

Submission on the discussion document on proposed changes to the wetland regulations

October 2021

Introduction

The Aggregate and Quarry Association (AQA) is the industry body representing construction material companies which produce an estimated 45-50 million tonnes of aggregate and quarried materials consumed in New Zealand each year.

Funded by its members, the AQA has a mandate to increase understanding of the need for aggregates to New Zealanders, improve our industry and users' technical knowledge of aggregates, and assist in developing a highly skilled workforce within a safe and sustainable work environment.

Background

Currently an average of around nine tonnes (one rigid truckload) of stone, gravel and sand per New Zealander is required each year to meet New Zealand's ongoing infrastructure demand. With our population set to rise to between 5.3 and 7.9 million by 2060, this increase in population alone will require approximately 1.2 million new homes to be built over the next 40 years. That is 30,000 new homes every year.

Central and local government are investing an unprecedented amount of money into infrastructure, such as schools, hospitals, roads and transport, to meet this population growth. The New Zealand Government relies heavily on locally sourced aggregate resources for infrastructure repair following disasters, for road and rail transport corridors, major projects and for housing development, all of which are essential for the social, economic, and cultural wellbeing of communities.

The aggregates sector has an important role to play in helping mitigate and manage the effects of climate change through supply of aggregates for sea walls, river flood protection and building materials required following natural disasters.

New Zealand needs a secure supply of quarry materials to provide affordable housing and infrastructure now and for future generations. In order to do this, it is critical that planning is streamlined, quarry resources are protected so they can supply vital construction materials and quarry land is returned as an asset to the community once extraction is complete.

General comments

Adequate provision must be made in national instruments and regulations such as the *Essential Freshwater* regulatory package to recognise existing and potential aggregate and sand deposits and provide for their extraction. Quarry materials are not universally available and can only be sourced from where they are located (locationally constrained due to geology). Without a consenting pathway that provides for adequate access to resources at workable locations, there is the real risk of losing access to such proximate resources.

We support changes to the regulatory framework for 'natural wetlands' to provide a consent pathway for quarries, cleanfills and managed fills so that development can occur where necessary, while ensuring no net loss of natural wetland extent or values.

The Regulatory Impact Statement accompanying the discussion document on proposed changes to the wetland regulations identifies that almost 40% of the existing supply of aggregates in NZ has been impacted by the wetland regulations introduced in September 2020. Prohibiting quarrying activities near wetlands has not only impacted on much needed aggregate but has restricted the ability of these sites to enhance and improve the very habitats and ecosystems the regulations are meant to protect. We agree that the use of the Environmental Effects Management Hierarchy is the appropriate way to ensure the no net loss principles underpinning the *Essential Freshwater* regulatory package are achieved on a case-by-case basis.

We make the following submission in relation to the discussion document on proposed changes to wetland regulations.

Definitions

In order to retain consistent definitions across planning documents, and avoid confusion and potential conflict, the 2019 National Planning Standards definitions of quarry, quarrying activities and functional need, should be used and referenced within the wetland regulations. These definitions are:

Functional need – means the need for a proposal or activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment.

Quarry – means a location or area used for the permanent removal and extraction of aggregates (clay, silt, rock or sand). It includes the area of aggregate resource and surrounding land associated with the operation of a quarry and which is used for quarrying activities.

Quarrying activities – means the extraction, processing (including crushing, screening, washing, and blending), transport, storage, sale and recycling of aggregates (clay, silt, rock, sand), the deposition of overburden material, rehabilitation, landscaping and cleanfilling of the quarry, and the use of land and accessory buildings for offices, workshops and car parking areas associated with the operation of the quarry.

Change to the definition of a 'natural wetland'

The current definition of 'natural wetland' in the NPS-FM is problematic as it captures some heavily modified, exotic pasture dominated wetlands even though part (c) of the definition was intended to exclude these areas. This is having unintended consequences, such as restricting changes in land use and development in these areas.

We agree with the proposed revised definition of a natural wetland to exclude:

“(c) any area of pasture that has more than 50 percent ground cover comprising exotic pasture species or exotic species associated with pasture.”

