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*Before the Hearing Commissioners' at Christchurch*

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*in the matter of:* a submission on the Proposed Land and Water  
Regional Plan under the Resource Management Act  
1991

*to:* **Environment Canterbury**

*submitter:* **Silver Fern Farms Limited**

To be heard as part of Hearing Group 2

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Brief of evidence for:

**Alison Johnstone** – Environmental Advisor, Group Environmental

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Hearing Date: 21<sup>st</sup> May 2013



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**100% MADE OF NEW ZEALAND**

## BRIEF OF EVIDENCE FOR ALISON JOHNSTONE

### INTRODUCTION

1. My name is Alison Johnstone. I am an Environmental Advisor for Silver Fern Farms Limited and work as part of the Group Environmental Team.
2. Silver Fern Farms is supportive of the integrated and collaborative approach to land and water management that the proposed Land and Water Regional Plan (proposed plan) encompasses.
3. Silver Fern Farms made a broad submission with two facets:
  - direct activities as industrial / trade premises; and
  - interests of our farmer shareholders.
4. For the purpose of this hearing Silver Fern Farms have narrowed the focus of their submission to several key points:
  - Recognition of industry
  - Provision and application of rules for industrial / trade premise discharges
  - Land use change
5. Silver Fern Farms lodged several expert witness documents primarily tabled by other parties with their evidence. The issues covered by the expert witnesses have been discussed at length in previous sessions with additional information provided where requested and required, as such Silver Fern Farms will not refer to these documents further.



## RECOGNITION OF INDUSTRY

6. Industry, especially rural based industry, generally do not have access to council services for water and waste and are reliant on the resource consenting process in order to provide for these activities.
7. Uncertainty surrounding the recognition and weighting to be given to industry and the ability to apply for, and likelihood of being granted, a resource consent (and the term of that consent), without undue restriction is a concern.
8. Silver Fern Farms want to be confident that within the proposed plan:
  - Industrial uses of water are considered and given fair and equitable recognition;
  - The opportunity remains to apply for new consents that facilitate response to market changes and / or new technologies; and
  - The ability to renew existing resource consent without undue restriction
9. Silver Fern Farms submitted that industry was not adequately recognised in parts of the plan. If the recognition / weighting for industry are not clear or are absent from issues, objectives, and policies then it risks not flowing into decision making and subsequent parts of the plan.
10. Ensuring all aspects and values are adequately recognised in the proposed plan will also assist and provide guidance in these values being fairly and equitably recognised in the regional chapters, still under development
11. Under Part 2 of the RMA, provision is made for economic well-being and industrial and commercial values are recognised in the National Policy Statement for Freshwater Management. Whilst the proposed plan is to give effect to these higher level documents, these aspects could be better reflected in the Proposed Plan.



12. Canterbury Water Management Strategy targets also list indicators of national and regional economies. However, industry / economic uses of water are not listed in the primary or secondary priorities.
13. For the avoidance of doubt Silver Fern Farms suggested that specific provision for industry in the proposed plan reflect the provision made in other planning documents, and to bring industrial / economic uses of water in line with the stated primary and secondary water priorities from which it is missing.
14. Whilst none of the amendments Silver Fern Farms proposed have been adopted in the S42 report, alternative recommendations and amendments proposed by other parties have somewhat addressed the above concerns.
15. The addition of “and economic activities including primary industry.” to S1.2.1 (competing water demands) recognises that degraded water quality has economic consequences.
16. In Section 1.2.6 reference to the RMA sections 124-124C and s104 (2A) in regards to existing resource consents and investment has been added for clarification.
17. The addition of objective 3.3 recognises that water is an enabler of economic and social well-being.
18. This objective will assist in terms of ensuring these values flow through equitably into regional chapters as these implement the region-wide objectives in the Plan, in the most appropriate way for the specific catchment.
19. Silver Fern Farms support these amendments and would support them being adopted into the final plan.



