

PO Box 146  
15-17 Tuhoro Street  
Otorohanga 3940

8<sup>th</sup> March 2017

Waikato Regional Council  
401 Grey Street  
Private Bag 3038  
Waikato Mail Centre  
**Hamilton 3240**

**Re: PROPOSED WAIKATO REGIONAL PLAN CHANGE 1 – WAIKATO AND WAIPA RIVER CATCHMENT**

Dear Vaughan Payne

Please find attached a copy of FarmRight's submission on the Proposed Waikato Regional Plan Change 1.

I am submitting on behalf of FarmRight Ltd. FarmRight is a farm management company that manages 13 farms that are owned by syndicates and private companies, throughout the greater Waikato region, with one farm we manage being directly affected by Plan Change 1 currently. As part of our business we purchase farms on behalf of our clients and therefore any farms we may purchase in the future may be impacted by the final Plan, including determining farming systems.

FarmRight supports Plan Change 1 with some amendments/clarification, with the overall aim to improve water quality by reducing the amount of contaminants entering the waterways.

Yours sincerely,

**Louise Wallace**  
FIM Support  
FarmRight Ltd

# Proposed Waikato Regional Plan Change 1 – Waikato and Waipa River Catchments.

Submission form on publicly notified –  
 Proposed Waikato Regional Plan Change 1  
 – Waikato and Waipa River Catchments.

SubForm	PC12016	COVER SHEET	
<b>FOR OFFICE USE ONLY</b>			
		Submission Number	
Entered		Initials	
File Ref		Sheet 1 of	

FORM 5 Clause 6 of First Schedule, Resource Management Act 1991

SUBMISSIONS CAN BE	
<b>Mailed to</b>	Chief Executive, 401 Grey Street, Private Bag 3038, Waikato Mail Centre, Hamilton 3240
<b>Delivered to</b>	Waikato Regional Council, 401 Grey Street, Hamilton East, Hamilton
<b>Faxed to</b>	(07) 859 0998 <i>Please Note: if you fax your submission, please post or deliver a copy to one of the above addresses</i>
<b>Emailed to</b>	<a href="mailto:healthyrivers@waikatoregion.govt.nz">healthyrivers@waikatoregion.govt.nz</a> <i>Please Note: Submissions received my email must contain full contact details. We also request you send us a signed original by post or courier.</i>
<b>Online at</b>	<a href="http://www.waikatoregion.govt.nz/healthyrivers">www.waikatoregion.govt.nz/healthyrivers</a>
<b>We need to receive your submission by 5pm, 8 March 2017.</b>	

YOUR NAME AND CONTACT DETAILS		
Full name Louise Wallace		
Full address 15-17 Tuhoro Street, Otorohanga		
Email lwallace@farmright.co.nz	Phone 07 873 7005	Fax

ADDRESS FOR SERVICE OF SUBMITTER Same as contact details above		
Full name Same as contact details above		
Address for service of person making submission		
Email	Phone	Fax

TRADE COMPETITION AND ADVERSE EFFECTS (select appropriate)
<input type="checkbox"/> I could / <input checked="" type="checkbox"/> could not gain an advantage in trade competition through this submission.

**THE SPECIFIC PROVISIONS OF PROPOSED PLAN CHANGE 1 THAT MY SUBMISSION RELATES TO**

*Please state the provision, map or page number e.g. Objective 4 or Rule 3.11.5.1  
(continue on separate sheet(s) if necessary.)*

The whole plan change and the specific provisions identified in Table 1

**I SUPPORT OR OPPOSE THE ABOVE PROVISION/S**

*(select as appropriate and continue on separate sheet(s) if necessary.)*

Qualified support, subject to the clarifications and specified submissions in Table 1

**MY SUBMISSION IS THAT**

*Tell us the reasons why you support or oppose or wish to have the specific provisions amended.  
(Please continue on separate sheet(s) if necessary.)*

In relation to the whole plan change in general: FarmRight is in favour of and supports the continued improvement of the environmental management of the farming sector in general and the dairy industry in particular. It recognises that regulatory regimes have a place in this and the Plan Change 1 can be a helpful tool in progressing this. However, this regulatory approach needs to give effect to the sustainable management principles of the Act as expressed through the higher level documents. This requires a balance between enabling efficient use of natural and physical resources for farming that meets higher level document environmental requirements, but provides sufficient certainty and is both workable and practicable, and does not render established dairying operations no longer commercially viable. The dairy industry in particular should not be made to bear the main responsibility for improving water quality, where other industries may well be equal or greater contributors. Those contributors should be identified and required to make appropriate contributions and improvement in line with their contribution to water quality effects and their potential to make improvements in such effects.

