

**Before the Commissioners appointed by Environment Canterbury Regional
Council**

In the matter of the Resource Management Act 1991

And in the matter of the Proposed Land & Water Regional Plan
by Landcorp Farming Limited

**STATEMENT OF EVIDENCE OF KOLT JOHNSON on behalf of LANDCORP
FARMING LIMITED**

Dated: 4 February 2013

1. INTRODUCTION

Qualifications and Experience

- 1.1 My name is **Patrick Kolt Johnson**. I have a Master of Science Degree in Geology from East Carolina University (USA). I am employed by Sinclair Knight Merz (SKM) as a Hydrogeologist.
- 1.2 I have over 5 years experience in New Zealand as an Environmental Scientist at Hawke's Bay Regional Council (HBRC) from October 2007 to June 2012 and as a Hydrogeologist for SKM from August 2012.
- 1.3 During my time at HBRC, I was involved in science programmes to collect and analyse hydrologic data to inform policy in the Regional Plan, including minimum flows and allocation limits. These programmes incorporated consultation and communication with stakeholders, including Department of Conservation, Fish & Game NZ, Iwi, Water User Groups, and other local community organisations.
- 1.4 I have provided expert witness evidence in resource consent hearings (2008, 2009, 2010) as an Environmental Scientist at HBRC.

Code of Conduct

- 1.5 I have read and agree to comply with the Code of Conduct for Expert Witnesses issued by the Environment Court on 25 June 2009.

2. LANDCORP FARMING LIMITED'S INTEREST IN THE CANTERBURY REGION

- 2.1 Landcorp Farming Limited (Landcorp) own and/or lease and operate a range of farming enterprises throughout New Zealand. In August 2012, Landcorp commissioned Sinclair Knight Merz (SKM) to review the proposed Environment Canterbury Land & Water Regional Plan (pLWRP or 'the Plan') with respect to how the plan change may impact on Landcorp's businesses in Canterbury.
- 2.2 Landcorp currently hold interest over six properties in Canterbury as summarised in Table 1.

■ Table 1. Summary of Landcorp's farming interests in Canterbury.

Farm Name	Farm Area (ha)	Type	Zone	Farming Arrangement
Hamner Farm (Molesworth) ¹	180	Beef finishing	Hurunui-Waiiau	Own/operate
Molesworth Station ¹	180,000	Cattle	Hurunui-Waiiau, Kaikoura	Lease/operate
Toshi Farm ²	930	Mixed stock and cropping	Hurunui-Waiiau	Lease/operate
Eyrewell ¹	664	Sheep	Waimakariri	Own/operate
Waimakariri Dairy Unit ¹	520	Dairy	Waimakariri	Own/operate

Farm Name	Farm Area (ha)	Type	Zone	Farming Arrangement
Rosebank and Maronan ¹	1,140	Sheep, cattle, dairy	Ashburton	Own/operate

Sources:

1. SKM, 2005. National Farm Water Supply Study. Phase 1 – Farm Audit Report.
2. SKM, 2012. Toshi Farms. Surface Water Take and Use Consent Application.

3. GENERAL COMMENTS

- 3.1 Landcorp support the vision and environmental outcomes of the pLWRP and encourage a science-based approach to natural resource management. Landcorp are committed to conducting an environmentally and economically sustainable business that adds value to local communities and the nation as a whole.
- 3.2 This is reflected in Landcorp's mission statement (from Landcorp Farming Limited Statement of Corporate Intent 2012-2015):
- 3.3 To be New Zealand's best livestock farmer: environmentally, socially and economically, by:
- Implementing best practice in dairy, sheep, beef and deer farming and by optimising forestry returns
 - Ensuring efficient, effective and sustainable land use management
 - Creating added value in fibre, food, and service based products
 - Identifying and meeting customer and consumer needs
 - Developing and promoting a culture of innovation
 - Being one farm, many paddocks
 - Optimising profit and creating more value for our shareholders by optimising land use within our estate
 - Facilitating the transfer of best practice to the wider pastoral sector
 - Meeting social obligations
- 3.4 In other regions of New Zealand, Landcorp have multiple properties in a catchment, with varying farming enterprises and intensities. Landcorp seek to maintain land use flexibility to balance their portfolio within catchments. As such, Landcorp support resource management approaches that allow flexibility in the management of multiple land uses within a catchment to achieve overall environmental outcomes.
- 3.5 SKM, on behalf of Landcorp, has assessed the Section 42A Report; Volume 1 for Hearing Group 1 and provided evidence on the items outlined below.

4. POLICY 4.2

- 4.1 The Canterbury Regional Council (CRC) have recommended retaining Policy 4.2 without amendment (**Appendix A**). The majority of submissions address the appropriateness of the conditions of Policy 4.1, to which Policy 4.2 is linked.
- 4.2 The CRC have not provided any comment on the conditions and appropriateness of the accounting of cumulative effects.

