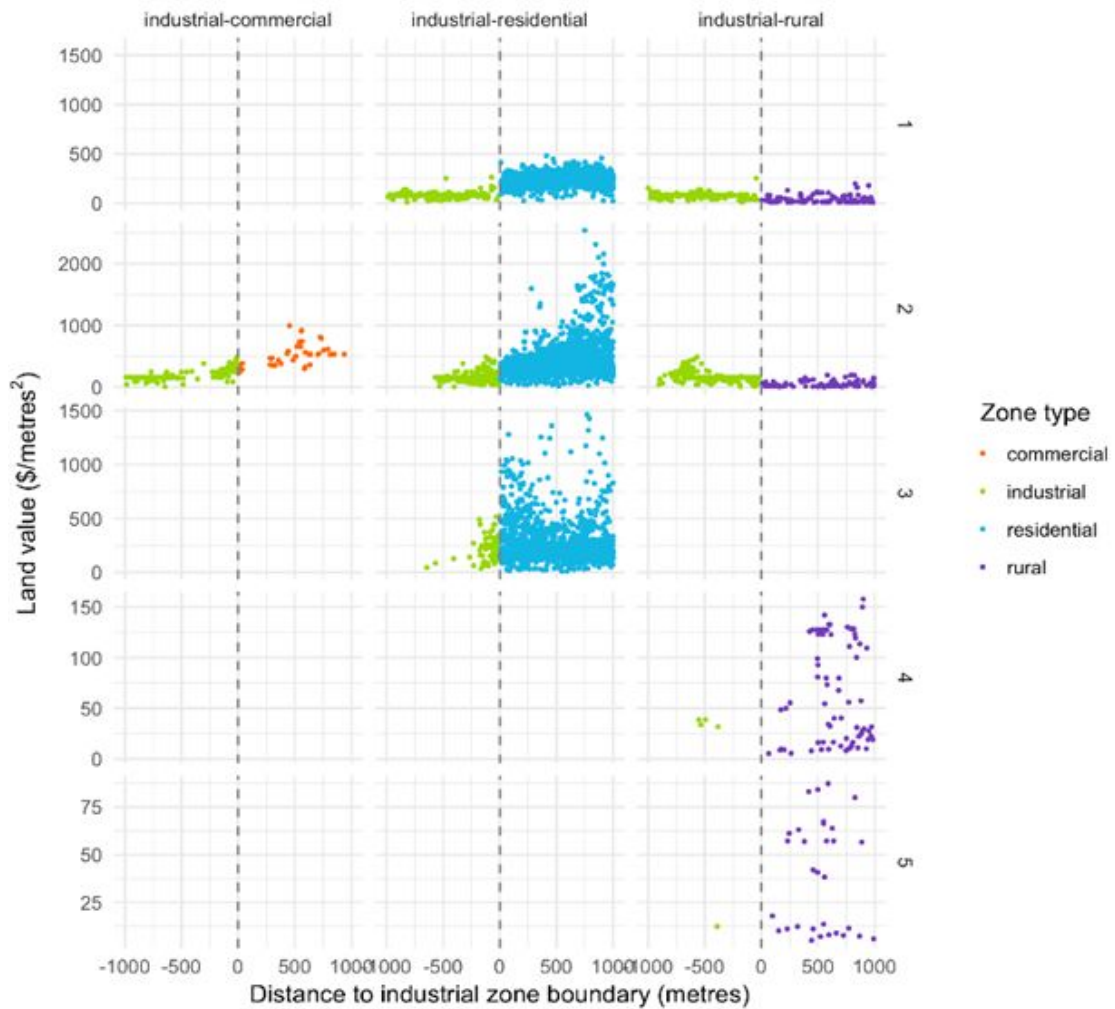
Observations

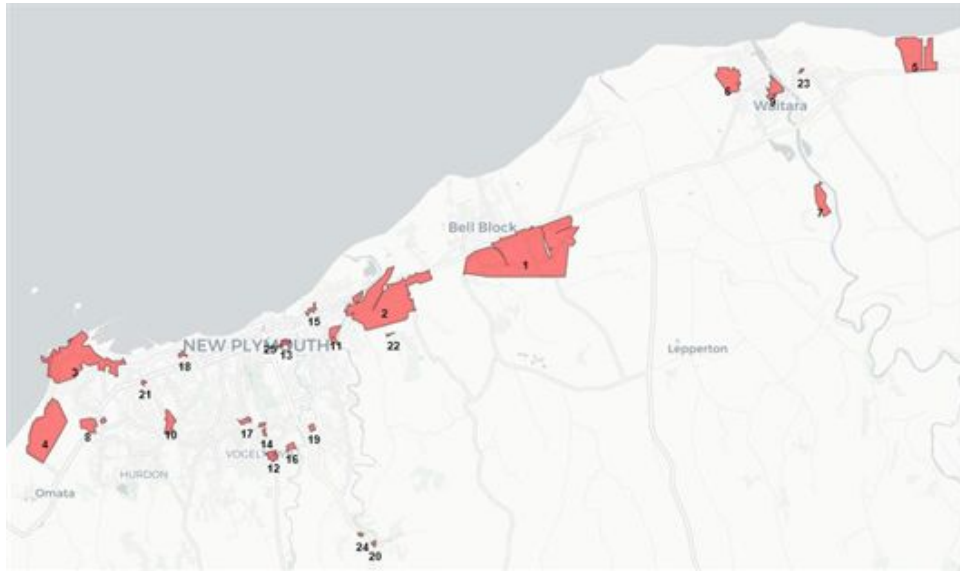
	2009	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2009-2017)
Commercial consents per square metre	910	6,869	1,570	-77% ↓	72% ↑

There was an increase in commercial consents during the period from 2014/2015, and these have dropped slightly during the first part of 2017. For future reporting, more information on available vacant commercial data will be gathered.

Indicator 8: Industrial zone differentials

Industrial zone differentials across the New Plymouth District have been calculated by comparing the values of land within 250m either side of the boundary between the industrial zone and 'other' zones. If the value of land jumps significantly where zoning changes between an industrial zone and other activity zones, this indicates that zoning and other regulations may not be constraining current demand for different land uses in the same location. Consistent differentials over time may indicate insufficient development capacity for more expensive land uses throughout the district.





New Plymouth district currently has 25 industrial zones (refer map above). The data for the largest five industrial zones is represented on the scatter plots and can be located on the map. A majority of the boundaries are adjacent to residential zones and the scatterplots represent a small jump in land value in zones one and three³. Residential land in these two zones is worth more than industrial which suggests a greater demand for residential land rather than a shortfall on industrial land.

Summary of supply of business space for New Plymouth District

	Short Term % Change	Medium Term % Change
3. Industrial vacant land		N/A
4. Retail capacity		N/A
5. Industrial capacity		N/A
6. Commercial/office capacity		N/A
7. Commercial consents per square metre	↓	↑

In summary, there does not appear to be any shortfall of industrial land in New Plymouth. However, expanded monitoring of these indicators and other datasets will be incorporated into future quarterly reports.

³ Which areas do these numbers refer to???

Future Quarterly Reports

