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EC310686

Dear Sir/Madam,

Attached is Federated Farmers' submission on Proposed Variation 2 to the Proposed Canterbury Land and Water Regional Plan – Section 13 Ashburton.

Yours sincerely,

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Federated Farmers of New Zealand

Submission to Environment Canterbury on Proposed Variation 2 to the Proposed Canterbury Land and Water Regional Plan – Section 13 Ashburton

24 October 2014



SUBMISSION TO ENVIRONMENT CANTERBURY ON PROPOSED VARIATION 2

Form 5

Submission on publicly notified proposal for policy statement or plan
Clause 6 of First Schedule, Resource Management Act 1991

To: *Environment Canterbury*

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This is a submission on the following proposed plan change – Proposed Variation 2 to the Proposed Canterbury Land and Water Regional Plan – Section 13 Ashburton

Federated Farmers could not gain an advantage in trade competition through this submission.

The specific provisions of the proposal that the submission relates to and the decisions we seek from Council are as detailed on the following pages.

Federated Farmers wishes to be heard in support of this submission.

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1. INTRODUCTION

Federated Farmers thanks Environment Canterbury for the opportunity to submit on Proposed Variation 2 to the Proposed Canterbury Land and Water Regional Plan.

Federated Farmers of New Zealand is a voluntary primary sector organisation that represents farming and other rural businesses. Federated Farmers has a long and proud history of representing the needs and interests of New Zealand's farmers and their communities.

Federated Farmers aims to add value to its members' farming businesses by ensuring that New Zealand provides an economic and social environment within which:

- Our members may operate their businesses in a fair and flexible commercial environment;
- Our members' families and their staff have access to services essential to the needs of the rural community; and
- Our members adopt responsible management and environmental practices.

The economic importance of the agricultural sector to New Zealand's economy is well recognised. Its direct and indirect contribution to New Zealand's economy is about 15%. Land-based primary sector exports comprise about 70% of New Zealand's total exports. Any plan provision which affects farm businesses has the potential to also impact, positively or negatively, on district, regional and national economies.

Because Federated Farmers' membership covers a broad spectrum of farming systems, we have sought the views of other primary sector groups while preparing the following comments on Proposed Variation 2.

2 ALLOCATION OF N DISCHARGE

One of the key issues in this plan variation is the approach to the allocation of N discharge and the various undesired outcomes and inequities which flow from this.

In the Upper Plains, it is prohibited for the N loss calculation to increase above the N baseline. This has the effect of preventing any intensification, would limit productive potential in the area and would likely have adverse effects on land values and equity in farmland.

This approach is inherently unfair because it 'grand-parents' N discharge to existing land-use within the Upper Plains area, disadvantaging those with lower N baselines compared with those having higher N baselines. It also disadvantages the Upper Plains land users compared with other land users in the catchment who have greater flexibility, including the ability to intensify, as part of an irrigation scheme or as an individual up to an N discharge of 27 kg/ha/year.

There are also inequities within the lower plains, for example between existing dairy farmers who are required to reduce their N discharge by 45% by 2035, regardless of their starting point GMP benchmark, compared with others who will be allowed to intensify up to 27

kg/ha/year (a 45% reduction for anyone discharging 49 kg/ha/year, or less, will require them to reduce to a discharge less than 27 kg/ha/year).

A preferred approach would be to apply a consistent and more equitable N discharge allocation regime across the entire Hinds Plains area (over a suitable timeframe).

The Land and Water Partnership (LWP) is currently working towards a combined primary sector approach to N discharge allocation and will reach agreement on such an approach by 24 October 2014. When agreement is reached, it would make sense to incorporate it into Proposed Variation 2. The hope is that it will be consistently used throughout Canterbury (and throughout New Zealand).

The approach being developed will begin with the adoption of good management practice, based on the Matrix of Good Management (MGM) benchmarks, and will move over time to an allocation based on the productive potential and physical characteristics of land (soil type, climate and topography – essentially the MGM criteria without land use). This would result in greater equity among land users. This approach would be implemented in a staged manner, based on the platform of MGM benchmarks which will apply from 2017.

Therefore, Federated Farmers asks that the LWP approach is introduced in 2017 based on a starting point of GMP, which is required at that time by the Proposed Variation 2.

The first deviation from the proposed plan would occur in 2020, the time at which the first percentage reductions by dairy and dairy support would be required under Variation 2.

3 PART 3: AMENDMENTS TO SECTION 13 - ASHBURTON

The Ashburton Zone Committee's solution package contains conflicting goals. The water quality goals alongside the allowance for 30,000 ha of new land use development will have a severe impact on current land users, to the extent that land-users engaged in dairy and dairy support will be required to reduce N discharge beyond good management practice (GMP) by 45% and 25% respectively, by 2035.

It is highly questionable whether this will be physically possible without effectively changing land use, and it will undoubtedly have a substantial adverse economic impact, offsetting the benefit of new irrigation.

Federated Farmers supports the water quality outcomes sought by the Zone Committee. However, we have serious concerns about the calculated current and target loads used in the ZIP addendum and Variation 2 compared with those used to justify the N discharge conditions recently granted to irrigation schemes.

The discrepancies considerably diminish confidence in the scientific basis for the load limit calculations and create inequity between different groups of land users, at least in the short term.

