



Building the Future: **Securing water and fertiliser to back NZ farmers**

Reliable access to water and fertiliser is critical to on-farm productivity. National will remove roadblocks to new water storage infrastructure and reduce our exposure to volatile global fertiliser markets.

New Zealand's farmers and growers are the best in the world. When they do well, the whole country does well. The primary sector produces 82 per cent of New Zealand's exports and that money pays for the hospitals, schools and roads every community relies on. When farming grows, wages lift and our towns grow with it.

In much the same way as New Zealand ensures we have security of fuel and energy, security of water and fertiliser enables our farmers to produce food and generate the exports that are currently worth \$65.2 billion to New Zealand's economy.

When farmers and growers have reliable water, they produce more, take on more staff and more money flows into the local town, which means more jobs in regional communities.

National have an ambitious agenda for growth and the world wants what we produce. In three years, we have signed trade deals with India and the United Arab Emirates and completed an agreement with the Gulf states, and brought our deal with the European Union into force early. The job now is to produce more of it.

National back our farmers to get on with what they do best.

Water Security

Water is one of New Zealand's greatest strategic advantages. It underpins our food and fibre production, supports regional jobs and earns the export income that pays for hospitals, schools and roads.

We get more rainfall and renewable freshwater per person than almost any other developed nation. Yet too many regions still face water shortages. We have the water. We just don't store enough of it. New Zealand captures and uses about two per cent of its available water resources. We can and should do better.

In our first term, National made water storage easier to build. We gave water infrastructure 35-year permits, cut compliance costs for small dams, opened the Primary Sector Growth Fund to feasibility studies, passed the Fast-track Approvals Act and appointed New Zealand's first Associate Minister of Agriculture responsible for water security.

National believes we should plan for water security the same way we plan for fuel and energy. That means storing water when it is plentiful and using it well when it is scarce. It means knowing where water will be needed and giving regions a clear path to build the storage they need.

Get schemes built

A re-elected National Government will commit \$300 million in concessional loans to support water storage projects to be built. The Primary Sector Growth Fund will continue to provide support for pre-construction studies for productive water storage projects.

Water projects can spend years moving between hydrology, engineering, environmental assessment, land access, user commitments, consenting and finance. National want to see water storage projects get the necessary approvals and get built quicker. Our promise of concessional loan support will help bridge the gap.

Deliver New Zealand's first long-term water infrastructure pipeline

New Zealand has many promising water infrastructure proposals, but there is no single national view of existing storage, future demand, climate risk or project readiness. Work is often commissioned one project at a time; information is gathered to different standards and specialist capability is lost between projects.

A national water infrastructure pipeline will allow connected storage, distribution, managed aquifer recharge, renewal and on-farm options to be considered together. Projects will be compared on the value created per unit of water and per Crown dollar, climate resilience, environmental outcomes, regional benefits, affordability and readiness to proceed.

We will start by prioritising five key regions

- Northland
- Tairāwhiti
- Hawke's Bay
- Wairarapa
- Canterbury

Each of these regions depend heavily on reliable water for high-value food and fibre production. Each faces growing pressure from drought and climate variability. And each region already has storage work underway, so Crown investment can get schemes built sooner rather than starting from scratch.

The national water storage register will identify the project/s in each of these regions to be prioritised for funding from the \$300 million in concessional loans.

Behind those five, the register will build a longer, nationally prioritised pipeline. Further priority areas identified include:

- Bay of Plenty orchards
- Central Otago and Waitaki fruit growing
- Upper South Island: Marlborough and Nelson
- Southern dryland areas, where stored water is the difference between a normal season and destocking.

A proportionate approach to on-farm water storage and irrigation

We value on-farm storage and want more of it, built well. A routine farm pond is not a high-consequence hydro dam and should not be regulated as if it were.

National will make it easier for farmers and growers to build water storage on their own land, by developing a National Standard for on-farm water storage under the new planning system. This will allow on-farm water storage infrastructure to be built without the need for costly resource consents.

National will also make it easier to get consents by introducing a National Standard for Irrigation to ensure irrigation systems are designed and operated to recognised best practice, improving water-use efficiency, reducing environmental risk and providing farmers with a simpler, nationally consistent set of rules.

A re-elected National Government will:

- **Commit \$300 million in concessional loans to get water storage projects built.**
- The Primary Sector Growth Fund will continue to provide grants for feasibility studies.
- **Deliver New Zealand's first long-term water infrastructure pipeline**, in partnership with farmers, growers, councils and iwi.
- **Publish the first National Rural and Provincial Water Use Strategy in 2027**, backed by a national water storage register.
- **Introduce a National Standard for on-farm and other lower-risk off-stream water storage, and**
- **Introduce a National Standard for Irrigation** to make consenting easier for farmers and growers.

Fiscal impact

The water storage concessional loan scheme will be structured as four \$75m tranches of lending, with the write down cost of this lending managed through the existing Primary Sector Growth Fund. The annual write down cost of this lending is expected to be \$16.3 million per annum. Since these loans are expected to be repaid within ten years, we do not anticipate an impact on the Government's capital allowance.

Critical soil nutrients

Fertiliser is a critical nutrient input into New Zealand's food and fibre economy. Reliable access supports soil fertility, farm productivity, export earnings and rural communities. A serious supply disruption would be felt well beyond the farm gate through lower production, higher costs and weaker export returns.

New Zealand already plans for fuel and energy security, but as events in the Middle East this year has shown, we need to be planning for fertiliser security too.

New Zealand uses over two million tonnes of fertiliser to grow food each year. Our fertiliser production relies on imported phosphate, which is then processed on shore. This leaves our primary sector exposed to international supply shocks. National will reduce New Zealand's exposure by supporting domestic production, strengthening supply relationships, and attracting investment in strategic infrastructure.

This is about ensuring a continued, stable supply of fertiliser in the country. We will back measures to support farmers to responsibly manage their nutrient use to better support productive farming and the environment.

Strengthening supply partnerships

New Zealand imports around two-thirds of its urea, with significant volumes sourced from the Gulf, particularly Saudi Arabia. Recent conflict and disruption in the Middle East have shown how quickly shipping risks can flow through to global fertiliser prices and availability. Other key nutrients, including phosphate rock, potash and sulphur, are also exposed to concentrated production, commodity cycles and long transport routes.

National will treat fertiliser as a strategic priority in trade, diplomatic and investment engagement. Using the New Zealand–Singapore Agreement on Trade in Essential Supplies as a blueprint, National will pursue arrangements with key supplier countries focused on reliable access, market diversification, early warning and rapid government-to-government coordination.

A re-elected National Government will:

- **Negotiate fertiliser security agreements with key supplier countries**, using the New Zealand–Singapore Agreement on Trade in Essential Supplies as a model.
- **Establish a \$10 million Critical Agri Inputs Fund** to co-invest in fertiliser production, processing, storage and distribution projects from the Primary Sector Growth Fund.

