

EFRA Committee visit to New Zealand

8-16 June 2026

Purpose of the visit

The visit to New Zealand (NZ) was an opportunity to learn about:

- the successes of a highly market-driven agricultural system that moved away from public subsidies in the mid-1980s in response to economic challenges;
- the potential downsides of this approach for the environment, resilience and other socially important outcomes;
- why biosecurity measures are more effective in New Zealand; and
- contrasting approaches to environmental protections and trade.

This note summarises the visit's themes and will support the Committee's ongoing inquiries into the "Future of farming", "Land use and nature" and "Biosecurity and animal welfare".

Itinerary overview

The Committee visited NZ between 8-16 June. The visit consisted of:

- Meetings with and support from the British High Commission, officials from the FCDO and the Defra Agricultural Attaché to NZ and Australia.
- Meetings with various teams within the Ministry for Primary Industries (MPI) to discuss biosecurity and support for farming, including a meeting with senior officials.
- Two days spent at Fieldays, a major agricultural event. Meetings were held with major companies, including Fonterra (a dairy cooperative), Zespri (a grower-owned kiwifruit company) and Ravensdown (a farmer-owned fertiliser cooperative). The Committee met representatives from Horticulture NZ, Beef and Lamb NZ and Federated Farmers. The Committee also met with Innovate UK, UK Agritech Centre and agritech companies. The Committee attended the Situation and Outlook for Primary Industries and met with the NZ Special Agricultural and Trade Envoy.
- Meetings with the Waikato Regional Council and Tainui Group Holdings, a Maori-owned company responsible for a wide range of assets and land
- A visit to the Port of Auckland, with presentations made by senior leaders
- A meeting with the Environmental Defence Society
- Meetings with Government Ministers, including the Minister for Agriculture, Trade and Forestry, for Conservation, Maori Development and Housing, and for the Environment, as well as the Primary Production Select Committee from the NZ Parliament.
- A meeting with the NZ Speaker of the House of Representatives.

Core themes discussed and implications for future work

A profitable sector is a more resilient sector

Many NZ farmers, particularly in the dairy, meat and horticulture industries (primarily kiwifruit), have returned to much higher levels of profitability, boosted by favourable exchange rates and global markets, particularly enhanced demand for protein. The GDP contribution of the food and fibre sector was 15.3% of NZ GDP in 2026. Returns on capital in the NZ agricultural sector are many times higher than those in the UK, even in economically challenging years. Although it varies greatly, some sectors spoke of returns equivalent to

around 2-10% each year, much higher than the UK where it barely rises above 0%. This is despite the fact that NZ is still facing some similar issues to the UK with fuel, energy prices, and skills gaps in some areas, such as abattoirs.

Certain sectors are performing better than others – beef and dairy tend to perform exceptionally well, whereas sheep farming returns tend to be around 2%. Some sectors have been losing export revenues due to rising costs and global disruption, such as the arable, forestry and seafood sectors. Nonetheless, it was clear, particularly at Fieldays, that profitable farms are able to invest, innovate and therefore adapt to changing circumstances. Instead of relying on government support, the sector has an attitude of self-reliance and responsibility for business resilience, including responding to climate change. The profitability of the sector does vary considerably year on year, due to its integration into global markets, but the sector can save when profits are higher to improve long-term resilience.

Key questions for the EFRA Committee to explore

- To what extent does the government factor in profitability into their ongoing analysis of food security?
- Until profitability is increased, how can public funding for farming be used to improve resilience, with resorting to subsidies for production?

Several factors explain the profitability of NZ farming

Stakeholders pointed to several factors that enabled greater profitability in the sector.

Lower costs of production

It is cheaper to produce food in NZ: for instance, lamb production is 63% cheaper in NZ than in the UK. This is due to having more land, a much smaller population (an estimated 5.3 million people against over 67 million in the UK) and little need to house cattle. Farmers in NZ have access to cheaper labour and more crop protection tools. The Government has recently focused on deregulation, streamlining requirements to save time and money.

A non-subsidised and market-driven sector

The removal of subsidies in the 1980s forced farms to be more efficient and adopt stronger business discipline. As one official told us, before that point, farming was a 'lifestyle that brought in an income' – now it is the other way around. Farmers focused on the most profitable land uses and orientated towards exports where returns are higher; NZ exports around 93% of the food it grows. It also led to the consolidation of farms which are on average much larger in NZ than the UK: for instance, the average dairy farm herd in the UK is around 150, whereas in NZ it is around 450.