LANDCORP'S RESPONSE TO RECOMMENDATION R4.2

- 4.3 Landcorp emphasise that the accounting of cumulative effects is reasonable for consent holders at the farm scale only. The regional effect of multiple users is not appropriately addressed by an individual consent holder. To maintain equity for all resource users, this responsibility appropriately lies with the Regional Council through the setting of Rules in the Regional Plan.
- 4.4 Regarding the link to Policy 4.1 and the freshwater outcomes in Table 1, Landcorp observe that the freshwater outcomes in Table 1 are non-specific and not consistent with a catchment-specific approach to resource management, which is a key component of the pLWRP through the use of Sub-Regional Sections.
- 4.5 Landcorp support amendments to Policies 4.1 and 4.2 to redirect the freshwater outcomes to those determined through the Zone Implementation Committee process, Sub-Regional Sections of the pLWRP, and Catchment/Sub-Regional Plans, which identify catchment-specific values and targets for environmental outcomes.
- 4.6 These targets, when established in the appropriate plans, set measureable and attainable limits by which assessments of each activity can be conducted for a catchment proportional to the scale of the activity.
- 4.7 Catchment-specific water quality outcomes will address factors that cannot be achieved in the generalised Table 1, including differences in catchment community values, catchment-specific environmental setting (climate, geology, topography, climate, etc), and unique collection of existing and future consented activities.

5. POLICY 4.76

- 5.1 The CRC acknowledge the primary submission points regarding the justification of the Nutrient Allocation Zone classifications, the 5 year consent duration limit, and the appropriateness of the

statement “*may impeded the ability of the community to find an integrated solution to manage water quality and the over allocation of water*” (**Appendix A**).

- 5.2 Regarding the Nutrient Allocation Zones, the CRC have amended the policy wording to incorporate the Christchurch City Council (CCC) recommendation for clarity in defining the zones, however the lack of justification for the zone definitions remains. The CRC states that this topic will be discussed in more detail during Hearing Group 2.
- 5.3 Regarding the 5 year consent duration, the CRC acknowledge concerns that the lack of certainty of consent will limit or impede investment in efficient and effective infrastructure that would otherwise be in accordance with the objectives of the Plan to achieve a high level of environmental performance. The CRC maintains that “*Granting of such a consent could affect the balanced and integrated solution that is sought or the timing of its achievement or implementation and does not assist in implementing the CWMS or sustainably managing the resource*”.

LANDCORP’S RESPONSE TO RECOMMENDATION R4.76

- 5.4 With regards to consent duration, Landcorp’s investment criteria for on-farm development projects aim to use capital expenditure wisely to procure the best infrastructure, protected with long term security, which will provide cash flow returns over realistic time frames.
- 5.5 Landcorp’s lending criteria require an internal rate of return above a hurdle rate of 7.8% and 15 years has proven appropriate for the analysis of investing in large-scale development, for example, irrigation.
- 5.6 A 15 year period has proven profitable for Landcorp to invest in capital for irrigation equipment. Landcorp are committed to best practice and innovative management and note that 15 year water take consents encourage investment in good infrastructure, effective monitoring systems, and long-term data recording.
- 5.7 With regard to “*the ability of the community to find an integrated solution to manage water quality and the over allocation of water*” Landcorp maintain that this is poorly defined and is not appropriate as a benchmark by which to establish rules in the pLWRP or evaluate proposed activities. As it stands, assessments of proposed activities to this condition will be subjective and likely to incur undue contention. Section 1.3.2 in the pLWRP provides no additional support for defining criteria by which to establish a rule in the pLWRP or evaluate a proposed activity.
- 5.8 Landcorp maintain that this be removed from the policy wording.

Kolt Johnson

February 2011

APPENDIX A SECTION 42A REPORT: POLICY 4.2 AND POLICY 4.76

POLICY 4.2

A.1 Policy 4.2 states:

4.2 The management of lakes, rivers, wetlands and aquifers will take account of the cumulative effects of land uses, discharges and abstractions in order to meet the fresh water outcomes in accordance with Policy 4.1.

A.2 Five submitters seek to retain the policy, including Meridian, the Fuel Companies and DOC.

A.3 Ngāi Tahu Property seeks to either delete the policy or that there be strong justification provided for the inclusion of the policy so that it can be reasonably tested.

A.4 FedFarm (Combined Canty), Simons Pass Station and Mount Arrowsmith seek to delete the reference to Table 1 in its current form because it is inappropriate for inhabited, working landscapes. Similarly,

A.5 Synlait Milk and Synlait Farms seek to retain the policy subject to Table 1 being removed from Policy 4.1.

A.6 Ngā Rūnanga have sought the replacement of most of policies 4.1-4.8, including 4.2. Replacement policies sought include: In setting water allocation regimes or limits:

A.7 (a) Surface water bodies and groundwater are managed as a single resource except where very deep groundwater is unlikely to have a connection to surface water; and

A.8 (b) Allocation regimes or limits for water quantity and quality are considered together; and

A.9 Where no allocation regime or limits have been set for abstraction or the discharge of contaminants for a catchment in a sub-regional section of this plan or any other relevant regional plan referred to in the sub-regional section of this plan, then resource consent applications shall be assessed against the fresh water outcomes set out in Table 1.