The New Plymouth Council is committed to improving this document over time. In particular, there is some information required by the NPS-UDC that has not yet been collected due to insufficient information or challenges sourcing accurate reliable data nationally or locally. This includes the following indicators:

- Residential Indicator 8: Dwellings rents (include graph with time-series data).
- Residential Indicator 14: Subdivision consents (data refinement).
- Business Indicator 3: Vacant industrial land by location (future work is required on this indicator).
- Business Indicator 4: Addition of gross floor area for vacant commercial land needed.
- Business Indicator 5: Capacity within existing and new built facilities (commercial) (to be developed. Challenge sourcing data).
- Business Indicator 6: Capacity within existing and new built facilities (industrial) (to be developed. Challenge sourcing data.)

Future quarterly reports will be adjusted over time to incorporate or refine information on data sources for the above indicators.

Agenda Memorandum

Date 5 June 2018



**Memorandum to
Chairperson and Members
Policy and Planning Committee**

**Subject: Water Quantity Accounting System for
Taranaki**

Approved by: AD McLay, Director – Resource Management
BG Chamberlain, Chief Executive

Document: 2057308

Purpose

The purpose of this memorandum is to introduce the Council's water quantity accounting system as required for resource management and the *National Policy Statement for Freshwater Management*.

Staff will make a presentation to the Committee on the water accounting system.

Executive summary

The *National Policy Statement for Freshwater Management* (NPSFM) requires all regional councils to establish and maintain a freshwater quantity and a freshwater quality accounting system. While the Council is required to prepare a freshwater accounting system for freshwater quality, this memorandum deals with water quantity accounting. A water quality accounting system will be reported to the Committee later.

The Council has always had a system of water accounting in place and this is regularly updated when resource consents are issued. However, the Council has reviewed and improved the system.

