Canterbury Regional Council's Proposed Land and Water Regional Plan

Written Statement Evidence of Property Brokers Ltd

2 April 2013

INTRODUCTION

1. Property Brokers Ltd is a real estate firm based in Canterbury and the Lower North Island. Within Canterbury, we are heavily involved in the rural property market and therefore have an interest in the rural provisions of the proposed Land and Water Regional Plan (the pLWRP).

2. Of particular interest are the provisions relating to nutrient management.

3. We hereby submit this statement of written evidence (submitter reference #0038) for consideration by the hearings panel. We do not wish to be heard.

NUTRIENT MANAGEMENT

Definition of 'changed'

4. We are aware that the definition of 'changed' attracted a number of submissions, and we recognise that the Officer's Report now proposes, as part of a wider suite of changes to the nutrient management provisions, an amendment to the definition.

5. Our concerns regarding the original definition proposed were that the setting of the base nutrient loss level on a two year average may distort property values. We believe that the two year timeframe is too restrictive to adequately allow for seasonal variance.

6. The amended definition of 'changed' focuses on an increase in annual average stock units or annual arable yield, rather than nutrient loss. We believe that this provides a more measurable method for defining change and will provide greater certainty for farmers, including prospective farm purchasers. We also support that these values will be averaged over a three year period, rather than a two year period, as this will provide a more accurate representation.

Rule 5.46 and Schedule 8

7. In our submission, we raised concerns about the reference in Rule 5.46 (permitted farming activities post-2017) to Schedule 8, as Schedule 8 was purposely "blank", pending its development. Our view is that this creates immense uncertainty for farmers, including prospective farm purchasers, as to which farming activities will require resource consent, and which will not.

8. We note that in the Officer's Report, the pre-2017 and post-2017 regime for the nutrient management rules is proposed to be removed, and that there is no longer any reference to Schedule 8. The proposed rule regime now relates to 'existing farming activities' or 'changed farming activities', and does not single out activities post-2017 (or any other specified date).

9. However Schedule 8 is proposed to be retained and remain purposely "blank". It is our view that this signals Council's intention to develop Schedule 8, but that this may take some time. We support the removal of the references to Schedule 8 within the rule framework.

10. We understand that to include Schedule 8 and associated rules within the pLWRP it will be necessary to undertake a 'plan change'. We look forward to reviewing these provisions once developed, and are keen to be a part of that 'plan change' process.

Farm Environment Plan

11. In our submission we raised concerns about the cost and relevance of Farm Environment Plans (FEP), as proposed by Rule 5.40. This rule requires the audit of FEP's each year for the first three years, and following that once every three years (subject to 'full compliance'). We understand that the audit is to be undertaken by a party, independent from Council, and therefore presumably at a cost to the farmer.

12. Schedule 7, as proposed by the Officer's Report, sets out a new audit regime for FEPs. It requires that 'each successive audit period shall be no more than 12 months apart', which is a significantly more onerous audit regime than initially proposed. We therefore remain concerned at the cost associated with the preparation and audit of FEP on an annual basis.

13. The Officer's Report also proposes to amend Schedule 7 to include additional detail required to be included in the FEP. While much of this detail is not complex, it will take time and cost to collate. It is our view that this detail reflects that which would typically form part of a resource consent application. Therefore we question, why farmers should pay an annual audit fee to an independent auditor, for an 'audit' which should be undertaken by Council as part of the resource consent process and monitoring of conditions. Will there be discounted resource consent and monitoring fees for applications relating to Schedule 7?

Rule 5.42

14. Rule 5.42, as originally proposed, permitted a 'change' of farming activity (prior to 2017) subject to six matters. The first matter provided for those farms that 'hold shares in an irrigation company that has been granted a water permit'. We are concerned that the Officer's Report now recommends amendments to Rule 5.42, which includes the removal of this clause.

15. Irrigation schemes are becoming more prevalent in Canterbury and are continually striving for efficient water delivery and usage. For these reasons we understand that such schemes are promoted by Council. Significantly, existing irrigation schemes are upgrading delivery systems, some schemes will require that all properties located within the scheme boundary pay the increased delivery charges. To meet the cost of these delivery charges and new on-farm irrigation infrastructure, a land use change may be necessary to offset these costs. The requirement for land use consent for a land use change will add an element of uncertainty for those considering whether to become a part of an irrigation company, or for those who are already part of a company who have changed water delivery from flood flow to pressurized spray flow. Therefore we believe that the permitted activity status (of Rule 5.42 as initially proposed) is more appropriate.

CONCLUSION

14. In conclusion, our written statement of evidence briefly covers the matters on which we submitted and we ask that these matters be duly considered by the hearings panel.

15. We also note the fundamental changes to the nutrient management rule regime at this 'late' stage of the process. We hope that this has provided submitters with sufficient time to fully

consider the new regime, and has not precluded the views of those who chose not to submit on the original rule framework.