**I SEEK THE FOLLOWING DECISION BY COUNCIL**

*(select as appropriate and continue on separate sheet(s) if necessary.)*

The specific relief sought in relation to specific provisions is set out in Table 1. However, in addition FarmRight seeks such alternative and/or consequential relief as is necessary to address the concerns set out in its submission and the relief it seeks as set out in Table 1. This includes such more general relief as is required to give effect to the general submission on the whole plan set out above.

*Amend as follows:*

Amend as per Table 1 and/or the consequential and/or alternative relief set out above.

**PLEASE INDICATE BY TICKING THE RELEVANT BOX WHETHER YOU WISH TO BE HEARD IN SUPPORT OF YOUR SUBMISSION**

I wish to speak at the hearing in support of my submissions.

I do not wish to speak at the hearing in support of my submissions.

**JOINT SUBMISSIONS**

If others make a similar submission, please tick this box if you will consider presenting a joint case with them at the hearing.

**IF YOU HAVE USED EXTRA SHEETS FOR THIS SUBMISSION PLEASE ATTACH THEM TO THIS FORM AND INDICATE BELOW**

Yes, I have attached extra sheets. See Table 1

No, I have not attached extra sheets.

*[Faint, illegible text]*

Signature

Date 8<sup>th</sup> March 2017

Personal information is used for the administration of the submission process and will be made public. All information collected will be held by Waikato Regional Council, with submitters having the right to access and correct personal information.

PLEASE CHECK that you have provided all of the information requested and if you are having trouble filling out this form, phone Waikato Regional Council on 0800 800 401 for help.

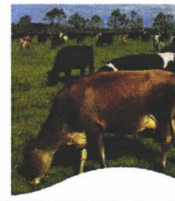
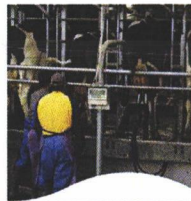
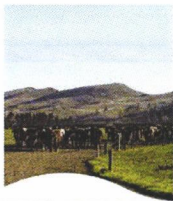


Table 1 – Submission per provision

Section number of the Plan Change	Support /Oppose	Submission	Decision sought
<p><u>Objective 1</u> - long-term restoration and protection of water quality for each sub-catchment and Freshwater Management Unit (FMU)</p>	<p>Support</p>	<p>We support the long term approach of the plan - It has taken 80 plus years to get the rivers/streams into the state they are currently are in and it is expected to deteriorate further (especially due to nitrogen leaching). This problem cannot be solved in a shorter timeframe especially due to the lag effect on nitrogen leached. These timeframes will mean that there will be improvements in technologies and research to help this process.</p> <p>We also support the reduction of the four containments as all catchments are affected in different ways. In the Waipa catchment nitrogen is not the primary problem, phosphorous/ sediment, E.coli and microbial pathogens are bigger problems i.e. reducing N on the farm land will not improve the clarity or E.coli levels.</p> <p>The CSG has also provided economic impact if changes occur to quickly – this shows that genuine consideration has been given to this timeframe.</p>	<p>Retain the wording of Objective 1 as publicly notified.</p>
<p><u>Objective 2</u> – social, economic and cultural wellbeing is maintained in the long term.</p>	<p>Support</p>	<p>It is important (in particular) that social and economic wellbeing is maintained long term. An 800 cow farm can support up to four families; it is important for the community that we keep these people employed as they support the local schools and community groups. The wealth from this business also feeds into the communities and retains jobs in the local area i.e. tanker drivers, vets, local suppliers.</p> <p>If rules and targets are too aggressive it will affect the profitability of the business e.g. if stocking rates are cut, there will be less milk produced therefore less income into the business which results in job cuts which will then flow onto the community. Costs on farm will also need to be cut and this will be done in the way of less work contracted out to local</p>	<p>Retain the wording of Objective 2 as publicly notified.</p>
<p>Doc # 9150077 7355438_1</p>		<p>contractors, vets etc.</p>	

