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Going with the grain: Changing land uses to fit a changing landscape

Summary of post-launch engagement and feedback received from stakeholders across rural New Zealand

Introduction

In May 2024, I released a report on land use change, entitled *Going with the grain: Changing land uses to fit a changing landscape*.¹ The report is based on work I undertook in two catchments (Wairoa and Mataura) but also builds on insights from research undertaken by the Office of the Parliamentary Commissioner for the Environment on this topic over the past 20 years. This started with Dr Morgan Williams' 2004 report *Growing for good: Intensive farming, sustainability and New Zealand's environment*.² His successor, Dr Jan Wright, made important contributions to understanding what was happening to rural water in two reports that appeared in 2013 and 2015.³ My own work has included *Farms, forests and fossil fuels: The next great landscape transformation?* published in 2019 and *How much forestry would be needed to offset warming from agricultural methane?* published in 2022.⁴

Following the release of *Going with the grain*, I have been engaging directly with regional rural stakeholders to understand how the issues raised in the report present locally. This engagement has explored how particular environmental challenges manifest themselves in the regions, what the local barriers and/or enablers of land use change are, and how communities organise themselves (e.g. via catchment groups or through irrigation companies).

My engagement has included presentations to regional councils in Southland, Otago, Waikato, and Canterbury. I have also engaged with rural stakeholders, including a range of farmers (dairy, dairy-goat, sheep and beef, cropping and horticulture), processors, catchment groups, irrigation schemes and mana whenua in those regions. In the Waikato, I did something very old fashioned and held a public meeting to explain the report and invite attendees to voice their views and share their experiences about land use change. I am planning further engagement in the Horizons' region (one of the most challenged) as well as additional public events in Otago and Manawatū-Whanganui.

Key messages

- The environmental policy and funding landscape emanating from central government is fragmented, which poses challenges for people on the ground. A more localised, grassroots-based approach provides an opportunity to join this up.
- There is a lack of consistent, high-quality, granular environmental information across New Zealand. This undermines confidence in any proposed solutions and contributes to strained relationships with regulators, including regional councils, the Ministry for the Environment (MfE) and Ministry for Primary Industries (MPI).
- Communities in different regions are at different stages of developing collaborative approaches but there is widespread recognition of their value. Ensuring full participation, of farmers, mana whenua and the wider community remains a challenge.
- Devolution of environmental management to catchment groups could simplify regulation and offer better value for money. However, it will not happen without serious and sustained investment in adequate information, expertise and facilitation.

Region-specific insights

Southland

Southland has been at the forefront of catchment group development and coverage in New Zealand. Catchment groups in Southland have enjoyed sustained financial and organisational support from community-led Thriving Southland.⁵ Southland has also made considerable investments in consistent, high-quality, granular environmental data, including physiographics.

Canterbury

In Canterbury, effective consenting is a challenge: grandparenting has locked in unsustainable uses, which has perversely translated into higher land prices (e.g. the right to winter grazing or higher nutrient discharge allocation based on historical practices). In other cases, consents have restricted more flexible and innovative approaches, for example, farmers choosing to winter graze livestock on their own pastures rather than sending them to another farm.

Irrigation companies provide an alternative to catchment groups for collaboration.

Otago

Otago's greatest environmental challenge is the *quantity* of fresh water available, rather than the quality.

Waikato

In Waikato, Regional Plan Change 1 (PC1) was based on a collaborative approach. Broad consensus was reached by the stakeholders sitting at the table. However, some stakeholders chose to remain outside that process, and subsequently challenge that consensus through appeals. As a result, PC1 is now in the courts and most stakeholders have reverted to their historically ingrained positions.

Different procedural parameters could have avoided these court battles, for example, by limiting appeals after the collaborative process ended. The council seems to have thought that central government would provide for this at the time of kicking off PC1, but it did not.

Feedback received from rural stakeholders: recurring themes

Fragmentation of policy and funding mechanisms

Rural stakeholders observe a complex and fragmented environmental policy landscape, which has been the subject of much stop-start policy development over the past decade and a bit. This makes it difficult to undertake the large investments required to improve environmental outcomes.