A culture of cooperation

The greater power of cooperatives, such as Fonterra (a dairy cooperative for around 8000 farms), or cooperative-like businesses, such as Zespri (a grower-owned kiwifruit buyer and exporter) means that farmers are not price-takers, despite a "duopoly" within retail. Cooperatives are prevalent in NZ and have significant power in supply chains: many have a strong "brand" that allows their produce to command a higher premium. Cooperatives can invest in innovation, automation, genetic improvements and new varieties, which can help improve climate resilience, find efficiencies or create new products and markets. Some have even set up venture capital arms to invest in agritech. They can create networks of farmers and growers willing to test out new methods or technologies, sometimes at a discounted rate. They are then in a strong position to share best practices. Cooperatives can also attract external investment and provide significant, and growing, dividends to participating farmers.

Cooperatives exist across the supply chain, enabling grower control over key resources that brings efficiencies. For instance, Ravensdown, a fertiliser cooperative, focusses on growers' interests, which means that Ravensdown can look at reducing reliance on imported inputs, rather than push for more as an agrochemical company might do. Outside of cooperatives, we also saw other evidence of cooperation; it is not uncommon for staff to be shared across the horticultural sector, where different crops have different harvesting times.

Increasing the value of products is more important than volume

Many NZ farmers and cooperatives focus on improving the value of products, not volumes, to grow export profits. Some even told us that they believe they are at the limit of production. Many farmers and cooperatives instead focus on improving the quality of their produce (particularly nutritional value and environmental impact) and the brand that this supports (such as grass-fed beef and cattle reared outdoors), to command greater premiums on highly competitive international markets. There is a heavy focus on improving efficiency through innovation and genetic improvements. This has allowed, for example, sheep stocking numbers to fall, but productivity to remain consistent, thanks to investment in genetics and better practices. The dairy sector is investigating wearable technologies for its herds to collect data, manage grass more sustainably and keep animals calmer. Zespri has created new kiwifruit products, such as the gold variety, to boost exports.

The NZ Government, which has ambitious targets for increasing export revenues, expects that revenue increases will be driven through converting land to more valuable products (such as kiwifruit orchards), efficiencies in the sheep and beef sectors (through technologies such as wearables), and growing new industries, such as aquaculture.

Export opportunities

NZ sees international trade as vital for its growth and aims to double the value of exports (including for food and fibre) between 2024 and 2034. The Government has used free trade agreements (FTAs) to open profitable export routes for the sector, leading to \$64.3 billion in export revenue in 2025 which is projected to reach \$70 billion by 2030. Exports dominate the agricultural sector: NZ exports around 90% of the food it produces, and 82% of NZ's total exports are from food and fibre, compared to 6% in the UK. It now produces enough food to feed 40 million people when it only has a population of five million. 33% of global dairy exports come from NZ and it is the second largest lamb exporter behind Australia.

Issues

There are downsides to this system. For example, some cooperatives have an effective monopsony so power may have swung too far in some circumstances. Food prices are also much higher for NZ citizens than in the UK, as food generally tracks global prices. There are concerns about household food security in NZ, particularly for horticultural products, which tend to be more expensive. The Ministry for Primary Industries (MPI), however, highlight that higher food prices are helped by a lower tax burden when compared to other developed countries and that NZ's isolated position would have caused higher prices regardless.

Key questions for the EFRA Committee to explore

- Does the UK Government have a comprehensive plan to unlock profitability in the sector, including reducing costs and burdens, and increasing the value of produce?
- How feasible is it for UK agriculture to scale up and focus more on exports?
- To what extent could or should farmer-owned cooperatives rebalance power across UK supply chains, including for inputs?
- How can the Government balance greater profitability with potential impacts on household food security?

Trade and export matters to New Zealand

As a small country, the NZ Government see international trade as a vital part of their economy. NZ has worked on FTAs with several countries and regions, including the EU, UAE, China and India. These agreements have significantly boosted exports to these regions – for example, exports to the EU have gone up by \$3 billion in two years.

Trade policy sits within the powerful MPI. MPI has built up the political expertise to deliver effective FTAs quickly – the recent India FTA being a case in point. They have a good understanding of other countries interests and appeal to them. They build deep relationships with other countries, and offer their expertise, particularly through their education system, which has enhanced the food safety reputation of NZ abroad. Their most sophisticated trade infrastructure is with China - officials have deep relationships with counterparts and are sensitive to Chinese interests and culture. This has allowed NZ to continue to make deals even when the world around them is moving from a “rules-based” system to a more “power-based” system, with a stronger emphasis on protectionism. There is also a political consensus about the value of free trade in NZ which means that, even though their Parliament has a greater say on trade agreements than the UK Parliament, a united approach is possible.