<p>Objective 3 – short-term improvements in water quality in the first stage of restoration and protection of water quality for each sub-catchment and FMU.</p>	<p>Support</p>	<p>Small changes on farm can have a huge impact on water quality. This objective is very important on farm as it states '<u>actions put in place and implemented by 2026 to discharges</u>' this suggests that a farmer will be measure on their '<u>actions</u>' and the change in water quality not solely the output numbers produced in the Overseer budget.</p> <p>Based on this more emphasis needs to be placed on the '<u>actions</u>' and not necessarily what is happening to water quality, it is very likely that water quality is going to deteriorate before it improves, as stated in the explanatory notes to table 3.11-1 '<i>the effect of some contaminants (particularly nitrogen) discharged from land has not been seen in the water.</i>' '<i>There are time lags between contaminants discharged from land uses and the effect in the water.</i>'</p> <p>Although it is important for farmers to understand how their actions impact on the waterways but also for whoever is doing the monitoring, enforcing of the FEP and setting of the rules for the next 10 years and beyond.</p>	<p>Retain the wording of Objective 3 as publicly notified.</p>
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<p>Policy 1 – manage diffuse discharges of nitrogen, phosphorus, sediment and microbial pathogens.</p>	<p>Support subject to amendments</p>	<p>Support this policy with amendments as it is all of the four contaminants that affect the river. However more clarification is required around point b; <i>‘requiring <b>farming activities</b> with moderate to high levels of contaminant discharge to water bodies to reduce their discharges.’</i></p> <p>Firstly, this policy should refer to <b>all activities</b> with moderate to high levels of contaminant discharge, not only farming activities. If an activity meets the criteria of ‘moderate to high’, it should be required to reduce discharges.</p> <p>Clarification needs to be given on how these decreases will be measured. Currently the only way to measure N loss on a farm level is through Overseer, which also has P loss included (although the accuracy of this is questionable). The Overseer model doesn’t take into account the E.coli and microbial discharge levels on a per farm basis.</p> <p>It is important there is a way to measure this as a number of streams main contaminate isn’t nitrogen, although this still needs to be measured.</p> <p>Clarification needs to be provided around high, medium and low levels of discharge as this will impact actions that need to be put in place.</p> <p>Definitive numbers for all four contaminants need to be included into the plan to clarify where farms fall in terms of the high, medium or low levels of the four discharges. If this is not definitive farms can have low nitrogen output but have high E.coli output and not know they need to reduce it and if they do what do they need to reduce it to. Therefore the aims of Plan Change One will not be achieved.</p> <p>Amendments could also include getting farmers to take either quarterly or six monthly samples of their waterways at a specific spot (as a mandatory condition of all FEP), this will clearly identify the levels of E.coli, phosphorus, sediment and microbial pathogens.</p> <p>We acknowledge it is also important that farmers continue to be able to rely on Overseer for N and P leaching, as this is what the Nitrogen Reference Point will be based on.</p>	<p>Retain the policy, but amend the wording as follows:</p> <p>Policy 1.b. Requiring <del>farming</del><b>all</b> activities with moderate to high levels of contaminant discharge to water borides to reduce their discharges;</p> <p>For the purposes of this Policy, ‘moderate to high levels of contaminant discharge’ is to mean discharges of nitrogen, phosphorus, microbial pathogens and/or E.coli which exceed industry standard practice for contaminant loss for the relevant industry or rural sector or sub-sector.</p>
<p>7355438_1</p>	<p>Doc # 9150077</p>		<p>Page</p>