The revised definition reflects the original intent that wet pasture areas, even if they were once 'natural wetlands', are now highly modified environments and should be able to continue their current use or be able to shift in land use.

Better provision for restoration, maintenance and biosecurity activities in 'natural wetlands'

The creation of artificial wetlands to manage water run-off and biodiversity offsetting and compensation are common requirements for modern quarrying. While such activities may have short-term negative effects on natural wetlands, the net result of the activities is positive in the longer term.

As an example of this, Meremere Quarry in collaboration with the Waikato Regional Council, a local farmer and the Waikato Catchment Ecological Enhancement Trust, constructed an internationally award winning 4ha wetland to act as a buffer and natural filtration for quarry runoff, protecting the precious Whangamarino Wetland. More than 32,000 native trees and shrubs were planted, with the five-pond system and a central island providing a viewing area for the public to observe the now-flourishing populations of wildlife.

Maintenance should be included in the regulations alongside restoration, and regulations relating to restoration and maintenance activities should be refined, so any removal of exotic species is permitted, regardless of the size of the area treated. These changes will achieve the original intent of the *Essential Freshwater* regulatory package and address biosecurity and maintenance activities.

Consenting pathway for quarrying

We support the proposal that a consenting pathway be provided for the expansion of current quarrying activities, and the development of new quarries. Consents for this type of activity should be determined by councils on a case-by-case basis.

Regulations should set clear and specific ways of regulating environmental issues based on outcomes and at the same time provide the tools to allow balanced decision making about where and how development can occur. In order to ensure balance, the positive effects of development need to be considered as do regional variations in community expectations, environment, and development needs.

It is therefore appropriate that quarrying be a discretionary activity within, or within 100 metres of, a 'natural wetland'. This is consistent with the activity status of similar activities in the regulations and will enable development within environmental biophysical limits including a significant improvement in housing supply, affordability and choice, and timely provision of specified infrastructure.

Cost/benefit analysis

"Aggregates are the foundation of our roads and buildings, they are the most consumed commodity in the world after freshwater. Our need for them is set to increase and it is unclear if we have enough in the right places" (Infrastructure Commission, September 2021).

New Zealand currently consumes 45-50 million tonnes of aggregate per annum at a value of \$800 million (Annual Return of Industrial Rocks and Mineral Output Survey conducted by MBIE). Aggregate makes up 5.2% of the Heavy and Civil Engineering producer price index and 27% of the construction costs of local roads, making it one of the largest input cost categories for infrastructure works.

The current regulations, if left unchanged, will impact on quarries currently supplying 15.54 million tonnes of aggregate for local infrastructure, housing, and climate change mitigation. This aggregate would need to come from quarries often a considerable distance from their use.

Using the average cost of cartage across New Zealand, projects using this aggregate would incur the following additional annual cost:

30 km distance	\$88.8 million
50 km distance	\$148.0 million
100kms distance	\$296.0 million

This additional cartage will also increase traffic congestion and carbon emissions.

As an example of the benefits of locally sourced aggregates, the Department of Conservation (DOC) recently extracted rock and gravel from conservation land adjoining the Waiho River near Franz Josef Glacier to help protect its walking tracks. If this quarry had not been permitted, the cost to DOC of this aggregate would have increased fourfold, and impact on carbon emissions, from the alternative of trucking material a long distance.

Consenting pathway for landfills, cleanfills and managed fills

Quarrying often requires the removal and stockpiling of overburden (soil required to be removed in order to extract rock), and/or the importation and stockpiling of cleanfill and managed fill for site rehabilitation. Most fill sites are located within valleys or gullies and are often damp areas of pasture or gully heads.

It is therefore appropriate that a consenting pathway be provided for cleanfills and managed fills, and that these be discretionary activities within, or within 100 metres of, a 'natural wetland'. This is consistent with the activity status of similar activities in the regulations, will avoid substantial cost implications and higher carbon emissions from transport, and will enable consents for this type of activity to be determined by councils on a case-by-case basis.

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