While the one-size-fits-all national direction that emanated from previous governments has been perceived as unworkable, the current handbrake that has been applied to policy development has left those farmers who want to make progress even more confused. Many farmers want to be on a steady journey of environmental progress to maintain their social licence to operate, satisfy increasingly stringent market requirements, and leave a positive legacy. To do so, they need environmental leadership, including sensible, progressive and implementable environmental policies that join up.

Joined-up policy needs to be backed by reliable and continuous funding mechanisms, rather than the current plethora of funding pots that are uncertain and for which farmers and catchment groups need to repeatedly apply. Funding is required, among other things for information, the running and coordination of catchment groups, and access to expertise (e.g. the freshwater A2E scheme).⁶ Restoring a sense of continuity to the journey of continuous improvement is needed if farmers and catchment groups are to avoid losing the progress that has been made.

To achieve this, catchment groups also need to report on effective metrics that show the ecological gains their activities have made. The Aotearoa New Zealand Catchment Communities (ANZCC) is undertaking work to understand the range of catchment group activities funded by both MFE and MPI (through Jobs for Nature, Te Uru Rākau, etc.) and ascertain the return on investment for actions undertaken.⁷ So far, this investigation has shown a wide disconnect between funders and land stewards/catchment collectives, as the metrics recorded and the milestone goals are not aligned with measurable and quantifiable net ecological gains.

There are two drivers to this disconnect. Firstly, the goal of Jobs for Nature was to fund activities and jobs, not necessarily outcomes. Consequently, no baseline environmental data were

collected and metrics focused on activities like the number of trees planted or kilometres of fencing completed. Secondly, several funding schemes from MfE and MPI are limited to two–three years. However, conservation and ecological improvement is a long game. Funding periods need to be a minimum of five years to allow meaningful workstreams, and to keep contractors and specialist skills local. In addition, baseline measures of ecological health and social cohesion/rural engagement must be established at the outset of the funding period.

Consequently, ANZCC is now developing readily procurable key performance indicators that link to an ability to establish net ecological gains and demonstrate improved social cohesion. This would require catchment groups to collect baseline data that can be interpolated across catchments or sub-catchments and demonstrate that the actions undertaken have provided positive gains for nature. For example, land use change or system reconfiguration that results in net reduction of contaminant load.

ANZCC estimates that \$600 to \$700 million have been allocated to catchment groups, including from MfE, MPI and philanthropic funding. This includes large projects such as Kaipara Moana Remediation and Wai Connection – Tatai Ki Te Wai.⁸

Lack of environmental data and monitoring

The lack of consistent, high-quality, granular environmental information has been repeatedly identified as a concern. Existing information is often fragmented, with multiple stakeholders (e.g. councils, farmers, the Department of Conservation, iwi, researchers) collecting the same information but not sharing the data. In particular, farmers and catchment groups do not share their information with councils because they fear that information will be used against them. This makes it difficult to know what information has been collected and how it fits together. As a result, it is challenging to identify the source of environmental issues (e.g. water quality) and whether changes in practices and mitigations are making any difference. It also means there is a lot of duplication and wasted resources.

The lack of coherent environmental data has also meant that some stakeholders have been frustrated by or have disputed council decisions, as these have been perceived to be based on poor data or on modelling based on poor data. Where modelling is involved, it needs to be transparent and open access, and the assumptions made must be clear to all affected stakeholders.

Several rural stakeholders have also highlighted the interconnectedness of the environment, for example, between groundwater and surface water. To manage these natural resources effectively, a catchment-based approach to environmental data and monitoring is required.

Governance challenges

In many regions, the relationship between rural communities and regional councils, as well as central government, is strained. High staff turnover at regional councils and MPI makes it difficult to build effective working relationships and also erodes important institutional knowledge and continuity.

In the regions visited, the value of a collaborative approach to addressing environmental issues has been recognised. Both irrigation schemes and catchment groups appear to be good vehicles to organise farmers and other community members within a catchment. Challenges around participation remain. Key questions include: how can all farmers in a catchment be

brought to the table, to avoid free riding? How can wider community voices and the perspectives of mana whenua also be heard? Our conversations have traversed several options for carrots and sticks to encourage collaboration within and among communities.