The intention of the water accounting system requirements of the NPSFM is clearly to improve information on freshwater takes nationally and the status of water allocation in each freshwater management unit, so that consistent information is available for water management purposes under the NPSFM. The Council has identified four freshwater management units in its *Draft Freshwater and Land Management Plan*.

Submissions on the water allocation and minimum flow provisions of the Draft Plan were at odds and requested that the proposed provisions be reviewed. We propose to continue discussions with water users, iwi and other stakeholders potentially in individual workshop sessions and then to bring them together in a joint workshop or workshops. This is to attempt to resolve issues and finalise an approach that will be consistent with the NPSFM,

while also being an appropriate approach in the Taranaki context for inclusion in the Council's proposed *Freshwater and Land Management Plan*.

Important issues that will need to be addressed is the impact of water allocation and minimum flow levels on water users and water use priorities.

The Council has commissioned work by consultant Dr Ian Jowett on water allocation and minimum flows to assist in this task. The report will be presented to the Committee's next meeting on 17 July 2018.

The item goes on to provide some context for the use of the water accounting information in the broader water allocation policy discussion.

Recommendations

That the Taranaki Regional Council:

1. receives the memorandum *Water Quantity Accounting System for Taranaki*;
2. notes the Council has met the water quantity requirements of the National Policy Statement for Freshwater Management; and
3. notes that the accounting system will be part of a broader discussion on water allocation policy that will involve workshops with water stakeholders, including water users, iwi, and Fish and Game Council to further discuss water allocation in the region.

Background

The *National Policy Statement for Freshwater Management* (NPSFM) requires all regional councils to establish and maintain a freshwater quantity and a freshwater quality accounting system.

The relevant objectives and policies from the NPSFM are as follows.

CC. Accounting for freshwater takes and contaminants

Objective CC1

To improve information on freshwater takes and sources of freshwater contaminants, in order to:

- a) ensure the necessary information is available for freshwater objective and limit setting and freshwater management under this national policy statement; and*
- b) ensure information on resource availability is available for current and potential resource users.*

Policy CC1

By every regional council:

- a) establishing and operating a freshwater quality accounting system and a freshwater quantity accounting system for those freshwater management units where they are setting or reviewing freshwater objectives and limits in accordance with Policy A1, Policy B1, and Policies CA1-CA4; and*

- b) *maintaining a freshwater quality accounting system and a freshwater quantity accounting system at levels of detail that are commensurate with the significance of the freshwater quality and freshwater quantity issues, respectively, in each freshwater management unit.*

Policy CC2

By every regional council taking reasonable steps to ensure that information gathered in accordance with Policy CC1 is available to the public, regularly and in a suitable form, for the freshwater management units where they are setting or reviewing, and where they have set or reviewed, freshwater objectives and limits in accordance with Policy A1, Policy B1, and Policies CA1-CA4.

The intention of the water accounting system requirements of the NPSFM is clearly to improve information on freshwater takes nationally and the status of water allocation in each freshwater management unit, so that consistent information is available for water management purposes under the NPSFM.

In the Council's *Draft Freshwater and Land Management Plan*, four freshwater management units have been identified. Briefly, they are as follows:

Freshwater Management Unit A: Outstanding freshwater bodies – rivers, lakes and wetlands identified as having outstanding values, including ecological, landscape, recreational and spiritual values. These are:

- the Hangatahua (Stony) River catchment;
- the Maketawa River catchment; and
- Lake Rotokare Scenic Reserve.

Freshwater Management Unit B: Volcanic ring plain – rivers, lakes and wetlands on Mount Taranaki and the ring plain, including the land catchment area, and the underlying aquifers (not included in Freshwater Management Area A).

Freshwater Management Unit C: Coastal terraces – rivers, lakes and wetlands on the northern and southern coastal terraces, including the land catchment area, and the underlying aquifers.

Freshwater Management Unit D: Eastern hill country – rivers, lakes and wetlands in the eastern hill country, including the land catchment area, and the underlying aquifers (not included in Freshwater Management Area A).

The accounting system must be **maintained** at a level of detail that is in line with the significance of the freshwater quantity or quality issues in freshwater management units established under the NPSFM (Policy CC1).

The information must be made available to the public (Policy CC2).

The Council has always had a system of water accounting in place and this is regularly updated when resource consents are issued. However, the Council has reviewed and improved the system.

An accounting system for groundwater has also been developed.

While the Council is required to prepare a freshwater accounting system for freshwater quality, this memorandum deals with water quantity accounting. A water quality accounting system will be reported to the Committee at a later date.