## INDUSTRIAL / TRADE PREMISE DISCHARGES

20. The proposed plan makes provision for the discharge of liquid or sludge from an industrial or trade process, into or onto land, through rules 5.69 and 5.70.
21. Silver Fern Farms has a number of interests within the Canterbury region including five processing sites.
22. Two of these processing sites: Fairton (near Ashburton), and Pareora (south of Timaru) are both located within the rural area, with no access to council services.
23. The two sites both utilise land based treatment of wastewater under consents granted by the regional council, where the wastewater from processing activities is irrigated onto pasture. The nutrient rich wastewater acts as a fertiliser and soil improver, the nutrients are taken up by the crop which is then harvested, removed from site and sold as feed (cut and carry).
24. Silver Fern Farms have for many years focussed on the net nutrient budgeting as one of the tools used in the management of the land based treatment operations. Nutrient loading and take-off are recorded in order to monitor, and assess effectiveness of crop uptake of nutrients. This enables well performing areas to be tracked, and provides triggers for changes in management practices to maintain / improve performance.
25. Routine environmental monitoring across key indicator parameters is undertaken to assess effects on the receiving environment.
26. One would assume that these discharges would fall under the remit of rules 5.69/70. However, it was unclear as to whether activities associated with the land based treatment of wastewater, such as irrigation, application of nutrients, could also be interpreted as being captured under definitions and provision for farming activities.
27. Large, industrial operations, such as those operated by Silver Fern Farms, often face difficulties in interpreting and applying plan provisions



to their operations as depending on interpretation, activities can be captured under multiple and sometimes conflicting definitions and provisions.

28. Silver Fern Farms made a number of submissions on the basis that if the land based treatment of wastewater was construed as a farming activity provisions would not adequately capture operations. It also submitted that more clarity is needed as to whether the activity falls under the remit of the industrial discharge provisions or those for farming.
29. As mentioned by Mr Kevin Winders, Silver Fern Farms have been in communication with Environment Canterbury regarding this and other issues. The indication given by council staff was that it was not the intent that land based treatment of wastewater should be captured under farming provisions, and that industrial provisions would apply.
30. For the avoidance of doubt Silver Fern Farms sought an independent interpretation from a consulting planner (written statement of Katherine McKenzie) whom assessed Silver Fern Farms operations against the definitions for Industrial trade premises and processes.
31. The conclusion of this assessment was that Silver Fern Farms core business at our operating sites is the processing of livestock into food products, and associated by products, and part of that industrial process is the treatment and disposal of wastewater. Therefore Industrial provisions, and not farming provisions, of the proposed plan should apply.
32. Silver Fern Farms are aware that some of its colleagues in the industry have suggested addressing the issue regarding which provisions should apply through the addition of rules specifically for discharges from meat processing facilities to land.
33. Silver Fern Farms do not disagree with that approach. However, we have concluded that working within the existing provisions is a simpler solution.
34. Silver Fern Farms have concluded that existing rules 5.69 & 5.70 make adequate provision for activities which encompass land based treatment of wastewater, providing that clarity is given either in the definition for



industrial and trade premises / processes, or provided in the rules that include land based treatment of wastewater from industrial trade premises (including meat processing facilities) under the scope of the rules.

35. Should these activities be considered as separate to farming activities it does beg the question as to whether consented / industrial discharges of nutrients have been included by the council in their nutrient catchment assessment?
36. In terms of participating in the targeted reduction of nutrients, in relevant zones, Silver Fern Farms would consider that any requirement for reduction from consented industrial discharges would be addressed as part of the consenting process.

## LAND USE CHANGE

37. The definition for land use change is a main driver and measure for the application of many of the farming provisions.
38. Concern has been raised by farmers and industry good groups that the definition as written in the proposed plan is too restrictive, and where amendments in the S42A report are an improvement they are still not acceptable.
39. The consequence of this is that routine farming variations and fluctuations will be unnecessarily captured. Important standard farming practice activities are likely to trigger threshold limits, but these activities are not actually true reflections of land use change or causing adverse effects on the environment.
40. The information provided by Phil McGuigan showed the variation of farming models run by our suppliers. The survey showed that the variety of activities carried out on “sheep and beef” farms is diverse and variable which highlights that an approach based on farming type (one of the approaches mentioned in the summary of the S42 A report) is not straight



forward and any discussion regarding what would constitute a change of activity in respect to these farming types is likely to be fraught with uncertainty and conjecture.