NZ is quick to identify and support opportunities for trade – for instance, seeing China as an opportunity for trading animal carcasses, India as an opportunity for wool and leather, and South America and the UK potential targets for agritech trade. It sees opportunities emerging in Africa for dairy exports and is keeping an eye on the potential for forestry to play a bigger role in generating low carbon energy, which may be more profitable than the timber industry. NZ does not use trade as a tool for diplomacy, although they do not compromise on their principles in trade deals. It has a unique position as it is both part of the “five eyes” intelligence-sharing alliance but has a strong relationship with China.

Farming industries have focused heavily on exports to drive profitability. That means some cooperatives, such as Fonterra, export over 95% of what they produce. They focus on the most profitable export markets, rather than local markets: for instance, Fonterra focus on ingredient and food service industries, rather than direct to consumer.

UK-NZ trading relationship

There are longstanding ties between NZ and the UK that are strengthened by trade, despite the UK's turn towards the EEC in the 1970s. Trade between the two countries totals around £4 billion per year, both exporting around £2 billion. The UK primarily exports services, cars, specialised machinery and pharmaceutical products services to NZ, and NZ exports services, food (meat, dairy, vegetables, fruit and beverages) and scientific instruments to the UK.¹ NZ food exports to the UK totalled around \$1.7 billion in 2025/26, whereas UK food exports to NZ are only around \$120 million: whisky is the highest export by value.

Stakeholders were pleased about the terms of the UK-NZ Free Trade deal which has led to significant growth in exports to the UK, particularly for beef and dairy. NZ industry leaders were interested to learn about the upcoming UK-EU SPS agreement and its potential impact on trade with NZ. Despite some potential challenges, New Zealand's stronger links with the EU meant that stakeholders were overall relaxed about this trade alignment. The FTA was generous to NZ farmers: there has overall been a 69% increase in exports to the UK, which has now become a top 10 export destination and much of their quotas are being used. There is a chance that NZ will totally fill its quotas for trade over the coming years. However, the

¹ [New Zealand: UK trade and investment factsheets 31 July 2026](#), Department for Business and Trade

UK Government believes that the overall impact – which opens free trade across several sectors – is positive for the UK. It remains to be seen if this will have an impact on domestic production of food, which is a concern for some UK farming bodies: most of these imports have so far gone into food service and manufacturing, rather than directly onto supermarket shelves, but there are signs that this might change. Recent deregulatory efforts in the agricultural space, and different approaches to emissions, have led some environmental organisations to try to trigger environmental clauses in the UK-NZ FTA.

NZ remains a small market for the UK, so agrifood exports to NZ are more limited. The Committee heard that there might be opportunities for UK produce, such as for Scottish salmon, but sometimes there is a lack of join up in London to improve trade links. Agri-food attachés are working to tackle the non-tariff barriers to trade in places like NZ, although there is, in reality, less trade in this part of the world in comparison to others. The UK Agri-Tech Centre, funded by Innovate UK, has been working with UK agritech businesses to see if they can explore opportunities in NZ, most recently through its new Global Growth Accelerator which matches experts on market entry with British innovators. The Centre's position as a not for profit has been critical in building trust between different companies. Many businesses the Committee spoke to seemed to be in the early stages of exploring the NZ market. However, agritech has developed into a more cohesive and recognisable sector in recent years to better access international markets, including NZ.

Key questions for the EFRA Committee to explore

- How well is the UK's network of agri-food attachés working and do they need more support to help businesses take advantage of free trade agreements?
- What other capacity and skills are needed within the UK government and the agricultural sector to take better advantage of global markets, particularly for the agritech industry?
- What is the impact of the UK-NZ FTA on domestic producers and are the environmental clauses within these agreements functioning as expected?

New Zealanders are confident about food security...

Many farmers and growers acknowledge challenges familiar to the UK, such as higher input costs, biosecurity threats, extreme weather and skills shortages: the consolidation of farms in NZ may have particularly limited pathways into agriculture. While NZ is relatively shielded from the Iran War, supply of next season's inputs may become a significant challenge.

Despite these threats, there is a broad feeling amongst New Zealanders that they do not currently have a food security problem, thanks to strong profits and a strong supply of critical imports, especially fuel thanks to a recent landmark supply agreement with Singapore. Many of the people we talked to emphasised that it was the responsibility of businesses, not the Government, to prepare for these threats.