<p><u>Policy 2</u> – tailored approach to reducing diffuse discharges from farming activities.</p>	<p>Support subject to amendments of the rules that give this policy effect</p>	<p>We support the farm environmental plan and tailoring it to each farm as each farm is very different and run differently depending on management.</p> <p>There are concerns about the timeframes around developing, monitoring and auditing the Farm Environmental Plans (FEP). It will be important to ensure that the people implementing plans have a good knowledge of a variety of farming systems and what the individual farm is to achieve under the FEP.</p> <p>Although the nitrogen reference point is an important measure, this isn't reflective of what is going on in the total system (as it doesn't account for P/sediment, microbial pathogens and E.coli). Monitoring and auditing needs to have a greater focus on actions completed on farm rather than just the Overseer output number.</p> <p>It also needs to be clarified how they are going to manage the decrease in the other three contaminants on a farm by farm level like the N number out of overseer.</p> <p>Clarify that a greater focus be put on actions completed on farm to reduce discharge the four main contaminants and where they sit e.g. high, medium or low as per defined levels for each contaminant. Weight also needs to be given to actions taken on farm, as well as the Overseer outputs.</p> <p>Definitive measures also need to be put in place on how the other contaminants will be measured if they can't be measured by Overseer or similar program. Users of land require certainty under this Plan, to ensure they are doing what is required of them.</p>	<p>Retain wording of this policy as notified, provided the rules giving it effect are reworded to ensure that the issues identified in this submission are addressed.</p>
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<p><u>Policy 4</u> – enabling activities with lower discharges.</p>	<p>Support subject to amendments</p>	<p>This policy allows the development of new discharges (albeit at lower levels). Firstly, as outlined above in relation to ‘moderate and high levels’, what constitutes a ‘lower level’ of discharging needs to be specified to ensure certainty.</p> <p>The 10% reduction threshold is based on a reduction from the current scenario. If new discharges are able to establish, the levels of ‘cutting back’ required from higher discharging activities will increase to meet the 10% threshold. Any new development needs to be established at best practice levels, to ensure that new discharges have the smallest impact possible on the overall goal of reducing nutrient loss by 10%.</p>	<p>Clarify what is meant by ‘low levels’.</p> <p>A requirement be established that any new discharge be operating at best practice to minimise any discharges of nutrients. This could be by way of a controlled activity status.</p> <p>Amend the wording of this policy as follows:  Manage sub-catchment wide diffuse discharge of nitrogen, phosphorus, E.coli and microbial pathogens, and enable existing and new low discharging activities <b>where appropriate, and subject to new activities establishing in accordance with industry standard management principles</b>, to continue provided that cumulatively the achievement of Objective 3 is not compromised. Activities and uses currently defined as low discharges may in the future need to take mitigation action that will reduce diffuse discharges of nitrogen, phosphorus, E.coli and microbial pathogens in order for Objective 1 to be met.</p> <p>For the purposes of this Policy, ‘low levels of contaminant discharge’ is to mean discharges of nitrogen, phosphorus, microbial pathogens and/or E.coli which are below industry or sector standard practice levels for the relevant agricultural or rural sector or sub-sector and type of operation.</p>
<p><u>Policy 5</u> – staged approach</p>	<p>Support</p>	<p>This policy is important to both the improvement of waterways and the sustainability of the farming businesses. This will allow for changes in technologies to be implemented easily as well as the ability to review/reflect on what has been achieved on a farm by farm and catchment basis, as well as whether the farm and catchment is on target to achieve what the Plan requires. This policy is very important to every farming business to ensure the best outcome is achieved long term objectives.</p>	<p>Retain the wording of this policy as publicly notified</p>
<p><u>Policy 6</u> – restricting land use change</p>	<p>Support</p>	<p>Policies relating to a change in land use are particularly relevant, given the proposed non-complying activity status of a change in land use as per Rule 7.</p>	<p>Retain the wording of this policy as publicly notified</p>

<p><u>Policy 7</u> – preparing for allocation in the future</p>	<p>Support</p>	<p>In particular we support that future allocation decisions should take advantage of new data and knowledge.</p>	<p>Retain the wording of this policy as publicly notified</p>
<p><u>Policy 8</u> – prioritised implementation</p>	<p>Support</p>	<p>We support the council working with the higher dischargers, to make them aware of what they are doing and ways to easily mitigate discharges. After the 10 years hopefully all discharges will be on a 'more even playing field' in terms mitigation actions required moving forward.</p>	<p>Retain the wording of this policy as publicly notified</p>