Paragraph 8 on page 1

Submission

Paragraph 8 defines the Hinds/Hekeao Plains Area. It is stated that the area consists of the plains between the Rangitata and Hakatere/Ashburton Rivers, presumably including the area mapped as a green zone on the CLWRP map of Nutrient Zones.

For the purpose of the proposed policies and rules, no distinction is made between the land designated green and that designated red. This will have a substantial and unjustified adverse impact on those with land currently in a green zone.

Federated Farmers is opposed to this approach for land that is deemed to meet desired regional water quality outcomes.

Decision sought

Recognise that land within the green zone is deemed to meet desired regional water quality outcomes and amend the relevant policies and rules to treat this land in a manner befitting green zone status, along the lines of the CLWRP.

13.4: POLICIES

Policy 13.4.9 (p 3-4)

Submission

Oppose in part.

The policy lists mechanisms for improving water quality in the Hinds/Hekaeo Plains Area.

Part (d) requires a 45% reduction of N losses in the Lower Hinds/Hekaeo Plains Area along with adoption of the use of managed aquifer recharge (MAR) to augment groundwater and/or surface water.

A 45% reduction is significant, especially when considered alongside a potential 30,000 ha of new irrigation/intensification and the unproven nature of MAR. This has led to the requirement for 45% and 25% reductions in N discharge, below GMP, for dairy and dairy support land uses by 2035.

This level of decrease is not realistic and needs to be reconsidered along with the N load limit. A more realistic approach would be to focus on both the application and the potential for decrease at the time of the first plan review, at which time there will be much more information about what has been achieved and what the future potential is for reducing N discharge.

Decision sought

Amend the policy, especially Part (d), to reflect realistic positions regarding the potential to reduce N discharge in the context of the Lower Hinds/Hekaeo Plains Area. A realistic balance must be achieved between the catchment load limit and the need to reduce N discharge, allowance for further intensification (up to 30,000 ha) and the ability of MAR to dilute dissolved N without adverse impacts on those at the lower end of the catchment.

Policy 13.4.10 (p 4)

Submission

Oppose in part.

Part (a) requires the exclusion of intensively farmed stock from drains in addition to the region-wide stock exclusion rules. This is problematic depending on how a drain is defined.

Decision sought

Delete Part (a) unless it is accompanied by a satisfactory definition of what a drain is in the context of this rule.

Policy 13.4.11 (p 4)

Submission

Oppose.

Policy 13.4.11 requires water quality to be maintained in the Upper Hinds/Hekeao Plains area by capping discharges of N at 114 tonnes per year and by requiring all farming activities to operate at GMP to maintain current P losses.

This would have the effect of preventing any intensification, would limit productive potential in the area and would likely have adverse effects on land values and equity in farmland. This approach is inherently unfair because it 'grand-parents' N discharge to existing land-use within the Upper Plains area, disadvantaging those with lower N baselines compared with those having higher N baselines. It also disadvantages the Upper Plains land users compared with other land users in the catchment who have greater flexibility, including the ability to intensify, as part of an irrigation scheme or as an individual up to an N discharge of 27 kg/ha/year.

In addition, the load limit of 114 tonnes has not been rigorously determined and is not a suitable foundation upon which to justify prohibited activity status.

Decision sought

Amend to provide an appropriate flexibility threshold, below which farmers can change land use as a permitted activity, to enable flexibility of land use within the Upper Plains area. Amend the discharge cap to enable appropriate flexibility of land use.

Policy 13.4.12 (p 4)

Submission

Oppose.

Policy 13.4.12 requires that water quality in the Lower Hinds/Hekeao Plains area is improved by reducing the discharge of N from farming activities to achieve a target load of 3400 tonnes of N by 3035. This target, combined with the allowance for intensification on an additional 30,000 ha of land results in the need for unrealistic reductions in N discharge, from a baseline of GMP, for dairy and dairy support land uses.

The target is also questionable in relation to the estimate of current load 4500 tonnes of N per year and allocations to the RDR schemes within the catchment (4300 tonnes until 2019).

Decision sought

Set realistic targets for the reduction in N discharge, with regard to both quantity and timeframe. The initial focus should be on achieving GMP's which will deliver improved water quality rather than placing undue emphasis on Overseer-generated target numbers at an individual farm level. By the time the plan has its first review, much more information will be available to inform future direction.

Policy 13.4.13 (p 4)

Submission

Oppose in part.

Policy 13.4.13 requires that farming activities, including farm enterprises, in the Lower Hinds/Hekeao Plains area achieve a target load of 3400 tonnes of N per year by:

- a) Requiring existing farms to meet GMP by 2017.
- b) Requiring further reductions from dairying and dairy support from 1 January 2020 in accordance with Table 13 (h).
- c) Enabling land use intensification on up to 30,000 ha, providing N loss does not exceed 27 kg/ha/year.

Federated Farmers opposes the target load of 3400 tonnes because this in combination with the allowance for an additional 30,000 ha of land intensification results in the requirement for unrealistic reductions in discharge from dairy and dairy support land uses.

We support Part (a) because it is reasonable to expect all farming activities to meet good practice N loss rates by 2017.

We oppose Part (b) because the reductions in N discharge set out in Table 13(h) are unrealistic.

