

Date: Wednesday, 8 March 2017

To: Waikato Regional Council

Submission on: Plan Change 1 to the Waikato Regional Plan

From: Fonterra Shareholders' Council

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SUBMISSION ON PLAN CHANGE 1 TO THE WAIKATO REGIONAL PLAN

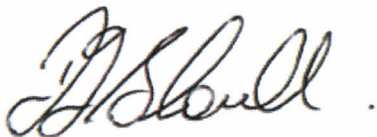
1. Introduction

- 1.1. This submission is made by the Fonterra Shareholders' Council (the Council).
- 1.2. The Council is a national body of Fonterra Farmers elected by their fellow Farmers, including approximately 2500 in the Waikato and Waipa River catchments, to represent their interests and monitor the performance of the Fonterra Board.
- 1.3. As part of Fonterra's governance and representation structure the Council was established under clause 16 of the Constitution of Fonterra Co-operative Group Limited.
- 1.4. The Council, as the Cornerstone Shareholder, acts to ensure that the Co-operative ethos is maintained, that Fonterra delivers on its purpose to maximise wealth for its Farmer Shareholders, and drives strong connect with the Co-operative through representation of our Farmers' views.
- 1.5. The Council welcomes the opportunity to be heard in support of this submission. If other parties make similar submissions, we would consider presenting a joint case with those parties at the hearing.

2. Executive Summary

- 2.1. Council recognises and appreciates the work that the Waikato Regional Council (WRC) and the Collaborative Stakeholder Group has undertaken in regards to Plan Change 1 and furthermore acknowledges the efforts WRC has undertaken to provide opportunities for meaningful engagement in this space.
- 2.2. Fonterra Farmers understand the need to address contaminant discharges within the Waikato and Waipa River catchments and seek an outcome which will benefit their communities and enable them to run a sustainable business.
- 2.3. Council generally supports the purpose, direction and intent of Plan Change 1 subject to the amendments outlined in this submission.

Sincerely,



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SECTION 3.11 – WAIKATO AND WAIPA RIVER CATCHMENTS, BACKGROUND AND EXPLANATION & VALUES					
1	15	Background and explanation – full achievement of the Vision and Strategy.	Support	<p>Council supports the process and intent to form the Vision and Strategy for the Waikato and Waipa rivers and supports the strategy for addressing contaminant discharges within the Waikato and Waipa river catchments to give effect to the Vision and Strategy as contained in Plan Change 1.</p> <p>Our view is that the information contained within accurately depicts the approach developed by the Collaborative Stakeholder Group (CSG) and as such it should be regarded as a key policy framework to which all subsequent provisions give effect.</p>	Ensure that all provisions are consistent with the strategy for reducing contaminant losses.
SECTION – OBJECTIVES					
2	27	Objective 2	Support in part	The Council supports the intent of Objective 2 given its aim to ensure our communities can continue to provide for their social, economic and cultural wellbeing while the restoration and protection of the rivers is taking place.	<p>The intent could be made clearer as below:</p> <p>“Waikato and Waipa communities and their economy benefit from the restoration and protection of water quality in the Waikato River catchment, <u>which and the restoration and protection is undertaken in a way and at a rate that</u> enables the people and communities to continue to provide for their social, economic and cultural</p>

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					wellbeing.”
SECTION – POLICIES					
3	30	Policy 2	Oppose in part	The Council supports an approach to reducing diffuse discharges from farming activities that is tailored to particular properties. However, Council views it as prudent to differentiate between the management of phosphorus, sediment and E.coli and that of Nitrogen.	Amend part A of Policy 2 to reflect a differentiation between the way Nitrogen and the other three contaminants - phosphorus, sediment and E.coli – are managed. Our view is that Nitrogen should be managed via an overseer approach and the other three contaminants be managed via the farm environment plan.
4	32	Policy 6	Support in part	The Council supports the intent of the Plan Change to restrict wholesale land use change. However, our concern is that the policy as currently worded may unintentionally capture changes occurring as part of normal farming practice. As it is worded, any land use change as listed in Rule 7 must demonstrate reductions – it is not enough to simply ensure the farm stays within its Nitrogen Reference Point (NRP).	Amend the policy so that there is an additional clause that sets out that it is generally acceptable for land use change where the effects are either neutral or reduce contaminants. Amend the policy so that it does not capture changes occurring as part of normal farming practice and are otherwise managed by the NRP.
5	33	Policy 9	Support in part	The Council supports the use of sub-catchment planning and edge of field mitigation as means of improving water quality	Insert a notification which states that Policy 9 applies <u>in addition to</u> , and not as an alternative to, other policies of section 3.11.3 of