A.10 Ravensdown and the Fertiliser Assn seek the following amendment: “The management of lakes, rivers, wetlands and aquifers will should, where appropriate take account of the cumulative effects of land uses, discharges and abstractions in order to meet the fresh water outcomes in accordance with Policy 4.1 within community agreed timeframes.”

A.11 Waihora Ellesmere Trust seeks to strengthen the concept of “cumulative effects” by requesting the following amendment: “The management of lakes, rivers, wetlands and aquifers will take

account of the cumulative effects of land use within a catchment of all land uses, discharges and abstractions in order to meet the fresh water outcomes in accordance with Policy 4.1.”

- A.12 Fish & Game request the following amendment: “The management of lakes, rivers, wetlands and aquifers will take account of the cumulative effects of land uses, discharges and abstractions by setting catchment based limits in order to meet the fresh water outcomes in accordance with Policy 4.1.”
- A.13 Landcorp Farming seeks to make The CRC responsible for this policy in the following way:
- A.14 "Environment Canterbury will manage lakes, rivers, wetlands and aquifers by taking account of the cumulative effects of land uses, discharges and abstractions in order to meet the fresh water outcomes in accordance with Policy 4.1.”
- A.15 Kennaway Park seeks further guidance as to how “cumulative effects” will be managed in practice.
- A.16 The majority of the issues raised in the submissions above have been addressed in the discussion on the objectives of Policy 4.1 above, particularly with respect to the role of Table 1, timeframes and general “weakening” of the policy. It is also noted that this policy strongly follows the Freshwater NPS and RPS 2013 frameworks with respect to management in accordance with freshwater outcomes. On this basis, it is recommended to keep this policy without amendment.

CRC Recommendation R4.2

- A.17 That Policy 4.2 be retained without amendment.

POLICY 4.76

A.18 Policy 4.76 states:

4.76 Resource consents for the use of land for farming activities and the associated discharge of nutrients in catchments that are coloured red on the Planning Maps and resource consents for water take and use in catchments or groundwater allocation zones that are over-allocated will generally be subject to a 5 year duration if the land use and associated nutrient discharges or water take and use may impede the ability of the community to find an integrated solution to manage water quality and the over-allocation of water.

A.19 Policy 4.76 received 29 submissions with 3 submissions in support with no suggested amendments.

A.20 Two submissions were received in support, but sought clarification that this policy does not allow further allocation in fully allocated catchments.

A.21 Where an allocation limit is set in Sub-regional Sections 6-15, Rules 5.98 and 5.104 prohibit the allocation of new water in fully allocated catchments. The pLWRP allows for water to be allocated to new users as a non-complying activity if an allocation limit has not yet been set. Further, the over allocation issue is addressed in separate policies and rules.

A.22 Seventeen submissions were received expressing concerns that a duration of five years is too short to establish the infrastructure and commence the activity as sought, although the Policy relates to duration rather than lapsing. A number of these submitters also consider that a short duration will impact on the ability to secure funding for projects, and a lack of certainty for irrigators may limit investment in efficient and effective infrastructure, thus not being able to achieve the high level of environmental performance required by the pLWRP.

A.23 Two parties submitted on the appropriateness of limiting consent duration as a solution to uncertainty about effects on the environment, with alternative solutions already provided for in the RMA (review or decline). However, it is considered the Policy provides certainty rather than relying on a Section 128 review and is specific to CWMS process.

A.24 Seven submissions received considered that nutrient management and water availability should be dealt with separately as the source of water is not related to the impacts on water quality. Five submitters believe there needs to be further understanding of non-point discharges and the science behind the nutrient zones needs to be robust to provide certainty that the current boundaries and zone classifications are appropriate. It is noted nutrient discharges are to be dealt with in the next phase of hearings.

A.25 Five submissions considered that the concept 'may impede the ability of the community' is not clear and does not provide criteria to assess whether such an outcome may eventuate. It is

considered the reference is sufficient as the process for community decision making is out in the CWMS and in the pLWRP (refer to Section 1.3.2 of the pLWRP).

- A.26 The CCC submitted that the reference to catchments that are “coloured red on the Planning Maps” is uncertain, and requires clarity. The suggested amendments from the CCC are accepted at this stage although this may change as a result of Stage 2 of the hearings relating to farming activities and associated discharges.
- A.27 Overall, it is considered the Policy strikes the right balance in that resource consents can be granted albeit for a limited duration, in order that the community outcomes for these sensitive types of catchments are not undermined or prejudiced by the grant of a resource consent for a significant period. Granting of such a consent could affect the balanced and integrated solution that is sought or the timing of its achievement or implementation and does not assist in implementing the CWMS or sustainably managing the resource.

CRC Recommendation R4.76

- A.28 That Policy 4.76 be amended as follows:

4.76 Resource consents for the use of land for farming activities and the associated discharge of nutrients in catchments that are within a Nutrient Allocation Zone in which water quality outcomes are at risk (areas coloured red on the Series A Planning Maps)²⁷⁵ and resource consents for water take and use in catchments or groundwater allocation zones that are over-allocated will generally be subject to a 5 year duration if the land use and associated nutrient discharges or water take and use may impede the ability of the community to find an integrated solution to manage water quality and the over allocation of water.