Good morning

On behalf of Federated Farmers of New Zealand, I attach our submission on ECan's proposal to change its Fees and Charges Policy.

We do not wish to present at a hearing.

Please contact me if you have any queries about the attached submission.

Kind regards

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SUBMISSION



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Submission on: Environment Canterbury Regional Council Fees and Charges Policy Changes

Date: 3 August 2020

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SUBMISSION ON CANTERBURY REGIONAL COUNCIL FEES AND CHARGES POLICY CHANGES

Introduction

Federated Farmers of New Zealand (FFNZ) appreciates the opportunity to give its feedback to Environment Canterbury Regional Council (ECan) on its Fees and Charges Policy changes.

FFNZ has a strong membership base in Canterbury, comprising four provinces, from Kaikōura to North Otago, and we take every opportunity to foster a positive working relationship with ECan.

FFNZ generally supports the user-pays approach, so it can agree to the Council's proposal to increase the hourly charge-out rate.

However, farmers are not just concerned with the hourly rate of planners. For an application to proceed and to be assessed properly, the quality of service performance by the Council's staff is vital.

We note ECan's wider objective, to deliver high quality service to its ratepayers that is effective and efficient, and our members rely on this service promise to operate their businesses well. We remind the elected councillors that even though we understand the Council has legal duties to implement resource management requirements, it is also obliged to balance these requirements with the equally crucial obligation to enable a thriving regional economy.

The agricultural sector is the backbone of this region, and it will remain so as the country-asa-whole fights to recover from the economic and social fallout of Covid-19. It is was one of only a handful of sectors to operate during Level 4, because it was essential for our survival, and it will be relied on to generate work opportunities for those who lost their jobs because of the restrictions.

All four of our provinces engage regularly with ECan staff and we acknowledge their willingness to engage and to consider our feedback.

There are two primary areas of the Council's operations where our members, and your ratepayers, expect a high standard of delivery:

- 1. Quality and efficiency of service
- 2. Proper engagement and consideration of risks of all actions explored.

We would be happy to meet with ECan's Senior Management and Governance teams to discuss how operational improvements could be made.

Service Delivery

FFNZ regularly receives feedback from members when they receive a bill for an application that is much higher than they believed it would, or should, cost.

We take your sample table, in the proposal, where you forecast an application to take groundwater would increase by about \$700. In our view, an application for groundwater should not take 22 hours, it should take no more than 10.

One of our members had applied for a consent for a small farm (less than 300 hectares) to serve as a wintering block and for rearing their replacement heifers.

The costs for this consent application alone was \$5,500 excluding GST. This does not include the cost of all other background preparation, and the wider ongoing costs of monitoring, FEP development and audit. Adding the cost of these other requirements of the consent process would make the final figure closer to \$9,000.

The member was also surprised the property required a cultural evaluation because this was never disclosed to them at any time during the application, but it did represent over \$1,200 excluding GST of their consent application bill.

We point out the member only saw the breakdown of cost to their bill because they requested it. Otherwise, the bill is generally presented as one total sum with no clear breakdown of where the costs went to.

Another member has told us they received a bill of \$1,500 to *monitor* a consent for a well issued at the end of April, and then a second one for \$900 a week later.

Given the high cost of meeting regulation we think the Council has a duty to account clearly where they incur expenses. FFNZ believes the Council's duty does extend to ensuring every aspect of a consent application can be reviewed and accounted for. If there is a cultural value assessment included in an application the Council must explain the hours spent, the type of cultural value under assessment, and ensure all assessments are done in a timely manner.

FFNZ emphasises the need for clearer and better accountability on how ECan staff performs; this includes:

- annual audit of consent applications to ensure their competency and efficiency meets a well-defined, consistent standard, and
- justification for the time charge should be clearly identified and outlined in accounts, and not just on request of the applicant.

All these cost impact on the profitability of the farm, leaving less income to explore opportunities to enhance the environment and farm more efficiently.

Engagement and Due Consideration

Our members are aware, with the new Policy Statements on Essential Freshwater and Indigenous Biodiversity, all consents may be reviewed from next year. Furthermore, with more emphasis on iwi cultural values on land use practices, it is imperative the Council does its utmost to engage with its ratepayers on what all these regulatory changes mean to them.

This will require more active and considerate engagement programmes and better identification of the risks identified by ECan's policy staff when plan changes are developed to meet these impending legislative changes. This includes working with iwi to improve communication with ratepayers on what iwi values are, and how and why they are included in plans.

We would expect the cost of engagement and education to come from a Uniform Annual General Charge that applies to all ratepayers in the region. We all have a responsibility to environmentally sustainable land use practices, and we do recognise iwi values have their place in our region.

Conclusion

FFNZ members are progressive farmers, who practise responsible farming daily; they must balance the need to manage their land in an environmentally sustainable manner with their need to operate a profitable business. It is a challenge that is not dissimilar with the Council's dual duties to give effect to resource management regulations and to ensure their region's social and economic wellbeing.

We ask the Council to look at every decision it makes with a wide-angle lens, because this is how our farmers account for every action they take. This proposal to increase planner fees is a component to the wider system of an efficient and effective system of regional development and wellbeing.

With regulatory requirements set to increase, the mounting cost on rural ratepayers must be contained by a realistic and holistic understanding of how the system should deliver serve its community well.

ABOUT FEDERATED FARMERS

Federated Farmers is a voluntary, member-based organisation that represents farming and other rural businesses. It is one of 24 provinces that comprise Federated Farmers of New Zealand, which has a long and proud history of representing the needs and interests of our rural community.

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Cameron Henderson Provincial President - North Canterbury

David Clark Provincial President – Mid Canterbury

Jason Grant Provincial President – South Canterbury