<p>Rule 3.11.5.3 – Permitted Activity Rule – farming activities with a FEP under a Certified Industry Scheme</p>	<p>Support subject to amendments</p>	<ol style="list-style-type: none"> <li>1) Support a specific timeframe for registration of all farmers. However amendments need to be made so that timeframes are based on the operative date of Plan Change One, rather than the notification date (22/10/16). If the council continues with the existing dates (1/9/18 to 31/3/19) for registration, it is possible that the hearing/appeal process for PC1 will still be underway, or very recently completed. The rules, objectives and policies of PC1 may change through the hearing process, and so to require compliance with the proposed rules could cause confusion and frustration for parties if those rules are then finalised in a different form. If registration is required very soon after PC1 is made operative, it will result in tight timeframes for the farmers and consultants to get the necessary information to the Council and the Council to process that information and notify farmers if they are in the top 25<sup>th</sup> percentile.</li> <li>2) Support a NRP, and agrees that an Overseer budget needs to be produced to establish the NRP. However, clarification needs to be provided around how the Overseer budget will be 'signed off' by the Council. For example, will the Council agree that a particular business (e.g. a fertiliser company) follows appropriate methodology, and therefore all Overseer budgets established by the business will be considered complete, or will each individual Overseer budget be audited by the Council, regardless of who prepared it? To ensure that the farmer and Council get the most accurate NRP, the consultant needs to be familiar with the farm. There are differences between properties which will influence an Overseer report that will not be identified if the Overseer budget is generated solely from desktop information – a farm visit will be an important part of verifying the appropriate NRP.</li> <li>3) Support all stock should be excluded from waterways</li> <li>4) Support Certified Industry Scheme – this gives the council/farmers continuity.</li> <li>5) Dates need to be amended to reflect completion of Plan Change One not just notification. If the original dates are stuck to this will create a lot of work and pressure for the council and supporting industry's to get Overseer budgets accurately completed, entered into a system to identify the</li> </ol>	<p>Amend rule 3.11.5.3 so that all key dates within rule three are to be amended to two years post Plan Change One being made operative and all other dates be pushed out by the same length</p>
<p>Doc # 9150079</p>		<p>top 25<sup>th</sup> percentile and notify them.</p>	<p>Page</p>

<p><u>Rule 3.11.5.4 – Controlled Activity Rule – Farming activities with a Farm Environmental Plan not under a Certified Industry Scheme</u></p>	<p>Support subject to amendments</p>	<p>The requirements for a FEP are exactly the same, whether it is created under Rule 3 or Rule 4. There is not sufficient information to establish that a Certified Industry Scheme will include a level of control sufficient to justify a different activity status.</p> <p>If farming activities provide an appropriate FEP, farming should be a permitted activity, as it is under a Certified Industry Scheme.</p> <p>This gives farmers the option if they want to either employ an external consultant, without adding an additional need for resource consenting that lengthens the process (and increases costs).</p>	<p>Change the activity status of this rule to permitted, in line with Rule 3 above.</p>
<p><u>Rule 3.11.5.6 – Restricted Discretionary Activity Rule – the use of land for farming activity</u></p>	<p>Support</p>	<p>It is appropriate that any activity proposing not to comply with the permitted activity rules require a resource consent, as the commitment to improving water quality requires all parties to commit to changes.</p>	<p>Retain the wording of this rule as publicly notified.</p>

<p><u>Rule 3.11.5.7</u> – Non-complying Activity Rule – land use change</p>	<p>Support subject to amendments</p>	<p>Under the non-complying activity rules this can restrict the highest and best use of land as well as deter innovation going forward e.g. planting trees on marginal lower value land and ability to intensify better quality land.</p> <p>The purpose of this plan change is to improve water quality through the control and reduction of nutrients. Therefore, it is appropriate that the activity status of land use change is linked to nutrient discharges, not the changes proposed. A blanket activity status of non-complying is inappropriate, given Policy 6 encourages changes where the land use change will decrease nutrient discharges.</p> <p>This will allow innovation for future farming while still striving to achieve environmental goals and production/export targets set by the government.</p> <p>Under this rule farms that have been dairy farms in the past, but have been decommissioned to drystock farms (or similar) and now want to be sold, will limit the type of vendor that will purchase this land.</p>	<p>Amend the rule into three separate rules, setting out:</p> <ol style="list-style-type: none"> <li>1. Land use changes which decrease nutrient loss will be a controlled activity.</li> <li>2. Land use changes which are neutral in relation to nutrient loss will be a restricted discretionary activity.</li> <li>3. Land use changes which increase nutrient loss will be a non-complying activity.</li> </ol>
<p><u>Definitions</u> – 75<sup>th</sup> percentile nitrogen value</p>	<p>Support subject to amendments</p>	<p>Currently the 75<sup>th</sup> percentile is assessed across all farming enterprises within the relevant FMU i.e. drystock vs. dairy vs. market gardening.</p> <p>It is more appropriate that the top 25% of each farming enterprise be required to reduce – i.e. a different percentile value is established for dairy farming, market gardening, and other stock-grazing.</p>	<p>Amend the wording of the definition of ‘75<sup>th</sup> percentile nitrogen leaching value’ to:</p> <p>The 75<sup>th</sup> percentile value (units of kg N/ha/year) of all of the Nitrogen Reference Point values for dairy farming properties and enterprises within each Freshwater Management Unit and which are received by the Waikato Regional Council <b>12 calendar months following the provisions of this Plan Change becoming operative by 31 March 2019</b></p> <p><b>For the avoidance of doubt, the 75<sup>th</sup> percentile value is to be determined on farming enterprise basis. That is, that the highest 25<sup>th</sup> percentile of each industry (dairy farming, drystock and commercial vegetable production) will be required to reduce.</b></p>