Discussion

The Council's current water quantity accounting system is based on an excel spreadsheet, which details water availability and allocation in each catchment that has a consented water take. Water used for permitted activities is included in the system. At the 11 June 2015 meeting of the Committee a report was presented on permitted activity takes. A Standard Operating Procedure has been developed for the accounting system to ensure appropriate quality control measures is available.

The presentation by staff will outline how the current water accounting system works and some the challenges facing the Council going forward.

Fundamental to water allocation is determining how much water to allocate and what minimum flow will apply for instream uses.

The water accounting system information will be publically available on the Council's website and will be based on catchments.

Staff have already held discussions with stakeholders about catchment allocatable volumes and what minimum flows might apply as part of the Draft plan process. Submissions on the Draft Plan were at odds and requested the proposed water allocation provisions be reviewed. We propose to continue discussions with water users, iwi and other stakeholders potentially in individual workshop sessions and then to bring them together in a joint workshop or workshops. This is to attempt to resolve issues and finalise an approach that will be consistent with the NPSFM, while also being a sensible and pragmatic approach in the Taranaki context for inclusion in the Council's proposed *Freshwater and Land Management Plan*.

The workshop or workshops could also be an opportunity to address the development of mātauranga Māori monitoring methods as required by the NPSFM (see previous item to this Committee's meeting on 13 March 2018) and other issues as part of the *Fresh Water Plan* review process.

An important input into the further development of the water accounting system is work that the Council has commissioned by Dr Ian Jowett, consultant, who has had many years experience in water allocation and minimum flow setting in New Zealand. He was responsible for establishing the technical and scientific basis for the Council's water allocation and minimum flow policy established in the early 1990s.

Jowett's work has arisen from the *Fresh Water Plan* review process, where as previously indicated, those submitting on the water allocation and minimum flow provisions of the Draft Plan were at odds and requested the Council to look at the current policy to see if and where changes might be made. Jowett's report is still in draft but we expect to be able to bring it to the Committee's next meeting on 17 July 2018.

Whatever combination of allocation volumes and minimum flow levels are proposed, there will inevitably be restrictions imposed on water users. If minimum flows are increased for

example, water users may face increasing restrictions that will have effects on people and livelihoods. If minimum flows are reduced, there may be increased effects on instream values, including natural character values and cultural values among others. There are timing and seasonality issues, water storage or water sharing options and better or more efficient water use, as well as a wide range of natural, cultural and social and economic values, which may dictate water use and allocation prioritisation. All these issues will need to be considered when finally deciding on a proposed water allocation policy.

The Council had adopted a water allocation policy for the purposes of consulting with the community as part of the *Draft Freshwater and Land Management Plan* process and the Council has responded to comments received that it should consider what changes, if any, should be made.

Decision-making considerations

Part 6 (Planning, decision-making and accountability) of the *Local Government Act 2002* has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the *Act*.

Financial considerations—LTP/Annual Plan

This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Policy and Planning Committee Public Excluded

In accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987*, resolves that the public is excluded from the following part of the proceedings of the Policy and Planning Committee Meeting on Tuesday 5 June 2018 for the following reason/s:

Item 9- Confirmation of Confidential Minutes

THAT the public conduct of the whole or the relevant part of the proceedings would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities or negotiations.

Whakataka te hau

Karakia to open and close meetings

Whakataka te hau ki te uru	Cease the winds from the west
Whakataka te hau ki tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the ocean
Kia hī ake ana te atakura	Let the red-tipped dawn come with a sharpened air
He tio, he huka, he hauhu	A touch of frost, a promise of glorious day
Tūturu o whiti whakamaua kia tina.	Let there be certainty
Tina!	Secure it!
Hui ē! Tāiki ē!	Draw together! Affirm!

Nau mai e ngā hua

Karakia for kai

Nau mai e ngā hua	Welcome the gifts of food
o te wao	from the sacred forests
o te ngakina	from the cultivated gardens
o te wai tai	from the sea
o te wai Māori	from the fresh waters
Nā Tāne	The food of Tāne
Nā Rongo	of Rongo
Nā Tangaroa	of Tangaroa
Nā Maru	of Maru
Ko Ranginui e tū iho nei	I acknowledge Ranginui above and
Ko Papatūānuku e takoto ake nei	Papatūānuku below
Tūturu o whiti whakamaua kia	Let there be certainty
tina	Secure it!
Tina! Hui e! Taiki e!	Draw together! Affirm!