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				<p>outcomes. However, our view is that this has the potential to create uncertainty in implementation as to which of the sub-catchment or farm environment plan takes priority.</p> <p>From our perspective it is also vital that everyone puts in place an equally rigorous farm environment plan.</p>	this plan.
SECTION – RULES					
6	41	Rule 3.11.5.3	Support in part	<p>The Council supports farms registered to certified industry schemes being permitted activities subject to appropriate conditions.</p> <p>However, the proposed rule requires clarification in some respects to ensure it is clear and robust.</p> <p>The Council is supportive of the industry being able to set up a support process and programmes which, on the basis they are recognised by Council, would enable Farmers to elect to join that programme or not.</p> <p>Our view is that Fonterra has the tools, capacity and capability to provide useful support for Farmers who want it, and provide assistance to Farmers with non-compliance issues (with the understanding that the responsibility for non-compliance issues</p>	Redraft Rule 3.11.5.3 to ensure clarity and robustness as noted in the comments section.

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				<p>rests between the Farmer and the Regional Council).</p> <p>In regards to the accompanying rule regarding mirroring of consent, the Council views it as imperative that the same standards are required to be met whether a Farmer operates under the consent scheme or industry scheme.</p>	
7		3.11.5.7	Support in part	<p>The Council considers that, notwithstanding support for a discretionary activity status for some land use change, the intensification of an existing land use or a change in land use that results in an increase in nitrogen above the NRP or which occurs without restricting stock access from water bodies, should be a non-complying activity.</p> <p>The Council considers that “normal” change in land use <i>within</i> a property (such as a change in location of a maize crop from one part of a property to another part) should not be regarded as a land use change.</p>	<p>Delete Rule 3.11.5.7 and replace with the following:</p> <p><u>Rule 3.11.5.7 - Non-Complying Activity Rule – The use of land for farming activities and land use change</u></p> <p><u>The following activities are non-complying activities (requiring resource consent):</u></p> <ol style="list-style-type: none"> <u>1. The use of land for farming activities and the associated diffuse discharge of nitrogen, phosphorus, sediment and microbial pathogens onto or into land in circumstances which may result in those contaminants entering water; and</u> <u>2. Any of the following changes in the use of land from that which was occurring at 22 October 2016 within a property or enterprise located in the Waikato and Waipa catchments,</u>

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					<p><u>where prior to 1 July 2026 the change exceeds a total of 4.1 hectares:</u></p> <p><u>i. Woody vegetation to farming activities; or</u></p> <p><u>ii. Any livestock grazing other than dairy farming to dairy farming; or</u></p> <p><u>iii. Arable cropping to dairy farming; or</u></p> <p><u>iv. Any land use to commercial vegetable production except as provided for under standard and term g. of Rule 3.11.5.5</u></p> <p><u>that do not comply with the conditions, standards or terms of Rules 3.11.5.1 to 3.11.5.5 and is not a discretionary activity under Rule 3.11.5.6.</u></p> <p>Make other amendments as necessary to clarify that land use change <i>within a property or enterprise</i> (>4.1 ha) that does not increase the total area within that property devoted to that land use beyond 4.1 hectares is not caught by this rule.</p>
SCHEDULES					
8	47	Schedule B	Support in Part	The Council supports the concept of a NRP but seeks assurance that it will remain a valid benchmark in the face of OVERSEER®	We look forward to seeing further detail included in regards to the method that will manage OVERSEER® version changes.



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				version change. In that regard the reference to using the “current version” of OVERSEER® is inadequate to address the complexities involved.	

