Thank you, Mr. Chair and Members for the opportunity to present today.

I'm Gary Taylor, the Chief Executive of EDS. With me today is Dr Greg Severinsen, EDS's RM Director.

The Bill does 3 main things:

- It reverses protections for freshwater and indigenous biodiversity;
- It gives Ministers increased decision-making power over national direction; and
- It provides a consenting pathway for new coal mines.

These proposals remove key environmental protections and are not in our national interest.

They are not necessary.

Instead, they arise from commitments made in the coalition agreements. They are not evidence-based and reflect special interest pleadings for what amount to a subsidy, a reduction in environmental standards for our agricultural sector.

The key changes include these:

- Repealing Te Mana o Te Wai – but that is a simple statement of prioritisation that puts freshwater ecology first. How can anyone disagree with that given the still parlous state of freshwater systems?

- Weakening freshwater regulations ostensibly to "allow farmers to farm" but no one's saying they can't.

- Changes to SNAs to stop implementation of new SNAs as a precursor to a review of the NPS IB - but that instrument was the product of an agreement between us, Federated Farmers and many others. Resiling from that agreement, as they have in an opportunistic way, reflects badly on the Feds.

- Providing a consenting pathway for new coal mines – but this is a policy shift running backwards on our climate change commitments.

As stated in our detailed submission, the Regulatory Impact Statements and Supplementary Analysis Reports for the changes proposed provide very little, if any, evidence that:

- There is a problem that needs fixing;
- That the proposed response is proportional to the perceived problem; and
- That the legislative amendments proposed will solve any perceived problem.

Proposed changes to the implementation of SNAs are entirely devoid of any cost / benefit analysis. No regulatory impact assessment has been undertaken for them.

In many cases, the indigenous biodiversity changes will likely make it worse for farmers and lead to increased litigation, which the idea of national direction was supposed to reduce.

Our submission, and that of others, details the poor state of freshwater and increasing biodiversity decline and why we need to halt and then turn those current trends around.

I want to highlight another reason.

New Zealand is an exporting country.

70% of our export earnings are highly or moderately dependent on nature. 13 of NZ's top 20 export commodities rely on natural capital.

Nature is the lifeblood of our economy.

Stuffing it up is not an option if we are to prosper as a nation.

NZ has free trade agreements with the EU, one of the world's largest trading entities, and the UK. These agreements include legally binding commitments to, for example:

- Provide for a high level of environmental protection and continue to improve environmental protection;
- Not to weaken, reduce, waive, or otherwise derogate from environmental laws to encourage trade or investment; and
- Requirement for evidence-based decision-making:

The commitments are subject to legal dispute provisions, so trading partners can challenge our laws to ensure that they are consistent with our trade commitments.
If New Zealand is found to be in breach of the trade agreement, and fails to bring measures into compliance, sanctions can be imposed.

That would be an absolute disaster for our exporters.

European and UK farmers are increasingly voicing concerns that they are being subjected to higher environmental standards than overseas competitors with more lax regulation. The measures proposed in this bill represent a direct subsidy to farmers, shifting costs away from them and onto a fragile environment.

Our proposed law and policy changes are not going unnoticed by the international community. Rather than helping to grow our economy, they are posing a significant risk to it.

We must do better.

I'll now pass over to Greg to outline our key concerns about the Bill's provisions on national direction.

National direction is a vital element of the RMA's regulatory framework. EDS supports the intent to streamline its creation. However, this Bill is going about that in the wrong way.

Irrespective of whether it is through a board of inquiry or other mechanism, national direction needs to be underpinned by a robust process, evidence and public input. In particular, people need to be provided adequate time and opportunity to submit.

We are concerned that the Bill will specify that the meaning of “adequate” time and opportunity will be entirely up to the Minister, and there will be less ability for the courts to objectively assess the meaning of this word as they have done in recent cases.

It is also important to remember that national direction is an instrument of the RMA and its legislative purpose, not just a tool to pursue ministerial priorities for development. We are concerned that the proposed process for creating national direction in section 46A will no longer specifically refer to Part 2 of the Act. It would be very easy to fix this by including “subject to Part 2” in this section.

We are also concerned about changes to section 32, which provides for evaluation reports. There are several issues here. First, there is no requirement under the Bill as drafted for the Minister to consider consistency with the RMA’s purpose, only the “effectiveness” of an NPS or NES – which begs the question, effectiveness in achieving what? They might be effective in achieving development while being at odds with Part 2.

The precautionary principle is also being chucked out for national direction. In the context of the various environmental crises we face, it is an incredibly bad idea to simply forge ahead without pause where there is uncertainty in information.

The proposed removal of further evaluation reports is also alarming. Essentially, this means that if significant changes are made to national direction after an initial evaluation report is prepared, these do not need to be properly scrutinised.

The risks of having a less robust section 32 analysis are not lessened by relying on the government’s more general regulatory impact assessment process. Those are not linked to the purpose of the RMA, and they can be suspended by Cabinet. Overall, the proposed process is significantly less robust than current settings.