... but food security confidence may, in the future, be undermined by a lack of natural and economic diversity

A lack of diversity within the agricultural sector may pose a bigger, and somewhat less acknowledged, future risk. For instance, the underlying logic in NZ is that landowners choose the most profitable land use choices. However, that has led to monocultural, non-native forests, single-product businesses and reliance on trade with Asia, particularly China, with whom they conduct around \$40 billion of trade, including nearly \$20 billion of exports. This could expose industry to external shocks and harm natural capital, which is also essential for future growth and resilience. Despite the positivity this year, some sectors have performed considerably worse than dairy, meat and horticulture, such as arable, fishing and forestry. The latter have been struggling with weather and global supply and demand.

The NZ Government is aware of the problems that an overreliance on one export partner can cause: this was the case in the 1970s when the UK joined the EEC, which caused NZ a lot of damage. However, the NZ Government is reluctant to intervene and prefers exporters to make decisions about where best to trade.

In general, such concerns are currently muted, helped by the limited impact of the Iran war so far (mainly on prices, rather than supply) and the fact that many see Asia's growing middle class as a key growth opportunity. NZ is exploring markets through Asia and beyond and exposure to China has reduced to around 30% in recent years. An export focused economy may be able, if necessary, to seek other markets more quickly should supply chains come under strain. Exposure to China does also vary considerably – the dairy and forestry sectors are highly reliant on China, whereas other sectors supply more destinations. However, a changed future context may undermine this confidence: wars could emerge in more sensitive areas and biodiversity and climate crises are an increasingly imminent threat.

Some cooperatives are already seeking to limit their exposure to certain countries, in case of global disruption, and some farmers are attempting to diversify; we heard some farmers were combining sheep, beef, dairy, horticulture and forestry, combinations to lower emissions and nutrient pollution and provide more resilience. Some Maori landowners are also investing in various types of enterprise, such as hotels and energy, rather than focussing on traditional farming. The NZ Government has also been agreeing FTAs with other countries, such as Singapore and India, to bolster national security. The Government is encouraging land use changes through reforms, and supporting technological advancement such as wearables, which can better control grazing and free up quality land from sheep farming to more profitable produce, such as dairy.

Without a spatial strategy, however, land use changes could have the opposite effect. We heard that many farms in NZ do not have the staff or local expertise to diversify, and it is not clear whether land use changes will encourage nature enhancements. The agricultural sector is investing into innovations for climate adaptation, but there is also less focus on biodiversity gains that can significantly boost resilience against future climate threats.

Key questions for the EFRA Committee to explore

- What balance needs to be struck between specialisation and diversification in the UK, both in terms of produce as well as supply chains and export markets?
- How well equipped are UK farms for diversifying in order to boost their resilience?
- How should the farming community measure their resilience and what role should the UK Government play in shaping related definitions and decisions?

Not all sectors in NZ have been valued equally... at a cost to rural communities and natural capital

Beyond calling for more growth in agriculture, the NZ government is reluctant to set a comprehensive agricultural industry strategy or select winners and losers. It is therefore the market that has dictated the future of the sector. Several agricultural sectors have grown significantly in NZ. For instance, the dairy sector doubled its production between 1990 and 2020. The horticultural sector has doubled in size since 2015. Targeting GDP growth in agriculture has hugely benefited those industries that can achieve greater profits.

However, GDP and markets do not reflect everything that rural businesses provide to communities such as the intrinsic environmental and social values they can provide. This was demonstrated in the mid-1980s, when subsidies were removed from the sector. There is

recognition that this was a painful process for the NZ agricultural sector, causing land values to fall, businesses to close, and skills to be lost; some farmers and ministers that the Committee spoke to reflected on a 'lost generation' of farmers. Now the average farm size is 260 hectares, compared to 80 in the UK. The loss of family farms and consolidation of land may have improved profitability but there was a loss to rural communities. This also potentially resulted in more limited routes into the farming sector.

Once subsidies were withdrawn, better quality agricultural land turned towards dairy production, whereas beef and lamb retreated into the uplands, although it still has critical mass to farm profitably. Nonetheless, a way of life was damaged. More recently, upland farming has been particularly affected by carbon markets and a rise in forestry, which is seen by some landowners as a more profitable enterprise, particularly since it is part of the NZ Emissions Trading Scheme (ETS). The lamb industry feels like the potential biodiversity benefits of sheep grazing have been neglected in the transition. Like in the UK, there are also concerns about the spread of solar farms and the impact on farming lives.