We support Part (c) provided the additional intensification can be incorporated into a package which provides equity to both existing farming activities and those seeking to intensify. However, the 27 kg N per ha threshold potentially creates inequity with existing land users who may be required to reduce their N discharge below 27 kg/ha, namely those with an MGM discharge of 49 kg N per ha or less.

Decision sought

Amend the target load to one that is achievable in a cost-effective manner and consistent with reasonable expectations for reduction in N loss beyond GMP and with the allowance for intensification of an additional 30,000 ha of land area.

Delete part (b) because the required percentage reductions in N discharge are not realistic and are unlikely to be able to be achieved in a cost-effective manner.

Amend the policies and rules which apply to existing land users, so that existing users are not disadvantaged compared with those that have intensified more recently. Specifically, address the potential inequity of existing last users having to reduce their N discharge below the 27 kg N/ha/year applies to new intensification/irrigation.

Policy 13.4.14 (p 4)

Submission

Support.

Policy 13.4.13 enables managed aquifer recharge (MAR) and targeted stream augmentation to improve flows in spring-fed water bodies and/or reduce N concentration in the Hinds River/Hekeao spring-fed water bodies and groundwater in the Lower Hinds/Hekeao Plains area.

The policy recognises the need to safeguard against adverse effects (Parts (a) – (f)). This is crucial, especially Part (f) which requires the avoidance of adverse effects on people and property. However, an additional item needs to be added which specifically refers to adverse effects of the ability to farm effectively.

Further, recognition should be given to the possibility of using existing irrigation scheme infrastructure for delivering targeted stream augmentation and care should be taken to retain stream augmentation where it already exists e.g. as part of working irrigation scheme.

Decision sought

Retain Policy 13.4.14 with the following amendments:

Include an additional item, as follows:

(g) adverse effects on the ability to farm effectively.

Correct wording of Part (e), as follows:

*(e) there is no net loss of significant ~~biodiversity~~ habitat of indigenous biodiversity;
and*

Policy 13.4.15 (p 5)

Submission

Support.

Decision sought

Retain.

Policy 13.4.16 (p 5)

Submission

Oppose in part.

Policy 13.4.16 requires the improvement of flows in spring-fed water bodies and the Hinds/Hekeao River to meet economic, cultural, social and environmental outcomes by requiring adherence to flow and allocation limits, limiting the volume and rate of abstraction on replacement water permits to reasonable use calculated in accordance with method 1 in Schedule 10, and prohibiting increased use arising from the transfer of consented volumes of water within surface water catchments and the Valetta Groundwater Allocation Zone.

Federated Farmers supports adherence to flow and allocation limits provided these are set by a collaborative community process, supported by reliable information and a sound

understanding of relevant processes – particularly the inter-connectedness between flows in lowland streams and irrigation practices further up the plains.

We support the reasonable use test methodology in Schedule 10 because it is the simplest and most rigorous way to determine seasonal volume limits designed to meet demand conditions that occur in 9 years out of 10.

However, we are opposed to the calculation of reasonable use being limited to method 1. All of the methods in Schedule 10 should be available. The reasonable use test methodologies in Schedule 10 were the result of a great deal of work during the Natural Resources Regional Plan process and there is absolutely no need to re-visit the issue in Variation 2.

Use of a daily water balance model (method 2) is a more robust way of determining seasonal irrigation demand than records of past use moderated to ensure that the annual volume is sufficient to meet demand in 9 years out of 10 (method 1).

The prohibition of transfer of consented volumes of water within surface water catchments and the Valetta Groundwater Allocation Zone is potentially problematic. There could well be environmental as well as commercial reasons for doing this e.g. for targeted stream augmentation.

Decision sought

Amend the text in Policy 13.4.16, as follows:

...limiting the volume and rate of abstraction on replacement water permits to reasonable use calculated in accordance with the methods set out 4 in Schedule 10...

Amend Policy 13.4.16 to remove the prohibition on water transfers where there is environmental benefit. Amend text as follows:

...in Schedule 10 and prohibiting increased use arising from the transfer of consented volumes of water within surface water catchments and the Valetta Groundwater Allocation Zone, unless there is environmental benefit from doing so.

Policy 13.4.17 (p 5)

Submission

Support.

Decision sought

Retain as notified.

Policy 13.4.18 (p 5)

Submission

Oppose in part.

Policy 13.4.18 states that until 30 June 2020, any water permit granted to replace an existing permit will be subject to the minimum flow and allocation limits in Table 13(e). This allows the continuation of the existing minimum flows and partial restriction conditions (stated on existing resource consents) and existing rates of allocation.

Federated Farmers supports the continuation of existing consent conditions but opposes the end date of 30 June 2020 stated in both Policy 13.4.18 and Table 13(e). In fairness to all parties, the status quo should apply until such time as a collaboratively developed flow and allocation regime is developed by the Hinds Drains Working Party.

Decision sought

Delete the words *and until 30 June 2020* from Policy 13.4.18, and the words *1 October 2014 – 30 June 2020* from the heading of columns 4 and 5 of Table 13(e).

Policy 13.4.19

Submission

Oppose.