<p><u>Definitions –</u> FMU's</p>	<p>Support subject to amendments</p>	<p>The proposed FMU's are large catchment areas and capture a large range of soil types, variances of rainfall, altitude and terrain. All of these factors contribute to the final nitrogen leaching number a farm will be required to work within. These aspects of a farm cannot be controlled or changed and therefore even with a number of mitigation tools in place a farm with high rainfall area that has a free draining soil will struggle to get their N leaching number down in comparison to other properties. This in time will restrict the farming system they can run and the value of their property.</p>	<p>Amend the definition of FMU's to better represent the smaller catchment groups. One proposed way of doing this is to capture farms that have similar physical features i.e. rainfall bands (low – 700mm to 1000mm, moderate 1200mm to 1700mm, high 1800mm plus).</p>
<p><u>Schedule B –</u> establishment of the Nitrogen Reference Point</p>	<p>Support with amendments</p>	<p>Subsection f be amended to 'the reference period is the <b>three</b> financial years covering <b>2013/2014</b>, 2014/2015 and 2015/2016, except for commercial vegetable production in which cases the reference period is 1 July 2006 to 30 June 2016.' Due to the dairy downturn in 2014/2015 and 2015/2016 resulted in a number of farmers destocking farms to supplement cashflow and rearing less replacement heifers and cutting back on fertiliser applications to cut costs. These two seasons are not a fair reflection of how a farm would run in a 'normal' environment and as a result the NRP/FEP would not be accurate on how a farm can run sustainably over the long term. By including the third year (2013/2014 season) would give a more accurate baseline of how farm would be run in a 'normal' year.</p> <p>An 'exclusion clause' should also be included in the definition for situations where the land use has changed within the three year reference period. For example, a property which has converted to dairy in the last year should use the dairy year <b>only</b> to establish a reference point, as to average over years with different land uses does not accurately reflect what is occurring on that land now. An average of drystock and dairy could result in a NRP which is too low to support dairying activity – rendering millions of dollars of investment (in shed, stock, re-fencing etc.) wasted.</p> <p>Subsection g requires water use records (to be averaged over three years or longer) to be available to the Council. This requirement should be more definite.</p>	<p>Amend Schedule B as follows:</p> <p>Clause f. The reference period is the three financial years covering <b>2013/2014</b>, 2014/2015 and 2015/2016, except for commercial vegetable production in which case the reference period is 1 July 2006 to 30 June 2016.</p> <p><b>In instances where the land use, and associated nitrogen leaching, has changed significantly throughout the reference period, the only applicable years for the purposes of establishing the Nitrogen Reference Point will be those years where the current land use was operating.</b></p> <p>Clause g. The following records (where relevant to the land use undertaken on the property or enterprise) must be retained and provided to the Waikato Regional Council at its request: v. Water use records for irrigation (to be averaged over 3 years <del>or longer</del>) in order to determine the irrigation application rates.</p>

<p><u>Schedule 1 – point 5a – five year rolling average</u></p>	<p>Support</p>	<p>We support that the measure of discharge from the property is based is on the five-year rolling average annual nitrogen loss. This will allow for extreme weather events experienced by farmers which may alter the farming system slightly way from their FEP i.e. drought.</p>	
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In addition to the relief sought in the above submission table, FarmRight seeks any additional relief which would address the issues identified in this submission.