There are no calls for public subsidy to keep industries alive: most in NZ see it as their responsibility to improve resilience and the long-term prosperity of their respective sectors. However, Federated Farmers wants to ensure that there is a "level playing field" between all uses of land in public policy. For instance, some are open to farming being part of the ETS, with the proviso that forestry can only be used to offset farming emissions, rather than other industries. One maori-owned enterprise we talked to is exploring ways to ensure that economic growth is used to support wider social goals, such as intergenerational wealth, better education, and sustaining a thriving culture. It has managed to return \$300 million in dividends to their local iwi over the last two decades to support these goals

Natural capital in NZ, like in the UK, has also suffered: around 50% of NZ emissions are from agriculture, 69% of NZ rivers have high levels of nitrogen, and 46% of lakes are in poor or very poor health, with only 2% in good health. Farming land outside of conservation areas has been intensified and many lowland species are consequently under threat. When we talked to horticultural representatives, they flagged the lack of focus on biodiversity, which can make it difficult for the value of horticulture to be recognised. A land that is known for its outstanding natural beauty, is perhaps not always as green as it appears.

Key questions for the EFRA Committee to explore

- As it moves to a more market-driven farming model, does the UK need to fundamentally shift how it values, measures and protects the key social and environmental benefits of rural areas?
- Is some level of public funding still necessary to protect those key aspects of the British countryside or can markets work in their favour?

Horticulture can play a major role in a vibrant agricultural sector

Horticulture in NZ is seen as a major and growing player within the NZ agricultural sector. In 2025/26, it received over \$9 billion in export revenues and this is expected to grow to over \$10 billion by 2030 with over 3% growth every year in between. It has export markets for kiwifruit, wine, apples, pears and vegetables across the world and is seen increasingly as a highly profitable produce, so much so that some farms have converted some dairy land into horticulture. This has the advantage of improving profitability, diversifying farms to make them more resilient, and lessening the methane impact of these systems.

Horticulture is also vulnerable to climate change, however, and struggles to bounce back from severe weather events: orchards can take years to grow back.

Key questions for the EFRA Committee to explore

- Could the UK do more to encourage the growth of the horticultural sector in the UK?
- What opportunities are there for British horticultural exports?

Markets and targets can shape environmental outcomes... for both good and bad

Supply chains play a foundational role in driving the economic development of farming and delivering environmental improvements in NZ. Farmers and cooperatives know that buyers of their produce are looking to buy food that has less environmental impact, particularly for emissions, as companies strive towards net zero. Many cooperatives are working with their farmers to increase environmental standards, in some cases moving faster than the Government is pressing them to, particularly on emissions. A market focus on improving the value of produce, particularly for brands known for sustainability, and investing in genetics to boost resilience against threats, may well improve environmental outcomes.

The NZ Government is targeting growth in export value, while achieving net zero ambitions. This has led to a sector that is focused on both growth and emission reductions, with a general optimism that innovation can solve this problem, a sentiment particularly on display at Fieldays. There is confidence amongst farmers and MPI that the agricultural sector can grow, while keeping environmental impacts in check; this contrasts with fears a few years ago about the impact of rapid growth in dairy farming. The MPI was confident that it can achieve a 30% reduction in agricultural methane emissions by 2050: genetic advancement being a key driver for this. Taking a “split gas” approach to emissions, which entails less ambitious methane reductions than a stricter definition of net zero, may be enabling this optimism. This is controversial as some environmental groups suggest that the “no additional warming” from methane target is not scientifically valid. The NZ Climate Change Committee is also concerned the 2030 target for a 10% methane reduction will not be met.

The sector’s focus on innovation as a way to address environmental damage and adapt to climate change is inspiring. However, faith is being put into new technology and breeding. This may well have its limits and the farming sector risks continuing to exceed environmental limits. Some stakeholders we spoke to were aware of the potential environmental harms underway, particularly through nutrients, but lacked the data to understand and respond to the problem. Many sectors are investing in more satellite mapping and other ways of measuring soil health; but many baselines are still not yet established. If this inhibits nature-positive actions, and leads to worsening habitats and biodiversity loss, this will undoubtedly lead to reduced future resilience. The adoption of well-known better practices and limits could deliver better results sooner for the environment. It is unclear whether the Government upcoming reforms – which will allow regional councils to set local environmental limits and intervene when they are breached – is enough to deliver better outcomes for the environment, or if market forces will continue to push environmental boundaries.