Policy 13.4.19 states that: *After 1 July 2020 a minimum flow of 50% 7DMALF and an allocation limit of 20% 7DMALF will be applied to all water permits granted to abstract surface water from the water bodies listed in Table 13(e), or to abstract groundwater with a direct, high or moderate stream depletion effect on those water bodies, unless a collaboratively developed flow and allocation regime that has been included in this Plan through a Schedule 1 RMA process.*

The application of this rule would result in drastic reductions in both minimum flows and allocations. Therefore, Federated Farmers is opposed to the rule as currently drafted because it lacks equity. It is unfair and demonstrates bad faith to threaten one party to a collaborative process in this way.

The rule should be re-written to state that the status quo will continue until such time as a collaboratively developed flow and allocation regime is agreed by the Hinds Drains Working Party.

Decision sought

Amend Policy 13.4.19 to state that the status quo flow and allocation regime will apply until such time as a collaboratively developed flow and allocation regime is agreed by the Hinds Drains Working Party and has been included in this plan via a Schedule 1 RMA process.

Delete the words *1 October 2014 – 30 June 2020* from the heading of columns 4 and 5 of Table 13(e).

13.5 RULES

Hinds/Hekeao Plains Area

Pest Control and Agrichemicals

Rule 13.5.7 (p 6)

Submission

Support in part.

The provisions of Rule 13.5.7 are appropriate for water bodies on public land but not for those on private land where permission to access should be sought. When permission is sought a warning can then be given about the discharge of agrichemicals. Application of the rule to water bodies on private land would be unnecessarily onerous.

Decision sought

Amend rule 13.5.7 to exclude water bodies on private land.

Upper Hinds/Hekeao Plains Area

Rule 13.5.8 (p 6-7)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.9 (p 7)

Submission

Oppose.

Rule 13.5.9 requires farming activities in the Upper Hinds/Hekeao Plains Area to stay at or below their nitrogen baseline and either implement the practices in Schedule 24a or prepare and implement a Farm Environment Plan (in order to have permitted activity status).

Requiring farming activities to operate at or below their N baseline would have the effect of preventing any intensification, would limit productive potential in the area and would likely have adverse effects on land values and equity in farmland.

This approach is inherently unfair because it 'grand-parents' N discharge to existing land-use within the Upper Plains area, disadvantaging those with lower N baselines compared with those having higher N baselines. It also disadvantages the Upper Plains land users compared with other land users in the catchment who have greater flexibility, including the ability to intensify, as part of an irrigation scheme or as an individual up to an N discharge of 27 kg/ha/year.

The rule is particularly inequitable in situation where farmers have invested in environmental protection at the expense of land improvement in a more commercial sense.

Decision sought

Delete Part 1 and provide an appropriate flexibility threshold, below which farmers can change land use as a permitted activity, to enable flexibility of land use within the Upper Plains area. Amend the discharge cap accordingly.

Rule 13.5.10 (p 7)

Submission

Oppose.

Rule 13.5.10 requires farm enterprises in the Upper Hinds/Hekeao Plains Area to stay at or below their nitrogen baseline, be located solely in the Upper Hinds/Hekeao Plains Area and prepare and implement a Farm Environment Plan.

Again, requiring farming activities to operate at or below their N baseline would have the effect of preventing any intensification, would limit productive potential in the area and would likely have adverse effects on land values and equity in farmland.

This approach is inherently unfair because it 'grand-parents' N discharge to existing land-use within the Upper Plains area, disadvantaging those with lower N baselines compared with those having higher N baselines. It also disadvantages the Upper Plains land users compared with other land users in the catchment who have greater flexibility, including the ability to intensify, as part of an irrigation scheme or as an individual up to an N discharge of 27 kg/ha/year.

Decision sought

Delete Part 1 and provide an appropriate flexibility threshold, below which farm enterprises can change land use as a discretionary activity, to enable flexibility of land use within the Upper Plains area. Amend the discharge cap accordingly.

Rule 13.5.11 (p 7)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.12 (p 7)

Submission

Oppose.

Rule 13.5.12 states that it is a prohibited activity to exceed the nitrogen baseline. This would prevent any intensification, would limit productive potential in the area and would likely have adverse effects on land values and equity in farmland. This approach is inherently unfair because it 'grand-parents' N discharge to existing land-use within the Upper Plains area, disadvantaging those with lower N baselines compared with those having higher N baselines. It also disadvantages the Upper Plains land users compared with other land users in the catchment who have greater flexibility, including the ability to intensify, as part of an irrigation scheme or as an individual up to an N discharge of 27 kg/ha/year.

Decision sought

Delete Rule 13.5.12.

Lower Hinds/Hekaeo Plains Area

Rule 13.5.13 (p 7)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.14 (p 6-7)

Submission

Support the rule and conditions 1, 3, 4 and 5.

Rule 13.5.14 provides for the use of land for a farming activity or a farming enterprise as a discretionary activity, providing:

1. N loss is 27 kg/ha/year or less;
2. The area of newly intensified land does not exceed 30,000 ha;
3. The farming activity or enterprise is solely in the Lower Hinds/Hekeao Plains Area;
4. A Farm Environment Plan (FEP) has been prepared;
5. The FEP identifies the area of land subject to a consent application under this rule.

Condition 2:

Federated Farmers does not believe it is necessary to specify the 30,000 ha limit because there is already a discharge limit in place. Also, it may lead to a perverse outcome because it applies to any increase in N discharge over the baseline, with or without irrigation, however small. Therefore, a relatively small increase in total estimated N discharge could trigger the 30,000 ha limit. It would be preferable to remove the area limit and rely on the load target.