41. For Silver Fern Farms the ability for our farmer shareholders to farm sustainably, in terms of both environmental and economics facets, is key to their viability. This includes the ability to adjust farming models to accommodate changes in conditions and market demands.
42. We need our suppliers to be able to react to market changes and adapt to climatic and seasonal variations in order to be able to provide our customers with what they want, in turn providing our suppliers with the best returns possible
43. Mr Herstatt Ulrich is going to provide a suppliers perspective and examples of variations and fluctuations that occur on farm as part of routine management that could potentially trigger the thresholds for change that do not truly constitute a land use change.
44. As currently written, the definition for change in terms of land use has the potential to capture routine variation and fluctuations in farm operation, which are not truly a change in land use.
45. Triggering the threshold for a change in land use by routine adaptation and fluctuations farmers will be unduly restricted in their operations.
46. Silver Fern Farms has been participating in discussions with the Canterbury Primary Sector Policy Group in regards to coming up with an alternative definition.
47. The process has highlighted that there is no “silver bullet” and that a one size fits all definition is not appropriate.
48. Silver Fern Farms are asking that a more flexible approach to the thresholds that trigger a land use change be adopted. This is in order that only true land use change, that may have a different effect on the environment, is captured and not routine variations.





49. In providing a flexible approach it is important that it is the desired outcomes that are the focus. Good / best practice will be a key component in achieving these outcomes, such as the adoption of farm plans in order to plan and facilitate their implementation.
50. In addition Silver Fern Farms propose the inclusion of a longer period / rolling average when estimating nutrient loss to allow for natural fluctuations and adaptation without undue restriction; at least five years to replace the proposed two to three years would seem appropriate. This will ensure that routine changes in farm management do not trigger the threshold designed to capture true changes in land use.
51. A flexible outcome based approach will ensure that farmers can vary their operations within reason to accommodate financial, market and climatic changes without undue restriction, and still achieve the desired environmental outcomes.
52. On a related matter, there has been much debate on the merits or otherwise of the use of Overseer. Silver Fern Farms has read, and for the most part supports the evidence of the expert witnesses on Overseer.
53. Whilst Silver Fern Farms agrees that Overseer is currently the best tool available for estimating nitrogen loss, and is a good comparative tool, it must be noted it does currently have limitations, including its applicability across all farming activities. Given this Silver Fern Farms does not agree with the use of Overseer as a regulatory tool.
54. Silver Fern Farms also agrees that a protocol for use and inputs of Overseer is required to ensure the model is used consistently, but this should not be to the expense of adversely increasing the cost of compliance for farmers.



## SUMMARY

- **RECOGNITION OF INDUSTRY**

- 55. Retain addition of the recognition of economic impacts of water quantity and degraded water quality.
- 56. Adoption of proposed (S42A) objective 3.3 or similar that recognises water as an enabler of economic and social well-being.
- 57. Silver Fern Farms submit that industry needs to be recognised specifically in the issues policies and objectives to ensure values flow through the plan and are equitably weighted in decision making and sub-regional chapter development.

- **INDUSTRIAL DISCHARGE RULES**

- 58. Retain existing provisions (Rules 5.69 and 5.70)
- 59. For the avoidance of doubt, clarify through a note to the rules or definitions that the land based treatment of wastewater from meat processing constitutes an industrial process, and therefore these and not the farming provisions apply.
- 60. Silver Fern Farms submit that with clarification existing provisions are adequate to provide for our type of primary support industrial activities.

- **FARMING/ DEFINITION OF LAND USE CHANGE**

- 61. Amend the definition to include a longer period / rolling average to allow for natural farming fluctuations and adaptation without undue restriction. This will ensure that routine farm management practices do not trigger the threshold designed to capture true changes in land use.



62. Focus on outcomes of farm management rather than methods, to provide flexibility in order to accommodate the routine variations and fluctuations in farm management without undue restriction of these variations being captured as land use change.

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END