We noted little focus on nature recovery: most conversations talked about *limiting* the impact of agriculture or *preventing* further degradation. For future resilience, particularly against climate threats, holding the line may not be good enough. Thousands of native species in NZ are also under threat and the intensification of farming in non-conservation areas is one factor driving this. A lack of focus on nature recovery may be partly because NZ biodiversity markets have only just started to be trialled and frameworks do not reward activities that promote biodiversity. This contrasts sharply to the UK farming sector which recognises the issue more through ELMs, biodiversity net gain markets and biodiversity targets.

Key questions for the EFRA Committee to explore

- Can the UK do more to drive environmental improvement through sustainable growth and innovation? What limits are there to “sustainable growth”?
- What dangers and opportunities do a more market-driven farming sector pose for environmental outcomes? What role should intensive farming play in the UK?
- How can the UK build on its innovative biodiversity net gain policy and increased biodiversity focus to ensure that nature recovery rewards farmers?

A partnership between government and industry

The MPI is heavily involved with businesses, despite a lack of direct subsidies. It aims to support growth through strategic partnerships and investment. It is not shy about “pump priming” capital projects to boost industry or tackle market access problems. For example:

- Investments in innovations through initiatives such as Agrizero, a joint public-private initiative to drive progress towards near zero emissions by 2040. The Government is investing heavily in reducing methane emissions and supporting the development of climate change resistance livestock and grasses.
- Heavy investment into strict biosecurity controls, and many industry partnerships to spread best practices and ensure quick and efficient adherence.
- Shaping market expectations, through clear targets (such as net-zero and growth) and/or partnerships so that whole supply chains lead efforts to improve outcomes.
- Providing scientific advice and on-farm support to farmers on land management.
- Helping sectors find markets for produce such as wool.
- Providing scholarships to support young farmers into the industry.

The Government aims to create a system based on trusted partnerships with industry, which takes responsibility for their impacts on the environment, although many thought that rhetoric from former governments had been quick to “blame” farmers for problems.

Some stakeholders noted that the MPI can focus its efforts entirely on the sector, in contrast to the UK’s Defra which also has other responsibilities. This may help them have the capacity to build stronger working relationships with the sector, although it may inhibit joined up working on environmental issues, of which agriculture is a major part.

Key questions for the EFRA Committee to explore

- Should Defra act more like a partner with industry, rather than primarily its regulator, to create a more positive atmosphere and still drive improved outcomes?
- Should more funding be diverted away from direct funding of businesses to more strategic investments into innovation and on-farm support?

Environmental outcomes can be regulated differently... but NZ’s approach is contested

Replacing the Resource Management Act

NZ is in the midst of a deregulatory drive. There is wide acknowledgement that the farming sector has a major impact on the environment but also that its old regulations – particularly the Resource Management Act (RMA) 1991 – were not working for either the environment or agricultural businesses. Consents for land use changes from local government were seen by many as exorbitantly expensive and time-consuming, particularly when it involved nutrient usage. Federated Farmers felt consents had veered too far away from their original purpose.

Reforms are underway to replace the RMA with two new systems on planning and environmental protections. This will provide, after consultation, stronger national direction

and more consistent local plans, remove regulations for low-risk activities, and reduce the number of plans that landowners need to engage with: only higher-risk farms will be required to create freshwater farm plans either for their regional council or for an industry-led assurance scheme recognised by the NZ Government. The new system will make it easier for businesses (including farmers) and regional councils to change land uses to improve growth. Regional councils, however, will set clearer environmental limits and will have tools to enact strict measures if these rules are set to be breached. Councils will be able to set stronger environmental limits than those set by national government, but this will need to be based on evidence, and central government will be able to block such efforts if deemed necessary. Local plans will have considerably less opportunity for consultation.

The exact details of the RMA reforms are unconfirmed, including how freshwater plans will link to environmental limits, and how government will check the efficacy of plans. Farming representatives have broadly supported this move but there are some concerns in the environmental sector that the pendulum has swung too far in the direction of support for farming. Landowners already have untested protections under law that prevented environmental protections from making land unusable, and there are concerns that environmental limits will still be traded off against priorities such as growth and export.

These reforms replace changes introduced by the former government. Some are concerned that environmental reforms are becoming a political football, or that the consensus around the need to protect the environment is starting to break apart. Opposition parties have said that they will not reopen these reforms should the government change.

Fast Tracking major developments

Through the Fast Track Act, the Government is also separately fast-tracking development projects that have significant regional or national benefits, usually economic. While streamlining to one decision-maker was useful, the reforms have made it more difficult and time consuming for civil society to challenge decisions, particularly when judges are being given as little as 24 hours to make some decisions. There are some suspicions that these reforms could enable poor decision-making or even corrupt practices.