Decision sought

Delete condition 2 because there is already a discharge limit in place.

Rule 13.5.15 (p 7-8)

Submission

Support in part.

Rule 13.5.15 provides for a farming activity (as a permitted activity) until 1 January 2017, provided:

1. The N loss calculation does not increase above the N baseline; and
2. Requirements of Schedule 24a are met; or
3. An FEP is prepared and implemented.

Part 1 is potentially problematic. There are many valid reasons why the N loss calculation may increase above the N baseline. Among these may be the fact that development/increased productivity has occurred during the 2009-2013 baseline period, without any significant change in land use or intention to intensify.

There are a number of inequities surrounding the baseline conditions, both in the LWRP and in Variation 2. These include the treatment of dairy (where development during the baseline period is allowed for) relative to other land uses (where development during the baseline period is not allowed for) and the greater land use flexibility enjoyed by high N dischargers compared with low N dischargers.

Decision sought

Immediately interpret and apply the baseline provisions in a realistic way, recognising that farming businesses need flexibility to adjust land use and practises and that many farm systems are cyclical in nature.

Medium term, replace the baseline provisions with a more equitable allocation strategy as soon as possible, such as the approach developed by the Land and Water Partnership, referred to elsewhere in this submission.

Rule 13.5.16 (p 8)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.17 (p 8)

Submission

Oppose in part.

Matter for discretion 2 refers to the ability to meet the N load for farming activities in Table 13(g). As discussed previously, the load limits need to be calculated in a more robust manner using methodology that is consistent with estimates of N discharge from current land use and with estimates of N discharge used for consent applications.

Matter for discretion 4 states that GMP N loss rates are to be applied for the baseline land uses. In order to preserve equity, this needs to apply to all land users, including those within irrigation schemes.

Matter for discretion 4 refers to the “nitrogen loss rates to be applied in accordance with Table 13(h)”. Table 13(h) contains required percentage decreases in N loss rate beyond good management practice. As discussed previously, it is Federated Farmers view that these percentage decreases are not realistic and should be substantially amended or deleted.

Decision sought

Delete matter for discretion 2 unless target loads are amended to values which are achievable in a cost-effective manner and consistent with reasonable expectations for reduction in N loss beyond GMP and with the allowance for intensification of an additional 30,000 ha of land area.

Delete matter for discretion 4 unless realistic targets for reduction in N discharge, with regard to both quantity and timeframe, are set. The initial focus should be on achieving GMP's which will deliver improved water quality rather than placing undue emphasis on Overseer-generated target numbers at an individual farm level. By the time the plan has its first review, much more information will be available to inform future direction.

Rule 13.5.18 (p 8)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.19 (p 8)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.20 (p 9)

Submission

Oppose.

Rule 13.5.20 states that it is prohibited to exceed the nitrogen baseline until 1 January 2017 (Rule 13.5.15), from 1 January 2017 if the N loss calculation does not exceed 20 kg N/ha/year (Rule 13.5.16), from 1 January 2017 if the N loss calculation exceeds 20 kg N/ha/year and a restricted discretionary consent is obtained (Rule 13.5.17), and for land which is part of a farming enterprise (discretionary activity, Rule 13.5.18).

Requiring farming activities to operate at or below their N baseline will have the effect of preventing any intensification, will limit productive potential and will likely have adverse effects on land values and equity in farmland.

This approach is inherently unfair because it 'grand-parents' N discharge to existing land-use, disadvantaging those with lower N baselines compared with those having higher N baselines, notwithstanding the ability to intensify, as part of an irrigation scheme or as an individual up to an N discharge of 27 kg/ha/year.

A major issue with regard to the application of the baseline provisions is that many farmers have been undertaking development over the baseline period. Such development would not generally be described as land use change but may result in increased estimates of N discharge.

The plan needs to address this issue, so that land users don't suddenly find themselves in a position where it is impossible for them to comply with a historical baseline. Given the use of

prohibited activity status, farmers in this situation will be unable to even apply for a consent to continue what has previously been accepted as a perfectly legal activity.

Decision sought

Remove prohibited activity status and change to non-complying, so that land users, who have not genuinely changed land use, may continue hitherto legal activities by applying for a consent.

In the interests of equity, move away from the baseline provisions to a more equitable approach, namely that developed by the Land and Water Partnership. This should be timed to follow completion of the MGM project and the availability of GMP benchmarks from that project.

Irrigation Schemes

Rule 13.5.21 (p 9)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.22 (p 9)

Submission

Oppose in part.

Condition 2:

Federated Farmers supports the general thrust of the condition but opposes the required percentage reductions in N discharge specified in Table 13(i), columns 5-8 of row A.

As discussed earlier, the reduction targets are unrealistic. Realistic targets for reduction in N discharge, with regard to both quantity and timeframe, need to be set. The initial focus should be on achieving GMP's which will deliver improved water quality rather than placing undue emphasis on Overseer-generated target numbers at an individual farm level. By the time the plan has its first review, much more information will be available to inform future direction.

Condition 3.

Condition 3 limits the area of land available for new intensification/irrigation to 30,000 ha. Federated Farmers believes it is not necessary to specify the 30,000 ha limit because there is already a discharge limit in place.