While there is widespread agreement that uniform regulations set at the national level do not work, most rural stakeholders agree that it is essential to have the 'stick' of regulatory backstops for laggards that do not engage collaboratively. Collaboration is not easy and must be encouraged by building in incentives – the 'carrots' – for collective action across the system. Stakeholders also pointed out the risk that future governments may not like their decisions and choose to overturn them (proposed changes to National Environmental Standards for Commercial Forestry were raised as an example). This would likely undermine any future attempts at collaboration.

Within existing catchment groups and irrigation schemes, some are starting to have more difficult conversations around land use and land use change, including discussions on the role of buybacks or compensation for land retirement. Many are not opposed to changing farm activities, but a big barrier and risk is access to markets and the infrastructure needed to diversify land use. Support for research and the development of business cases to test feasibility would be required to move this forward. A specialist workforce to help groups think about land use change across industries would need to be developed.

Actions needed for a collaborative approach

If politicians are serious about implementing a collaborative approach to reducing the environmental impacts of land use, then four major actions will be needed:

1. A considerable investment is needed to plug information gaps and (more importantly) to provide a platform to safely share information between different players.
2. Acknowledgment is needed that collaboration is not easy and requires long-term commitments (from all sides). It takes years to build up trust and this can easily be lost with large policy swings. A balance between central and local decision making needs to be struck and committed to. In handing decision-making powers to local communities, politicians need to know up front that they will not always like the decisions those communities make. Nonetheless, they must avoid the temptation to tinker with them or resort to knee-jerk reactions.
3. The incentives for collaboration need to be carefully aligned across several policy areas, the design of farm plans and forthcoming resource management reform. While these are being developed, existing incentives such as funding of catchment coordinators and access to expertise need to be retained otherwise momentum will be lost.
4. In the context of limited resources, I recommend taking an experimental approach by focusing on a highly at-risk catchment with a well-established catchment group that is poised to take on increased responsibility for environmental management.

I also recommend you get a briefing from ANZCC to understand the monitoring and reporting challenges for catchment group activities and outcomes more thoroughly.



Simon Upton

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Endnotes

- ¹ In accompaniment to this report, PCE also released a case study report, entitled *Exploring land use change under different policy settings in two case study catchments*. This report uses modelling to explore land use change under different policy scenarios in the Matura catchment in Murihiku Southland and the Wairoa catchment in Te Tai Tokerau Northland. See <https://pce.parliament.nz/publications/exploring-land-use-change-under-different-policy-settings-in-two-case-study-catchments>.
- ² PCE, 2004. *Growing for good: Intensive farming, sustainability and New Zealand's environment*. <https://pce.parliament.nz/publications/archive/1997-2006/growing-for-good-intensive-farming-sustainability-and-new-zealands-environment>.
- ³ PCE, 2013. *Water quality in New Zealand: Land use and nutrient pollution*. <https://pce.parliament.nz/publications/water-quality-in-new-zealand-land-use-and-nutrient-pollution>; PCE, 2015. *Update report – Water quality in New Zealand: Land use and nutrient pollution*. <https://pce.parliament.nz/publications/update-report-water-quality-in-new-zealand-land-use-and-nutrient-pollution>.
- ⁴ PCE, 2019. *Farms, forests and fossil fuels: The next great landscape transformation?* <https://pce.parliament.nz/publications/farms-forests-and-fossil-fuels-the-next-great-landscape-transformation>; PCE, 2022. How much forestry would be needed to offset warming from agricultural methane? <https://pce.parliament.nz/publications/how-much-forestry-would-be-needed-to-offset-warming-from-agricultural-methane>.
- ⁵ See <https://www.thrivingsouthland.co.nz>.
- ⁶ See <https://www.access2experts.net.nz>.
- ⁷ See <https://www.anzcc.org.nz>, <https://www.jobsfornature.govt.nz> and <https://www.mpi.govt.nz/forestry>.
- ⁸ See <https://kmr.org.nz> and <https://www.waiconnection.nz>.