The role of regional councils in regulating land use and management

There is no central spatial land use strategy in NZ. Regional councils are, and will continue to be, the main environmental regulators, working at a catchment-level to improve outcomes for land, water, air and even the marine environment out to 12 miles. They mainly regulate through the consenting process for higher risk land use and management activities.

There are merits to having these functions at a more local level, allowing a local strategy to local environmental issues. The Waikato Regional Council has trialled new approaches to tackling problems in their area, such as cap-and-trade systems to reduce nitrogen pollution in Lake Taupo and peer-to-peer collaborations to better allocate water to farming businesses in a water-stressed area. The latter was a success, but while the Lake Taupo regime successfully reduced nitrogen, it relied on Government expenditure of around \$84 million which would have been challenging at a larger scale.

However, there may be trade-offs with a more localised approach, particularly around data sharing and enabling an understanding of 'what works'. The Waikato Regional Council has, despite some successful collaboration with local landowners, also encountered legal challenges to their plans to tackle diffuse water pollution. Some issues may require land use change, given that some areas are operating well beyond environmental limits, but that is controversial and could maybe benefit from central Government direction.

Role of supply chains

Supply chain expectations, cooperatives and industry-led assurance schemes also play a much greater role in regulating or encouraging farmers to farm more sustainably. These organisations, at least in part, understand the importance of protecting the environment for future resilience, although there can be gaps, particularly where it comes to nature recovery. Some of these market expectations are set by Government. Some international markets are also looking for more sustainable produce, which has also played a significant role in shaping expectations of farmers. Given that this relies to some extent on a consensus about climate change, it is not clear if there are safeguards to tackle changes in prevailing attitudes.

Protected areas

Protections for specific areas differ to the UK. For example, the NZ Marine Reserves Act 1971 has introduced no-take reserves in some surrounding waters, and a more nuanced protection regimes for the Harangi Gulf. These initiatives led to demonstrable improvements to the marine environment. NZ's protected marine areas do not take a multiuse approach used in the UK. Waters are still under threat from bottom trawling and climate change: NZ oceans are some of the fastest warming in the world. Some believe that NZ's early lead in this area has slipped and its fishing quota system is old and under pressure.

Conservation areas (around 30% of the NZ landmass) are protected against human activity, apart from some mining. These are owned by the state and have few people living in them. However, while conservation land is well protected, the "lock it and leave it" approach has means it is often unmanaged and the Department cannot protect it from other threats, so pests can damage local biodiversity. They need more resources to better manage these areas, and the Government is looking at ways to bring more money into the system – such as charging international visitors. Some Ministers believe that efforts to make areas pest-free are going to be too expensive in the long run and the solutions may need to be genetic.

Private land has fewer protections. Many threatened species are now in lowland areas, which is where much of the private land is held. Some "Significant Natural Areas" have been mapped which brought in more protections - however the controversy surrounding this (with a lack of any compensatory scheme) means mapping has been paused.

Key questions for the EFRA Committee to explore

- Could regulatory processes be devolved to enable area specific targets and initiatives?
- Should environmental regulations be removed for lower risk activities and stricter measures enabled for stressed areas?
- How can markets and landowners be encouraged to invest in improved environmental outcomes and protected spaces and what risks might this entail?
- How feasibly could the UK create more strictly protected marine areas?

Biosecurity as a national mission

NZ has world-leading biosecurity measures. We heard the Government's comprehensive efforts to tackle threats from tourism, biofouling, mail and freight, which are embracing extensive use of data, risk targeting, and "stop at source" activities to make these systems even more efficient. It is looking at greater automation and AI to improve the timings for mail screenings, although the technology is not sufficiently robust for their standards.

These efforts are expensive. Recent efforts to tackle hornets alone are costing \$14 million and investment in staff, communities and technology. However these efforts protect a \$60 million a year honey industry and more than \$400 million in horticulture. NZ has been helped by a strong degree of political consensus about the necessity of these measures to protect the food and fibre industries, which are critical for the NZ economy.

Biosecurity measures can cause friction for businesses and citizens. NZ has worked closely with ecommerce platforms to tackle risks offshore, preventing risky items from being sold into NZ and pre-screening imported products to save time in more expensive on-site screening facilities. Some efforts are funded by levies and charges on businesses and tourists; for businesses, the Government tries to lower these when they collaborate with the Government to encourage cooperation. The Government is looking to modulate fines according to risk, rather than adopt flat fines, to incentivise the right behaviours.