Also, it may lead to a perverse outcome because it applies to any increase in N discharge over the baseline, with or without irrigation, however small. Therefore, a relatively small increase in total estimated N discharge could trigger the 30,000 ha limit. It would be preferable to remove the area limit and rely on the load target.

Decision sought

Set realistic targets for reduction in N discharge, with regard to both quantity and timeframes and amend Tables 13(h) and 13(i) accordingly. The initial focus should be on achieving GMP's which will deliver improved water quality rather than placing undue emphasis on Overseer-generated target numbers at an individual farm level.

Delete condition 3 because there is already a discharge limit in place.

Rule 13.5.23 (p 9)**Submission**

Federated Farmers opposes the prohibited activity status because it does not support conditions 2 and 3 of Rule 13.5.22.

Decision sought

Delete Rule 13.5.23 or at least remove the prohibited activity status.

Rules 13.5.24 & 13.5.25 (p 9)**Submission**

Support.

Decision sought

Retain as notified

Rule 13.5.26 (p 10)**Submission**

The term 'drain' is not defined. The reference to drains in Rule 13.5.26 should only apply to the main stems of drains listed in Table 13(e).

Decision sought

Amend the Rule so that it only applies to the main stems of drains listed in Table 13(e).

Rule 13.5.27 (p 10)**Submission**

Federated Farmers supports the rule for drains leading directly into the Ashburton or Hinds Rivers but opposes its application to other drains because of its potential adverse effect on native fish species.

Decision sought

Amend to specify that the Rule only applies to drains leading directly into the Ashburton or Hinds Rivers but not to other drains because of its potential adverse effect on native fish species.

Rule 13.5.28 (p 10)**Submission**

Support.

Decision sought

Retain as notified.

Rule 13.5.29 (p 11)**Submission**

Federated Farmer opposes Rule 13.5.29 which states that region-wide Rule 5.111 does not apply within the Lower Hinds/Hekeao Plains Area.

Rule 5.111 provides for small takes from a river, lake or artificial watercourse as a permitted activity. The ability to access small quantities provides for a range of purposes other than irrigation. It is cost-effective and administratively efficient to allow for such takes without requiring a consent application.

Decision sought

Delete Rule 13.5.29 because Rule 5.111, which provides for small permitted takes for a range of purposes, is cost-effective and administratively efficient.

Rule 13.5.30 (p 11)**Submission**

Oppose.

All of the methods in Schedule 10 should be available. The reasonable use test methodologies in Schedule 10 were the result of a great deal of work during the Natural Resources Regional Plan process and there is absolutely no need to re-visit the issue in Variation 2.

Use of a daily water balance model (method 2) is a more robust way to determine seasonal irrigation demand than records of past use moderated to ensure that the annual volume is sufficient to meet demand in 9 years out of 10 (method 1).

Decision sought

Amend Condition 1 as follows:

If the proposed take is the replacement of a lawfully established take, the annual volume and maximum rate of take has been calculated in accordance with the methodology 4 in Schedule 10.

Rule 13.5.31 (p 11)**Submission**

Oppose in part.

The purpose of this rule is to enable the taking and use of groundwater in the Valetta and Mayfield Hinds Groundwater Allocation Zones to substitute for existing surface takes or groundwater takes with a direct, high or moderate stream depletion effect.

Condition 1 requires that the groundwater will be abstracted from the same property as the existing surface or hydraulically connected groundwater take. This condition may be counter-productive.

There is no particular reason why water shouldn't be moved from one property to another and there may be particular benefits in allowing this to happen. For example if there is no good groundwater source on a particular property, then the only option would be to bring water from elsewhere. This may have the additional benefit of providing additional flow in the waterway that is used as a conduit.

Decision sought

Amend Condition 1, as follows:

~~The groundwater take will be abstracted on the same property as the existing resource consent and~~ There is no increase in the proposed annual volume;

Rule 13.5.32 (p 11)

Submission

Oppose.

The conditions of Rule 13.5.31 require amendment and until that occurs, prohibited activity status is appropriate.

Decision sought

Remove prohibited activity status unless Rule 13.5.31 is amended as requested.

Transfer of Water Permits

Rules 13.5.33 and 13.5.34 (p 12)

Submission

Oppose

Rule 13.5.33 prohibits the temporary or permanent transfer of surface water and rule 13.5.34 prohibits the temporary or permanent transfer of ground water. Conditional transfer should be enabled, particularly where water can be used to supplement flows for the dual purpose of enhancing aquatic habitat and providing water for irrigation.

Decision sought

Amend Rules 13.5.33 and 13.5.34 to allow conditional transfer, particularly where environmental benefit is associated with the transfer.

Rule 13.5.35 (p 12)

Submission

Support.

Decision sought

Retain as notified.

Rule 13.5.36 (p 12-13)

Submission

Oppose in part.

Condition 4 is not necessary for health reasons (e.g. if groundwater was being discharged into a surface water body to be used for irrigation), and would substantially and unnecessarily constrain that activity.

The rule needs to be amended to accommodate the discharge of irrigation water into surface water bodies to supply water for irrigation (with the additional benefit of enhancing flows and aquatic habitat). Therefore, irrigation should be added to Condition 5.

Decision sought

Delete Condition 4.

Amend Condition 5, as follows:

The discharge is for the purpose of reducing the concentration of nitrate nitrogen in surface water or groundwater or increasing flows in lowland streams for ecological or cultural benefits or providing water for irrigation.

Rule 13.5.37 (p 13)

Submission

Support.

Decision sought

Retain as notified.

13.6: Freshwater outcomes (p 13)

Submission

It is stated that the freshwater outcomes in Table 13(a) are to be achieved by 2035. Federated Farmers is skeptical about the linkage between these outcomes and the catchment load limits (Table 13(g)), and believes that the measures imposed to achieve the load limit (reductions in N discharge from a starting point of GMP specified in Table 13(h)) are not achievable in a cost-effective way.

Decision sought

Review the load limits and N discharge reduction regime so that they can be realistically achieved. Focus initially on getting land users to GMP while monitoring the water quality indicators.

Table 13(a) (p 14-15)

Submission

Oppose in part.

It is not necessary to name the spring-fed plains waterways because they are mapped in the CLWRP.

The QMCI values for *Hill-fed – Lower* and *Spring-fed – Plains* are optimistic and realistically should be lower

Decision sought

Delete names for the spring-fed plains waterways because they are mapped in the CLWRP.

Reduce the QMCI values for *Hill-fed – Lower* and *Spring-fed – Plains* so that they are realistic.

Table 13(d) (p 16)

Submission

Oppose in part.

The changed minimum flow, allocation and restriction regime for the Lower Hinds River (third row in Table 3) is likely to adversely impact on those with hydraulically connected wells. Therefore, Federated Farmers support for Table 13(d) depends on satisfactory resolution of issues regarding adverse effects on water takes from Hydraulically connected wells.

Decision sought

Delete changes to the flow and allocation regime for the Lower Hinds River/Hekeao unless issues regarding adverse effects on water takes from hydraulically connected wells are satisfactorily resolved with the relevant consent holders.

Table 13(e) (p 16)

Submission

Oppose in part.

Policy 13.4.19 in conjunction with Table 13(e) states that: *After 1 July 2020 a minimum flow of 50% 7DMALF and an allocation limit of 20% 7DMALF will be applied to all water permits granted to abstract surface water from the water bodies listed in Table 13(e), or to abstract groundwater with a direct, high or moderate stream depletion effect on those water bodies, unless a collaboratively developed flow and allocation regime that has been included in this Plan through a Schedule 1 RMA process.*

The application of Rule 13.4.19 in conjunction with this table would result in drastic reductions in both minimum flows and allocations. Therefore, Federated Farmers is opposed to the rule and table as currently drafted because they lack equity. It is unfair and demonstrates bad faith to threaten one party to a collaborative process in this way.

As well as the rule being re-written (as requested) to state that the status quo will continue until such time as a collaboratively developed flow and allocation regime is agreed by the Hinds Drains Working Party, Table 13(e) should be amended to delete the words *1 October 2014 – 30 June 2020* from the heading of columns 4 and 5 of Table 13(e).

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Decision sought

Delete the words *1 October 2014 – 30 June 2020* from the heading of columns 4 and 5 of Table 13(e).

Table 13(g) (p 19)**Submission**

Oppose.

The load limit for the Upper Plains has not been robustly determined.

The load limit for the Lower Plains has also not been robustly determined, its linkage with water quality indicators is not clear and it has not been determined using a methodology consistent with that used to determine current N discharge or that used to justify the N discharge conditions on major consents

Decision sought

Delete Table 13(g) until such time as:

- load limits can be robustly determined;
- consistent methodology is used to determine current N discharge load, the N discharge load limit and consent N discharge conditions; and
- a credible relationship between the N load limit and water quality indicators has been established.

Table 13(h) (p 19)**Submission**

Oppose.

The percentage reductions in N discharge proposed in Table 13(h) are unrealistic and unlikely to be able to be achieved cost-effectively.

Any targets for reduction in N discharge should be realistic, with regard to both quantity and timeframe. The initial focus should be on achieving GMP's which will deliver improved water quality rather than placing undue emphasis on Overseer-generated target numbers at an individual farm level. By the time the plan has its first review, much more information will be available to inform future direction.

Decision sought

Delete Table 13(h) or amend to include realistic percentage reductions. The initial focus should be on achieving GMP's which will deliver improved water quality rather than placing undue emphasis on Overseer-generated target numbers at an individual farm level. By the time the plan has its first review, much more information will be available to inform future direction.

Table 13(i) (p 20)**Submission**

Support in part.

Federated Farmers supports the intent of the Table but opposes the percentage reduction values in Table 13(h) because they are unrealistic and will not be able to be achieved cost-effectively.

Decision sought

Retain on the condition that Table 13(h) contains realistic percentage reductions that can be achieved cost-effectively.

Table 13(j) (p 21)

Submission

Support in part.

Logically this table should be combined with Table 13(a).

Decision sought

Combine Table 13(j) with Table 13(a).

Table 13(k) (p 21)

Submission

Support.

Decision sought

Retain as written.

PART 4: AMENDMENTS TO SECTION 16 - SCHEDULES

Schedule 24a – Farm Practices

Submission

Oppose Part (d) - Cultivation.

For all cultivation adjacent to any river, lake, artificial watercourse (excluding irrigation canals or stock water races) or wetland, Part (d) (ii) requires a standard 3 m uncultivated strip to be maintained around the water body.