The public is generally more aware of the importance of biosecurity, particularly through the impact of pests on much-loved native species. This is not a curriculum requirement in schools, but awareness is generally well embedded across society, and there is a public hotline to report biosecurity threats. The public plays a key role in self-reporting and reporting instances of outbreaks: the authorities had over 17,000 notifications from the public through the exotic pest hotline regarding an invasive hornet species.

The Government works closely with industry, including shippers and wholesalers, through the Biosecurity Business Pledge, as well as the public, to ensure that there is support for measures. This includes public awareness campaigns and specific partnerships with industries to help them understand, adapt to changes streamline checks to minimise disturbances to supply chains, and improve the data received. These generally lead to high levels of compliance with rules. The Government also engages with communities known to bring potential threats into NZ, such as yachting groups.

NZ has the advantage of being a small and isolated island nation and having one international airport. Nonetheless, there is a multi-layered approach to biosecurity at the border, from risk assessment and dog detection through to x-rays and baggage inspection. There is a stronger presence of biosecurity messaging within airports and airplanes, and the digital NZ traveller declaration has provided a lot of useful data to help risk assess those travelling to the country and target checks, with over 70% of travellers filling out this form.

The biosecurity system relies on legally declared goods. Complex supply chains, particularly after COVID, and broad and fragmented data submissions handled by a concentrated network of scanning facilities, make handling a challenge. They see the border as a “net”, not a wall, which means that although high-risk items will likely be caught, low-risk items can pose a risk. They are also increasingly finding threats from packages that have been deliberately mis declared, any one of which could cause serious outbreaks. The NZ Government relies on domestic and international intelligence sharing, including citizen involvement, to resolve these concerns.

Key questions for the EFRA Committee to explore

- How can the UK Government go about making biosecurity a higher national priority across all levels of society?
- Would a more robust biosecurity system lead to savings in the long run?
- Can different funding models finance more robust checks at the UK border?

NZ stills struggle to make difficult decisions for climate adaptation

NZ faces similar climate change risks to the UK: water resilience, flooding, increasing temperatures, and extreme weather events affect farms and households. In NZ, local government plays a leading role on climate adaptation. Central government plays a greater role in helping identify risks and enabling better local decision-making. Like in the UK, much of the public spending on adaptation is being used to tackle the issue of flooding: in the

Waikato Region alone their flooding assets are worth over \$1.1 billion and rising. Around 80% of spending regarding climate change is about recovery, rather than resilience.

Failure to adapt to other climate problems, such as coastal erosion, are still leaving communities behind, with some insurance companies now refusing to provide cover for affected areas and other forms of compensation still challenging. The Natural Hazards Commission offers some backup insurance for both homes and land but if a property is unsalvageable, homeowners tend to bear the cost of demolition, potentially with local authority support. Central government over the past three terms has promised a new approach for threatened property, including the potential to buy property under serious threat, but have not delivered. Some regions, such as Hawkes Bay and Ontago, are developing plans, although policy options are limited. In the meantime, there is funding to help communities come up with coastal erosion plans, but a lack of funding to implement any subsequent policy. Some seawalls have gone up but they are often unaffordable.

Markets, shaped by the NZ Government in some respects, and the need to maintain business resilience, are driving progress towards climate adaptation in farming. Greater profitability has allowed greater investment into adaptive technology and genetics, such as heat resilient livestock and plants, but it is unclear whether this is sufficient, particularly given a lack of consideration for biodiversity gains, which can offer greater resilience against climate impacts. Some environmental groups argue that the NZ Government is good at cleaning up after extreme weather events, but poor at building local resilience against future events.

Key questions for the EFRA Committee to explore

What role can private markets and supply chain standards play in building resilience across food supply chains and how can the UK Government measure progress?

Local ownership of resources has potentially brought some benefits

Unlike the UK's privatised water sector, regional councils still have some degree of control over local water providers, many of which are still council operated. Whilst there are issues in the water sector, such as aging infrastructure, most stresses on freshwater are caused by the farming sector, rather than water companies.

The Committee also heard about other resources with some degree of public control: for instance, the Port of Auckland is owned by the Auckland Council, with an independent board of directors. This enables dividends to flow to the local council, providing another source of revenue. The Port also must be mindful of local interests, such as their social impact on residents. However this could also cause tensions, particularly since the local council does not have direct control over the port, and opinions about future direction can be divided.

Key questions for the EFRA Committee to explore

To deliver better outcomes and additional funding streams, does the UK Government need to reassess levels of public control and ownership of key resources?