Setback requirements for cultivation should vary according to factors such as topography, time of year, type of cultivation, type of crop, size water body and other factors.

A flexible approach would be preferable, taking into account specific circumstances using farm environment plans, worded as follows: *For all cultivation adjacent to any river, lake or artificial water course (excluding irrigation canals or stockwater races) or a wetland, an uncultivated vegetative strip will be maintained as specified in the property's FEP (but no less than 1 m). Any property without an FEP will maintain a 2 m uncultivated vegetative strip...*

Decision sought

Re-write Part (d) (ii) as follows:

For all cultivation adjacent to any river, lake or artificial water course (excluding irrigation canals or stockwater races) or a wetland, an uncultivated vegetative strip will be maintained as specified in the property's FEP (but no less than 1 m). Any property without an FEP will maintain a 2 m uncultivated vegetative strip...

Section 32 Evaluation Report

The following commentary on the evaluation of economic impacts in the Section 32 Evaluation Report is based on analysis done by George Lumsden, Senior Rural Manager, Rabobank, Ashburton.

The section 32 analysis of the proposed plan lacks detail around the economic impact of the proposed changes. While the section 32 analysis broadly meets the requirements imposed by the RMA, it was prepared late, with little opportunity for public discussion. This is not consistent with a collaborative approach.

A discussion was held with the Hinds Plains Land and Water Partnership in December 2013 at which many of the base parameters used in the report were refuted. Despite this, ECan continued, using the data they had, to ensure they met the legal requirements for an analysis.

Because of a lack of definition of a dairy support farm, these comments relate only to dairying, but can be expanded to include Dairy support once a definition is available.

The Hinds Plains Zone (HPZ) has approximately 45,000 ha dedicated to dairy platforms.

District average production from the HPZ is 1650 kg Milk solids (MS)/ha. Therefore, the estimated current total production from HPZ is 74.25 million kg MS per year.

The average dairy payout for the last 5 years is \$6.78/kg MS. Using this as a base, gross income = 1650 kg MS x \$6.78/kg MS = \$11,187/ha.

The MRB dairy sector October 2014 newsletter indicates that on average, a Mid Canterbury Dairy unit has a cost structure of approximately \$4.65/kg MS.

Therefore the cost to run a dairy business in HPZ = 1650 kgsMS x \$4.65/kg MS = \$7,672.50/ha.

The average New Zealand debt per kg MS is \$18-19/kg MS.

For HPZ this would be 1650 kg MS x \$18.50/kg MS = \$30,525 debt/ha.

Median cost of interest currently 7%, so debt servicing \$30,525 x 7% = \$2,136/ha.

Summary today on a per hectare basis

Gross Farm Income	Farm Working expenses	Debt Servicing	Surplus for Living, tax, Capital
\$11,187	\$7,672.50	\$2,136	\$1,378.50

The Lincoln University Dairy Farm (LUDF) October 2014 farm report advised that they have an internal management requirement to not exceed N leaching levels on an annual basis, from the previous year. LUDF operates at a level which is currently better than GMP and is run as a commercial farm, so is directly comparable to the HPZ. The soils at LUDF are superior to HPZ, so drainage and therefore N losses from HPZ, which contains a large

proportion of stony soils, will be greater. Greater mitigation of N loss will be required in HPZ compared with LUDF, but the LUDF numbers are useful as a baseline guide.

In order to meet LUDF internal goal of not exceeding previous years N leaching, in autumn 2014 the farm had to reduce stocking rate, cull early, and stop using supplements and fertiliser. These actions reduced N loss by 8%, and dropped total N lost to just below the previous season. The cost of this change was \$700/ha in lost income.

Applying the same change to HPZ has the following impact.

Summary if HPZ reduce N loss 8%

Gross Farm Income	Farm Working expenses	Debt Servicing	Surplus for Living, tax, Capital
\$10,487	\$7,672.50	\$2,136	\$678.50

The two tables above indicate the effect of an 8% reduction in N loss from GMP. In contrast, Dairy platforms in HPZ are required to reduce N discharge by 45% by 2035.

The cost of an 8% reduction across the HPZ (45,000ha x \$700/ha) is reduced farm gate revenue of \$31.5 million, which is substantially more significant than the section 32 analysis reports.

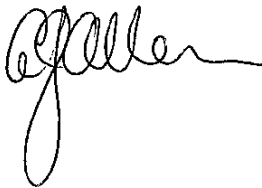
It should be noted that this estimated decrease applies to dairy platforms only and excludes other farm types.

The conclusion, even from the brief appraisal above clearly indicates that the current detail of economic cost of Variation 2 is inaccurate. Revenue decreases of this magnitude will have substantial adverse effects on the local, regional and national economies.

We consider that ECan's lack of appropriate economic impact analysis within the Section 32 Evaluation Report must be given due weight when determinations are made on the matters addressed in Variation 2.

Conclusion

Federated Farmers thanks Environment Canterbury for the opportunity to submit on Proposed Variation 2 of the Proposed Canterbury Land and Water Regional Plan. We look forward to ongoing dialogue about Variation 2 and continuing to work constructively with Council.

A handwritten signature in black ink, appearing to read 'C. Allen', with a long horizontal flourish extending to the right.

Chris Allen
President
Mid Canterbury Province
Federated Farmers of New Zealand